

- (h) A better internal check on the payment of wages is essential.
- (i) No proper reconciliation is made in respect of stores between stocktakings and ledgers.
- (j) The value of stock in hand at the 31st March last was approximately £19,000, and at the 30th September this had been reduced to approximately £13,350. Control requires to be exercised over this Department's purchases by the Secretariat and the Treasury to ensure that finance is not unnecessarily tied up in goods which are not likely to be put into consumption within a reasonable time of purchase.

CUSTOMS, TAXES, AND MARINE.

35. The organization and control of this Department proved to be on a more reasonable basis than in the majority of other Departments, due largely, we believe, to the fact that the system was instituted by trained officers of the New Zealand Customs Department. The methods prescribed in New Zealand are in operation. The Collector is fully seized of his responsibilities in relation to the important work under his charge, and appears to be a competent officer.

36. The question of revision of duties, taxes, &c., is dealt with under the heading of "Finance and Treasury."

37. The following matters, however, in our opinion, call for attention:—

- (a) S.s. "Lady Roberts": The condition of this ship leaves much to be desired. Clean mattresses and pillows (both with washable covers) and storm-pans should be provided, while a cheap system of curtains would enable some degree of privacy and decency to be obtained.
- (b) S.s. "Lady Roberts" victualling-rates: The present rates paid to the European complement appear high, being about 100 per cent. in excess of the present daily *per capita* cost for victualling the Government steamer "Tutanekai."
- (c) Native launch staff: There is room for retrenchment under this heading, and it was understood the matter is being gone into.
- (d) Deposit Account: This is controlled by a special bank account, and the average credit at the end of each month is approximately £300. The Samoan Treasury should get the use of this floating cash by transferring the surplus to a special Deposits Ledger Account within the Samoan Public Account.

MEDICAL DEPARTMENT—PUBLIC HEALTH.

38. Very substantial reductions are already being made in respect to the administrative cost of this Department. Full credit for the work that has been done must be given to the present Administrator, and also to the Medical Superintendent, who has co-operated fully in the matter of reductions. If difficulty continues in the payment of Native taxes, the question of further reduction in the services to the Natives should be reviewed.

39. One of the weakest features in connection with the administration of the Health Department appears to us to be the purchase of stores. It seems to us that a better arrangement would be for all stores purchases to be made through the departmental organizations in New Zealand.

40. The fees generally for attendance, operations, &c., could reasonably be increased so as to give an adequate return for the services rendered. Recommendations for increase of fees have been made under an appropriate heading.

41. The present arrangement under which moneys are handled, particularly by the dispenser, seems to us to require revision; and this matter should receive the immediate attention of both Treasury and the Audit.

42. The present statistics should be widened to embrace a return of "costs" based on lines adopted for hospital administration in New Zealand.

43. It should be noted that the schedule adopted for the training in Fiji of Native medical practitioners is too generous. It will shortly provide for more Native medical practitioners than the Territory can absorb, but the Administration appears to be committed to the expenditure for an indefinite period.

POST OFFICE.

44. The Post Office, which is organized on lines similar to those obtaining in New Zealand, appears to us to be reasonably well managed, the principal officers of the staff, composed of officials from the New Zealand Service, being fully alive as to the necessity for maintaining an efficient service.

45. Some comment was made just prior to our leaving that improved facilities might be granted, without any increased cost, in the matter of earlier delivery of mails, and also in respect of the receipt and transmission of wireless messages through the Post and Telegraph Department. The matter appeared to us to merit reasonable consideration, which no doubt would be given if representations were made in the proper quarter in Samoa.

46. The accounts generally follow, as far as possible, the practice laid down by the Post and Telegraph Department in New Zealand. There is, however, in this, as in other Departments, no efficient system of independent audit—a matter which is referred to more fully under the appropriate heading.

47. It came under notice that Savings-bank deposits were handed over to the local Treasury, apparently without proper authority, and in any case without payment of proper interest for the use of the money. As interest is payable on Savings-bank money on the same basis as in New Zealand, it is quite improper that the Post Office Savings-bank funds should be utilized by the Treasury to meet revenue charges. The budgeted revenue of the Treasury provides under the Post Office section for interest on Post Office Savings-bank investments only, and under expenditure for interest to depositors.