

(x) That drastic action be taken in respect of sundry debtors. Moneys due to the Treasury are outstanding too long, and too much latitude is allowed in respect of the incurrence of debts to the Treasury by officials. The number of persons indebted to the Treasury, the Reparation Estates, and the Engineering and Transport Department is astounding, often in substantial amounts and for long periods, and some to all three. The position in this respect is really discreditable. No charge is made for interest on outstanding sums, and this should be remedied by levying, say, 7 per cent. after the expiration of one month from the month of service or supply, while officials should be given a definite period within which to pay amounts due by deductions from salary.

(xi) That the present arrangements in respect of houses provided for officials should be reviewed. The amount of rental paid varies from £24 per annum to £48 per annum, and in certain cases free accommodation is provided. In addition, the heavy furniture is supplied in all cases. Some of these houses are the property of the Administration, some of the New Zealand Reparation Estates, and some of outsiders. In some cases the rentals paid by officers are less than is paid by the Administration to the owners. In other cases the rentals do not represent a fair return on the capital involved. In many cases the maintenance charges alone exceed the rental received. In other words, the officers concerned are receiving an indirect house subsidy in addition to salary. We are of opinion that the rentals should be substantially increased.

(xii) That the present form of balance-sheet for the Territory should be revised on the lines of *pro forma* draft which we handed to the Treasurer.

(xiii) That an efficient and continuous internal audit of cash, stores, and departmental property be immediately instituted. A suitably qualified officer, to be attached to the staff of the External Affairs Department, should be selected for these duties and located in Samoa. The system should as far as practicable be pre-audit.

(xiv) That the annual printed estimates be improved by the substitution of a column showing the actual expenditure against each head of expenditure for the year immediately preceding, instead of the present column showing the estimated expenditure for the same year.

(xv) That, with a view to ensuring a balanced Budget, increased revenue should be sought as well as a reduction of expenditure. The following fields offer reasonable scope for further revenue, and should be made use of to such extent as is necessary to bring about a balanced Budget, after all possible economies have been effected.

LANDS AND SURVEY AND PUBLIC WORKS.

28. The activities of both these Departments show considerable curtailment, and further readjustments are in hand. The controlling officer, Mr. Watson, who held the dual position of Chief Surveyor and Engineer in Charge, has been appointed Resident Commissioner at Savaii. It is proposed, however, that he retain the position of Chief Surveyor. Inquiries are being made in New Zealand for an officer to take charge of Public Works.

29. The retention of either as separate Departments is a matter for consideration, and meantime it appears to us that it would be a feasible and economic proposition to amalgamate both Departments with the Secretariat, with a view to the reduction of overhead expenses.

30. The Public Works loan programme is practically completed, so that maintenance and replacement works are all that are involved. For this a highly paid engineer is not warranted; a competent overseer should suffice. Should it be necessary, special bridge and other designs for replacement works can be done in New Zealand.

31. The trading activities undertaken (such as the manufacturing of furniture, &c., on private orders) by the Public Works workshops should be discontinued, even if the Administration is not successful in leasing same. The organization should be reduced to sufficient only to cope with legitimate Government work.

32. The position of Chief Clerk, Public Works, £500, is overpaid, and a reduction is warranted.

33. We suggest that an interchange should be made between the Chief Draughtsman (a qualified surveyor) and an official of the New Zealand Lands and Survey Department.

34. Other features which came under our notice and call for adjustment are:—

- (a) Government stores (including such commodities as benzine) are sold to officials at too low a price, and on unsatisfactory terms as to payment. The privilege of officers being allowed to purchase stores should be abolished.
- (b) If the proposal to absorb the office in the Secretariat is approved, the stores should be placed under the Engineering and Transport Department.
- (c) The present basis of expenditure on maintenance works should cease, and be remodelled in accordance with our recommendations under the heading of "Finance and Treasury."
- (d) The financial side of the office is on a weak and unsatisfactory basis; no proper internal check or audit is in operation.
- (e) The payment of mileage fees to the Chief Clerk for the use of his private car should not be permitted; Government cars are available, and should be used.
- (f) Proper safeguards in respect of the handling of cash between the office and the bank should be instituted.
- (g) Time-books are not in all cases properly completed and certified.