been opened in the Bank of New Zealand, London. Considerable sums of money are collected on behalf of the Office, and these are now credited to the Public Trustee's Account in London to provide funds to meet liabilities to persons in Great Britain and Europe on account of their interests in estates under administration in New Zealand, &c. This obviates the necessity of remitting large sums of money to London, and the scheme is working very well.

Checks on Receiving Officers.

59. The system of checks on Receiving Officers has been fully investigated, and further strengthened, where considered desirable, by the introduction of additional measures to provide a thorough check and to ensure the safety of the Office funds.

Inspecting Officers have been given special directions to look into all cases of arrears, and generally to assure themselves that the Office has full protection. Similar attention has been given to the receipt and custody of negotiable securities, and it is confidently felt that all practicable steps have been taken to protect the interests of the Office and its clients. It is very gratifying to be able to state that no case has arisen calling even for inquiry.

The system of check is regarded as very thorough, and in addition the Office has full confidence in the integrity of the officers in positions of trust.

Record of Negotiable Securities at Head Office and at District Offices.

60. In view of the serious inconvenience which might ensue in the event of a fire destroying negotiable securities held at Head Office or at District Offices, it was considered advisable to establish a record of all such securities, to be kept at an Office other than that at which they are held. Accordingly particulars of the securities held by each District Public Trustee are recorded at the Head Office, Wellington, while particulars of the securities held by the Head Office and by the District Public Trustee, Wellington, are recorded by the District Public Trustee at Christchurch. Arrangements have been made for keeping the records up to date by means of monthly returns setting out particulars of securities disposed of and of additional securities received.

INSPECTION OF DISTRICT OFFICES.

61. With the object of ensuring that all administration work at the branches should be efficiently performed, the system of inspection was made more stringent early in the year.

The Reviewing Inspectors conducted inspections of the Branch Offices in their respective districts at four-monthly intervals, while the offices of the Agents were inspected monthly by the Controlling District Public Trustees. In the case of any newly established agency the inspections during the first two months were at fortnightly intervals. As a further aid to the attainment of the object desired the District Accountants were instructed to inspect the agencies in their districts twice a year. Very comprehensive inspection forms were drawn up and printed for the use of the Inspecting Officers.

The introduction of this system has led to a large number of inspections being made during the year. The figures are as follows: District Public Trustee offices, 39 inspections; District Manager offices, 38 inspections; agency offices, 143 inspections.

The results achieved have well justified the course taken. All the offices are now in a high state of efficiency and well equipped to conduct business. This desirable position having been attained, it has been possible to reduce the frequency of the inspections.

Opportunity has been taken of the frequent visits of the Inspectors to employ them to investigate the arrears of rent and interest at the District Offices, and to issue test notices to the tenants and the mortgagors as a check on the accuracy of the records. The Inspecting Officers have also been instrumental in seeing that economy in management is exercised wherever possible.