These appointments of Public Valuers have only been made to the 30th June, as it is considered expedient that all such appointments should terminate on that date, full discretion being reserved by the Governor of reappointing any one or more of them for another year. The appointments are made subject to compliance by Public Valuers with instructions issued from this office, and of the acceptance by them of all valuations tendered them at a rate not exceeding the rate to be fixed by the Governor. These instructions are contained in Schedule VI. hereto.

In connection with this subject attention is called to regulations 55 and 65. By the former, provision is made for the valuation of a society with branches, which is to include all funds under the control of the central body of the society, whilst a registered branch, in respect of the valuation of any fund or funds administered by itself or by a committee or officers appointed by itself, is placed on the same footing as a separate society. Regulation 55, which it must be observed applies to all valuations, whether by Public Valuers or others, provides that no valuation is to be deemed a valuation under the Act where one Valuer has audited the accounts of the society or branch for the year next preceding the valuation, the object being to insure at least one year's independent audit before a valuation.

Although the employment of a Public Valuer is not made compulsory on societies, and although they are permitted by the Act to appoint their own valuers, yet such appointment is made conditional on the approval of the Governor, this provision being inserted in view of the supreme importance to the safety of societies of having the valuations conducted by thoroughly competent men. In illustration of the high responsibility involved in the duties of a valuer, the Chief Registrar in England has remarked as follows:—

"It will be seen, on reference to the valuations, that there is something more required of a competent valuer than mere computing by the aid of tables. The special features of the society must be carefully considered from various points of view before the principles and data to be used in the valuation can be properly determined upon. Among the many points to be regarded are the following:—

"(1.) The nature of the society's investments, and the rate of interest they yield.
"(2.) The nature of the society's sickness and mortality experience.
"(3.) The financial effect of reducing the sick pay in cases of prolonged sickness.
"(4.) The financial effect of sickness allowance throughout life.
"(5.) The number of members in the society—that is, whether the number is large enough to justify the expectation of average results.

"Again, when the principles and data to be used have been carefully chosen, and the results of the valuation ascertained, there arise other important questions as to which the valuer ought to be able to give the society information, advice, and assistance. The valuer should be competent, for instance,—

"(1.) To give a satisfactory explanation of the cause of the surplus or deficiency shown by the valuation.
"(2.) To advise as to how such surplus or deficiency should be dealt with.
"(3.) To fix the principles on which such surplus should be divided, or such deficiency made good."

In view of these circumstances, it is greatly to be desired that care shall be exercised in the selection of officers who are to be intrusted with this most important duty.

No action has as yet been taken relative to the appointment of Public Auditors, or the determination of the rates of remuneration to be paid to them.

Wm. R. E. Brown,
Registrar of Friendly Societies.

Registrar-General's Office,
Wellington, 15th August, 1878.