

1913.
NEW ZEALAND.

PUBLIC SERVICE COMMISSIONER

FIRST REPORT OF THE

Presented to both Houses of the General Assembly by Command of His Excellency.

The Hon. the Minister of Internal Affairs.

SIR,—

Wellington, 27th August, 1913.

I have the honour to report, for the information of His Excellency the Governor, that the Commissioners appointed under the Public Service Act, 1912, commenced duty at the beginning of this year, and immediately proceeded to investigate the condition of the Public Service and to classify the officers therein.

Under section 15 of the Act I am required to furnish to the Governor for presentation to Parliament a report on the efficiency and condition of the Public Service and its proceedings, and to indicate the changes necessary, in my opinion, for the improved working thereof, or any Department or subdivision thereof. Although a report is not actually due until after the end of the current financial year, I am, in view of the great interest taken in the matter, forwarding this first report. I desire, however, to make it clear that the time has been too limited to enable the Commissioners to go as fully into the condition of the Public Service as might be desired.

In this report the Post and Telegraph Department has been excluded from consideration. It will be referred to at a later date.

One of the first duties required under the Act was the classification of officers of the Public Service. This has progressed simultaneously with the inspection of Departments; but before any satisfactory work could be done it was necessary to issue regulations governing the conduct and defining the responsibilities of officers, and providing machinery for the working of the Appeal Board. These matters are referred to later on. In addition to the special work of inspection and classification, the current work, which began on the 1st April, when the main provisions of the Act came into force, has been heavy.

PUBLIC SERVICE ACT, 1912.

The Public Service Act was introduced in Parliament and became law last year. The effect of the measure was, broadly, to combine under the control of a Commissioner and two Assistant Commissioners the Departments of the Public Service. The only Departments exempt from the control of the Commissioner are the Railways, Legislative Department, the Police, and the military staff of the Defence Department.

The classification of the officers of the Public Service thus constituted was to be amongst the first duties of the Commissioner. Appended to the Act are schedules containing scales of salaries for the Professional and Clerical Divisions. The decision as to the divisions into which officers were to be placed and as to their grades of salaries within such division was left to the discretion of the Commissioner, subject to the condition that in determining the grading the Commissioner was required to take into consideration any examinations passed by officers. In connection with the efficiency bars which the Act places at certain points in the scales of salaries, it is for the Commissioner to determine what are to be the tests required.

In regard to the General Division, the responsibility of fixing scales of salaries is left to the Commissioner, as is also the question of remuneration for temporary employees. In the Administrative Division the salaries of officers are, as before, to be determined by Parliament itself in the estimates. Parliamentary control over the classification issued by the Commissioner is provided in the Act by the power reserved to reduce or increase the total of all salaries in any ratio desired. A periodical reclassification of the Public Service is contemplated.

The Act provides for the setting-up of a Board of Appeal, to which officers dissatisfied with the ruling of the Commissioner or with their classification might appeal, the Board to be constituted partly by officers elected by members of the Service and partly by persons appointed by the Government.

In consequence of the fact that the Public Service Act repeals the previously existing Acts under which the Civil Service was administered, it became necessary for the Commissioner to immediately make fresh regulations for the guidance of officers and conduct of public business. Power to make regulations is given for a variety of purposes, amongst the most important of which are those for the examination and admission of applicants for employment, for the attendance of officers, for the testing of officers for promotion, for the granting of leave of absence, for the determination of the amounts of travelling and other allowances, and for the control of departmental stores.

The Commissioner is further required to conduct inspections of Departments, and to report periodically upon the results of such inspections. Wide powers are given for the reduction or dismissal of officers where this may be found necessary, but in all such cases officers have the right of appeal to the Board of Appeal.

EFFICIENCY AND CONDITION OF THE SERVICE.

Although there are several Departments the organization and working of which are of the highest order, it may be said, broadly, that the Service generally was not found to be in so efficient a state as it should have been. The reasons for this will appear under the headings which follow. There has, however, been a marked improvement, and, according to information received from certain heads of Departments, there is now an enthusiasm on the part of members of the Service and a desire to improve the working-methods which was not before known. There is still, however, a great deal to be done to bring Departments into a thorough condition of efficiency, and no time will be lost to ensure the accomplishment of this when the heavy work in connection with the final settling of the classification is completed. There is in the meantime abundant evidence to show that greater efficiency can be secured in many Departments at a reduced cost of working.

When it is stated that the efficiency of a Department is shown by its capacity to carry out promptly and properly its duties and obligations to the public, it is evident that any failure to do this reveals faulty management. Complaints have reached the Commissioners of delays which might be avoided, and I can only come to the conclusion that in one or two Departments which have been specially referred to the convenience of the public is not given first place. It is rarely that a member of the public is unreasonable in his demand for attention, and the Commissioners are strongly of opinion that no person who pays a fee for any service or is otherwise entitled to receive a service should have to wait more than a minimum time for the service to be performed. It should be impressed upon every lad from the day that he enters the Service that he is part of a great organization in which, by faithfully performing his duty, he can assist towards efficiency. If the methods of a Department require a fortnight in which to perform a service, controlling officers should strive to devise means to perform the service in a week; if a week, then a shorter time, until the organization is perfect, care being taken to see that all interests are safeguarded.

CO-OPERATION AND CO-ORDINATION OF DEPARTMENTS.

Under the system by which the Public Service was divided into a number of Departments there was little co-operation between them. One of the most glaring examples is, or has been, the lack of co-operation between Departments and the Treasury. Although the latter Department is in sole charge of the accounts of the Dominion, it has not for a long time exercised

its full powers. There has, for example, been no inspection by the Treasury and no examination of the method of account-keeping of Departments, with the result that a mass of work is unnecessarily duplicated at considerable expense and to the detriment of efficiency. Some Departments, it is said, pay little heed to the directions of the Treasury, and in the past, when the Treasury has endeavoured to assert itself in simple matters it has often happened that the Minister in charge of the offending Department has been called in to support his own officers, which he would naturally do.

While the lack of co-operation may be to some extent accounted for by the absence of a central control, such as now exists, the position has been rendered more difficult in the past by the number of small Departments which, although nominally grouped under large Departments, maintain a practically independent existence. In referring to this matter, the Hunt Commission of 1912 remarked that—

“The head of every minor Department wishes to magnify his office and make it appear as important as possible in order that he may break free from the leading-strings of the Secretary of the Department under which he is grouped, and become a secretary on his own account; and he too is assisted in doing this by all the principal officers under him, because if they can increase the importance of the head of their Department, their own importance also increases.”

The main Departments, with few exceptions, do not appear, so far as I have been able to ascertain, to exercise even a casual control over their so-called subordinate Departments. Theoretically, there are sixteen main Departments, but there are actually thirty-three, which are practically independent in all respects. Much unnecessary expense and waste of force appears to be the result of this excessive subdivision. The Commissioners found, for example, that there was a Department known as the Advertising Office which had been built up from small beginnings until the staff consisted of a Clerk in charge at £350, an Accountant at £230, with three clerks and a messenger: a total expenditure for salaries of £1,199. This Department was housed in quarters at a considerable distance from the mother Department of Internal Affairs. On attention being called to the matter, it was found that the whole of the work could be transferred to the main Department and the expenditure reduced to £765.

So great has the division become that in at least two important Departments the tendency has been to rigidly separate every section of the office, each section having most of the machinery of an independent Department and offering the same lack of co-operation within the Department itself as would exist if the divisions of the Department were separate concerns.

It would be possible to multiply examples of the lack of co-operation between Departments and the branches of Departments, but it is desirable to defer reporting fully on the matter until it is ascertained by further inspections of Departments how far improvements suggested by the Commissioners have been given effect to.

MANAGEMENT.

As the functions of permanent heads of many of the Departments are analogous to those of managers of large businesses, their duties are of a very responsible nature. In the course of inspection of Departments it has been found that permanent heads of the commercial Departments are keenly alive to the necessity for economy and efficiency in carrying on the operations of their Departments. In other Departments the necessity may not always be apparent. It is interesting to note that in dealing with the question some years ago the Public Service Board of New South Wales remarked that—

“The conditions obtaining in every service are such that the heads of Departments and heads of branches are under the temptation to lose sight of their functions as business managers. This tendency appears to be inevitable, and no one has hitherto been able to devise a satisfactory way of checking its operation. To preach the need of economy in labour and material to a business man would generally be a work of supererogation, so clearly does he recognize how much depends upon details which affect the balance-sheet. The business man will pay very highly for rare abilities—much more highly, in fact, than the State is prepared to pay exceptional

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.

It is regretted that it must be stated that the staff records of several Departments appear to have been kept in an unsatisfactory condition. This gave a maximum of trouble while the classification was being framed, and even now that the list has been issued many officers are directing attention to omissions and errors which would have been avoided if Departments had given proper information in the first instance. It is intended to place all staff records of Departments on a uniform footing forthwith.

The report of the committee is contained in Appendix A to this report.

REGULATIONS.

A distinct want in the Public Service for many years had been regulations adapted to present conditions; and, as it was impossible to conduct the Service without these, it was considered necessary to devote a considerable portion of the time between the beginning of January and the 1st April, when the main provisions of the Act came into force, to the preparation of regulations.

The Public Service had been working on the regulations of 1873, to which few amendments had been made, except as regards travelling-allowances. While these regulations, no doubt, met the requirements of forty years ago, the conditions of employment had changed enormously, and the expansion of Government business in directions at that time undreamed-of had the effect of rendering the regulations more or less a dead-letter so far as officers were concerned. The regulations which were issued on the 27th March, 1913, were the outcome of a careful study of the Public Service Regulations of Australia and elsewhere, and were finally settled after conference with heads of Departments.

Further special regulations applicable to special Departments have also been drafted, and are under consideration.

The main point which has been kept in view has been the principle of obtaining, as far as possible, uniformity of practice in the different Departments, and it is hoped that Departments will encourage this to the fullest extent. Very great assistance was given by the committee of heads of Departments who reviewed the draft regulations, and whose experience enabled them to suggest valuable improvements and additions. One of the many points dealt with in the regulations was the placing of sick and other leave on a reasonable footing. It is said that in the past the treatment of this matter varied considerably.

Prior to the 1st April last no officer could in theory receive a salary higher than £200 until he passed the Senior Examination. As explained elsewhere, this applied only to men who had entered the Service by competitive examination, while officers who had entered as temporary clerks were not barred.

It was considered necessary to provide special increments for passing examinations such as the Civil Service Senior, the Solicitors' Examination, the Accountants' Examination, &c. In addition to this, it has been provided that officers who reach the top of Class VII (£220), and for whom no promotion is available, are, if they have passed all examinations required for promotion beyond the class above, allowed to proceed to £245 without promotion.

The provision for special payment to officers temporarily performing higher duty than their ordinary work removes a long-standing grievance.

Owing to the increased cost of living, it was necessary to provide for lodging-allowances on a more liberal basis than heretofore. Clerical cadets living from home receive £28 per annum in addition to their salary of £50. This is not too much for a lad to maintain himself upon respectably in the larger cities. Following the example of the Post and Telegraph Department, provision was made for a grant to officers of the General Division who had been in the Service fifteen years or more, and whose salaries do not exceed £180 per annum, of long-service pay of £9 per annum.

A section of the regulations provides for the conduct of the election of members of the Board of Appeal, and it is satisfactory to know that in the election recently held the provisions were found to be sufficient.

OFFICERS' ASSOCIATIONS.

Since the coming into force of the Public Service Act official recognition has been granted to the New Zealand Civil Service Association and the Post and Telegraph Officers' Association.

TRADITION.

The Commissioners could not fail to observe in the course of their inspection that the outstanding feature of a number of Departments is their innate conservatism, which has often been carried to such an extreme as to discourage excellent schemes for improvement which, if carried out years ago, would have saved the country large sums of money. It is difficult in all cases to account for the way in which some Departments cling to costly tradition. A desire for peace on the part of controlling officers, no doubt, blinds their eyes to the fact that they are expected to be on the alert to adopt means which will result in greater efficiency or greater economy. When it is added that in some Departments promotion has often been the result of seniority irrespective of the merits of the officer promoted, it is evident that officers with limited outlook have drifted into positions which could under the old organization be held without need for the study of efficiency or economy. The tendency is not only to follow obsolete systems, but also to regard them as the only perfect ones. Some Departments seem to have changed their methods in only a slight degree for years, and even now time is being expended in collecting information for returns which are absolutely useless. One of the most expensive traditions is that of clinging to systems of work performed in the old Provincial Departments. In the case of one large Department each of the district offices appears to be working on the old provincial system, which varied in every province. This is well known to the Department, but apparently no one has yet had the energy or the courage to establish a uniform system. The result is that when an officer is removed from one provincial district to another he has to a large extent to learn his business over again.

SUGGESTIONS FOR IMPROVEMENTS.

Under such conditions it will not be surprising to learn that suggestions for improvements were conspicuous by their absence, or, if made, were disregarded. A case has come under my notice in which one of the ablest officers in the Service was not only discouraged but, in a way, threatened with penalties if he persisted in pressing for the adoption of new methods. Several valuable suggestions, which could easily have been carried out, were made by the Hunt Commission of 1912, but it could not be found that any steps had been taken to carry them into effect. It is gratifying to report that a marked improvement has taken place since the beginning of the year. The head of one of the most important Departments recently informed me that the change which had come over his officers was remarkable; instead of being content to see the work carried on as it had been done for years, every officer is on the lookout for possible improvements. This is by no means confined to the Department referred to, and I am already in receipt of valuable suggestions made with the object of securing greater efficiency at less cost. Under the old organization Departments knew little of each other, and, owing to the different control in matters of staff and organization, the great advantages to be obtained by co-operation between Departments have been lost. The Commissioners look upon suggestions by officers not only from the point of view of the value of the suggestions themselves, but as a means of encouraging a general interest in the work of Departments which would otherwise be absent. It is intended in future reports to name officers whose suggestions have been adopted.

STAFF CONDITIONS.

At the present time the Clerical Division of the Service is composed of two main elements—namely, officers who entered the Service after competitive examination, and officers, formerly temporary, who became automatically permanent under the provisions of the 1907 Classification and Superannuation Act, or officers who became permanent without examination in certain Departments which were exempt from the operation of the Civil Service Acts. Other officers appear to have been appointed without examination, generally by way of promotion from non-clerical positions. Unfortunately, when dealing with the question of temporary officers in 1907, it must have been overlooked that officers

who entered by competitive examination were required to pass a further examination before their salaries could be increased beyond £200. Many of the temporary officers became permanent when they were drawing salaries higher than that amount, and the curious result was that officers who had shown special qualifications were often barred while others were allowed to proceed to higher positions. This appears to have been the main source of discontent in the Service during recent years, and has resulted in many anomalies. To meet the case of a number of officers who were suffering stoppage through no fault of their own, it was provided in the recently issued regulations that the bar should be raised from £200 to £260, while provision was made for other examinations, such as the Accountants' Examination, being regarded as the equivalent of the Civil Service Senior Examination. While many of the temporary officers who became permanent would be a credit to any Service, there is no denying the fact that many of them were not clerks of the first class, and this has not added to the equanimity of young men of exceptional ability who have had to regard as seniors men who became permanent after the appointment of the former. There is no possibility of mending the matter now, but as the Public Service Act and the regulations provide for special consideration in the matter of promotion to officers of merit and suitability, it is hoped that it will not be long before all anomalies right themselves. The last of the automatic appointments has now been made. The passing of the 1907 Act appears to have awakened Departments to the fact that the time had arrived to endeavour to build up the Service from below by employing cadets only. While this has been done to a large extent, it is found that Departments which were exempt from the provisions of the Civil Service Acts succeeded in obtaining the appointment of a number of men and women otherwise than from the Civil Service Examination list. As, under the Public Service Act, the Departments referred to have been shorn of this doubtful privilege, there is now every prospect of building the Service up from the foundation. It is only fair to say that the change which has come over the staff during the last six years has, on the whole, been a marked one. There was, however, an unfortunate provision in the 1907 Act under which clerks and others could be continued in temporary employment for practically an unlimited time, and this has been taken advantage of to such an extent as to again leave a number of temporary officers in the Service whose term of employment has been sufficiently long to render it necessary to consider whether such officers, provided they are well reported upon, should not be appointed under conditions which would do no injustice to officers who joined the Service by competitive examination before them.

As regards the efficiency of officers, it is sufficient to state here that out of all the reports received many were described as "Very good," and very few indeed were described as on a lower grade than "Fair." Wherever possible, the Commissioners have considered the general conduct of officers. The question will, in some respects, require to be gone into more thoroughly. I hope, however, that sufficient has been done at present to materially alter the official outlook of indifferent officers. Whenever it has been shown that an officer is addicted to over indulgence in alcoholic liquor action has been taken, which it is hoped will have a lasting effect. It is to be feared that there has been too much consideration given in the past to undeserving officers. A frequent condonation of bad conduct has a demoralizing effect on the offending officer, and leads to discontent on the part of his deserving colleagues.

STAFFING OF DEPARTMENTS.

It is necessary to remember that in New Zealand the range of Government business—including, as it does, such commercial institutions as the Government Insurance Department, the State Fire Insurance Department, the Public Trust Office, the State Coal Office, besides special Departments which have assumed larger proportions in this Dominion than they have done elsewhere—is very great. There are also many small Departments which, as already mentioned, have been allowed to obtain an independent existence, instead of being mere sections of larger Departments. The training of officers in commercial Departments is widely different to that of officers in revenue-collecting or recording Departments, so that

it is only to be expected that the standard of officers is comparatively higher in some Departments than in others. In some Departments the staff was found to be of the highest efficiency, while in others, the deadliness of routine work did not appear to make for the best results. In some small Departments there is no need to train cadets in any special way, with the result that routine has had time to do its worst before the officer is appointed to any position of control. While some of such men may rise to the occasion, the majority necessarily take a narrower view of the affairs of life than is desirable. This matter will be taken in hand, and an endeavour will be made to render the stay of promising lads as short a one as practicable where the field of operations is of a routine or limited nature. Again, in some Departments the discipline has been excellent, with the result that the *esprit de corps* in those Departments is strong, to the benefit of the Departments and officers alike. In other Departments the discipline has not been so good. This came forcibly under notice in reviewing the reports of permanent heads on officers of their Departments, when it was discovered that a number of cases existed in which officers were not performing their duties to the satisfaction of the permanent head; but, unfortunately, for some reason unexplained so far, the opportunity had not been taken to make the officer aware of any such dissatisfaction, and it only came under the notice of the officer concerned when questioned during a personal interview by the Commissioners. It is considered that when an officer is regarded by the permanent head as not fulfilling his duty in every respect he should be immediately made aware of what is standing to his discredit, and thus have an opportunity of rectifying any failure on his part.

There is reason to suppose that in some cases care is not taken to consider office arrangements from a sufficiently wide point of view to determine whether it would not be possible to reorganize the work in such a way as to avoid making application for additional assistance. As in most other matters, Departments have treated this vital question in different ways. In some Departments no foresight appears to have been exercised by training cadets. The line of least resistance has often been to obtain temporary assistance, which in some way has gradually become permanent. This process of absorption is the most costly method that can be devised to recruit the staff of an expanding Department, and it is not possible to calculate the additional expense which has been thrown on Departments by unsatisfactory methods of the kind. There are three or four large Departments which have strenuously resisted this, with the result that their staffs consist almost entirely of men who have been trained from youth in the Departments themselves. This is the only way to build up a Service. By its selection can so easily be made in the early stages of a young man's career as to ensure only qualified officers proceeding to the higher positions in the Service. The principle of placing men of short service in positions in which they superseded trained young men who were working up from small salaries has been a distinctly bad one, inasmuch as it has created anomalies which it will take years to correct. To maintain the loyal and highly trained staff of officers which the Public Service has a right to expect, it is imperative that in future all entrants to the Service, with the exception of professional or expert officers, must work up from the bottom. At the same time, now that the case has been stated, it is desirable that no more shall be heard of the matter, and that all officers shall make the best of the position, relying upon future treatment, which will endeavour to do justice to all. Officers are now working under the Public Service Act, which is, I believe, one of the most liberal of its kind in the world, particularly in giving officers a right of appeal to a Board whose decision is final, and to which they are privileged to elect members.

In the great press of work which the Commissioners have had to undertake during the short time of their existence it has not been possible for them to investigate requisitions for increase of staff so closely as might be desired. At the same time, the oversight which has been possible has had an appreciable effect upon requisitions received from permanent heads for additional staff, as indicated by the following case :—

A requisition was received from a Department for additional staff involving an annual expenditure of £2,000. As the result of suggestions made by the Commissioners for reducing the clerical work by the adoption of modern methods, the

Department reduced the requisition to an annual amount of £900, or a difference of £1,100 on the original request. This latter requisition included the appointment of four officers at salaries approximating £500 per annum. The positions of these officers, however, were filled by the transfer of surplus officers from other Departments, so that in this instance alone a saving of £1,600 has resulted.

