

without saying that the publication of a properly prepared balance-sheet is not only a valuable check on the work of the Department, but a check against any tendency to extravagance.

66. As regards receipts and expenditure, the current accounts kept by the Departments under the Commissioner's control have been simplified during the last few years. This has resulted in increased efficiency, and has also enabled Departments to carry on during the war without highly trained assistants. Officers have been encouraged to take up the study of accountancy, with gratifying results, and a healthy tendency to improvement continues. Generally, the accounts of Departments are well and neatly kept, and it is hoped that the Treasury will now be in a position to inspect them more frequently than has been possible during the last few years.

ACCOUNTANTS AND FINANCIAL CONTROL.

67. The responsibility and duties of departmental Accountants should be clearly defined by Permanent Heads. In more than one Department it was found that the Accountant, instead of being a "live wire," had become a mere voucher or accounts clerk. The departmental Accountant, as a rule, does not exercise any real financial control over the business transactions of his Department, and receives but scant encouragement to do so. The responsibility of this officer should be held to include the proper observance of the Public Revenues Act and the Treasury Regulations, as well as the accepted principles of accountancy. When carrying out this responsibility he should not be regarded as an obstructionist, but rather as the expert adviser of his fellow-officers who are entrusted with the expenditure of public moneys for which proper accounts must be rendered. In brief, the departmental Accountant should leave his impress upon the whole accounting system of his Department, and should occasionally visit each district or branch office, examine the accounts, ensure co-ordination, and prevent duplication. There is at present in some Departments too much variation in the district accounts, which should be standardized.

68. It would be advantageous if the departmental Accountants met district subordinates occasionally in conference, and later on themselves conferred with representatives of the Treasury and Audit Departments and the Inspecting Accountant attached to this office, for the purpose of considering the methods of Government accounting and their possible improvement.

CASH RECEIPTS AND DEPOSITS.

69. In more than one office it was noted that the Treasury Regulation which requires that all moneys paid to accounting officers must pass through the Public Account was not strictly observed, and that sometimes, when deposits were accepted, the cash was held, and later refunded direct. Such a practice is improper, and the tendency to retain loose cash in offices should be checked. There are but few places where lodgments cannot be made daily, as required by the Treasury.

CLAIMS AGAINST THE GOVERNMENT.

70. From vouchers inspected in different offices it was noted that the necessity for prompt attention to all claims against the Government was not sufficiently recognized. Habitual delay in the payment of accounts invariably results in increased cost to the purchaser.

71. The general use by suppliers of the form of claim supplied by the Treasury should be encouraged.

72. Several Departments prepare the vouchers, which could just as easily be prepared by the traders, thus saving unnecessary transcription and minimizing the possibility of error and fraud.

73. From a number of Audit queries which came under notice it would appear that certificates are signed with but little regard to their meaning and responsibility. It was obvious that more care should be exercised by Departments when examining and checking accounts. Comparisons should be instituted, and prices checked against ruling market rates. In one case it was noted that two