The change of method in account-keeping in 1911 was probably inspired by some Receivers of Land Revenue, who apparently desired to hold positions independently of the Commissioners of Crown Lands. Unhappily, their desire appears to have been fulfilled to a large extent. A separate report, which has been forwarded to Government, gives at considerable length the result of the investigation.

It is necessary to suggest a remedy. It is useless to attempt to patch the present system, which has the inherent defect of entrusting the collection of a revenue of £1,060,000 per annum to local officers without supervision and check of the Head Office. The Head Office control prior to 1909, although somewhat elaborate, was effective, and it is imperative that a reasonable modification of the system should be resumed.

Under the arrangement referred to, ledgers were kept in every provincial district, and accounts for rents due issued locally. In addition, duplicate ledgers were kept at the Head Office, from which an Auditor of Land Revenue obtained information concerning outstandings, and took independent action to verify them. It is now proposed that the keeping of ledgers should be resumed in the Head Office, the provincial-district ledgers abandoned or modified, and all notices of rents due issued from the Head Office. At the same time, instead of requiring tenants to pay their rents to a special officer in each district, arrangements should be made under which rents can be paid at any post-office money-order office. It is difficult to understand why the latter facility has not been accorded to tenants before now. It has been proposed on more than one occasion during the last seven years, but the Lands Department has been consistently opposed to the proposal, for reasons which do not appear to be valid.

The Commissioners have carefully examined objections to the course now proposed, and are of opinion that, besides facilitating the payment of rents, the opportunities for fraud will be reduced to a minimum, whilst senior officers in the local offices, instead of taking a more or less perfunctory interest in the collection of land revenue, will be compelled to keep in closer touch with it than appears to be the case at present.

Fortunately, the multiple scheme of rendering accounts, devised by the Commissioners for operation in local offices, can be adopted practically without modification, so that very little is required to bring the proposed new system into force beyond arranging some slight changes of staff. Incidentally, an appreciable economy in staff will result.

From other cases which have come under notice it is evident that many officers do not recognize the responsibility attached to the care of public moneys. The Commissioners have observed an absence of supervision on the part of those whose duty it is to exercise it, and that accounts clerks are allowed both to deal with cash and keep the account-books, thus paving the way for peculation and fraud.

During the year in one Department it was found that some hundreds of pounds' worth of negotiable documents had been received in payment for services carried out, and no entries had been made in the books; moreover, these documents were not in the care of any one, and no one could guarantee that theft had not resulted. In another case, in which trust-moneys were involved, an officer had *carte blanche* to issue cheques without any countersignature. Again, in another Department it was found that moneys had been received and no officer was able to give any satisfactory account of them or of what had become of a portion of the cash itself. These are some of the cases that have happened, but there are several others, all equally pointing to the conclusion that the supervising element is weak, and that the responsibility on the part of those whose duty places them in positions of trust is not properly appreciated.

In this matter it seems to the Commissioners that a great change in methods is required.

As soon as possible, complete instructions in pamphlet form, indicating the responsibility of officers handling moneys, should be issued by the Treasury. It is also considered that surprise audits should be carried out.

Economies.

The disturbing conditions which have overtaken the Service, arising from the war, have not been favourable to the discovery of additional economies to any great