It has now been arranged that permanent heads shall show full reasons for any increase of staff, and quote comparative figures where the Department is of such a nature as to be able to show the volume of work overtaken. No doubt difficulties have arisen in the past, owing to the permanent heads of Departments having no means of taking a comprehensive view of their staffs in a rapid way. This difficulty will be removed by the printed classification list, which will be issued annually.

The Hunt Commission made a strong point of the practice of large business concerns of training their staffs. The principle is a very old one in most Public Services, and had it been faithfully carried out in this Dominion not only would the efficiency of the Service have been consistently higher, but a large money-saving would have resulted. The engagement of adult officers to perform routine duties is not good management, and interferes with the regular gradation of responsibility which should obtain in a Department. Judging by the number of able—in some cases brilliant—young men who have been trained in the Service during recent years, I am satisfied that the general efficiency will be much improved within a reasonable period.

While such improved efficiency is necessary, it is not to be supposed that New Zealand is the only country where the ever-expanding functions of Government require a more highly trained staff than would have been necessary a few years ago. In his latest report the Public Service Commissioner of the Commonwealth writes,—

“Looking forward to the probabilities of development of the Public Service both in regard to multiplication of functions and increased powers of efficiency, one is forced to the conclusion that, with the natural expansion of population and the consequent growth of public business, the demands upon the resources of the Departments will become magnified, and will necessitate the exercise of the highest degree of efficiency not only in relation to the performance of individual duties, but in the proper control and management of the many sections of departmental industry which are interwoven through the fabric of Commonwealth administration. The important requirement of the future will be leaders of men—heads of Departments and of branches and sub-branches trained to habits of close observation and the finest sense of discrimination, capable of exercising the wisest tact and judgment, and possessing ability to hold the balance fairly as between the Government on the one hand and an army of employees on the other.”

In the Public Service Act it is contemplated that there shall be free interchange of officers between Departments. This has already been taken advantage of to some extent, and there is every reason to hope that before long it will be possible to arrange for selected officers to spend a few months in Departments in which the methods are regarded as better than their own, with the object of their acquiring a wider knowledge than would be possible otherwise. It is intended to continue the practice of appointing committees of officers to investigate and report upon matters of common interest to Departments. It is also hoped that conferences to be arranged between officers of large Departments will enable all branches of such Departments to assist each other in suggesting improvements in method. There has been too great a lack of co-ordination between some district offices and their head offices, and this has given rise to unnecessary irritation and misunderstanding.

HISTORY OF PUBLIC SERVICE CLASSIFICATION IN NEW ZEALAND.

It may be of interest to briefly refer to the history of the classification of the Public Service in New Zealand. In the Civil Service Act of 1866 full provision was made for classifying the Service and the setting-up of a Board of Appeal, but, so far as is known, no action was taken to proceed with the classification until 1885, when

the announcement was made in the Financial Statement that a Committee of Civil servants appointed to investigate had presented a confidential report, and that a scheme of classification for the Civil Service was being adopted by the Government. The main feature of the classification appears to have been the fixing of scales of increments with the object, it was stated, "of placing Civil servants to some extent beyond the reach of caprice." Progress by annual £10 increments to £120 per annum was provided for cadets, but an examination bar (the only one contemplated in the scheme) was placed at £80. The only gain in economy from the classification itself was held to be in the inducements it held out to the best men to remain in the Service. For new entrants into the Service it was provided that the previously existing practice in regard to compensation for loss of office should be altered in the direction of economy, and immediate advantages in the way of inducements to zeal and excellence given instead. A gradual introduction covering several years was proposed for the scheme; the extra cost being estimated to be £6,500 for the first year and £10,000 for subsequent years, with a gradual reduction thereafter. From the scope of the classification the Legislative Department, the Prisons Department, and the Railways were to be excluded. The proposal was not proceeded with.

Another Departmental Board was set up in 1906, but, after collecting a great deal of information, the work was abandoned.

The Post and Telegraph Classification and Regulation Act was passed in 1890. This measure provided for the division of the Post and Telegraph service into classes, and the Act was brought into force in the following year, when the first classification of the Department was made. By an amendment of 1891 the schedule was altered to provide, among other things, that the Sixth Class should run without a break from £115 to £180, instead of the arrangement of two grades—£115 to £150 and £160 to £180—provided under the Act of 1890. The Act of 1894, entitled "The Post and Telegraph Department Act," further amended the schedule and provided for the constitution of a Board of Appeal, two members out of the four of which were to consist of representatives elected by officers of the Department. An amendment of the Act in 1906 provided an improved scale for the Sixth Class of the Clerical Division and for certain classes of the Non-clerical Division.

The first classification of the Railway Department resulted from the Government Railways Department Classification Act of 1896, and came into operation from the 1st April, 1897. The Act included complete schedules fixing the salaries of all officers of the Department, both First and Second Divisions. Provision was made for the setting-up of an Appeal Board of two members elected by the respective divisions, and of a Judge of the District Court appointed to act as Chairman.

The amending Act of 1897 provided an increased rate for apprentices and carpenters. The Act of 1901 repealed the former Acts, and amongst its most important provisions required the alteration of the form of nominal roll issued, the names thereafter being placed according to salaries alone and irrespective of position. Amongst the advantages given by this Act were (1) the abolition of percentage restrictions upon the number of officers who could be placed in the higher grades of the First Division, and (2) the increase of maximum in the lowest grade of that division from £140 to £180 per annum.

The Act of 1907 substituted still another scale for that previously in force. Under it the position of cadets was improved, and the maximum for clerks of the lowest grade was further increased to £200 per annum. Since 1907 minor amendments have been made (three in all), each of which resulted in material improvement in pay for members of both First and Second Divisions.

There was no further amendment of the Post and Telegraph classification until 1907, when the schedule was considerably improved by Parliament in favour of officers. The schedule remained in force until the 1st April last, when the Post and Telegraph classification became merged in that of the rest of the Public Service.

In 1907 Parliament passed a comprehensive measure relating to the classification of the Public Service other than the Post and Telegraph and Railway Departments, and also provided for the superannuation of public officers. Under this Act a Board consisting of a Minister of the Crown and permanent heads of Departments, not exceeding ten in number, was provided for and set up shortly afterwards. The Board submitted its proposed classification in 1912, but the Government of the day did not proceed further in the matter.

METHOD OF CLASSIFICATION.

The Commissioners were appointed as from the 1st January last, in order that preliminary work might be gone on with. The Act generally did not come into force until the 1st April. For many reasons the Commissioners were unable to make any use of the provisional classification submitted by the Board under the 1907 Act, and proceeded to commence to classify the Service from an independent standpoint. This has been a task of magnitude. It was found that the Departments of the Public Service consisted of a number of units each one of which had been working for years more or less independently of each other as regards the salaries paid to officers. Naturally, there was no consistency except that, for some years prior to 1912, a scale for cadets existed, but although this was followed with fair uniformity for the first four years, the practice in the fifth year varied considerably. The scale ran from £40 to £70, with an additional £25 for each of the first four years, nominally as lodging-allowance. The effect, however, was to treat the fourth year's allowance as salary equal to £25, with the result that in some Departments the fourth year's emoluments were treated as salary equal to £95. In the fifth year some Departments made it a rule to grant a salary, without lodging-allowance, of £100 a year, an actual increase of £5. In other Departments a salary as high as £125 was paid, or an increase of £30. In isolated cases, where a lad happened to be living at home, the fifth year's salary was in some cases as low as £80. It was thus apparent that many anomalies dated from the fifth year of service, and it has been the endeavour of the Commissioners to settle these as far as practicable. Under the 1912 scale salaries are as follows: First year, £50 plus £28 lodging-allowance; second year, £65 plus £23 lodging-allowance; third year, £80 plus £18 lodging-allowance; fourth year, £95 plus £13 lodging-allowance; fifth year, £110.

As the scale for the first year is £10 in excess of the old scale, it is apparent that an injustice would be done to cadets who had served a year at £40 if they were granted the same salary from the 1st April as a lad joining on that date. It was therefore decided, in order to meet the new circumstances, to adjust the salaries of lads who had up to five years' service by treating all as if they had entered under the 1912 scale. As the date of entering the Service and the date of the last increment varied considerably, it was found impracticable to place many of the cadets on an exact step of the classification for the current year. To meet the requirements of the law, cadets are therefore regarded for the current year as not classified. They will all automatically fall into step in the classification on the 1st April next.

The method adopted for ascertaining the salary of a cadet as from the 1st April, 1913, is as may be seen from the following example:—

Cadet appointed, 26/6/10, at a Salary of £40 per Annum.

26/6/10	..	..	£40	
26/6/11	..	..	£50	
26/6/12	..	..	£60	
1/4/13	..	..	£91	{ 1/4/13 to 25/6/13 at £80 = £20 26/6/13 to 30/3/14 at £95 = £71 } Total for year, £91.

In proceeding with the classification now submitted initial steps were taken to secure—

- (a.) Particulars of service and a general outline of the history of each officer in the permanent employ of the Public Service. This was supplied by the permanent head, together with information respecting the ability, resource, zeal, general conduct, and punctuality of each officer.
- (b.) From each individual officer, a personal statement of his duties and responsibilities, together with any remarks which he desired to make respecting his position or salary. This latter statement was forwarded direct to the Commissioner by the officer concerned.

After comparing the statements, heads of Departments, local heads, and other principal officers were called upon to give evidence, and an early opportunity was taken to commence the inspection of departmental offices throughout the Dominion, officers being given an opportunity, wherever possible, to state their case to one of the Commissioners.

As every well-conducted officer who is able to pass the necessary efficiency tests can, in the ordinary course, automatically rise to a salary of £220, the classification of positions in the Clerical Division below that salary was a comparatively straightforward matter when the conduct and capabilities of each officer had been ascertained; but difficulties immediately arose when classifying the work of officers performing duties superior to those of an ordinary clerk. These difficulties were accentuated by the fact that the rate of progression of officers in different Departments had in the past varied considerably without consistent regard to merit or the rights of officers who entered the Service by competitive examination. In the case of officers actually in possession of positions it was, of course, out of the question to do other than regard existing salaries as a starting-point, except where it was considered that the salary drawn was in excess of the value of the work.

In some cases the maximum value of the position of officers has been classified at the maximum of the class above that in which the officer holding the position is at present placed. As a general rule, it is probable that the officer at present in the position will rise to the maximum shown, but, as it cannot be known for some time whether these officers are absolutely entitled to retain the position at a higher salary, they are expected to work through the remaining steps of the class below before being considered for transfer to the higher class. Subject to section 29 of the Act, the "maximum for position" is to be understood to be the value the position is expected to attain before reclassification of the Service, which is required by the Act to be performed within five years.

In dealing with the clerical staff, it was eventually decided to take the following as a basis :—

- (1.) Officers performing ordinary clerical duties to rise to £220 by annual increments on passing the efficiency bars prescribed by the Act. Although a maximum for the position of £220 is shown, in many cases there is little doubt that the general expansion of the Service and wastage by resignations will enable officers of special merit to rise beyond £220 without their being required to stay any length of time at that point.
- (2.) Clerks performing duties which might be regarded at a stage superior to those of an ordinary clerk to rise to £260 by regular increments.
- (3.) Heads of sections in large Departments, or clerks holding positions requiring special knowledge or special capabilities, to rise to £315.
- (4.) Officers holding higher positions than those described in (3) and performing superior work, according to the position and value of the work.

Owing to the varied nature of the duties in different Departments, it was impossible to classify too rigidly on these lines. It would have been unfair, for example, to compare a clerk performing routine duties day by day with an officer in a Department such as the Public Trust Office, where the duties are of an intricate nature.

For positions above a salary of £315 per annum no hard-and-fast rule could be followed. The responsibilities of senior officers in some Departments are limited, while in others they are considerable. A maximum of attention was thus necessary in every individual case. While it was of assistance to the Commissioners to hear the views of officers, this did not, in all cases, help to estimate the value of the position. While it is true that some officers expressed the opinion that the salary paid to them was fair and reasonable, at least 50 per cent. of those at present receiving above £300 appeared to be of opinion that they should receive about £100 more, either at once or by rapid stages. The majority of officers in fairly important positions appeared to have little idea of the rates of salaries paid outside the Service.

Inquiries have been made in many directions with a view to comparing salaries in the Public Service with those paid outside, and the Commissioners have come to the conclusion that the proposed classification provides for the great bulk of the Service salaries which compare very favourably indeed with the average salaries paid in commercial institutions and with the most recent classifications of the Public Service in the States of New South Wales, Victoria, and Western Australia.

The Professional Division offered peculiar difficulties. The best evidence obtained outside the Public Service was agreed on the fact that the salary of a professional officer should depend entirely on the ability of the officer himself. It is precisely here that classification in its ordinary sense is liable to fail, and will assuredly fail, unless promotions are made entirely on merit. In the case of professional officers, it is imperative that the ablest men should be selected for any vacancy that may occur irrespective of any other consideration than merit and fitness. While a moderate latitude may be allowed in this respect in the Clerical Division, it would be fatal to good administration to consider the length of service when dealing with professional officers. During their examination of officers the Commissioners found that there was too great a tendency to put forward the idea that positions should be rigidly classified, the result of which might often be that an officer of indifferent ability would rise to the maximum of the position. While in the case of many professional officers there has been no particular difficulty in fixing a reasonable maximum, it should be understood that any maximum shown against those more highly placed is liable to change according to the ability of the officer holding the position.

As regards proper salaries to be paid to professional officers, it was possible to make a more or less exact comparison in some cases with the salaries drawn by professional men outside the Service. As a rule the latter were found to vary considerably. Professional officers of the Public Service naturally called attention to the highest salaries drawn in their profession outside the Service, but the Commissioners had to consider other phases of the question. A good deal of well-intentioned advice has been given by people outside the Public Service, generally to the effect that higher salaries should be paid to professional men than is at present done; but it is quite obvious that if a man of experience is drawing a stated salary from a large private company and offers his services to the Government for the same salary, a reasonable rate for the position is at once ascertained. A distinction should, moreover, be drawn between the case of men who have acquired their professional education and University degrees at heavy expense—such, for example, as medical practitioners—and the case of professional men for whom Government has borne the entire cost of training. In the one case the cost of education is often about £1,000, while no fees are earned before twenty-four or twenty-five years of age. In the case of professional officers trained by Government, lads commence at the age of sixteen or seventeen and immediately draw a salary sufficient to keep them until they pass their examinations. It is stated that many of such lads, whose education has cost the country a considerable sum of money, have drifted away soon after obtaining the hall-mark of their profession, with the result that the cost of their education has been completely lost. This is said to have been the result of want of encouragement. As it is the aim of the Commissioners to obviate the loss of young officers of the kind, a special salary consideration has been provided for all who pass the necessary professional examinations. The method of recruiting for the Professional Division does not appear to have been satisfactory in the past. This is having attention.

As there is no distinction in the Act between professional officers and officers who may be described as “experts,” the latter have been placed in special classes in the General Division, which comprises all officers who are not required to pass the entrance examination or to show professional qualifications.

As the General Division necessarily contains all tradesmen and officers filling occupations which cannot be described as professional or clerical, it is comprised of officers of a great variety of occupations. Expert officers have been graded according to the value of their work. The classifying of tradesmen and other officers has given the Commissioners much thought. Many lower-paid officers were found to be working for less than a proper minimum wage, and the first care has been to place these officers on a reasonable scale. While it has been necessary to a certain extent to consider existing award rates, the Commissioners have deemed it their duty to interpret awards in the same manner in which a liberal employer of labour would do. When it is added that all officers receive holidays greatly in excess of those provided in awards on full pay, and that reasonable absence on account of sickness does not entail loss of pay, besides the permanency of their positions and

provision for superannuation, the salaries allotted will, no doubt, be considered reasonable. The scale for the General Division has been a difficult one to frame owing to the great diversity of practice in Departments, which has created anomalies which cannot be entirely removed at once. These should, however, rapidly adjust themselves.

There are some Departments, or branches of Departments—namely, Mental Hospitals, Prisons, Government Printing Office, Special Schools, Lighthouses—the majority of the staff of which have been working under Departmental classification scales. After careful comparison of the Mental Hospital scale with that existing for similar employees in Australia, it was found to compare favourably, and has, with slight modifications, been adopted. The Prisons scale is generally regarded by employees in other Government Departments as a liberal one, and it does not appear to require any alteration. The Government Printing Office scale was revised as lately as December last, but has been amended in certain points. The Special Schools scale has been accepted for the time being, so far as teachers are concerned, but this is on the understanding that if any improvement is made in the national scale the teachers of the special schools will participate. The Lighthouse scale was adopted without alteration.

The classification of the Department of Agriculture is subject to alteration in the event of any departmental reorganization which may take place.

ATTENDANCE-BOOKS.

While all Departments are not alike, it has been too evident that in some of them there has been a very vague perception of the fact that one of the most important duties of officers is to be regular and punctual in their attendance. Although the regulations of 1873 were precise enough in directing the keeping of attendance-books and the supervision of the attendance of officers, it was found that they had become in many cases more or less a dead-letter. In one large Department no attendance-books were in existence and in others no attempt was made to see that they were properly kept, with the result that the proportion of late attendance was altogether too great. It is easy to calculate that if twenty officers are ten minutes late in the morning and ten minutes late after the luncheon interval, and that there are as many minutes lost in corridor conferences at other times in the day, the staff is 5 per cent. greater than it need be if officers are punctual in their attendance. It has been reported that there has been a considerable increase in efficiency in this respect in those Departments in which exception had to be taken to the prevailing methods. As the Public Service officers of New Zealand have an extremely liberal holiday scale, it is imperative that they should perform their full duty when they are required to attend at their offices.

OVERTIME.

While there has been a good deal of overtime worked in some Departments, it is by no means clear that much of it could not have been easily avoided by foresight on the part of controlling officers. No doubt it is necessary in some Departments to perform work beyond ordinary office hours at the time of the annual balance, but even in the commercial Departments a good deal of this could be obviated by adopting methods of bringing forward the work during the year. Similarly, in non-commercial Departments it should be found possible to bring returns forward during the year, so that there need be no unnecessary pressure at the end of the financial year. After carefully considering the matter, when drafting the regulations, it was decided that it would be undesirable to make any special regulations for the payment of overtime to the clerical or professional divisions, as experience has proved that specified conditions under which overtime may be earned do not conduce to the diminution of expenditure on this account. Among the many controlling officers who have assisted the Commissioners, one has expressed himself very freely in this matter, while another took the matter up in such a practical way that he was able to prove to his officers that work which had been for years performed on overtime payment could be done in the usual office hours by proper arrangement. The Commissioners are of opinion that it is only in rare instances of unexpected

pressure that it should be necessary to pay for overtime work. While there is no desire that officers should be overworked, it is proper to mention here that the average hours worked in the clerical division of the Public Service, after deducting holidays, do not exceed thirty-four hours a week. It is thus not unreasonable to expect that a few hours' extra duty per annum shall be performed without any demand for special payment.

ALLOWANCES IN ADDITION TO SALARY.

The practice of making allowances in addition to salary, which has from time to time come under prominent notice in the past, still obtains to a considerable extent in the Public Service. At one time a favourite method of adding to an officer's salary was to grant him a house allowance. Although this particular class of allowance still subsists, there appears to be in some cases reasonable warrant for the payment. It will, however, be necessary to review every case of house allowance to determine whether or not rental should be paid. Of other allowances which were found to exist on the 1st April, the officers of the Department of Justice and of the Lands and Survey Department appear to have drawn the most. In the former Department allowances in addition to salary have been received from various sources, it being the practice to allow the officer to retain all money received from outside the Department irrespective of the salary drawn by the officer. Examples of these are payments received for services as clerks to Licensing Committees, librarians of law libraries, Registrars of Electors, Clerks of Awards, and Patent Office agents.

In only one Department, that of Mental Hospitals, is it found that the matter of allowances is on a uniform basis; in other Departments the practice varies according to circumstances.

In the Lands and Survey Department the principal payments are known as "equipment allowances," it being the rule to allow a surveyor on active duty in camp the sum of £100 per annum for maintaining and removing survey camps and instruments. In the Public Works, Post and Telegraph, and Mines Departments the Departments themselves pay for the equipment and removal of camps, and it requires serious consideration whether the same system should not be followed by the Lands and Survey Department. It is generally admitted that the allowance of £100 per annum is a very liberal one, and many officers who have appeared before the Commissioners have acknowledged that there is a profit of from 20 to 25 per cent. on the year's allowance. It is, moreover, stated by at least one superior officer that the equipment is at times found to be so indifferent as to call for comment. It is declared, on the other hand, that if Government paid for the equipment and removal of camps in the Lands and Survey Department the cost would be greater than at present. It cannot be ascertained that this is the experience of the other Departments referred to, and it is considered that the matter requires further attention. The allowance for equipment to officers in the field can, no doubt, be defended; but it was disquieting to find that in at least two cases officers continuously employed in city offices were also in the enjoyment of equipment allowance, in one case of £50 per annum, and in the other of £25. These latter allowances appear to have been granted, or continued, for the express purpose of increasing the salaries of the officers.

