INSPECTION.

Review of Estates under Administration.—Since the Board took office the necessity of the creation of a Division to conduct a review of the administration of estates has become increasingly apparent.

So far as the preparation, checking, and despatch of accounts in estates are concerned the position has been quite satisfactory. The accounts are prepared by experienced officers, and are then submitted to trained and qualified Accountants, by whom they are subjected to a careful examination before despatch.

A critical examination of the work of estates administration is no less essential both in order to protect the Office from possible loss and also to conserve the interests of clients and beneficiaries.

A commencement with this important work was made by directing that in the case of all new estates accepted by the Board for administration the files should be reviewed at fixed periods according to the size and complexity of the estate.

The Board soon came to the conclusion that if the work was to be properly performed a Reviewing Branch composed of trained and experienced officers must be constituted to carry out the work. The need for the establishment of such a Branch was referred to on page 22 of the last annual report.

The Board is now pleased to report that active steps have been taken to give effect to this requirement. The position of Chief Inspector has been created, and has been filled by the transfer of Mr. M. C. Barnett from the position of Chief Accountant, and the Branch has been strengthened by the appointment of an additional Inspector to undertake a portion of the work.

Briefly, it may be stated that in establishing the Division the Board desired to ensure that the following requirements should be complied with:—

(*a*.) That the administration of each estate is promptly and efficiently conducted.

(*b*.) That the payment of estate and succession duty is made within the statutory period.

(*c*.) That the profitable utilization of every asset is carefully considered, and in particular that all debts are closely followed up.

(*d*.) That the covenants and conditions attached to leases and mortgages are properly observed.

(*e*.) That continuous and careful supervision is exercised over the operations of companies and institutions in which the Public Trustee may for the time being be holding shares, scrip, or debentures on behalf of estates.

(*f*.) That the operations of all business undertakings under the control of the Public Trustee are regularly scrutinized.

The Board considered that the system would have a beneficial effect upon estate administration generally by ensuring that any errors in the early stages of the administration would be detected and remedied, and that no matter of importance would be overlooked.

The system has now been on trial over a considerable period, and the Board is enabled to state with confidence that its effect has been altogether satisfactory. Reviews prepared by the Chief Inspector are submitted in the first instance to the Board, which refers the reports to the local officers or divisional Heads concerned, with a direction as to the action to be taken in each particular case to satisfy the requisitions of the Chief Inspector.

The Board is assured that the reports are much appreciated by Controlling Officers, as well as by the staff directly engaged in the administration of the estates.

During a recent visit to Wellington one of the experienced District Officers of the Department, after viewing the system in operation, expressed an unqualified approval of the scheme, and stated that it would prove of the greatest value to officers engaged in administration work.

It is satisfactory to state that, although certain cases have occurred where minor defects in administration or in the accounts have been discovered, or where the policy adopted in the administration has not commended itself to the judgment of the Chief Inspector, that officer reports that, on the basis of the files reviewed