

The Department has in the past been ranked to a great extent according to the size of its vote under its class on the Consolidated Fund, and the large expenditure and responsibility incidental thereto in connection with subsidies has been apt to be overlooked, appearing as it does modestly as a one-line item among the appropriations "Under Special Acts of the Legislature." Yet the Department's financial responsibility by no means ends here. In addition to the expenditure of the above-mentioned funds, it is responsible for ensuring the economic expenditure of hospital and charitable institutions, which now amounts to three-quarters of a million pounds annually, and shows every indication of immediately reaching the million mark.

EXPENDITURE UNDER THE HOSPITALS AND CHARITABLE INSTITUTIONS ACT.

A further report on this matter will be submitted, together with tables and Income and Expenditure Account and balance-sheets of Boards as an appendix to this report. The same difficulty is being experienced as heretofore in obtaining the annual returns with anything like promptitude from Board officers; the Boards themselves are very curiously apathetic in the matter. This is equally the case with regard to Board's estimates of their requirements. It seems remarkable that members of Boards should be content months after the close of the financial year to proceed with the Board's business, including the passing of accounts for payment, without being aware either of the receipts and payments for the last financial year or the estimated requirements for the current year. It is safe to say that a business man would immediately after the close of the financial year require to know the financial position of his business. It should be possible to produce the figures in regard to the estimates, at all events, immediately after the 31st March, and in a report published by the Department as late in the year as August or September it should be possible to include such figures. Though the exact estimates of hospital and charitable-aid expenditure are not available, yet sufficient information has been forthcoming to enable the Department to arrive at a close approximation, with the result that it has been found necessary to place the sum of not less than £325,000 upon this year's estimate, as against £275,000 voted and £272,564 expended last year. In 1909-10 the appropriation for subsidies was £150,000. In 1919-20 £325,000 will be required, an increase of 217 per cent. in the ten years. The total expenditure of Boards and separate institutions for last year is not yet known, but for 1917-18 it was £688,593, as against £210,780 for 1907-8. This great increase is cause for serious reflection. In this connection attention must be again drawn to the neglect evinced by many Secretaries in the collection of patients' fees. In the appendices to the report of 1917-18, which owing to the regrettable neglect of some Secretaries in not sending in their returns has only just been published, is a table showing the fees received and the fees outstanding, which discloses a state of affairs which is a matter of the gravest concern. In that year the total fees receivable by Hospital Boards, including fees outstanding at the beginning of the year, was £564,978, whilst the fees outstanding at the end of the years were £318,443. The percentage of fees collected by the Boards was only 17·5 per cent., while as regards the Department's own institutions the percentage was 64 per cent. With the appointment of an Inspecting Accountant first-hand knowledge of the methods pursued will be available, and in view of the fact that it is proposed to introduce an amendment to the Act, giving subsidy on a sliding scale according to a Board's needs, it might be necessary, in cases where negligence on the part of the Board's financial administrators is discovered, for the Department to seriously consider whether it should not recommend the Minister to utilize the discretionary power he possesses to deduct from the subsidy payable such amount as is the direct result of the negligence of such officers. As the control of the Board's administration is in the hands of representatives of local authorities any extra expense caused by neglect in such administration should be borne entirely by the local authorities, and this would have the effect of stimulating their representatives to ensuring the proper activity on the part of their officers, and make it certain that the rate of subsidy is not increased owing to negligence in collecting other revenue. An alternative method which suggests itself, in view of the heavy burden on the Consolidated Fund, is whether the Department should not take steps to have the Board Secretaries made officers of the Department—that is to say, that the Department should appoint and pay such officer, and would then be in a position to insist upon its requirements as regards the necessary information being furnished and the requisite activity displayed in the collection of revenue. In all other respects such officer would be the servant of the Board and would take his instructions from the Chairman.

False economy has been practised by some of the smaller Boards in combining the positions of Secretary and Sanitary Inspector. In the latter capacity such officer is, or should be, seldom in the office and constantly in the field. In his capacity of Secretary, however, he should be at the hospital, where he should interview every patient on discharge. The amount of fees payable even to the smallest Boards is considerable, and the amount of bad debts that have to be written off would generally more than pay the cost of the Secretary's salary.

There is considerable diversity in the salaries paid to the Secretaries even of Boards with the same amount of "turn-over." Officers occupying such responsible administrative positions should in every instance be adequately paid, and then efficiency should be insisted upon. An underpaid officer is a discontented officer, a discontented officer is an apathetic officer, and from an apathetic officer good work never results.

The following serves as an instance of such apathy: An officer who absolutely neglected the Department's request for information and ignored departmental correspondence only roused himself from his apathy to apply for an advance on account of subsidy, as being doubtless a simpler method of "raising the wind" than collecting the long-overdue levies from the contributory local authorities, the means of obtaining funds by way of bank overdraft having been exhausted. It