The officers in the Lands and Survey Department appear to have been fortunate in another direction, owing to their being selected as secretaries of Royal Commissions, which work has, as a rule, been paid for at about £1 1s. per diem entirely in addition to the usual travelling-expenses and the salary of the officer. There appears to be no warrant for such liberal payment. An officer in any Department should be glad to have the opportunity of acting in such a capacity for the purpose of acquiring knowledge which will be useful to him as an officer of his Department without expecting such monetary rewards. As Royal Commissions frequently sit for three months or more, the allowance of £1 1s. per diem is by no means a small one.

Motor-car and motor-bicycle allowances also require more attention.

I have endeavoured to show in the recently issued provisional classification-list all current regular allowances, and intend to publish in future reports any single or intermittent allowance which may be granted to any officer for any reason.

A Department which may be mentioned in connection with allowances is the Customs Department. Here there is a regular system of rewards provided for by law for the detection of smuggling and so forth. The amount earned by officers necessarily varies from year to year. These allowances are for obvious reasons not of a nature which can be interfered with.

Among other things, in addition to salary, commissions on Government insurance business are paid to Postmasters. Attempts have been made from time to time to have these commissions paid to the Department instead of to the officer, but the result has been found so unsatisfactory to the Government Insurance Department that, except in the case of the larger offices, the system has been allowed to continue.

It is almost unnecessary to mention that allowances paid for a number of years gradually come to be regarded as salary both by the officer receiving them and the Department concerned. The usual result follows that salaries of officers drawing allowances are kept down to a lower level than might otherwise be the case. The question has been dealt with as far as possible in connection with the classification. No doubt some officers will feel aggrieved because their total emoluments will not reach so high a sum as formerly, notwithstanding that salaries have been adjusted as far as practicable to meet the circumstances. In justice to all officers, it is desirable that every description of allowance in addition to salary should cease altogether.

UNDERSTUDIES, CHANGE OF DUTIES, ETC.

One of the most important factors in the proper control and management of Government Departments is the appointment of understudies, especially in regard to the more responsible positions. No organization can be considered complete unless, within proper bounds, each officer has a substitute who can take his place at a moment's notice and carry on his duties, if not as well as he, yet with as little embarrassment as possible. I cannot emphasize too strongly this important phase of departmental organization. In the past it is feared that it has not been given sufficient importance.

Associated with this matter, and of almost equal importance, is the necessity for changing the duties of the staff, wherever practicable, with some regularity, particularly in the case of junior clerks and cadets, so as to afford them the opportunity of becoming acquainted with the different features of the work.

The Public Service Regulations provide that permanent heads shall keep both these matters specially in view, and provision has been made by which the Commissioner will be able to place on record what is taking place in this respect.

During the inspection of Departments it came into prominence that officers occupying positions of considerable responsibility and in receipt of salaries above the average, and who should by virtue of their position be engaged in direction and supervision, were frequently to be found employing their time upon matters of detail which could be equally well performed by officers occupying positions of less importance, and even, in some cases, by cadets. It is a matter requiring the most earnest consideration of permanent heads to see that officers under their control who should share in the responsibility of the administration are divested of duties of a routine or mechanical nature, for so long as there is a continuance of such conditions, so long must the efficient and economical administration of the Department suffer. On no account whatever, except in cases of extreme emergency, should an officer occupying a senior position be engaged upon work of a routine character which can be delegated to and carried out by subordinates in rank and position.

CONFERENCES.

So far the Commissioners have not been able to discover that any organized attempt has been made to bring officers holding responsible positions together for the purpose of reviewing the internal practices of their Departments. Conferences have to be held, it is understood, for specific purposes only. It is, however, considered that steps should be taken whereby principal officers would be called together with some regularity, and the internal routine and practices fully discussed at such conferences.

Prior to the holding of any such conference the staff should be notified and suggestions invited. An agenda should be prepared of the subjects to be dealt with and a proper report made of the proceedings; and it should be the business of Departments to see that the decisions of any conference are followed up.

INSPECTION.

Probably the greatest need to-day of the Service is the inauguration of a proper system of inspection of all offices.

During the visits of the Commissioners it was found that there had been no inspection, in its proper sense, of departmental offices in some cases for years past. This largely accounts for the divergencies which exist in the practices observed.

The Commissioners consider that an inspection of every office should be made each year by qualified officers who would not only point out irregularities in methods, &c., but would at the same time take a share in the responsibility of educating officers in the various duties which they are expected to perform.

INSTRUCTION-BOOKS.

During the course of inspection, it was found that in many Departments in the past it has not been the custom to define the duties attached to any particular office or to make clear the relations which should exist between officers in one section or branch of a Department with another, with the result that in different branches of a Department there has grown up a lack of uniformity of method and an absence of that community of interest so essential in the successful administration of any concern.

It is considered that the duties of officers occupying responsible positions should be clearly defined, and that the practices to be followed in the routine work of a Department should be outlined and published for the guidance of officers.

In one or two offices there were traces of attempts having been made at one time to do this, but the results were negatived from the fact that the information was not kept up to date.

ACCOMMODATION.

A matter demanding early attention is the necessity for devising, in many cases, some better arrangement for bringing the officers in charge of sections of offices into closer proximity with the staff which they control. It is not an uncommon occurrence to find work poorly supervised and with no definite arrangement existent, in consequence of the fact that sections or groups of officers are working in separate and small rooms, and that the sectional officer in charge is in another room, sometimes considerably removed from the centre of his control. In cases where this now happens it is considered that there should be a complete rearrangement of the accommodation. Sectional heads should, wherever practicable, be in the same room as the staff they control. Where conditions such as these prevail it invariably tends to bring about too rigid divisions in an office or Department, besides rendering transfer of officers difficult. In consequence of the circumscribed outlook not only as regards other Departments, but also as between sections of the same Department, the community of interest which should exist between various officers and sections is destroyed.

In designing new buildings for Departmental purposes this question requires careful consideration. The modern practice in large business concerns in America and elsewhere is to provide rooms large enough to contain the whole of the clerical staff, the accommodation for supervising officers being merely a space elevated from the main room, and railed off with a rail about 2 ft. high. A similar arrangement could be adopted with advantage by many Departments, and would result in a saving of large sums of money for staff.

With one or two exceptions Departments are provided with accommodation which is the antithesis of this, the prevailing idea being apparently that honour and importance are reflected on every officer who has a separate room. There is no method that can be conceived which is more likely to result in excessive staffing than this.

MODERN METHODS IN OFFICE-WORK.

The application of modern methods and the introduction of mechanical office appliances for adding, billing, and the listing of results in the larger Departments appeared to be an urgent necessity. The services of a competent instructor were obtained. The officer selected took up duty in April last, and the results so far achieved have exceeded expectations. Classes of women have been established and taught the use of office appliances commonly recognized in other countries. Experience elsewhere has proved that the work of manipulating the machines was one specially fitted for women, and it was decided to teach suitable women already in the Service, so as to allow the male staff to be engaged on work of a more important character and enable them to be trained in matters of organization and administration. The average number of women who have attended the classes daily is thirty-five, and already many of them have become expert and efficient. Very shortly an efficiency examination will be held, and those passing the test will be drafted to offices where work of the character suitable to their training will be provided for them. The introduction of machine processes is expected to have a marked influence upon the efficiency of Departments, and at the same time to effect considerable economy; already evidence is not wanting in both these respects, and, as more experience is gained and the uses of these appliances become more general, very particular advantages will accrue. The difficulty at the present moment is in securing machines capable of dealing with special phases of the work. It has been found that machines have been purchased in the past without taking fully into account the character of the work to be dealt with.

In addition to teaching the women, special visits have been paid to Departments by the instructor, and advice tendered in the matter of the application of modern ideas. Moreover, it is satisfactory to observe that many officers have sought the opportunity of conferring with the instructor in respect to the work of their Departments. The services of the instructor have been availed of by this office and by officers of the various Departments in the setting-up of suitable forms in connection with the multiple schemes hereinafter referred to. The results so far realized can be stated to be very encouraging, but it necessarily follows that the initiation of new schemes, which imply radical innovations in some cases, must occupy some time before the fullest degree of effective working can be realized.

I recognize freely that in most of the Departments the officers concerned in this special work have co-operated with the Commissioners and rendered loyal assistance in connection with the introduction of the newer methods.

For the sake of convenience the salary of the instructor appears upon the estimates as a charge against the Commissioner's Office, but the services of this officer are wholly occupied on work connected with the various Departments.

STORES.

As under subsection (h) of section 34 of the Public Service Act, 1912, special responsibility in the matter of stores is attached to the Commissioner, regulations have been issued in regard to stores or other materials or requisites for the Public Service, (1) determining the mode of procuring them, (2) providing for and regulating their inspection, (3) for examining and auditing the books and accounts of officers in charge, (4) for taking stock, (5) for investigating and examining all contracts, accounts, invoices, requisitions, orders, and vouchers in any way relating thereto. These regulations incorporate the latest methods adopted in stores control as applied to Government undertakings.

Inter alia, the regulations include a provision for the creation of a Stores Tender Board of departmental officers, and the Board became constituted on 12th June, 1913, as follows: Messrs. W. S. Short, Assistant Secretary, Public Works Department; F. T. O'Neill, Assistant Secretary, Land and Survey Department; J. Orchiston, Chief Telegraph Engineer; J. Mackay, Government Printer (subsequently elected Chairman); C. E. Matthews, Chief Clerk, Justice Department, and Deputy Inspector of Prisons; and D. Souter, Chief Clerk, Mental Hospitals Department. Time has not yet admitted of the Board exercising its functions to the fullest extent. When this comes about it is expected that in the procuring of stores and supplies and the enforcing of the safeguards necessarily incidental thereto its

administration should not only bring into effect efficiency, but also considerable economy. An exhaustive examination into the practices adopted in the different stores branches of Departments has been found impossible, but information is available which enables the opinion to be formed with certainty that important changes are necessary.

Stores for all practical purposes may be divided under the headings of "consumable" and "non-consumable." It is of the greatest importance that they shall be purchased under the best and most favourable conditions, that when received they shall be economically dealt with, and that if not immediately required they shall be properly cared for, so that custody and disposal shall be beyond question. All these points have been provided for in the regulations, and nothing now remains but that permanent heads shall see that the regulations are observed.

It cannot be too strongly emphasized and borne in mind that stores represent cash. It takes cash to replace them if by any means unfortunate conditions arise by which they are lost or become depreciated or are not turned to the best account, consequently they should be treated from the standpoint of the value they represent.

In the records which have been maintained, too great an elaboration of detail has prevailed, possessing in some cases little or no relation to the issues involved.

Moreover, the inspection and audit has not always been of utility. In so far as non-consumable stores are concerned—that is, office furniture, impedimenta of various kinds, plant, machinery, &c.—proper records have not been maintained in many cases, and even when records have been maintained they possess a doubtful application. In every office or concern where non-consumable property exists simple records should be kept providing for writing off and on in a proper manner. It is a large undertaking to provide for such a scheme and in a form which will enable an intelligent and satisfactory account to be kept of all such material, but there is no good reason why, with the assistance of Departments, proper records should not become established within a reasonable time.

Stores administration is costing the Dominion large sums of money annually, and it is a matter for consideration whether it would not be possible to consolidate the interests of the several Departments and provide one store common to the whole. Such a practice has received recognition in some of the Australian States with the best results, and it will become the special subject of an inquiry as soon as time admits.

In remarking upon this very important unit of the Service, it should be stated that officers have had to be content in some cases with accommodation of the poorest description, utterly unsuited to the purpose, so that it is hardly to be wondered that the conditions in some respects are unfortunate. If stores administration is to be what it should be, and protection, efficiency, and economy are to be associated with it, then the accommodation must be in sympathy.

NEW FORMS AND BOOKS, MULTIPLE SCHEMES, AND COMPOUND PROCESSES.

In view of the particular duty imposed on the Commissioner by section 12 of the Public Service Act, it was considered desirable that draft copies of all new forms and books which might be required should be submitted for revision and approval before the order for printing was given. A request to this effect was therefore given to the permanent heads of Departments. In the short time that has since elapsed samples of many books and forms have been submitted and dealt with, and in some cases important suggestions have been made which will bring into effect improved efficiency and considerable economy. Particularly, "compound processes" have taken the place of older methods, and card systems have been substituted for book records, greatly to the advantage of the Departments concerned; and it is pleasing to be able to say that in some cases where a revision has taken place the best of evidence is available that the work is now kept more closely up to date, and is being more efficiently performed.

In addition to the revision of forms and books, &c., opportunity has been taken to submit "multiple schemes" with the object of reducing transcription in Departments where personal accounts have to be rendered and established, receipts given, and duplicate records kept, the whole being prepared in the one operation. Such schemes have been submitted to the State-guaranteed

Advances Department, the Lands and Survey Department, the Land and Income Tax Department, the Machinery Department, and the Public Trust Office. Also, the Valuation Department and the Government Life Insurance Department have similar schemes under consideration, and the State Fire Insurance Department has, of itself, adopted the principle. When they are in full operation the economy arising from the introduction of these schemes should not be less than £6,000 per annum. In one of the Departments referred to, the scheme submitted has been pronounced by the permanent head as "excellent," and the economy which will result in this one Department should not be less than £2,000 per annum. These facts in themselves go to show the large field which exists for improvement and economy in the practices which have been current for years. Again, in the matter of correspondence, there is no doubt that if the "compound" system were adopted in the exchange of correspondence between subheads and permanent heads, and even between Departments and Departments, a saving would result. A demonstration has already been made in several ways, with great success.

No doubt all these changes appear to savour of a departure from the cold official routine of bygone days, but the trend of to-day in office-administration is in the direction of making use, on every conceivable occasion, of original documents and detail and turning them to account either wholly or partially in respect of further action.

STATIONERY AND OFFICE REQUISITES, ETC.

The waste which results from the multiplication of small Departments has been indicated. A waste which is scarcely less important is the waste in stationery and supplies which results from the present system. There is a central Stationery Office under the control of the Government Printer, which is in a position to supply everything required. For no valid reason, more than one Department elects to lay in large supplies of forms, &c., and to appoint a storekeeper to look after them at a salary of, say, £200 per annum.

Sub-stores should not be encouraged; they mean duplication of stocks, overlapping of clerical work in book-keeping and the employment of officers to look after details. The time has been so limited that this form of extravagance has not been completely run to earth; but important reforms are under consideration, and it is hoped at an early date to issue full instructions for the guidance of officers responsible for the custody and ordering of supplies of printing and stationery and forms for Departments. An effort will be made to lay down rules for the standardization of requisition forms, periods of requisitions, and also in respect to the issue and custody of stationery, forms, &c.

The proposal when carried into effect should, in addition to uniformity of practice and methods in the various Departments, result in considerable economies in this important branch of the Service, which does not appear to have received the attention it merits.

It will not be surprising if it is found that the cost of holding unnecessarily large stocks of forms and stationery and providing officers to look after them exceeds £2,000 per annum. Probably the worst feature of the practice is that often, when contracts are entered into by the Government Printer for important supplies, Departments fail or decline to take advantage of the favourable terms. A notable example is that of typewriting-machines. The Government Printer has, in common with the Post Office, a contract under which he is able to supply a standard typewriter at £16. The machine is probably as good as any now built, yet it is found that typewriters of other makes are frequently purchased at a price about £7 or £8 higher. Had a standard make of typewriter been selected and Departments compelled to use the approved machine, the saving to the country in the last few years would have been considerable. I have reason to believe that there are many other items, the cost of which might appear to Departments to be trivial in detail, in regard to which considerable economies can be effected by co-operation. That the Government Printer has studied the peculiar predilections of officers is evidenced by the fact that he stocks 103 varieties of steel pens. This should be stopped at once, and the range limited to half a dozen varieties which can be specially made, probably at half the present cost. The whole question of office supplies will be thoroughly gone into as soon as the Commissioners have an opportunity.

The system of buying from one or two firms alternately as a means of obtaining Government supplies cannot be too strongly deprecated. I am aware of one case in which a Government Department had been buying an instrument of common use through the High Commissioner, certain firms being named alternately. This appliance cost, landed, about £3 3s. For reasons which it is not necessary to mention it was decided to call for tenders. Tenders were called in New Zealand for the instruments, with the result that in a very short time the price fell to £2 12s. On the instruments imported last year, the saving was £4,172. It will be interesting to find whether the Stores Tender Board will succeed in finding similar opportunities for economies. On reference to the Report of the Public Service Board of New South Wales for 1905 I find that it was estimated that a saving of £10,000 had been made in the previous year by the Public Service Tenders Board of that State.

EXAMINATIONS.

For many years appointments to clerical and professional offices have, or should have been made from the list of successful candidates in the competitive examination known as the Civil Service Junior Examination. The Public Service Act provides for the making of regulations for entry into the Service. The Education Department has for a long time been carrying out the Civil Service Examinations, and it was decided to arrange with that Department to continue to conduct the examinations on behalf of the Commissioner. In any case no change in the syllabus was practicable, as schools had already been working in anticipation. Such minor changes in the syllabus and procedure as have been made will not be effective until after February, 1914.

Prior to the coming into force of the Public Service Act a fee of £1 was paid by all entrants to the Civil Service Examinations. The total amount received went a good way towards defraying the cost. It was considered that Parliament had, by striking out the provision in the original Bill for payment of a fee, intimated its intention that no fee should be charged. Future examinations will therefore be free, with the result that it has been necessary to provide a sum of £2,320 on the present estimates for the cost of the next examinations.

It was considered advisable to confine the next entrance examination to boys, as the probable vacancies for girls were few and there were already on the list of applicants a number who had passed the last examination and for whom appointments had not so far been available. It was felt that it would be unfair to encourage new candidates to compete under these circumstances. In some cases this exclusion has been felt as a hardship, but there is reason to believe, and it is indeed frankly admitted by some teachers who have written on the matter, that the Service examinations have been used a good deal simply as a test of scholarship and without any intention of the candidate seeking employment in the Service. There are other examinations conducted by the Education Department which amply supply this test, and it is considered that they, and not the Service examinations, should be used for this purpose.

Some regulations with regard to appointments may be briefly noted :—

- (a.) All appointments to the Professional or Clerical Division are ordinarily to the first subdivision of the lowest class, but holders of University degrees or persons with special knowledge in scientific subjects may be appointed to higher subdivisions or classes.
- (b.) Appointments are, as heretofore, made according to the order of merit in the list of candidates who have passed the entrance examination ; but candidates who have also passed the Senior Examination at any time are given precedence.
- (c.) In the event of the order-of-merit list for any year being exhausted before all vacancies are filled, the lists of earlier years may be resorted to.
- (d.) For candidates for appointment as professional cadets there are additional compulsory subjects.
- (e.) Every candidate must be an applicant for appointment to the Public Service, but he may limit his application either to one or more Departments or to a particular part of New Zealand.

In view of the many examinations which are held for various purposes and the provisions in the regulations for certain examinations being considered as an equivalent of the Senior Examination, it may be a question whether it is necessary to retain the latter. This, however, will be further considered.

EXAMINATIONS CONDUCTED.

The only examinations conducted since the Public Service Act came into force have been those for the admission of female shorthand-writers and typistes.

On the 20th May a competitive examination was held at Auckland and Wellington. The ages of candidates ranged from sixteen to thirty, and the only qualification required before admission was the possession of a certificate of competency in the Sixth Standard. Admission to the examination was free, and the consequence was that amongst the sixteen entered at Auckland and the forty-seven at Wellington there was included a large number of girls of inferior qualifications.

The tests given included in shorthand a passage for dictation at the rate of a hundred words a minute for five minutes, and thirty-five minutes were allowed for transcription. In typewriting there were (1) a speed test of a piece of straightforward letterpress to copy, and (2) a passage of confused manuscript of which a fair copy had to be made.

A fairly high standard of accuracy being demanded both in typewriting and shorthand, the results were disastrous to all except two candidates at Auckland and three at Wellington.

It was confidently expected that when the standard of proficiency required became known improved results would follow, and the experience of the second entrance examination held on the 26th July, 1913, proved the assumption to be correct.

