

talent—but he cannot afford to pay double its value for routine work, or to continue to employ inefficient or superfluous men. As the Board have pointed out on several occasions, the head of a Government Department is in quite a different position. Theoretically, he is bound to strive after economical administration. It is his duty; but it is obvious that the duty cannot press so severely on him as it does on the business manager.”

This is sound reasoning, and while there are many permanent heads and heads of branches in the Public Service whose ability and devotion to duty are beyond question, the same temptation to lose sight of the function of business manager requires to be guarded against in the Public Service of New Zealand as well as elsewhere.

No effort on the part of the Commissioners will be spared in the endeavour to keep this important matter before all officers who aspire to reach the highest posts in the Service.

ACCOUNT-KEEPING.

It was evident to the Commissioners immediately after they assumed office that the unnecessary duplication above referred to required investigation. As it was impossible for the Commissioners to take up this work, which entailed the investigation of the systems of accounting in all Departments, I appointed a committee of expert Accountants from the Public Service (Mr. G. W. Barltrop, Accountant, Government Insurance Department; Mr. H. A. Huggins, Chief Accountant, Post and Telegraph Department; and Mr. J. J. Esson, Assistant Accountant, Treasury), whose report is printed in Appendix B. The main results of the investigation are that savings to the extent of about £16,000 per annum can be effected by better methods of account-keeping and better arrangements for the payment of accounts. At present there is an average of £375,000 of floating cash in the hands of imprestees throughout the Dominion, and there is little doubt that this could be reduced to £100,000, provided the Treasury kept the whole matter of imprest accounts constantly under review by means of inspection of imprestees' balances and an examination on the spot of the conditions requiring imprests. It is much easier for an officer in Wellington to keep a balance of £150 or £200 than to requisition for no more than he is likely to require. Hence it can be easily understood how the aggregation of small balances reaches such a large sum as that mentioned. Co-operation between the Treasury, the Post Office, and other Departments should result in the saving I have indicated.

The proposals are receiving the consideration of the Minister of Finance. To enable the Treasury to properly control the scheme of reorganization, I have appointed Mr. J. J. Esson, Assistant Accountant to the Treasury, to be Inspector of Departmental Accounts in addition to his ordinary duties.

RECORDS.

One of the first matters to receive attention was the method and practice of recording correspondence by Departments. During the preliminary inspections of Departments it was found that there was an entire lack of uniformity in the systems adopted by the various Departments. With a view to establishing a standard system, a committee, composed of three of the Record Clerks of the larger Departments, was appointed to examine the various practices adopted, and devise a system for general use.

In dealing with this problem the difficulty of devising a system to satisfy all conditions and to meet the particular requirements of each individual Department was recognized, but it is considered that the system as recommended should, with slight modifications, meet all requirements.

The system recommended is already in use by the Post and Telegraph, Internal Affairs, Customs, Marine, and Labour Departments, and also in this office. The reports of the working of the system are satisfactory, and it is considered that when it has been universally adopted savings totalling at least £1,600 per annum should result, and at the same time the efficiency in this special phase of departmental work should be improved.