Departmental Accounts, and, later on, an Assistant Inspector. A matter of such importance as this should not be allowed to rest or be unnecessarily delayed. This is the third separate occasion on which the Commissioners have called attention to it. The work done by the Treasury, as the result of representations by the Commissioners, is not overlooked, but in this important particular the need for improvement is great.

To reduce the matter to its simplest terms, it is surely obvious that it is better to provide an imprestee paying out £10,000 per month, at the rate of £2,500 a week, with a minimum working-balance, and at the same time to arrange for him to be credited by the Treasury from day to day or week to week with such amounts as are actually required for the payment of accounts, than to provide him with cash at the beginning of each month to the amount of £10,000. The working-balance and the consequent loss of interest could thus be reduced by one-half or more. If the question of exchange need be considered in connection with the Treasury bankers, drafts could be negotiated through a revenue department, such as the Post Office, without cost; or the Post Office could make the whole of the payments on properly approved vouchers.

The Commissioners were fully under the impression that some such arrangement as this was contemplated by section 9, subsection (4), of the Public Revenues Act, 1914. It appears, however, that the arrangement with the bank left the matter almost precisely as it was—that is to say, instead of the bank crediting the local imprestee at, say, Christchurch, as formerly, at the beginning of each month, the cash is withdrawn from the Public Account and credited to a Suspense Account in Wellington.

It is considered that in many of the Departments the standard of efficiency could well be improved in the details of both revenue and expenditure account-keeping.

A uniform system of accounting for expenditure has been introduced. The tendency, however, has been in some Departments to continue to record a great deal of unnecessary information.

The method adopted in revenue branches of many Departments still requires revision. This duty should devolve upon the Treasury, which should direct the system of accounts in all Departments, and once a system has been instituted no alteration should be made without reference to the Treasury. This proposal is on lines similar to that put forward in 1909 by the Public Service Commissioner, Western Australia, after investigating account and stores systems in that State.

Notwithstanding what has been pointed out by the Commissioners during the past two years, and the knowledge that experts on the Commissioner's staff are available to give advice, there is still a tendency on the part of some officers to introduce obsolete and unwieldy methods of account-keeping. Such officers are, it need scarcely be said, those who have not passed the Accountants' Examination, and it will have to be considered whether the position of Accountant in any Department of the Public Service should not be reserved for officers who have so qualified. The opportunities offered by the University are now so extensive, and the proved value of accountants who have passed the University test is so marked, that it is time Government was receiving the advantages of such special education.

Care of Public Moneys.

What is believed to be the most serious defalcation heretofore by any member of the Public Service came to light in Christchurch in October last in connection with the collection of land revenue. The failure to discover the theft at the proper time has been investigated, and a special report made by a Board appointed by the Public Service Commissioner, consisting of an accountant from outside the Service and the Permanent Head of a revenue Department. It is to be regretted that in this particular case a system of keeping the accounts, recommended in 1911 by a committee consisting of two Audit Inspectors, two Receivers of Land Revenue, and one Treasury officer, is responsible for the facilities offered to a dishonest officer. In September, 1913, some months after the Commissioners assumed office, the attention of the Auditor-General was called by them to an inherent weakness of method, but he considered that it would be a retrograde step to revert to the former system.