For this examination, which was held simultaneously at Auckland, Christchurch, Wellington, and Dunedin, the numbers of entries were twenty, twenty-eight, nineteen, and twenty-six respectively. All were required to produce when applying to be examined a certificate from a recognized teacher of ability to write a speed of 100 words a minute in shorthand. In addition to tests similar to those in the earlier examination, short exercises in English composition, spelling, and punctuation were included.

The passes in the whole examination totalled thirty-five, the distribution among the centres being six, eleven, six, and twelve respectively.

BOARD OF APPEAL.

The election of members of the Public Service Board of Appeal was held on the 5th May, 1913. The following members were elected: For Post and Telegraph Department—Mr. A. Mill (Telegraph representative) and Mr. F. M. Scully (Postal representative); for other Departments—Mr. A. Marryatt and Mr. F. J. Mouat. The following were nominated by His Excellency the Governor as members of the Board under section 32 (a) of the Act: Mr. P. Barr (Chairman) and Mr. J. H. Richardson.

DECENTRALIZATION.

In the course of inspection it came into prominence that in the matter of the accounting work there is room for a rearrangement of the methods now followed, particularly in the direction of giving the officers in charge of district offices greater latitude in the control of details.

The Commissioners found time after time similar work being carried on in a district office and in a head office. A disposition seems to have grown up for recording every detail, however small, in the head offices, with the result that there is duplication and overlapping. As a further consequence, staffs have in some cases been established in the head offices practically to say "ditto" to what has been done before elsewhere.

The Commissioners consider that in the head offices administrative work principally should be attended to, and in the matter of keeping in touch with district offices it should be sufficient to receive with regularity the summation of detail. If it could be demonstrated that by concentrating information in the head offices better checks were established or those responsible for the administration were in a better position to survey the operations of a Department, then there might be a reason, but the Commissioners do not think that such a reason could be shown.

For instance, take the vouchers of an ordinary Government Department; why, it may be asked, should it be necessary for these to be forwarded to the head office for final certificate? Officers in charge of the ordinary everyday work of a Department have to deal with matters of much greater importance, and the Commissioners can see no reason why finality cannot be reached by district officers in such a matter as this also. To carry out such a scheme may entail some adjustment and strengthening of the district office staffs, but even this is doubtful.

It will be a matter to which the Commissioners will give special attention in the future, feeling certain that there is great room for economy, and, moreover—what is very important from the public standpoint—that the payment of accounts would be dealt with much more readily. From time to time complaints have been heard of the delay attending payment of Government accounts, and this would disappear if decentralization in this respect were carried out.

SENDING OFFICERS BEYOND NEW ZEALAND.

The question of sending abroad one or two of the smartest and most intelligent officers in certain classes of employment in the Public Service is worthy of attention. There are many branches of the Public Service in which a knowledge of conditions obtaining elsewhere would be of great value.

COMMENTS ON DEPARTMENTS.

The following comments on Departments will sufficiently explain the methods adopted by the Commissioners. In several cases lengthy reports have been made to the Minister controlling the Departments, but as these contain a great deal of detail, which is of such a technical nature as to be of interest mainly to the Department concerned, they have been condensed here. In all cases it is intended that criticism shall be regarded as constructive.

TREASURY DEPARTMENT.

An inspection of this Department showed that the system carried out was little altered from that laid down many years ago. Opportunity does not appear to have been taken to follow the trend of affairs in office-administration.

It is considered that a Department such as the Treasury should set the example to other Government offices in the matter of system, and it behoves the administration of this important Department to bring into effect a complete reorganization of methods and practices which will place it in the pre-eminent position it should occupy.

The books and forms at present in use should be immediately reviewed by a committee of officers of the Department. Whilst such revision is being carried out opportunity should be taken to co-operate with officers of other Departments having business relations with the Treasury, so that in determining a basis it may be suitable to the requirements of the Departments concerned.

Instruction-books, setting out in detail the duties of the officers and the practices and methods to be followed in office routine, should be immediately drawn up.

Conferences of officers should be held at frequent intervals for the purpose of discussing and reviewing the existing practices of the Department. The officers should be advised of the dates of such conferences, and invited to make suggestions having for their object the economical or efficient working of the office.

A report has been submitted to the Minister pointing out matters requiring consideration in respect to the administration and clerical work of the Department.

There is at present under consideration a complete system of reorganization in these matters, which when carried into effect should result in large economy. There is a wide field for the adoption of machine processes in respect of the assembling of details in this Department. A start has already been made in this direction with more than satisfactory results, but it requires extending as opportunity offers.

FRIENDLY SOCIETIES AND NATIONAL PROVIDENT FUND.

The accommodation for this Department is very limited. There is nothing to call for special remark.

IMMIGRATION DEPARTMENT.

This Department is too recently established to report upon at present.

LAND AND INCOME TAX DEPARTMENT.

In this Department the methods adopted are particularly obsolete. Adult clerks are employed upon work which could be performed as well by juniors. Officers in receipt of salaries above the average were at the time of inspection engaged upon work of a primitive nature which could have been as well done by cadets.

The preparation and issue of land- and income-tax notices requires recasting: the book-keeping should be simplified and machine processes introduced wherever practicable.

In this Department there is room for considerable economy. At present various matters in this connection are receiving the attention of the permanent head, and no time will be lost in bringing improvements into effect.

Practically the whole of the internal detail requires recasting according to more up-to-date ideas.

No method appears to have been followed in recruiting the staff in the past.

OLD-AGE PENSIONS DEPARTMENT.

This Department was until recently a branch of the Post and Telegraph Department. The work is well organized, and the system of noting and checking all applications and grants very complete. Under the Act of last year military pensions are dealt with entirely by this office.

NATIVE DEPARTMENT.

This is one of the least satisfactory of the Departments examined. For this, however, it cannot be said that the officers are altogether to blame. In the first place, they are distributed over three floors of the Government Buildings. The Under-Secretary and a clerk and the shorthand-typiste are on one floor, the Record Clerk and other clerks on another, and the Interpreter on yet another. The Chief Clerk also, through ill health, has been away from the office for several months, and no one seems to have been definitely instructed to act in his place. The Native Land Court branch has only two rooms, one for the Registrar and one for the other clerks. This latter is also the public room, and contains all the title files, which are constantly being searched by solicitors and Native agents. The accommodation is far too limited, and renders good work by the officers almost an impossibility.

This Department will require careful attention.

DEPARTMENT OF JUSTICE, INCLUDING PATENTS AND PRISONS.

This Department, with its branches, appears to be working smoothly and satisfactorily. The office system appears to be good, but the returns furnished require an overhaul to prevent the collection of useless information.

The accommodation provided for the Patent Office is altogether too cramped, and if this office is to perform its functions properly an improvement in the staff is required without delay. This will be accomplished by the appointment of a Deputy Registrar, if a suitable officer can be found in the Public Service. The Patents Act provides for a more detailed examination of applications for patents than is possible with the number of officers at the disposal of the Registrar.

Several prisons have been visited, but they appear to require no particular mention here.

STAMP DEPARTMENT.

The main business of this Department is to collect revenue, and, while this duty is carried out with great enthusiasm, it is considered that many of the methods, especially in that branch of the business which may be described particularly as "stamps," as distinguished from death duties, are quite out of date. The Stamp Department is charged with the duty of the creation and issue of adhesive stamps, and the impressing of documents with lettering representing values, of which the raised legend "Stamp duty—One penny" on cheques will be familiar to most people.

I will first refer to the impressed stamps, which have in some mysterious way survived. The main use of the impressed stamp is for cheques, of which approximately fourteen millions are impressed every year. It is considered that the process is quite unnecessary, and that it would be quite as effective to collect the value of stamp duty from banks in bulk, as is done in the case of the duty on bank-notes. It is known that shipping companies are trusted to account for the duty on passenger tickets without requiring these documents to bear an impressed stamp, while banks and the Departments are put to the cost and inconvenience of sending cheque-books to Wellington to be impressed. I have already succeeded in inducing the Department to save between £500 and £600 per annum on this account by having the work done by machinery at the Government Printing Office instead of continuing the slow and costly process of impressing by hand, but a further saving of £500 could easily be made. The present process is for banks to send parcels of cheques to the Stamp Office. The cheques are counted, entered by a special officer, and then forwarded with many precautions and checks to the Government Printer, where the impressing is done. A recount takes place, the bank is debited with the cost, and the parcel goes back. Quite apart from the operation of impressing, it will be seen that there is a deal of handling both by departmental officers and the Stamp Printing Office, to say nothing of the trouble and expense caused to the banks. The Department so far trusts banks as to allow credit until the cheque-books are sold to their customers, which causes further book-keeping. The banks could surely be trusted sufficiently far to account for the duty and to produce their books showing the sales of cheque-books when called upon to do so. So that the public would still understand that the duty was being paid, each cheque could bear a statement to the effect that the duty of 1d. was paid by the bank direct to Government. While the impressing of cheque-books accounts for the greater portion of the work, it is found that certain documents, principally annual licenses to companies, are impressed. As companies pay a license varying in amount, the work of changing the dies is considerable. Why the license cannot contain a statement to the effect that the duty has been paid is not understood. There would be no difficulty in accounting for such duty, while auditing would be a simple matter indeed. Generally, I have arrived at the conclusion that the collection of duty by impressing documents is clumsy, costly, and unnecessary.

Turning from the impressed stamps to the adhesive stamps, it cannot be said that the methods of the Stamp Office are businesslike. While they were perhaps suited to the time when communication in New Zealand was infrequent, they are not so now. The Department, however, clings to tradition. It has not, for example, yet awakened to the fact that Queen Victoria died years ago, and that King Edward has come and gone since then. Even at this date, all stamps above the value of 2s. bear an effigy of Queen Victoria.

For some reason the Stamp Department does not regard its stock of adhesive stamps, which is very large, as value. £8 worth of penny stamps the Custodian of Stamps regards as 1,920 stamps. Officers who send requisitions for stamps have not only to calculate the number they require, but to send in their requisitions in duplicate. It was stated that the duplicate requisition was of no use to the Department, but no one was able to explain why such unnecessary waste of time, which, of course, means waste of money in the long-run, was allowed to continue.

As the outcome of inspection which has taken place, several changes have been made in the routine work. In other ways, which have already been pointed out, the clerical and accounting work of this Department could with advantage be reduced,

LAND AND DEEDS REGISTRY.

All the principal offices in the Dominion were visited. As has already been pointed out more than once the accommodation in some is altogether inadequate. The Auckland office is much the worst in this respect, but it is hoped that very soon adequate arrangements will be made there. In some respects the practice in the various offices differ considerably. The index of proprietors under the Land Transfer Act is one instance. It is very desirable that the practice should be uniform, and the question of substituting the card system for this index is under consideration.

Another feature which is in process of being remedied is the amount of work done in the Department by contract—such as making copies of deeds, and drawing plans on titles, &c. The former is to some extent done now by machines operated by typists, and the saving in that matter alone, when all deeds are so copied, will be quite £2,000 a year. To give one instance of the cost of the present system, it was found that in one office the contractors, of whom there were several, were limited to £20 a month, except when the work got much behind, when they were allowed to earn as much as they could.

Another lot of contractors are employed to draw plans on titles, &c. In several instances these are officers who have been retired on superannuation. It is found that good draughting cadets are quite capable of doing this work. They are doing it in one office and in another a draughting cadet first of all makes the copy, which is then sent to the contractor, who from it draws the plan on the title. The result should be a saving of about £500 a year.

In the Wellington office particularly the organization of the staff was found to be unsatisfactory; this matter has been taken in hand.

Complaints have been received from more than one office in respect of the delay arising in connection with the examination of survey plans. The question of dealing more expeditiously with this important phase of departmental work is receiving attention.

MINES DEPARTMENT.

This Department, in so far as administration is concerned, is practically a sub-department, being under the control of the Under-Secretary for Public Works.

In matters of accounts the authority system, similar to that in use in the Public Works Department, has been introduced since the amalgamation of the Departments. This practice serves little purpose, and its continuance is not warranted. The remarks made in respect of the Public Works Department's accounts in this matter apply here also.

In the matter of the State Coal-mines Branch, the relation of the administration to the Head Office of the Mines Department is not satisfactory.

Both in the record system and accountancy a recasting could take place with advantage.

STATE COAL-MINES.

This is purely a trading concern about which a special report has been forwarded to the Minister of Mines. As the opening of the new mine may materially alter the outlook of the Department, it is desirable to await results before finally dealing with the staff.

DEPARTMENT OF INTERNAL AFFAIRS.

This important Department, which deals with practically any subject which happens to be outside the functions of other Departments, is well managed, and the work in consequence more systematically carried through than in some others. It was one of the first to adopt the system of recording suggested by the recent records committee, and the officers report it as most satisfactory and complete in every respect.

The Advertising Branch, formerly a sub-department, is now part of the Head Office—a change by which, as already mentioned, a considerable saving is effected.

The permanent head has been energetic in suggesting possible economies in his group of sub-departments. Several of the suggestions are being carried out. It is now under consideration whether the Accounts Branch of the main Department should not deal entirely with the accounts of the smaller sub-departments.

PUBLIC SERVICE SUPERANNUATION OFFICE.

In this office the work appeared to be well done, but there is considerable room for improvement in handling details. I am indebted to several members of the Service for suggestions—and these will be considered very shortly—for curtailing the duplication which now exists.

AUDIT DEPARTMENT.

The Auditor-General, being a statutory officer, is necessarily privileged to adopt his own system of carrying out audits. The inspection confirmed the opinion of the excellent system under which Government accounts are audited. While the method adopted appears in some respects to go beyond what may appear at first sight to be required, it is obvious that the auditing of the accounts of the Dominion should be provided for on as liberal a basis as possible. A present weakness appears to be that the inspecting staff of the Audit Office is so fully occupied with the inspection of local bodies' accounts that the smaller Government offices are not inspected with regularity. Additional staff has been granted to enable this to be done.

It is singular to find in a Department which contains a number of well-paid positions many officers of short service who were appointed from outside the Public Service, while deserving officers of long service who have passed special examinations in other Departments have apparently not been considered for promotion. It is, however, necessary to state that the selection of officers has been carefully made.

REGISTRAR-GENERAL.

This Department includes the Registration of Births, &c., the Electoral, and the General Statistical sub-departments. In regard to the two former, a considerable number of the Registrars are not Public Service officers. It is considered desirable that as far as possible these officers should be under the Public Service Act, and steps are being taken to attach the duties to those of other Government officers so far as this can be done without interfering with the convenience of local residents. Besides effecting a saving of about £1,500 per annum, it is thought that the performance of the work by Government officers will be more satisfactory generally than it is at present.

Owing to the ill health of the Registrar-General, he has asked to be relieved of the control of the Electoral Branch. Opportunity will be taken to reorganize the branch in such a way as to ensure reasonable economies.

The Statistical Branch is well managed, and is capable of considerable expansion. Inquiries are in progress with a view to ascertaining how far statistical work at present being done by special staffs in other Departments could be dealt with by the Statistician.

DOMINION LABORATORY AND MUSEUM.

These are sub-departments of the Department of Internal Affairs, and are working smoothly and satisfactorily. Nothing was noticed calling for special remark.

GOVERNMENT PRINTING OFFICE.

During the past twenty years this branch of the Public Service has been subjected to no less than four schemes of classification, bearing dates 26th June, 1893, 24th May, 1901, 24th May, 1912, and 17th December, 1912, respectively. With certain modifications and additions, the last has been generally approved in the present scheme.

The opportunity was afforded all the officers of the Department, operative and clerical, to state anything they might wish with regard to their pay, position, or prospects. About ninety-eight availed themselves of the opportunity, and it would appear, after analysing the statements of those who came forward, that the rates of pay, with few exceptions, are about correct, and that in the main reasonable contentment exists.

In so far as the business side of the Department is concerned, it is considered that steps should be taken to place it on the basis of a trading concern. True, the Government Printer prepares an annual balance-sheet and profit-and-loss account, but they do not dovetail in with the Treasury accounts except in its "cash" relation. The accounts in this respect should be remodelled as early as possible. It is also considered that there should be an inventory of the assets established.

The clerical work is well done, but there is room for some reduction in detail. When this was pointed out to the Government Printer steps were taken to curtail it. The use of machine processes in the office will lead to some savings. This also has received attention. The paper-store and the storing of paper and documents were a great credit to the Department. In the office and workrooms it was

abundantly apparent that the accommodation provided was inadequate to the requirements of the Department.

MENTAL HOSPITALS' DEPARTMENT.

The management of this Department is noticeably good. Four of the principal mental hospitals were visited and officers given an opportunity of bringing forward anything believed to need consideration. On the whole, there was but little that could be termed a grievance. The question of the hours of duty was raised, and I suggested to the Inspector-General that a conference of his principal officers should be called to discuss the question. I have not yet been advised of the result.

The officers of the mental hospitals brought forward a matter which has given them a good deal of concern—namely, that the board and lodging or house allowance received by them is not considered as a part of their salary for superannuation purposes. They urge that it should be, as it is undoubtedly taken into consideration when fixing the salaries allotted to them. I have recommended to Government that the matter be taken into consideration in the event of any amendment being made to the Superannuation Act. I was urged to add the cost of board and lodging, &c., to the salary, and then provide for the collection of a similar amount from the officer concerned, but in view of the terms of the Superannuation Act it appeared to me that this would defeat the intention of Parliament. The classification list has been framed in such a way that the amounts can be at once ascertained. I consider it is only reasonable that provision should be made to treat allowances which are actually in the nature of salary, as in the case of mental-hospital attendants, as counting for superannuation purposes. The same conditions apply in the Education Department. Under the present arrangement of treating board and lodging, &c., as a set-off against salary an officer receiving a monetary payment of £150 may have allowances worth £75, equal to a total of £225, and would be granted superannuation on the £150 only.

DEPARTMENT OF TOURIST AND HEALTH RESORTS.

The inspection of the Head Office and the district agencies has shown that the work of this Department is being satisfactorily carried out. The offices as a whole presented a well-ordered appearance. In the matter of the office work, however, there are several ways in which there could be a shortening-up of the present practices in the assembling of details, &c., by the adoption of machine processes, which have been pointed out to the permanent head and are being carried out. The duplication by carbon process of some of the returns of this Department provides a good example of the application of this method of saving labour which might well be followed by other Departments of the Service. The record system of this Department was unsatisfactory, but is now being improved.

In the course of inspection by the Commissioners, the establishments at Rotorua and Te Aroha were visited. It is considered that the practices now adopted leave room for some improvement, particularly in the matter of accounting. It is further considered that some amalgamation of the several interests in the former place should be effected. As regards the accounting, there appears to be no need for more than one accounting officer, who should be responsible for the collection of the whole of the revenue. At present there are no less than three officers directly responsible to the Treasury for the collection of moneys—that is to say, the Resident Officer, the District Agent, and the Receiver of Land Revenue, Auckland.

PUBLIC HEALTH DEPARTMENT.

This is almost entirely a professional Department, which appears to be well and vigorously conducted.

DEFENCE DEPARTMENT.

The civil side of this Department is a comparatively small one. There is a distinct line of demarcation between the general office staff and the stores office staff, and I would suggest that more satisfactory results would be obtained if the

stores accounts were placed under the Head Office Accountant and the stores book-keeping and clerical work revised on more modern lines.

The system of central records in use by this Department is an admirable one, which works smoothly and well. It is an object-lesson to those Departments which have been unable to devise any other than an unscientific system of records divided among branches.

It is not clear that the civil staff of this Department has been recruited on any apparent system.

A proposal was submitted by the General Officer Commanding to place the clerical staff of the Defence Department under military control. While this would be advantageous in many ways, the scheme was found, after evidence had been taken, to be impracticable, as it would have interfered with the acquired rights of a number of Civil officers. I am of opinion, however, that future entrants to the Department should be appointed on a military footing. As such entrants would be junior officers, there need be no difficulty in their working side by side with the present clerks until the latter retired under the age-limit or were transferred to other Departments. The objections on the part of the present staff were the early age of retirement of military officers as compared with civilians, and the fear that they would not be able to carry their grievances to an Appeal Board. It was mentioned by the Hunt Commission last year that the clerical branch of the Department had not been working in harmony with the military side, but I was unable to find any trace of this.

CUSTOMS DEPARTMENT.

This is one of the largest Departments. The staff is an excellent one, and their duties are well performed. There is, however, room for some improvement in method.

Instruction-books are necessary, outlining the routine to be followed in the general working of the Department, so as to secure uniformity of practice throughout the Dominion. As the outcome of representations it is understood that this has been taken in hand.

All books and forms require to be reviewed. Conferences of officers should be held at least once each year to determine whether the current practices meet the requirements of the Department.

