

13. Recently it was considered desirable to bring under notice of the Minister the case of the kauri-gum industry accounts. It was discovered by the Commissioners that although an Act governing the kauri-gum industry had been passed in 1914, no proper method of account-keeping had been provided by any Department. It was immediately arranged that an officer of the Public Service Commissioner's Office should visit Auckland and put the accounts in order.

14. While the Commissioners are willing to assist Departments in every way, it is obvious that it should not be left to them to discover failures of the kind, and it was suggested to the Minister that in any future legislation affecting trade concerns, as in the Kauri-gum Industry Act, provision should be made for the Treasury to see that a correct system of accounts is arranged. Too much care cannot be exercised when initiating Government trading concerns to provide at the same time that there shall be no failure to establish the accounts on the best modern system. After some correspondence a very unsatisfactory reply was received from the Lands Department, whose duty it was to administer the Act. A year after the operations authorized under the Act had commenced it had done no more than discuss proposals. The Treasury appeared to disclaim all responsibility for the form of accounts of new trading Departments.

15. The Commissioners informed the Minister of Finance that it had been made abundantly clear that the average Department had no very extensive knowledge of the principles of modern accountancy, and, even if every Department had such knowledge, it would be very inadvisable to allow them to develop accounts according to their own ideas, which would be liable to change with every new accountant appointed to the Department. It was further urged that uniformity of method was imperative; besides, it was evident from the case under notice that unless a very sharp lookout is kept by some Department responsible there will be found Government trading concerns carrying on their operations without reliable accounts. There was no suggestion that the Treasury should actually open books, but it was considered that a demand should be made that the form of accounts should be submitted for approval and that the Treasury should also give advice when necessary. The Commissioners once more expressed their willingness to render every assistance, even to the actual opening of the books. The correspondence closed with a request from the Treasury that the question be postponed until affairs assumed a more settled aspect. The main question as to which Department is responsible remains unsettled.

16. Among the difficulties experienced by the Commissioners is the failure of some Departments to reply to suggestions made. As an example an inspection of the system of accounts of the Public Works Department was made in August, 1913, to which a sufficient reply has not yet been received, although the Department has been asked for one again and again.

TRAINING OF ACCOUNTANTS.

17. In the matter of account-keeping in Departments generally the Commissioners are of opinion that immediate steps should be taken to properly train officers in this important branch of work. In many cases it has been found that officers in charge of accounts have not received a proper training in accountancy. This condition of affairs is applicable not only to New Zealand, for in a report last year by Mr. R. McC. Anderson on the business management of the Department of Home Affairs, Commonwealth of Australia, the following pertinent remarks occur:—

“The matter of accountancy is of more importance in the Commonwealth Service than seems to be realized. . . . Further than that, steps should be taken to specially train men for this very important branch of the Commonwealth Service. At present men seem to blow in and drop out of the accountancy branches in quite a casual way, coming from records and thence to purely clerical duties, which prevents continuity and expertness of service.”

18. The Commissioners consider that this important matter should be taken up by the Treasury, and that a start should be made this year by the appointment of a number of cadets of special educational attainments, who are prepared to qualify in and follow accountancy. These cadets should be attached to the Treasury,