appointed Commissioner of Taxes; Mr. C. E. Nalder, Registrar-General of Land and Assistant Secretary for Land and Deeds, was appointed Commissioner of Stamp Duties, Registrar-General of Land, and Secretary for Land and Deeds.

Mental Hospitals Department.—The service suffered a loss by the death of Dr. F. Hay, Inspector-General of Mental Hospitals. He was replaced by Sir F. Truby King, Kt., M.B., Mast. Surg. Edin., B.Sc.

Prisons Department.—On the 31st January, 1926, Mr. M. Hawkins, Controller-General of Prisons, retired on superannuation. In order that certain reorganization work might be effected, arrangements were made for Mr. B. L. Dallard, Public Service Inspector, to temporarily assume the position of Controller-General.

Valuation Department.—Mr. F. W. Flanagan, Valuer-General, and a member of the Public Service Board of Appeal, retired on completion of over fifty-four years' service. He was replaced as Valuer-General by Mr. T. Brook, Commissioner of Crown Lands, Wellington.

Public Service Board of Appeal.—Following on the retirement of Mr. F. W. Flanagan as a member of the Public Service Board of Appeal, Mr. J. H. Jerram, General Manager, State Fire and Accident Insurance Department, was appointed to the vacancy on the Board.

Stores.

Last year the history of the various steps taken from time to time to ensure efficiency in the control of stores was briefly traversed, and reference was made to the fact that the Treasury had been entrusted with the authorizing of all stores rules and systems. In accordance with Treasury Regulations, a number of Departments drafted new rules or redrafted their existing rules and duly submitted them for approval. Many of these are now in operation. The remaining Departments are being pressed for the early drafting of rules, and it is hoped that this important feature of the work will soon be completed.

The Stores side of the Audit Office has evinced great interest in the perfecting of the stores records kept by the Departments. In this connection, however, it is felt that particular care requires to be taken not to insist upon systems too elaborate for the purposes required. A system providing for an elaboration of detail and a thorough internal check may be desirable in certain cases, but in others the cost of operation would nullify any advantages gained. A skilled artisan in charge of isolated Government plant or property, for instance, cannot be expected to keep books and forms with the same precision as an officer in charge of big and important works assisted by a trained clerical staff.

It is important, therefore, that in controlling the issue and disposal of stores common-sense must prevail, and the administration cost be ever kept in view. It is essential that the administration cost should not be made subservient to the establishment of elaborate records.

Accounts.

Improvement still continues to be made in the departmental accounting system. Departmental balance-sheets are being prepared more accurately and much more expeditiously than in previous years. Departments have responded loyally to the demands made upon them in this direction. Naturally, the smaller Departments are able to complete their accounts at earlier dates than is the case with the larger Departments, but in course of time even these should have no difficulty in presenting their balance-sheets within a reasonable period after the end of the financial year. The Treasury and Audit officers are co-operating with departmental accounting officers, and are doing their utmost to assist with the standardization and interlocking of accounts. Their efforts are reflected in a more correct and detailed analysis of receipts and expenditure in the Treasury returns.

Motor-vehicles.

During the year a special committee was set up by the Stores Control Board to investigate ways and means of controlling departmental motor-vehicles so as to ensure that they were properly cared for and economically used. The committee duly reported, but its recommendations have not yet been given full effect to generally throughout the Service, although in quite a number of Departments sound costing systems have been in operation for years.