Machine practices should be adopted for dealing with much of the work, particularly in the Statistical Branch, where the methods followed are not economical. The Department, I am glad to say, has given recognition to suggestions which have been made, and from the beginning of next year important changes will take place increasing the efficiency of the Department, and bringing into effect considerable economy. Special machines have been ordered for handling the statistical detail, and this, coupled with a rearrangement of the work which it is intended to carry out, should enable the work to be handled with greater facility and allow of officers who are growing up in the Service being employed on duties more fitting to their status.

An important feature in this Department which deserves special attention is the necessity for a continuous inspection of offices and methods. In conference with the permanent head, provision has been made in the classification for this very important phase of the organization to be more closely attended to than in the past.

MARINE DEPARTMENT.

The staff in the Head Office is numerically small, but appears to be quite sufficient. There is nothing to call for special remark except to express surprise that the staff of the Chief Inspector of Machinery has been separated from the main Department, with the usual result of unnecessary expenditure for supervision. This is being looked into.

The Meteorological Office is a branch of this Department, but is in a different building. The Director is an enthusiast who does not spare himself. Future members of his staff should possess some scientific training.

MACHINERY DEPARTMENT.

The greater portion of the clerical work of this Department is centred in the Head Office at Wellington.

Proposals for simplifying portions of the work have been put forward, and, I am pleased to record, have met with the approval and co-operation of the permanent head.

The preparation by the "multiple system" of the notices and advices respecting boiler and machinery certificates is in hand, and will, in addition to increased efficiency, result in considerable economy.

Further standardization of methods should be adopted, which would have the effect of simplifying the present practices and methods in the matter of recording the various reports and issue of certificates, &c., by the Department.

In this Department the Head Office staff consists practically of junior clerks, and as the work is of a purely routine character, and specially adapted to compilation by machine process, it is considered that such officers should only remain on work of this nature for a short period.

They should be afforded opportunities of early transfer to other Departments, where their services could be availed of to the greater benefit of the Service, and where they would be given opportunities for advancement.

These matters are receiving attention.

LABOUR.

The Head Office of this Department is in the Te Aro Post-office building. The staff is well arranged both as to convenience for working and for supervision. It contains a considerable proportion of temporary men whose terms of employment have been extended by Orders in Council—in one case until 1915. Some of the officers—more particularly in the district offices—appear to have been receiving very low salaries in comparison with officers of other Departments. This matter has been remedied. The general work of the Head Office is conducted in an up-to-date fashion.

LANDS AND SURVEY DEPARTMENT.

The ramifications of this Department are so great that it has not been possible to make such a thorough inspection as is necessary. The inspection will be continued at an early date. The Department is a relic of the provinces, each of which carried out its business in its own way. No steps appear to have been taken to establish a uniform system, and there has been no properly organized system of inspection of district offices, with the result that the practices adopted are in some respects widely dissimilar.

In so far as the general clerical work and accountancy are concerned, there is room for much improvement. An attempt should be made early to standardize the methods to be observed in the future. This should be brought into existence through the agency of a conference of officers, and such conferences should be held with regularity, with the object of reviewing and revising the system set up, to discover weaknesses. A compendium of instructions is badly required. Shortened methods in the everyday work of the Department would result in a great saving. In respect to the organization of district offices, an unfortunate condition has arisen in that in many respects the Chief Clerk of the office, in so far as can be ascertained, has not, in any one centre, exercised supervision over two very important sections—namely, accounts and land revenue. These have practically become separate units. If the district offices are to be worked efficiently and economically, what has grown up should not be allowed to continue. There appears to be no good reason for postponing an immediate amalgamation of the accounts and revenue sections, conditionally upon all steps being taken to adequately safeguard the whole of the interests.

Both in the Accounts and Land Revenue Sections the detail is capable of being handled with greater facility and at a lessened cost by the introduction of machine processes and the adoption of multiple schemes. This has already received some considerable attention, and working outlines are well forward.

The Department as a whole requires to be carefully supervised. The Accounts Branch of the Head Office in Wellington requires new methods established in several ways and current practices shortened up. As soon as the Department is able to carry out a remodelling of practices, inspection of the offices throughout the Dominion should be made with regularity. The rigid lines of demarcation now

existing between different sections of the offices requires to give way to a more elastic form of management and one which will introduce greater community of interest.

The Department has been a difficult one to classify owing to the claims of the clerical staff to be placed on an equal footing with the professional staff. Complaint is made, as was made to the Hunt Commission of last year, that a clerical officer cannot rise to be head of the Department, the positions of Under-Secretary and Surveyor-General being possible only to professional officers under the present system. This matter will probably have to receive attention in the future. It is doubtful whether the line of promotion which has been followed for some years is calculated to ensure that men of the best organizing ability shall in all cases attain to the highest position available. Seeing that there is a Surveyor-General in charge of all the professional work of the Department, it seems to be quite immaterial whether the Under-Secretary is a professional or a non-professional officer, provided he is a good organizer and is capable of taking a business view of the affairs of his Department.

VALUATION DEPARTMENT.

The District Offices at Invercargill, Dunedin, Christchurch, and Auckland, together with the Head Office, have been inspected. There seems to be doubtful warrant for the retention of the office at Invercargill, particularly when the present organization in Wellington deals with such large areas as the Provincial Districts of Wellington, Hawke's Bay, Taranaki, Marlborough, Nelson, and Westland. The staff of valuers consists of men who are carrying out their duties in an efficient manner. The work of a valuer is of a specially varied character, calling for the exercise of sound judgment, and his position is one deserving of reasonable reward.

In the matter of the office records, which are of a varied description and require to be kept in minute detail, it is considered that steps might be taken to introduce methods which would have the effect of greatly reducing the transcription which now takes place. This has already received consideration, and it is anticipated that even if the whole of the detail cannot be overtaken by machine process, yet a large share of it will be capable of being dealt with in that way. This applies to both District and Head Offices.

In several other ways a shortening-up of present practices leading to increased efficiency and economy can be adopted with advantage.

In order that the work in the respective District Offices shall be reasonably uniform it is considered that a Book of Instructions should be drawn up for general guidance. It has also been represented that much good would result from a conference of officers annually, and with this I am in agreement.

It is also thought that the District Offices should be inspected in detail in future with regularity.

DEPARTMENT OF AGRICULTURE.

This is a Department of great importance to the Dominion, which is conducted at a considerable annual cost. It is difficult to foresee the potentialities of such a Department, if properly organized and conducted on business methods which would give a maximum efficiency for the expenditure involved. It is unfortunately the case that the organization of the Department is about the last which should have been adopted. During the past few years a policy of excessive centralization has been adopted, which can only be described as calculated to result in a minimum efficiency at a maximum expenditure. This is not a Department in which the country is likely to take exception to the cost, but it is certainly one in which the organization should be such as to obtain the greatest value from the services of every officer employed, and this can only be done by an entire alteration of the present organization, for which should be substituted a well-devised scheme of decentralization.

Under the present constitution of the Department there are four divisions which are practically separate Departments, over which is the Head Office, which repeats a good deal of the office work of the divisions. The divisions are as rigid as it is possible to imagine, with the result that overlapping and waste of force is present in a marked degree, and, if the mass of evidence which has been obtained is to be relied upon, friction is altogether too much in evidence.

The two main divisions are the Live-stock and Meat Division and the Fields and Experimental Farms Division. Two others are the Orchards, Gardens, and

Apiaries Division and the Dairy-produce Division. The two latter are relatively small and compact, and present no great difficulties of management. In the two large divisions the organization is broadly as follows: In the Live-stock and Meat Division there is a Director, who is a professional officer, an Assistant Director, a Chief Veterinarian, several so-called Supervising Veterinarians, ordinary Veterinarians, and a great number of Live-stock Inspectors. In the Division of Fields and Experimental Farms there is a Director, an Assistant Director, Supervisors, and a large number of Inspectors of Rabbits and Noxious Weeds.

Taking the Live-stock and Meat Division first, it would appear on paper that the organization should be a fairly satisfactory one in working, but it is only when it is realized that the Supervisors in the districts throughout the Dominion have not the duties or powers which should be expected from the title that the difficulty commences. Stock Inspectors are officers whose salaries range from £170 to £300 per annum, and the absurd position obtains that every Stock Inspector, senior or junior, is actually responsible only to the head of the division in Wellington. Similarly, the Veterinarians, notwithstanding the presence of a so-called Supervising Veterinarian in their districts, are responsible only to Wellington. If a junior Stock Inspector in the extreme south fails in his duty, there is no senior officer nearer than Wellington who has the power to reprimand him. The duty of the Supervisor is said to be to advise and to report anything he notices to Wellington. In the words of one of the senior Supervisors, the duty of the Supervisor is "to act as a spy." It is difficult to conceive a worse arrangement. There is thus a small army of men of varying length of service and capacity over whom discipline can only be maintained from a distance too great to render it effective.

In addition to the Live-stock Inspectors, this division controls meat-inspection. Here, however, the Director appears to have had a freer hand, as there is sufficient devolution of duty to enable Meat Inspectors to be placed under local control. A proportion of the Veterinarians is occupied solely in the inspection of meat. It appears strange at first sight to find men holding professional degrees actually performing this work instead of supervising trained Inspectors only, but it is understood that the large meat companies regard it as important that there should be professional examination of meat, and, as the companies pay for the cost, the arrangement may be regarded as satisfactory.

Practically the same organization obtains in the Fields and Experimental Farms Division. There are Supervisors who have no control, and Inspectors of Rabbits and Noxious Weeds cannot be called to account except by the Director in Wellington.

It is not understood on what supposed principle the present organization of the Department was arranged a few years ago, but it would appear on the surface that there was some idea of making the Fields and Experimental Farms Division as important as possible in comparison with the Stock Division; otherwise there seems to be no reason why Inspectors of Rabbits and Noxious Weeds should not have been placed at the outset in charge of the Live-stock Division. This, however, was not done.

Bearing in mind the rigidity of the divisions to which I have referred, the result is that Inspectors of Live-stock and Inspectors of Rabbits are hopelessly out of touch with each other. While they are not actually forbidden to assist each other, it is a fact that if an Inspector of Live-stock makes a journey from, say, A—— to a place far in the country and observes a farm overrun with noxious weeds, it is no business of his to take any notice of the fact whatever; while if an Inspector of Rabbits notices an outbreak of disease among the stock on a farm which he is inspecting in his capacity of Noxious Weeds Inspector, he has no particular need to call the attention of any one to it. As a fair proportion of the Rabbit Inspectors were at one time Stock Inspectors, they are quite competent to act in the dual capacity of Stock Inspectors and Rabbit Inspectors, and there is no reason why the Stock Inspectors should not be able to observe a failure to keep down rabbits or noxious weeds.

The result of all this is that there is a great deal of overlapping. If the Stock Inspector from A—— mentioned above is kind enough to drop a hint to the Rabbit and Noxious Weeds Inspector, the latter has to make a journey which has just been accomplished by the Stock Inspector, to say nothing of the waste of force. Is it any wonder that the travelling-expenses of the Department of Agriculture amount to £24,000 per annum, or nearly £80 for every working-day of the year?

Even if the Rabbits and Noxious Weeds Inspectors were placed under the Live-stock Division, there is ample work for the most highly trained horticulturist the Dominion can procure in controlling important experiments and generally advising farmers on the thousand-and-one points which arise in connection with field farming; and to make such a change would entail no loss of dignity on the Director. Unfortunately, at the present time there is too much friction apparent, owing to a divergence of opinion between the Director of the Fields, &c., Division and the Secretary of the Department on a purely professional subject.

The Dairy-produce Division appears to be worked in a manner which leaves little opening for criticism. There is no need for any change.

As regards the Orchards Division, I am not prepared at present to express an opinion whether it should remain as an independent division or be merged into that of the Experimental Farms (Horticultural) Division. This, among other matters, will, no doubt, come under the criticism of the Board of Agriculture which is about to be created. What does strike one as a poor arrangement is that a Biologist of such repute as the present head of the Orchards Division should have been taken away from the biological work which he was performing with such marked success.

Notwithstanding that minor officers are under the direct control of the heads of their divisions only, the Department has a number of district offices in charge of fairly-well paid officers, the function of which offices would be apparent if the district agent had any power. It is freely stated by officers high up in the Service and others that the district offices are practically useless. Their main function appears to be to write letters for such Inspectors as require this to be done, and to collect fees for the registration of brands, &c. In their present form they may be regarded as an unnecessary waste of money and force.

Under the old organization there were District Inspectors in charge, and this is said to have worked well, the main difficulty being, so far as can be understood, that the advent of Veterinarians aroused a feeling that professional officers should not be under the local control of non-professional officers. It is difficult to ascertain the real reason. Whatever happened, the reorganization took place, and local control ceased. In the course of the investigation made by the Commissioners, various suggestions have been made as to the proper system of local control. The Fields Division evidently fears that it would be controlled locally by a Veterinarian, and so on.

The Commissioners see no difficulty at all in devising a perfect reorganization. The Dominion should be divided into workable districts, and a Veterinary officer who has some gift for administration placed in charge of the Live-stock Division, to which should be added the Rabbits and Noxious Weeds Inspectors. He should be given a thoroughly competent Chief Clerk and such staff as may be found necessary. This would immediately do away with the overlapping which at present exists, and enable the Inspectors in the district to be properly controlled. It is said that there is a good deal of fear, on the part of many Inspectors, that if this happened they would be found unnecessary. It seems to me that if there are any incompetent or superfluous Inspectors the sooner this happens the better.

As this arrangement would leave the Fields Division in a workable condition, the present Fields Supervisors could be placed in charge of districts similarly, with a competent Chief Clerk. There is no reason why all should not work in the same building.

Coming to the Head Office, it appears to be absurd that the ordinary clerical work should not be gathered together there. Professional men holding the important position of Directors of Divisions should not be troubled with details of office-work, which must happen at present. Instead of what is equivalent to four separate Departments corresponding with the Head Office, there should be one central system of records and accounts, to avoid the work being duplicated as is done now.

When the organization is settled on a business basis it should be determined once and for all whether the head of the Department is to be a professional or a clerical officer; and, if the latter, how far he is to override the professional officer on professional matters. I have now before me papers which indicate the difficulties in this respect.

The present organization is without doubt bad, and, as I have shown, there need not be any difficulty in introducing a good organization forthwith. The efficiency of the Department is of such vital interest to the country that there should be no half-measures. I am quite sure that the Department contains men of the right calibre to take charge of districts and to render a good account of themselves, who are at present performing work under conditions which are by no means satisfactory. There are at the same time men for whom places were found at the time of the last reorganization whose cases will have to be very carefully considered.

There are many other matters which might be touched upon, but as the new Board of Agriculture will doubtless have some recommendation to make about the policy of the Department, which might affect to some extent the details of any reorganization, it may be desirable to defer making any vital change for the moment.

I have had considerable difficulty in classifying the officers of this Department, as, under the circumstances I have detailed, it is undesirable to classify positions which may not be necessary later on.

EDUCATION.

This Department suffers from its officers being very much scattered. The Industrial Schools Branch and some of the other rooms are overcrowded. The various branches—Technical Schools, Examination, Native Schools, Industrial and Special Schools, Physical Training, *School Journal*—are practically independent of each other. All except the last have independent records, and there is in addition a General Recording Branch. With the staff so scattered it is difficult to improve matters, but steps are being taken to bring about some consolidation and also to simplify the system of recording and indexing.

Most of the industrial schools were visited and the officers seen. It appears to have been the practice of the Department to keep these officers on probation for several years before making their appointments permanent. This cannot, of course, be done under the present Act, except in special circumstances, and does not seem to be altogether fair to the officers concerned. Those that were eligible have, therefore, now been appointed permanently and appear on the Classification List.

The officers in these schools also raised the question as to their allowances not being taken into consideration for superannuation purposes. The matter has been referred to in connection with the officers in the mental hospitals, and the same remarks apply.

PUBLIC TRUST OFFICE.

The work of this Department is carried out in a very satisfactory manner. The keenness, enthusiasm, and personal interest shown by practically every member of the staff was specially noted.

A great deal of overtime has been worked by the officers during the past year; but this is being rapidly reduced, and should disappear altogether when the additional staff recently appointed become experienced. Several plans for economizing the time of the staff by the adoption of machine processes, and also in respect of the system of accounts, have been brought under the notice of the permanent head, and it is gratifying to record that the suggestions are being given effect to.

GOVERNMENT INSURANCE DEPARTMENT.

This Department is to all intents and purposes a business concern, carrying out its functions in accord with the practices of similar private institutions.

Time has not permitted of a complete examination of the work carried out by this Department, but from the interviews which the Commissioners have had with the staff, and the outcome of inspection so far conducted, it is evident that the officers are alert for the welfare of the Department.

There is at present under the consideration of the Department a proposal dealing with preparation and issue of renewal notice forms, which, when adopted, will considerably reduce transcription both in the Head and local offices, and consequently lead to more efficient and economical administration.

An excellent practice adopted by this Department has been the appointment of an "office examiner," which has had the effect of keeping the work constantly under review and up to date.

The Commissioners are of opinion that where the character and volume of the work in the larger Departments warrant it a similar appointment could be made with advantage.

A valuable suggestion of an actuarial character has been received from one of the officers of this Department which is now receiving consideration.

STATE FIRE INSURANCE DEPARTMENT.

This Department is also a business concern. The staff is largely composed of young men who have, by virtue of their position, to undertake considerable responsibility.

As the outcome of the inspection already made to date one could come to no other conclusion than that the officers have been well selected, were fulfilling their obligations with satisfaction, and were enthusiastic in their work.

The Department is adopting up-to-date methods with regard to several matters, and generally taking advantage of the trend of modern office organization.

STATE-GUARANTEED ADVANCES DEPARTMENT.

The inspection of this office revealed a want of knowledge in the application of latter-day methods and practices as applied to office-administration.

Transcription, which might easily have been avoided by the use of "carbon" processes, and mental "castings" of detail which should be done by machine process were very much in evidence.

This matter was brought under the notice of the Minister, and, as a result, work which possessed no value has already been eliminated. There has been a rearrangement in many respects. In addition, the present practices in respect of the accounting preparation and issue of the instalment notices are likely to undergo a complete change on lines suggested by the Commissioners.

When this has been carried out it should result not only in great economy, but also in increased efficiency.

PUBLIC WORKS DEPARTMENT.

The methods employed in respect of the accounts require to be completely reorganized. There is too much detail and too much repetition. The mental work, and a large share of the transcription, should be reduced by adoption of the machine processes. The amount of overlapping which exists in the recording of accounts in the Head and district offices is out of all proportion to the interests involved. Generally speaking, the present practices require a complete overhaul by an accountant who is also a "systematizer," who should give his undivided attention to the matter for at least twelve months. It would be money well spent.

A proper system of costing of all works requires to be established, and the present practices brought more closely into touch with modern method.

A scheme should be prepared setting out the details to be kept in the Head and local offices, and eliminating the duplication existing in the Head Office, while at the same time preserving all the necessary checks and providing for all information required to be in the Head Office for accounting and statistical purposes. Shortly a proposal which has received careful consideration will be submitted to the Department which will enable this to be done, and when carried out will result in a large economy. The remarks made under the heading of "Stores" have special application to this Department.

The methods adopted in the Storekeeper's branch in the matter of book-keeping and accountancy work are obsolete, and should be recast at the same time as the district accounts and Head Office accounts are taken in hand. In the Wellington Store an officer possessing a full knowledge of stores accounts should be placed in charge of all the book-keeping and accountancy, and should be supported in introducing the necessary reforms. Moreover, the Chief Accountant should be required to exercise a supervising influence over the stores accounts work and the rendering of vouchers, &c.

Departmental rules governing the practices to be observed are much required.

Nothing but a complete recasting of the present stores system can be satisfactory; the duplication and overlapping at present carried out is incapable of any reasonable explanation, and how it has been allowed to develop and continue is not understood. As an example of the overlapping which takes place, particulars of the movement of an ordinary voucher for stores supplies through the several offices is hereafter given, and in itself is evidence of the necessity of reform.

Voucher is prepared in duplicate by supplier; each day's supplies being generally put on a separate voucher, and forwarded to the District Storekeeper.

- (1.) Forwarded by District Storekeeper to foreman or other officer and registered before going out in considerable detail.
- (2.) Entered in full detail in the Stores-received Book in District Storekeeper's Office.
- (3.) Entered in Stores-stock Ledger in part detail in District Storekeeper's Office.
- (4.) Certified by District Storekeeper and sent to the District Engineer's Office.
- (5.) Entered in Voucher-abstract Book in full detail in District Engineer's Office.
- (6.) Copy of Voucher filed in district office.
- (7.) Entered in the District Engineer's Office in Authority Register and Appropriation Ledger, and certified by the District Engineer.
- (8.) Forwarded to the Chief Accountant's Branch by District Engineer.
- (9.) Entered in a card register of vouchers in part detail in Chief Accountant's Office.
- (10.) Entered in the Authority Ledger in part detail in Chief Accountant's Office.
- (11.) Entered again in full detail by the Head Office Storekeeper in a special register. Voucher initialled and returned to Chief Accountant.
- (12.) Entered again in an Expenditure Ledger. Voucher then certified again and sent on to Treasury.

ECONOMIES.

Sufficient reference has been made to economy and efficiency, but it will be convenient to collect here the details of economies which can be effected without difficulty. As it is only seven months since the Commissioners commenced their work, the list is by no means complete; still, it reaches approximately £47,000 per annum. Some of these economies can be effected at once, but in other cases it will be a year or more before the full effect of altered arrangements can be seen. It is not proposed to dispense with any officers who are capable of performing good work, as it is hoped that with the wastage of the Service by resignations, &c., and the general expansion there will be no difficulty in providing for officers displaced.

Treasury: Reorganization of arrangements for imprest advances, and improved methods of accounting—	£
Annual value of £275,000 at 4 per cent.	11,000
Annual saving of staff in Treasury and other offices by reduction of duplication of accounts, &c. . .	5,000
Abolition of bookbinding of Treasury vouchers . .	800
Internal Affairs: Saving in staff, over-age messengers superannuated, places not required to be filled . .	1,300
Saving in reorganization of sub-departments . .	1,300
Stamp Department: Saving by use of machines for stamping	560
Land and Deeds: Saving by use of typewriters for recording	2,000
Saving by improved arrangements for draughting-work	500
Saving by introduction of new system of records, all Departments	1,600

Registration of Births, Deaths, and Marriages, and Electoral: Saving by placing work in charge of Government officers	£ 1,500
Official Assignee, Christchurch: Work to be performed by Deputy Public Trustee	300
Customs: Amalgamation, &c.	600
Government Insurance: Amalgamation with Post-office at Oamaru	200
Public Health: Amalgamation of Bacteriological Laboratory with Wellington Hospital	500
Mines: Position of one Inspector to lapse on retirement..	365
Public Service Superannuation: Amalgamation of positions	300
Tourist Department: Amalgamation of positions ..	315
Improved methods of performing work—	
Land and Income Tax	14,300
State-guaranteed Advances	
Customs Department	
Lands and Survey	
Valuation Department	
Public Trust Office	
Public Works Department	
Machinery Department	

In addition to these, there should be large savings in the Department of Agriculture, or, what is probably just as necessary, increased efficiency to the amount of the savings of at least £5,000.

There also appears to be an opportunity for economies in the amalgamation of certain Departments with others possessing interests more or less in common and by the decentralization already referred to, as well as the bringing of office accommodation more closely into line with the requirements of Departments. At the present time rentals amounting to £2,920 per annum are paid for office accommodation in Wellington, and it is suggested for consideration by Government that it would be much more profitable to build than to continue to pay such an annual rental. With more modern office accommodation I am convinced that there would be substantial savings.

ADVANTAGES OF THE ACT.

A short experience of the working of the Public Service Act has shown that the present system has advantages over the former one.

- (a.) It enables a concrete view of the Service to be taken, and secures the benefits of co-operation between Departments.
- (b.) It enables means to be devised to ensure economy and efficiency which can be applied to the Service as a whole or to sections thereof.
- (c.) It places the recruiting of the Service on a basis which will result in a higher standard of efficiency.
- (d.) It widens the avenues of promotion by enabling interchange between officers of the different Departments.
- (e.) It enables rapid discovery to be made of points of inefficiency or of wasteful methods of working.
- (f.) It gives an equal opportunity to all to enter the Public Service and to proceed therein by merit and ability.
- (g.) It creates a healthy rivalry between officers throughout the Service.

MOVEMENT OF STAFF.

It is yet too early to publish tables concerning the movement of the staff. The following information concerning the retirement of officers is all that need be given in advance of a report for the full financial year:—

RETIREMENT OF OFFICERS.

Officers retired since 1st April, 1913.

Name.	Position.	Department.	Salary.	Date of Retirement.	Remarks.
Earls, A. E.	Clerk	Government Insurance	£ 180	27/6/13	Medically unfit.
Colgan, P.	Surfaceman	Public Works	9/ p. d.	26/7/13	"
Alexander, K. A. E.	Clerk	Public Trust	145	1/4/13	"
Jeffery, F. T. D.	Clerk of Court	Justice	320	30/6/13	Approved by Minister prior to 1/4/13.
Trimble, A.	"	"	300	6/8/13	Medically unfit.
Richards, A. H.	Inspector	Mines	335	31/12/13	"
Murray, R.	Manager, Water-race	"	300	31/7/13	Approved by Minister prior to 1/4/13.
Lammas, W. G.	Gardener	Mental Hospitals	118/16/	16/6/13	Medically unfit.
Conlin, J.	Foreman Lithographer	Printing and Stationery	200	31/5/13	Approved by Minister prior to 1/4/13.
Forrester, J.	Crown Lands Ranger	Lands and Survey	220	31/5/13	Ditto.
McNeil, D.	Principal Light-keeper	Marine	180	6/9/13	"
Baker, F.	Assistant Land Registrar	Land and Deeds	330	30/9/13	Completed forty years' service.

Other Officers who have left the Service since 1st April, 1913 (except the Post and Telegraph Department).

Resigned	..	..	..	..	65
Deceased	..	..	..	..	4
Taken over by Auckland Harbour Board	..	..	..	..	3
Services dispensed with	..	..	..	..	9
Dismissed	..	..	..	..	3
Total	..	..	..	..	84

The following is a list of officers beyond the age-limit who have been given notice of retirement :—

List of Officers over Sixty-five Years of Age to be retired from the Public Service.

Name.	Position.	Department.	Salary.	Date of Retirement.	Date Notice given.
Strauchon, J.	Under-Secretary	Lands and Survey	£ 800	31/3/14	9/5/13
Lewis, H. J.	Land Transfer Draughtsman	"	300	31/12/13	9/5/13
Smith, C. E. O.	Draughtsman	"	245	31/12/13	25/6/13
Liddell, J. W.	Clerk	"	180	31/12/13	25/6/13
Ammunson, J.	Crown Lands Ranger	"	220	31/3/14	25/6/13
Lomas, J.	Secretary	Labour	565	31/3/14	9/5/13
Purdie, D. R.	Clerk	Land and Income Tax	320	31/12/13	9/5/13
Andrews, W. D.	"	Machinery	255	31/12/13	9/5/13
Smith, A. M.	Secretary	Public Service Superannuation Board	400	31/12/13	9/5/13
Evans, J.	Clerk	Police	220	31/3/14	26/6/13
Evans, J.	Official Assignee	Justice	460	30/9/13	9/5/13
Tansley, S.	Clerk of Court, Dannevirke	"	250	31/12/13	18/7/13
Kelling, E. C.	Clerk of Court, Nelson	"	330	31/12/13	18/7/13

List of Officers over Sixty-five Years of Age to be retired from the Public Service—continued.

Name.	Position.	Department.	Salary.	Date of Retirement.	Date Notice given.
			£		
Redmond, T. ..	Messenger ..	Internal Affairs ..	181	31/12/13	2/6/13
West, M. ..	" ..	" ..	175	31/12/13	2/6/13
Ford, G. ..	" ..	" ..	173	31/12/13	2/6/13
Hunter, W. ..	" ..	" ..	193	31/12/13	2/6/13
Burgess, S. ..	" ..	" ..	160	31/12/13	2/6/13
Stockman, C. ..	" ..	" ..	160	31/12/13	2/6/13
Ward, N. L. ..	" ..	" ..	160	31/12/13	2/6/13
Moroney, P. M. ..	" ..	" ..	160	31/12/13	2/6/13
Coutts, J. ..	" ..	" ..	160	31/12/13	2/6/13
Taylor, R. ..	" ..	" ..	160	31/12/13	2/6/13
Norris, H. ..	" ..	" ..	160	31/12/13	2/6/13
Caldwell, J. ..	" ..	" ..	155	31/12/13	2/6/13
Watson, J. J. ..	" ..	" ..	145	31/12/13	2/6/13
O'Neill, J. ..	" ..	" ..	107	31/12/13	2/6/13
Robinson, C. ..	" ..	Stamps ..	175	31/12/13	2/6/13
Lopas, J. P. ..	" ..	Government Insurance	173/8/	31/12/13	2/6/13
Jamieson, J. ..	" ..	Ditto ..	160	31/12/13	2/6/13
Thompson, J. ..	" ..	" ..	120	31/12/13	2/6/13
Kerr, A. ..	" ..	" ..	160	31/12/13	2/6/13
Card, H. ..	" ..	Customs ..	170	31/12/13	2/6/13
O'Donnell, T. ..	" ..	" ..	170	31/12/13	2/6/13
McCallion, P. ..	" ..	" ..	170	31/3/14	25/6/13
Birchall, W. T. ..	" ..	Public Works ..	150	31/12/13	2/6/13
George, H. ..	Surfaceman ..	" ..	9/ p. d.	31/10/13	7/7/13
Brown, W.* ..	Boatman ..	Marine ..	140	20/10/13	25/6/13

* Retired at own request.

The following tables show the number of officers and their salaries under the provisional classification. The Administrative Division and the Post and Telegraph Department are not included. The salaries of administrative officers on the 31st March, 1912, were £16,950 for twenty-three officers.

Summary of Classification by Classes, 1st April, 1913.

Class.	Number of Officers.	Total of Classified Salaries.	Increase over 1912-13.
		£	£
Professional A ..	35	24,525	905
B ..	19	10,225	580
C ..	37	16,625	625
D ..	137	47,079	1,827
E ..	110	28,660	1,915
F ..	73	8,805	1,615
Clerical I ..	29	16,215	735
II ..	26	11,840	945
III ..	54	21,860	1,720
IV ..	89	30,973	1,360
V ..	168	49,965	2,205
VI ..	339	81,938	4,102
VIIA (£151-£220) ..	465	89,468	4,618
VIIb (under £151) ..	289	39,225	3,861
VIII ..	473	35,158	9,899
General 1 (£151 and over) ..	1,234	249,899	7,335
2 (under £151) ..	1,075	112,251	5,160
Totals, all Classes ..	4,652	874,711	49,407
Add Native-school teachers ..	243	25,901	52
Totals, all Classes and Native-school teachers ..	4,895	900,612	49,459

Summary of Classification by Departments.

Department.	Number of Officers.	Salary per Classification.	Department.	Number of Officers.	Salary per Classification.
		£			£
Treasury	62	12,239	Mental Hospitals	413	48,462
Friendly Societies	11	1,966	Tourists	117	18,755
Land and Income Tax	72	13,601	Public Service Commissioner ..	11	2,066
Pensions	26	4,672	Public Health	53	10,636
Native	53	9,086	Defence	79	15,721
Justice	206	40,602	Customs	240	46,819
Crown Law	9	3,700	Marine	138	24,515
Police	4	780	Machinery	37	10,184
Prisons	125	21,435	Labour	68	12,788
Patents	6	1,381	Lands and Survey	441	102,450
Stamps	34	6,651	Valuation	93	20,481
Land and Deeds	88	17,008	Agriculture	392	86,511
Mines	81	19,093	Education	247	35,113
Internal Affairs	128	19,478	.. Native-school Teachers ..	243	25,901
Private Secretaries	10	3,440	Lands for Settlement	2	1,115
Superannuation	5	1,235	Public Trust	180	29,195
Audit	54	14,700	Government Life Insurance ..	149	29,014
Registrar-General	38	7,475	State Fire	49	7,550
Dominion Museum	9	1,842	State-guaranteed Advances ..	53	9,368
Dominion Laboratory	14	3,410	Public Works	523	102,109
Bacteriological Laboratory ..	4	1,080	Immigration	6	1,550
Cook Islands Administration ..	1	275			
Government Printer	320	55,160			
			Totals	4,895	900,612

Average salary, all Classes	£188-03
.. Native school-teachers	106-59
Average increment, all Classes	10-62

ACKNOWLEDGMENTS.

During the few months of their existence the Commissioners have received valuable assistance from so many public officers that it is almost invidious to mention any by name. I desire, however, to thank Colonel Collins, Controller and Auditor-General, for freely placing his wide knowledge of service conditions at the disposal of the Commissioners; Mr. J. H. Richardson, Commissioner, Government Insurance Department; Mr. H. J. H. Blow, Under-Secretary, Public Works Department; Mr. G. F. C. Campbell, Secretary to the Treasury; Mr. W. R. Morris, Secretary of the Post and Telegraph Department; Mr. J. Hislop, Under-Secretary, Internal Affairs Department; Mr. A. T. Markman, Principal Staff Clerk, Post and Telegraph Department; and Mr. Malcolm Fraser, Government Statistician, for special services rendered. My thanks are also due to Messrs. Broadfoot, Verschaffelt, and Witheford for their excellent work as a committee to investigate the record systems of the Public Service, and to Messrs. Barltrop, Huggins, and Esson for their able report as an accounts committee. I also desire to express my appreciation of the work performed by the staff of my own office. There has been much heavy work done during and after hours, which has been performed with energy and cheerfulness.

I have the honour to be,

Sir,

Your obedient servant,

D. ROBERTSON,

Commissioner.

APPENDICES TO THE FIRST REPORT OF THE PUBLIC SERVICE COMMISSIONER.

APPENDIX A.

REPORT OF COMMITTEE APPOINTED TO INQUIRE INTO THE RECORD SYSTEMS OF THE GOVERNMENT DEPARTMENTS IN WELLINGTON.

SIR,—

Wellington, 10th February, 1913.

We, the committee appointed to examine and report upon the several record systems in use by the various Government Departments in Wellington, respectfully submit our report herewith.

In pursuance of your instructions we have made a careful examination of the methods of recording documents adopted by each of the Departments of the Public Service subject to the Public Service Act, 1912, and have also examined the systems in use by the Government Railways Department and the Defence Department respectively.

The accompanying report sets forth in detail the results of our investigations, and is divided into four main divisions, viz.:—

- (1.) *Résumé* of the systems examined, and a description of the system proposed for general use.
- (2.) Report on matters of general importance which apply in a greater or lesser degree to the record systems of all Departments.
- (3.) Individual reports on the systems in use in each Department, with remarks on matters calling for special attention.
- (4.) A list showing approximate savings which should result from the introduction of the proposed system.

The system as outlined, which has been adopted by the Public Service Commissioner's Office, is one which we have every confidence in recommending for general use throughout the Service. We think it desirable that it should be introduced immediately into two of the larger Departments (Lands and Postal for preference). This would enable Record Clerks in the other Departments to obtain an insight into the working of the system prior to its introduction into their own Departments. It would probably be necessary for an experienced Record Clerk to further assist them in inaugurating the system.

We wish to state that the method of typing the record cover sheets and cards for the register and the subject and nominal indexes in one operation, which has been introduced by the Assistant Commissioner, Mr. Triggs, must effect a considerable saving in time and labour, and in many instances will add greatly to the efficiency of the recording; the series system which we have recommended in conjunction with this method of indexing for general use by Departments has already been adopted by the Defence Department, and to a greater or less extent by other Departments, and is in our opinion the one most suitable for adoption as a uniform system.

In conclusion, we desire to thank you for the opportunity afforded us of examining the different methods of recording departmental correspondence, and trust that our report will assist in increasing the efficiency of this branch of the Service.—We have, &c.,

J. E. BROADFOOT, Chairman.

R. WITHEFORD.

P. VERSCHAFFELT.

The Public Service Commissioner, Wellington.

REPORT OF THE COMMITTEE.

Appointed by the Public Service Commissioner to—

- (1.) Examine the record systems of Government Departments in Wellington;
- (2.) Evolve an efficient uniform system; and
- (3.) Show approximately what saving of labour could be effected by centralizing the records, better methods, &c.

RÉSUMÉ OF THE SYSTEMS EXAMINED, AND A DESCRIPTION OF THE SYSTEM PROPOSED FOR GENERAL USE.

RECORD SYSTEMS IN GOVERNMENT DEPARTMENTS.

The comparatively numerous methods adopted by Government Departments for recording correspondence may be roughly classified as follows:—

- (1.) Book register and index-book (subject).
- (2.) Book register and index-books (subject and nominal).

- (3.) Book register and index of outward letters.
- (4.) Book register and card index (subject).
- (5.) Book register and card index (subject and nominal).
- (6.) Card register and card indexes (subject and nominal).
- (7.) Book subject-register and card index (subject and nominal).
- (8.) Series subject-card register and card indexes.

Five of these classes may be eliminated, leaving for discussion the following, viz. :—

- (1.) Book register and indexes.
- (2.) Card register and indexes.
- (3.) Series subject-card register and indexes.

BOOK REGISTER AND INDEXES.

An immense amount of labour is necessary to make a book record system effective—that is, in the classifying and subdividing of subjects—it being impossible to keep all the subdivisions of the subject and nominal indexes in alphabetical order. It also takes considerable time to examine the register when writing for outstanding papers. It is contended in some Departments where book systems are used that books are very much safer, owing to the likelihood of loss of cards. Inquiry was made in this respect of every office where cards are used either for record or general purposes, and in no instance could it be ascertained that cards had been lost.

CARD REGISTER AND CARD INDEXES.

This system comprises :—

- (1.) Card register.
- (2.) Card indexes (nominal and subject).

The indexes, nominal and subject, are kept strictly in alphabetical order. The numbers in the register are given a yearly series with the intention that the current files will be brought forward, and that dead or dormant files will remain with their current year's files.

To avoid making fresh numbers in the register subnumbers are given to all files in which the same subject-matter comes up during the course of the current year.

The "series" system has important advantages over this system, and these are fully set out below.

"SERIES" SUBJECT-CARD REGISTER AND CARD INDEXES (SYSTEM RECOMMENDED FOR GENERAL ADOPTION).

This may be dealt with under three headings :—

- (1.) The methods of numbering the papers;
- (2.) The method of entering; and
- (3.) The method of indexing.

(1.) *Numbering.*

The method of keeping files in series is one that appears to be the (a) most efficient, (b) most economical, (c) simplest; and, in addition, the only one that lends itself for the formation of a uniform system in the various Departments.

It is found that in many Departments various attempts have been made, with more or less success, to keep papers relating to cognate subjects together. This method has resulted in the formation of the basis of a series system, and should be extended to include all the files of a Department.

To accomplish this it will be necessary—(1.) To make a classification of the subjects dealt with. This is a matter of importance, as it will form the basis of the record system. The classification is not to be too minute—where any series is likely to be small it will generally be found better to group it with another series. (2.) The classification being made, give to each class a series number, all papers of one class bearing the same series number, and each separate subject of the series bearing a subnumber.

For example, if "Bicycle and motor cycles" is a series, and its serial number is No. 6, every letter or document relating to bicycles and motor cycles would bear the No. 6 with subnumbers indicating its position in the separate division of the series, and the file might run somewhat as follows :—

- 6/1. Bicycles—General questions.
2. Motor cycles—General questions.
3. Bicycles and motor cycles—Palmerston North.
4. Bicycles and motor cycles—Napier.

If it were found necessary to record any special point in respect of bicycles generally it would be given an initial number. Thus, if it were found necessary to record "Massey-Harris contract for supply of cycles," this would be 6/1 (1): 6/1 because it deals generally as to bicycles, 6/1 (1) because it deals with an item relating to the matter of bicycles generally. The next special part on this general file would be 6/1 (2), and so on.

(2.) *The Methods of Recording.*

The method in general use is for the covering-sheets to be written or typed, the precis being then entered in the register or on cards, as the case may be.

The typewritten slips which are recommended in lieu of these entries in the registers will be equally effective, and will result in a great saving of time.

(3.) *The Method of Indexing.*

In most Departments book indexes are used—a few only have card indexes—and the entries are usually made after the subjects have been entered in the record-book. In some offices the indexing is not kept up to date—a practice which has often resulted disastrously.

The adoption of the typewritten slips recommended in lieu of these entries will result in the indexing being done (1) immediately, (2) more efficiently, and will also effect a great saving in time.

PROPOSED TYPEWRITTEN INDEXES AND REGISTERS.

The method recommended for use in registering and indexing of papers is as follows:—

- (1.) All letters which require registering and [or] indexing should be “covered” with a foolscap sheet (as per specimen A).
- (2.) For the purposes of registering and indexing, carbon copies of these cover-sheets are taken on small sheets (specimen B), differently coloured sheets being used for the register and the nominal and subject indexes. One copy is sufficient for the register, one will generally be sufficient for the nominal index, while in some cases more than one copy will be needed for the subject index.

The adoption of this system in itself will result in a great saving of time and labour, for immediately the papers are “covered” they can be sent forward for action. The index and register cards are prepared at the same time as the cover-sheets are typed, and thus the only real cause of delay which (in the past) has existed in record-rooms is removed.

A further benefit accruing from the standardizing under this proposal will be an economic one—a considerable saving in the cost of the registers and indexes at present in use in the various Departments.

CARDS, ETC., REQUIRED.

Books and papers, &c., required under the system recommended:—

- (1.) Standard covering-sheets.
- (2.) Standard index slips (nominal and subject).
- (3.) Standard register slip.
- (4.) Card register for marking out.
- (5.) Card register for recording other Department's files.
- (6.) Suitable card-cabinets.
- (7.) Card bring-up register.

THE ADVANTAGES OF THE SERIES SYSTEM.

The special points of advantage in the systems in use are as follows:—

(1.) *The “Running” Numbers.*

In this system the file receives a standard number, and the principal advantage that results is the saving in the indexing, with the disadvantage that all papers are consecutively numbered independently of the relations of their subject-matter. It also has a further disadvantage that there is no provision for the elimination of “dead” files.

(2.) *The “Yearly” Numbers.*

In this system the principal advantage is that “dead” files automatically drop out. This system, however, has been found inadequate in many Departments, and various attempts have been made, with more or less success, towards a system on the lines of the series. A further disadvantage of this system is that files are consecutively numbered without any relation to their subject-matter.

(3.) *The Series Numbers.*

In this system an attempt is made to classify the subjects which are dealt with, the special advantages being,—

- (1.) That all papers relating to the same class of subject are kept filed together. This will result in a great saving of time when such papers are asked for (which happens very frequently in several Departments).
- (2.) The papers when kept in this way are much more easily filed when action is completed. This has been found to be the experience of Record Clerks where the system is in full, as well as only in partial, operation.
- (3.) Important papers can be classed together, as also can unimportant ones. This is an especial advantage when the question of destruction of the unimportant papers arises.
- (4.) The amount of recording and indexing is greatly reduced as compared with the yearly series. Standard files in many cases need only be recorded and indexed once; whereas instances have come under our notice where files now recorded under the yearly system have been recorded and indexed as many as twelve times in a year.
- (5.) In the larger Departments it has the special advantage of enabling the files to be placed under the control of individuals. Where necessary a branch's work can be taken out and dealt with as a whole by the branch, though the records still form part of the general record system of the office.
- (6.) It is the only system which, in our opinion, renders practicable the formation of a uniform system throughout the Service.
- (7.) Under such a system any Record Clerk should in a very short time be able to obtain a working knowledge of the records in any Department—an impossibility under the present systems.

**REPORT ON MATTERS OF GENERAL IMPORTANCE WHICH APPLY IN A GREATER OR LESS
DEGREE TO THE RECORD SYSTEMS OF ALL DEPARTMENTS.**

Opening of Correspondence.—All correspondence should as a general rule be opened by or under the direction of the Record Clerk. Important letters should immediately on receipt be brought under notice of the officer who deals with such matters.

Valuable Enclosures.—All valuable enclosures should be taken charge of by the Record Clerk until the file is ready to be sent forward to the officer concerned. An entry should be made in a "values-book," and the officer to whom the documents are handed should be required to initial the same.

Acknowledging Letters from the General Public.—All letters which cannot be immediately replied to should be formally acknowledged by means of a printed card. (No general rule exists in the Government Service, and cases have come under notice where no reply at all has been sent to the writer for periods as long as a fortnight.)

Recording of Papers.—Letters should be "covered" as early as possible, so that they may be dealt with by the officer responsible immediately on receipt.

Writing of Precipis by Typists.—In ordinary routine matters a typist should be quite capable of writing necessary precis for covering-sheets and indexes, and an officer capable of performing this duty should be associated with the Record Clerk.

Repeating Numbers in Register.—In some Departments files are given new numbers each time they are brought up in the year. This practice, which in many cases unnecessarily increases the number of files recorded, serves no purpose, as new action can easily be indexed under the old number. The practice should be discontinued.

Blocking Card Indexes.—The system of "blocking" card indexes is not understood throughout Government Departments. A great deal of time would be saved by the adoption of this system.

Staff Appointment Files.—In many Departments the personal files are included in the general files, and are given new numbers each time they are subjected to any action. These files should be kept in a separate series, and should be given individual subnumbers to last for all time. Printed cover-sheets showing the official history of each person should be kept on each file. Permanent records should be kept on cards on a similar system to that in use at the General Post Office. The assigning of the duties of Staff Clerk to a particular officer in the larger Departments (instead of the haphazard method at present in existence) appears to be a matter for consideration.

Application for Leave of Absence.—A general system for dealing with this matter should be instituted. If the subject was dealt with on the lines in use in the General Post Office a considerable saving of time now wasted in unnecessary recording and correspondence in connection with the individual applications would result.

Distribution of Correspondence.—Unnecessary delay occurs in many Departments owing to the fact that all files are required to pass from the Record Clerk to a distributing officer. If definite duties are assigned to the officers of a Department, a great saving in time would result were the files sent direct from the Record Clerk to those officers.

Marking-off of Papers within Office.—A practice in many Departments is for all correspondence to be marked off against the officer dealing with it. If the suggestion in the previous paragraph is approved, there should be no need to continue this practice. In cases where files are minutely by one officer to another in the same office, it will be found a good rule for all such papers to pass through the record-room. It should be the duty of the Record Clerk to daily look over the papers each officer is dealing with.

Detention of Files by Officers.—The practice of holding files for lengthy periods, which exists in some Departments, should be discontinued. No file should be held by any officer for more than twenty-four hours unless there is some good reason to the contrary. If action cannot be taken within a reasonable time the files should be returned to the Record Clerk to be brought up on a certain date. This should be a recognized rule in every Department.

"Bring-up" Diary.—No general practice obtains in Departments of dealing with papers where the action has not been completed. A "bring-up" diary should be kept in each record-room, and all files noted to be brought up should be entered therein and brought up on the dates on which they are required. A very unsatisfactory method obtains in many Departments, bundles of files in "suspense" being kept in every room. The proper method to deal with such files is to make an entry in the "bring-up" diary ensuring that the file will be brought up at a certain date or when required. After such note is taken the papers should be filed.

Checking of Uncompleted Work each Day.—To prevent delays all outstanding papers in record-room should be checked by Record Clerk at the close of each day.

Unrecorded Papers.—Unrecorded papers should be reduced to a minimum. It has been found that in several offices a large number of papers are unrecorded and kept on files. If it is necessary to keep them they should pass through the record system in the usual course. In one Department it was found that recorded papers had been placed with unrecorded papers.

Circular Memoranda.—A great deal of time is occupied in some Departments in checking off acknowledgments to circular memoranda. In general the acknowledgments could be well dispensed with. Departmental officers should be instructed that acknowledgments to circulars are not to be sent unless they are specially asked for.

Files minuted from one Department to another.—This is a practice which should in general be discontinued. Communications should be by memoranda accompanied by necessary reports. In the case of reports which are obtained for Departments a great deal of time would be saved if (in cases where it is necessary for copies of the reports to be filed in both offices) the officer reporting were instructed to send in his report in duplicate.

Marking out Papers to other Departments.—There is no uniform system in this matter. Some Departments mark off the papers in the registers, others by slips in the file-cupboard, and others again on loose sheets. Where it is necessary to forward files to other Departments or branches of the same Department a card record should be kept printed with series numbers and subnumbers. This is the quickest and most satisfactory method of marking off papers under the series system.

Writing for Outstanding Papers.—No general rule exists in the Government Departments with regard to writing out for outstanding papers. It is suggested that the register should be examined weekly, and that all outstanding papers which the Record Clerk considers should have been returned should be written for.

Recording other Departments' Files.—There is no uniformity in this matter. A record should be made on cards, and these should not be kept for a longer period than twelve months. In several Departments the departmental reference-books have been retained for years. This is a class of record that might easily be destroyed at the end of twelve months. No Department should allow its files to remain outstanding for anything like such a period. Where it is intended to permanently retain another Department's papers a formal notice should be sent to that Department.

Tying up Distinct Files together.—When separate files are for any reason required to be kept together they should be tied up with green tape. The fact that these files are together should be noted both in the register and on the files temporarily attached.

Press-copying of Letters and Second Carbons of Letters.—Generally speaking, neither press-copying nor the retention of second carbons of letters is necessary for record purposes. The discontinuance of these practices would result in a very great saving of time.

Despatch of Correspondence.—In many offices the greater portion of the outward correspondence does not reach the Despatch Clerk until late in the afternoon, causing a needless rush and often necessitating the attendance of despatching officers after office-hours. There is no apparent reason for this delay, and with proper organization the correspondence should be dealt with, signed, and despatched in an even flow throughout the day. The Despatch Clerk should be under the control of the Record Clerk.

Filing of Papers.—As it is part of a Record Clerk's duty to examine files to record rulings which have been made after the papers have been recorded, he should be responsible for the marking of papers "File." Where he cannot decide that action is complete he should refer papers to the particular officer responsible for necessary action, who should mark them "File."

Accommodation of Records.—The matter of cupboard space, especially in the Government Buildings, is becoming a very serious one, and action should be immediately taken to supply more accommodation. The room and table space allotted to Record Clerks is in many instances quite inadequate, and this fact is often the reason of delays, loss of papers, and unsatisfactory record work generally.

Destruction of Records.—The records of nearly every office have been kept from the inception of the Department, and tons of useless dead matter could be destroyed under the supervision of competent officers, who would take care that no document of value was lost. The records that are kept should also be protected from rats, which, in the Government Buildings, are destroying books and papers in the safes and cupboards. Many files and books have already been much damaged, and some valuable old documents have been ruined.

Training of Record Clerks.—All Record Clerks should receive training in their duties before being placed in charge of a system of records. It would be of great benefit if all Record Clerks were required to have a training in the larger departmental offices.

Examination of Record Clerks.—It is suggested that should it be decided efficiency tests are to be instituted for officers qualifying for promotion, the general principles of recording should be one of the subjects of examination.

Record Clerks to be Correspondence and Staff Clerks in small Departments.—It would be of advantage in small Departments if the positions of Record Clerk, Correspondence Clerk, and Staff Clerk were combined.

Office Staff.—It is recommended that all junior officers should first pass through the record-room. Experience shows that officers who have received this training have a much better grasp of general office matters and are better able to deal with correspondence. As a rule the work of a record-room is unsuitable for women.

Forms in Use.—Attached are samples of what appear to us to be the forms most suitable for general use in the record-rooms of the various Departments (see pp. 55 *et seq.*):—

Action-incomplete tags. (Yellow form.)

"Urgent." (Red form.)

Service schedule. (White form.)

Request for return of papers. (White form.)

Formal notice of departmental papers being attached to another Department's files. (White form.)

Letter-acknowledgment card. (White form.)

Standard index slips: Nominal (blue form) and Subject (white form).

Standard register slip. (Pink form.)

Standard covering sheets. (White form printed in red ink.)

Other Department's files register slips. (White form.)

References-outward slips. (White form.)

Bring-up diary slips. (White form.)

INDIVIDUAL REPORTS ON RECORD SYSTEMS IN USE IN GOVERNMENT DEPARTMENTS.

- | | |
|---|---------------------------------|
| 1. Advertising. | 21. Lands and Survey. |
| 2. Agriculture, Industries, and Commerce. | 22. Land Purchase Commissioner. |
| 3. Audit. | 23. Marine. |
| 4. Cook Islands. | 24. Mental Hospitals. |
| 5. Crown Law. | 25. Mines. |
| 6. Customs | 26. Native. |
| 7. Dominion Analyst. | 27. Patents. |
| 8. Dominion Museum. | 28. Pensions. |
| 9. Education. | 29. Police. |
| 10. Electoral. | 30. Post and Telegraph. |
| 11. Friendly Societies. | 31. Public Trustee. |
| 12. Government Life Insurance. | 32. Public Works. |
| 13. Government Printing. | 33. Registrar-General. |
| 14. Government Statistician. | 34. Stamps and Land and Deeds. |
| 15. Hospitals and Public Health. | 35. State Fire Insurance. |
| 16. Inspection of Machinery. | 36. State-guaranteed Advances. |
| 17. Internal Affairs. | 37. Superannuation Board. |
| 18. Justice. | 38. Tourist and Health. |
| 19. Labour. | 39. Treasury. |
| 20. Land and Income Tax. | 40. Valuation. |

GOVERNMENT ADVERTISING DEPARTMENT.

Present System.

A register of daily correspondence and an alphabetical index is kept.

Remarks.

There is no general record system—in the ordinary sense—in use. The Department is a small one, and the correspondence practically deals only with one class of subject—newspapers—each paper having a standard number.

The general system recommended could easily be adapted to this Department.

DEPARTMENT OF AGRICULTURE.

In this Department there are no less than six record systems—Head Office, Fields and Experimental Farms Branch, Orchards and Apiaries, Dairy, Live-stock and Meat, Biologist's Branch.

It is worthy of note that practically each branch has different methods of recording, inquiry revealing the fact of an almost entire ignorance of the methods adopted in each branch by officers of the other branches. Each branch treats itself as independent, and in cases where matters are referred to the Head Office, practically duplicate records (under different systems) are kept in this one Department.

There should be no reason why the various record systems should not be amalgamated, notwithstanding the branches are independent. The system of centralizing the records is in existence in other Departments, with branches just as distinct as those in this Department.

A point coming under notice in this Department was the copying of letters. In one branch it was stated that letters were press-copied because of the legal weight (if such should arise) attaching to such copies; in another branch it was to show the alterations; in another carbon sheets were used; while in another the letter-book had been looked upon as unnecessary and had been discarded.

In the Head Office the yearly card indexes have been written up in books, the books being regarded as more permanent. This is certainly unnecessary work; and the real value of a card index (to such a Department where the index should run for possibly five years) has been overlooked.

Another instance of unnecessary duplication arises from the fact that the entries for the register are first made on foolscap sheets before entry. This is certainly a waste of time, and the practice should be discontinued.

Staff files: A special officer is detailed off for this work. There does not appear to be a proper record in use or method decided upon for dealing with these matters. A knowledge of method of dealing with staff matters in the General Post Office should be of benefit to this officer.

AUDIT DEPARTMENT.

The only files kept in this Department are those of the staff. There is no record system, and no note is kept of the receipt or return of other Department's files, of which an immense number pass through the Department.

COOK ISLANDS ADMINISTRATION.

Present System.

Book register, book index.

Remarks.

Series system and typed precis and index should be adopted.

General Remarks.

Files are well kept. There is nothing calling for special notice in this Department.

CROWN LAW OFFICE.

There are no files kept in this Department.

CUSTOMS DEPARTMENT.

Present System.

Book register, two book indexes, yearly numbers.

Remarks.

The series system and typed precis and indexes should be adopted.

General Remarks.

The present index is far from satisfactory, and the adoption of the typed index would result in a saving of time of about two hours daily to the Record Clerk, and would probably allow for the doing-away of the two books giving particulars of Customs seizures. The cadet should be able to type the cover-sheets.

DOMINION LABORATORY.

Present System.

Book register and index is in use.

Remarks.

Recommended that the proposed series system with typewritten sheets and indexes be introduced.

General Remarks.

The records in this Department are neatly kept. Attempts have been made to classify the subjects dealt with, and to file them accordingly. The introduction of the new system, in addition to being a saving of time, should render the accomplishment of this object easier. Any saving of time resulting will be available for the better performance of the other duties of the Record Clerk.

DOMINION MUSEUM.

Present System.

Book register, press-copy book for index.

Remarks.

The series system with typewritten indexes should be adopted.

General Remarks.

The files of this Department are few, and there should be no difficulty whatever in recording under the proposed new system. The register should have been indexed.

EDUCATION DEPARTMENT.

Present System.

The general system in use is one of registering and indexing in a general register. A book index is also in use.

Remarks.

Series system and typed indexes should be adopted.

General Remarks.

There are no less than seven different branches in this Department keeping independent records—(1) Head Office proper, (2) Examinations Branch, (3) Technical Education Branch, (4) Native Schools, (5) Teachers' Superannuation, (6) Special Schools, (7) Cadets Branch.

There does not appear to be a necessity for such a large subdivision of files. In certain branches, as Special Schools and Examinations, it is no doubt better that the "personal" files should be kept by the separate branches, but all general questions should be recorded under one central system. If it is still found necessary for each branch to record papers under a general system, this could easily be arranged under the proposed system; but general questions affecting each branch should certainly be part of the general records.

The general opinion of the officers in the various branches was that, as far as their work was concerned, there would be no objection to the centralization of the general records.

ELECTORAL DEPARTMENT.

Present System.

Book register and card index. Files are kept in yearly series.

Remarks.

The series system with typewritten indexes should be adopted.

General Remarks.

The records are in good order. A card index has been in use for nine years. The yearly indexes have been kept separately. It would have been a better index had they been consolidated into a ten-yearly one.

The introduction of the proposed system should result in a great saving of time on the present method.

FRIENDLY SOCIETIES.

Present System.

Card register and index.

Remarks.

The adoption of the series system is recommended.

General Remarks.

Cards are used generally throughout the office, and the records are well kept. There appears to be no necessity, however, for the practice which exists of entering particulars of correspondence on the cards. It was said that these particulars with the aid of the indexed carbons of outward letters would enable a file to be reconstructed to a certain extent if papers were lost.

GOVERNMENT LIFE INSURANCE DEPARTMENT.

Present System.

Special register, book indexes.

Papers are first sent to Correspondence Clerks, who cover them and ascertain if there are any previous papers; they are then returned to Record Clerk, entered in the register, and indexed and returned to the Correspondence Clerks. They are then entered in charge-books by the clerks who are to deal with them. These charge-books are brought up daily for examination to ensure that no work has been overlooked or delayed.

Applications for loans, after being passed through the general register, are entered by Mortgage Branch in a book; when the application is granted a card is made out and placed in "Application granted" drawer, and when the loan is repaid the card is transferred to the "Loans repaid" drawer. The papers are afterwards kept by the Mortgage Branch, and filed alphabetically.

Policy files are kept partly by the Correspondence Branch and partly by the Accountant's Branch.

Remarks.

Series system and typed indexes should be used for general records.

There is a good deal of unnecessary handling of papers in this Department.

Applications for loans: These should be a series of the general system. The entry in the register is made to serve no purpose, as the applications are afterwards recorded in the Mortgage Branch, and filed alphabetically.

It is suggested that in the Mortgage Branch the card be made out when the application is made and transferred to "Granted" and "Repaid" drawers as the transaction progresses. This would make the book entry unnecessary.

These should apparently be under the charge of the Record Clerk solely.

GOVERNMENT PRINTING OFFICE.

Present System.

Book register and nominal and subject indexes.

Remarks.

Adoption of series system and typewritten index-cards recommended.

General Remarks.

The bulk of correspondence received refers to orders, and is dealt with in a commercial sense. The system works satisfactorily, and no change is needed. The time occupied in recording general matters is about two hours daily. This would be reduced under the new system as proposed above.

GOVERNMENT STATISTICIAN'S OFFICE.

Present System.

Book register and index.

Remarks.

The proposed new system should be adopted.

General Remarks.

This Department has only been nine months in existence. The great portion of correspondence relates to statistical returns in connection with the publication of the Year-book, &c. This correspondence is not recorded, but kept by officers whose duty it is to compile the returns, after which it is said to be of no use. The Government Statistician states it would be a waste of time to record these unimportant papers.

The benefit that would accrue from the adoption of the proposed system—which must necessarily be small in such a Department—would result in additional time being available for the Record Clerk to perform other duties.

DEPARTMENT OF HOSPITALS, HEALTH, AND CHARITABLE AID.

An attempt has been made in this Department to adopt a system on the lines of that recommended in the General Report.

The system does not appear to be complete either in the registering or in the indexing. It serves, however, as a good example of the simplicity of the system when, notwithstanding its incompleteness, the Department claims that no great difficulty arises in obtaining files.

The nominal index particularly seemed incomplete: this resulted from a desire of relying more on the general index, and finally on the letter-books. This reliance on letter-books is a sign of weakness in any system.

The general index appeared to be well kept. There should, however, be a more complete classification of the subjects.

The series numbers should be kept independently of the index, and form a general register. A weakness which results in this Department from the combination of the index and the register is illustrated by the fact that the only way files are marked out of the Department is by means of printed slips placed in the file-cupboards, no check being kept on the outstanding files.

The present system should be brought into line with that to be introduced into general use.

BACTERIOLOGIST'S OFFICE.

This is a branch of the Health Department, but no records are kept at all. A large number of tests are made in this Department, no less than six hundred medical men being communicated with.

The method of filing the reports on the various matters appeared as though it might be improved.

INSPECTION OF MACHINERY DEPARTMENT.

Present System.

Book register and three subsidiary indexes.

Remarks.

This system appears to have been working unsatisfactorily. Some files have been filed alphabetically according to names of boats, &c. There should be no need for this if a proper index is in use. Such files as it is necessary to keep together will, under the proposed system, be kept together by means of the series number.

General Remarks.

The general indexing in this Department is at present fourteen months behind (it had been as far back as two years).

There is a new Record Clerk in this Department who appears to have taken an intelligent interest in his work, though the state of the indexing is a big drag on him. His salary is very small—£110 per annum.

The indexing of the present year's papers should be kept up to date, and the back indexing brought up as opportunity arises. The introduction of the proposed series system should result in a saving of about two hours daily. Such time could be profitably occupied on the back indexing.

INTERNAL AFFAIRS DEPARTMENT.

Present System.

Book register; book indexes—General; departmental.

Remarks.

Series system with typewritten indexes should be adopted. Experience shows that if the general index is properly kept there should be no need for a special departmental index.

General Remarks.

This record system is very well carried out, and is probably one of the best of those examined, but papers are, if anything, overindexed. If the general recommendation as to the abolition of the letter-books and the adoption of the new system is approved, there should be a saving of time and labour in this Department.

JUSTICE DEPARTMENT.

Present System.

Book register, book index, book special index, yearly numbers. Letters are press-copied and specially numbered.

Remarks.

The series system and typed indexes could be advantageously adopted. There is no apparent necessity for the special numbering of letters.

General Remarks.

The Record Clerk is very badly provided with desk-space and office-room generally—in fact, he has no facilities whatever to enable him to perform his duties satisfactorily. He is apparently very much burdened with general work of his Department which cannot be called Record Clerk's duties, in consequence of which his general index is at present two and a half months behind.

The old records are stored in the cupboards in the girls' luncheon-room, in the passages, and in the safe, and most of the file-boxes are infested with rats. Some files have been practically destroyed by these animals, and valuable old documents have been injured. These matters should have immediate attention.

There are also several old Native record-books and files with the Justice Department which should be transferred to the Native Department.

The new series system should save the time of the Record Clerk for at least two hours daily.

PRISONS BRANCH.

The records of the Prisons Branch, which are personal files of prisoners, are kept in three register-books and two book indexes. These should be kept on cards. One good card system would replace all these books, save time, and add greatly to the efficiency of the records, as the different classes of prisoners could be kept in separate groups and fully classified as to termination and nature of sentence, &c.

LABOUR DEPARTMENT.

An attempt has been made, with some success, to record the letters in this Department on the series system. This Department furnishes another example of the simplicity of a series system—the records being kept by two junior officers, with a little assistance from the Despatch Clerk. If the recommendation as to the abolition of the letter-books is approved, the time saved to the Despatch Clerk could profitably be used in further assisting the Record Clerk.

Summary-sheets in connection with the files are used (sample attached). The typewritten covering-sheets and index-cards should be adopted, and would result in a better record than now supplied by these sheets. There should be little difficulty in adapting the present system to the proposed new system.

The Record Clerk has charge (which appeared purely nominal) of the typists, and in the past he has been held responsible for the correctness of their correspondence. It appeared as if the time thus occupied could be more profitably spent in dealing with records.

A system holds in this office of the typists giving all letters a consecutive number. This number serves no useful purpose, and should be discontinued. The record number is the one that should appear on the letter—if quoted it is of some value. The present letter numbers are not filed consecutively, and even if one is quoted it entails a search that would be unnecessary if it stood for a record number.

The letter-book serves as a subsidiary index in this Department, but should not be needed if the nominal index is complete.

Another system that holds in this Department is that letters are distributed prior to being recorded. The recording is only done after the letters are despatched. It cannot be doubted that such a system, where from the nature of the correspondence the letters can be dealt with immediately, saves a certain amount of delay. From experience of the Departments (and this Department forms no exception) it is much better that the first action to be taken on all papers is to record them. There should be no unnecessary delay in such recording—there is none in other Departments with a much larger correspondence.

A system of tabbing (with red tabs) papers on which the action is incomplete, and filing them with the tabs exposed, which obtains in this Department, appears to have many disadvantages. The “bring-up” diary would be a great improvement.

LAND AND INCOME TAX.

Present System.

Book register and card index.

Remarks.

Recommended adoption of series system with typewritten covering-sheet and indexes.

General Remarks.

The bulk of the correspondence deals with land- and income-tax returns, and the correspondence is filed with the returns of the person concerned. The number of general records is small. No entries have been made in the general register (which is written up from a rough memorandum-book) for over a year. The general register is the only book which should have been kept.

LANDS AND SURVEY DEPARTMENT.

Present System.

1. A book register for “general matters” is kept, but matters which have been regarded as “permanent” records have been given permanent numbers—*e.g.*, scenery files, domains, townships, &c.

In some cases cards are kept giving a reference to the action that has been taken on a file.

2. A card index has been in use since the beginning of 1909. The earlier indexes have been entered in books, and the indexes for the special subjects have been kept as permanent indexes, the general index being kept in a yearly order.

3. Register of inward correspondence from departmental and local district officers is kept, the correspondence being entered in date order.

4. Immigration Department's records: These have been kept by the Lands and Survey Department, a book register and card index being in use.

Remarks.

The series system recommended has really been partially in operation, and its extension to include all the files of the Department is recommended.

There does not appear to be any necessity for continuing the practice of entering the particulars on the cards.

The whole of the indexes should be incorporated in a general index. There is no need to revert to the old practice of entering the general index in books.

There does not appear to be any need to continue this register. Important departmental correspondence that requires indexing should be entered in the “nominal index.”

It is understood a separate Department of Immigration is being formed, and these files will be taken over. The system appears to satisfactorily answer requirements, and should easily adapt itself to the introduction of the new system.

General Remarks.

The present system has been evolved at a great saving from a “running” series, which has been found to be too cumbersome. The tendency here has been towards the series files as recommended in the general report. The adoption of the full series system, and of the suggestions as to the abolition of the letter-book and inwards correspondence, together with the transference of the Immigration records, should result in a large saving of time and money.

LAND FOR SETTLEMENTS DEPARTMENT.

The records of this Department are very small in number, there being a file for each estate offered for settlement under Land for Settlements Act, and also in connection with land-settlement associations. A book register and book index, supplemented by a press-copy book, are

kept. The whole of the clerical work of this office is performed by one clerk, whose time appeared to be fully occupied. It would be of benefit to the Department if a cadet were appointed to perform such duties as recording, despatching, clearing mail-box, and generally to assist in the office. The series system and typewritten indexes could be used.

MARINE DEPARTMENT.

Present System.

Book register with a general and nominal (including departmental) index.

Remarks.

The proposed new series system with typewritten slips for register and indexes should be introduced.

General Remarks.

The records in this Department have been neatly kept, and there appears to have been more work than one man could carry out satisfactorily. The question of extra assistance for the Record Clerk is being considered, and a proposal made that a new cadet be appointed to assist. With the introduction of the new system, and if the abolition of the letter-book is approved, the Despatch Clerk could render any assistance necessary for the present.

MENTAL HOSPITALS DEPARTMENT.

Present System.

Book register and index.

Remarks.

Series system and typed card indexes should be adopted.

General Remarks.

An immense index of patients is kept in book form. A card index would replace it with advantage.

MINES DEPARTMENT.

Present System.

Book register, index (nominal) card subject-index, yearly numbers.

Remarks.

Series system and typewritten cover-sheets for indexes could be adopted.

General Remarks.

"Bring-up" diary should be kept by the Record Clerk, and all officers concerned instructed that no files are to be held in "suspense" where action is not immediately completed. A saving of about half an hour daily would be effected by the introduction of the new system.

NATIVE DEPARTMENT.

Present System.

Book register and index, together with small subsidiary indexes.

Remarks.

Recommended adoption of series system with typewritten covering-sheet and indexes.

General Remarks.

Two separate systems of recording are in use in this Department—the general records and also the Native Land Purchase records—the reason advanced being that under the present general system papers were not easily obtainable. This has led to a duplication of certain records in this Department, which should not be permitted to continue.

All letters are (on receipt) entered in the record-book, and a consecutive number given each paper. In cases where there is already a file on the matter the number is entered in the margin. It should be sufficient if all papers were indexed, and there should be no need of a daily register. The adoption of the new series would allow of Native Land Purchase files being kept as a separate series and still form part of the general system.

The Record Clerk holds an additional position of President of Maori Councils, which it is understood has received insufficient attention in the past.

A saving of time should result from the centralization of the records and the adoption of the proposed system. The Chief Clerk would be relieved of the present special records of Native Land Purchase now kept, and any saving to the Record Clerk could profitably be spent on his other duties.

PATENTS OFFICE.

Present System.

Book register and book index.

Remarks.

Series system and typed indexes should be adopted.

General Remarks.

The number of general records in this Department is very small, and the benefit that would accrue from the adoption of the proposed system would result in more time being devoted to the other duties performed by the Record Clerk.

PENSIONS DEPARTMENT.

Present System.

Book register and index combined.

Remarks.

Adoption of series system and typewritten indexes is recommended.

General Remarks.

The bulk of correspondence is in connection with pensions, for which serial files are used. The general correspondence is small, but the system in vogue should be improved.

POLICE DEPARTMENT.

Present System.

Book register, book index (nominal), yearly numbers.

Remarks.

The series system and typed indexes and cover-sheets should be used.

General Remarks.

The records are well kept and do not call for special remarks. A saving of one hour a day would probably be made by the introduction of the new series with typed index-card system.

POST AND TELEGRAPH DEPARTMENT.

Present System

Book registers and card indexes.

Remarks.

The new series system with typewritten indexes is recommended.

General Remarks.

The record-room is well organized, but the introduction of the new system of recording should result in a considerable saving. Attention is drawn to the fact that files are despatched from the record-room and letters from another room. It is thought that economy would result if both the files and letters were despatched from the record-room.

PUBLIC TRUST OFFICE.

Present System.

Card register and index for (1) wills and trusts, (2) intestacy, (3) mental patients' pension and sinking funds, (4) loans and miscellaneous; book register and card index for Native reserves.

Remarks.

There is no central system of records, and from the nature of the business transacted it does not appear that anything would be gained by having such a system. The series system and typewritten indexes could with advantage be adopted for general and Native reserves files.

General Remarks.

Letters are not mounted. It would add to the neatness of files if this were done. The appointment files are not recorded, but are kept in alphabetical order. It is recommended that the system at present in operation in the Postal Department be adopted for them. The cost of recording is small.

PUBLIC WORKS DEPARTMENT.

Present System.

The system of recording now in use is book register with nominal and subject indexes, with special books for Roads and Bridges and Officers.

No system of bringing up papers is in force. Each officer keeps all papers in his "suspense" bundle until replies are received or until he is ready to take action.

No register for other Departments' files is kept. An entry of the file is made in the general register.

Files are run on in the register as many as twelve times in a year. This is done for the purpose of facilitating the indexing.

Unregistered correspondence: There were several bundles of unregistered correspondence in pigeon-holes and on the table of Record Clerk.

Papers for Tenders Board kept on Record Clerk's table.

Co-operative labour returns: Files of these papers were stowed on top of one of the file-cases.

Outstanding papers are not written out for at all.

Remarks.

Recommended that series system with typewritten index-cards be adopted.

A "bring-up" diary should be brought into use in which should be entered by the Record Clerk all files which are awaiting action, or which are required for any purpose at a later date. After entry in the diary all files should be filed away until such time as they are required.

A card-index register should be introduced and the particulars of files entered therein.

If the practice which is now in existence of sending files out of the office is stopped the need for specially indexing every action on these files should not be required.

Examination of these revealed the fact that many of the papers were over two years old, that apparently action had not been taken on some of them, that a great many of them should have been attached to files, and that many of them were actually recorded papers.

These should all be put away in file, to be brought up when required.

Inquiry disclosed the fact that these returns, which must entail a considerable amount of labour, were not used in Head Office. If this is so there does not appear to be any need for their preparation.

The register should be examined weekly and any papers which are thought to be outstanding too long should be written out for.

PUBLIC WORKS DEPARTMENT—*continued.**Present System.*

Minuting files to other Departments.

Covering-sheets: No provision made for entry of subsequent papers.

Monthly schedules of expenditure of railways. are given new numbers each month.

Index register not properly kept.

Nominal indexes for subjects from departmental officers.

Staff register kept in Accountant's Branch.

Remarks.

This practice should be discontinued. Not only does the Public Works Department lose the use of large numbers of files for lengthy periods, but the necessity is thrown on other Departments of copying the minutes and reports therefrom. When it is necessary that copies of reports should be filed in both Departments a great saving of time would result if the officers reporting were requested to send their reports in duplicate.

Subsequent papers should be noted on the original covering-sheet of a file each time it is run on.

There should be no necessity for this. One standard number should be quite sufficient.

This cannot be called recording, and leads to unnecessary delay and searches in register.

These become bulky, are seldom referred to, and if subjects are properly indexed serve no purpose. Their use should be discontinued.

On inquiring for personal files it was found that staff register was kept in Accountant's Branch. It is suggested that this is a matter for the Chief Clerk's supervision.

General Remarks.

The branch needs reorganizing; system is badly wanted, and if proper methods were introduced a large saving should result. We desire to bring under notice that highly paid officers are doing work which could be satisfactorily performed by cadets or junior officers. Mr. Foster, who is graded as a messenger, is said to be doing satisfactory work as a Record Clerk.

REGISTRAR-GENERAL'S DEPARTMENT.

Present System.

A book register and index is in use.

Staff files kept by the Deputy Registrar-General in a special cabinet. They are filed in alphabetical order.

Remarks.

The series system and typewritten indexes should be adopted.

These should form a series of the general records.

General Remarks.

The records in this Department have been well kept. The adoption of the proposed system should result in a saving of time—probably half an hour daily—to the Record Clerk, who would be further available for other duties.

LANDS AND DEEDS DEPARTMENT (STAMPS).

Present System.

Book register with subject and nominal book indexes.

Remarks.

It is recommended that the series system and typewritten indexes be substituted therefor.

General Remarks.

The records of this Department are neatly kept and no special attention needs to be called to them. The actual recording and indexing of papers occupies about two hours per day. By the introduction of the series system and typewritten sheets probably half an hour of this time would be saved. There are certain books in this Department, such as the Register of Companies, which could with advantage be placed on card indexes.

STATE FIRE INSURANCE OFFICE.

Present System.

A book register and index is kept for general matters.

Remarks.

The correspondence in this Department is divided into two groups—(1) Dealing with insurance policies, &c.; (2) dealing with questions of a general nature, affecting the policy of the Department.

The papers in group (1) are dealt with along the lines adopted in insurance offices generally; the papers in group (2), which are not many, are recorded in a book in a running series. Yearly numbers and alphabetical characters have needlessly been given to the records.

General Remarks.

The general records—in a departmental sense—are few. These general records should be kept on the method recommended.

NEW ZEALAND STATE-GUARANTEED ADVANCES OFFICE.

General Remarks.

We find that it is the practice in the Department for the Receiver to open all correspondence. This is purely for departmental reasons, and, as a large number of letters contain remittances, there appears to be no objection to this practice provided that it is a rule that letters are to be immediately handed over to the Record Clerk.

There are few "records" in the usual departmental sense of the term kept in this Department. Files are kept in respect of advances made, and the current files number about 25,000, filed in alphabetical order. This method appears to be quite satisfactory in this Department, but there is a weakness in that record is not kept either of general inquiries or of general matters. A yearly series system dealing with general files was in operation until 1910, and should not have been discontinued. A fresh start should be made as early as possible for recording these general matters, on the series system, with typewritten indexes.

Again, in connection with "staff files," these are kept in alphabetical order by the Correspondence Clerk. They should be kept on the lines laid down in the General Report, and probably with the Record Clerk (they number only sixty).

Letter-books: In this Department carbon sheets are filed in alphabetical order and serve as a letter-book. It is said that reference is frequently made to these as a result of the want of a general index. Accommodation for files appears to be inadequate in this Department.

SUPERANNUATION DEPARTMENT.

Present System.

General book register.
Superannuation card register and index combined.

Remarks.

Series system with typewritten index is recommended.

These files are also recorded in the general register. There is no apparent need for this.

TOURIST DEPARTMENT.

Present System.

A book register is used which attempts to effect a combination between a register and index.

Remarks.

No real record of correspondence is kept in this Department. Several small indexes are in use, which, if a proper system of indexing were introduced, would be unnecessary. The proposed series and typewritten index system should be adopted.

General Remarks.

There appears to be a general lack of co-ordination and co-operation between the various branches and the record-room in this Department. The Accountant keeps and numbers files "for convenience." The staff files are also under the control of another officer. If these matters were centralized under the direction of the Record Clerk, and rearrangement effected of the present staff engaged in record work, staff, and despatch, a great saving should result.

THE TREASURY.

Present System.

One general file with yearly numbers. The old register and index have been done away with, and a loose-leaf tabulated record book adopted.

Remarks.

The series system with typewritten precis and index should be adopted.

General Remarks.

A great part of the time of the Record Clerk is occupied in doing work which really belongs to the Accountant's Branch and Loans Branch, &c. This work could be allocated to the various branches concerned.

The tabulated record-book saved one entry of the subject in recording, but by adopting the system recommended and a rearrangement of the duties of officers of this branch a further saving of time and labour should result.

VALUATION DEPARTMENT.

Present System.

Card register and index are in use.

Remarks.

Adoption of series system and typewritten indexes is recommended.

General Remarks.

This is the only Department where both the register and index have been wholly kept on cards.

Only a very small proportion of the correspondence is recorded. The bulk of the papers relate to "assessments," and these papers are kept by the clerks dealing with such matter. Papers of a miscellaneous character are kept in order of districts and unrecorded. If these papers are worth keeping they should form part of the general record system.

The Correspondence Clerk carries out the duties of Record Clerk, about two hundred files being dealt with yearly.

LIST SHOWING APPROXIMATE SAVINGS WHICH SHOULD RESULT FROM THE INTRODUCTION
OF THE PROPOSED SYSTEM.

Owing to the extra duties performed by the Record Clerks, in many Departments (usually the smaller ones) it was difficult to ascertain the actual time spent on record work, and in a formal investigation such as we have made it was found to be impossible to estimate in these cases the time and labour which would be saved by the adoption of the proposed system.

The attached list indicates approximately the saving that should result in the larger Departments. It was only in these Departments, where the work is centralized, that we were able to approximately decide the number of officers who could be taken out of the record-room or whose duties could be carried out equally well by junior officers.

Further saving should result from the centralization and reorganization in such large Departments as that of Agriculture and Education, while in smaller Departments the time necessary to record papers should be reduced—probably up to 50 per cent. In addition to this there will be a considerable saving in stationery, &c., owing to the adoption of a standardized system.

There can be no doubt that a great saving could also be effected in the District Offices, which in most cases are in far greater need of reorganization than are the Head Offices in Wellington.

Approximate Saving in Six of the Larger Departments.

	£
Tourist Department	300
Internal Affairs	100
Treasury	120
Lands	200
Public Works Department	500
Post and Telegraph	350
	<u>£1,570</u>

FORMS SUITABLE FOR RECORD SYSTEM.

On the following pages are specimen forms referred to on page 45 as suitable for general use in the record-rooms of the various Departments.

RECORD NO.

ACTION INCOMPLETE

as regards—

URGENT.

P.S.C. Form 32.]

DEPARTMENT.

Series

No. _____ /

SERVICE SCHEDULE.

(Surname.)

(Christian Name.)

1. (1.) NAME IN FULL:

(2.) Date of birth :

(3.) Date of marriage:

(4.) Date of first appointment:
(On probation.)

(5.) Date appointment confirmed:

(6.) Temporary service: From _____ to _____

(7.) Superannuation Service: From

[Give reference-number in "Remarks" column for all entries for which the authority is not given in the papers below.]

[illegible][illegible]

(Department.)

WELLINGTON, _____, 191

Memorandum for

Be good enough to return to this office, as early as possible, Record No. _____

in re _____

referred to you on the _____

Secretary.**REPLY:**

*The (Secretary, Department),
Wellington.*

(DEPARTMENT.)

MEMORANDUM *from*

Wellington, _____, 191

To _____

PLEASE note that your Record _____ has been

attached to papers in the (Department), No. _____

FORMAL ACKNOWLEDGMENT TO LETTER.
(CARD.)

<p>REGISTERED No. _____ (DEPARTMENT AND TOWN.)</p> <p>IN ANY FURTHER CORRESPONDENCE, PLEASE QUOTE ABOVE NUMBER.</p> <p>DATE: _____</p> <p>Sir, or Madam,—</p> <p>I am* directed to acknowledge the receipt of your letter, No. _____, of the _____, and to advise you that the subject of it will receive immediate attention.</p> <p>A reply will be sent at an early date.</p> <p>I am, Sir, or Madam, Your obedient servant,</p> <p>PRINTED SIGNATURE.)</p> <p>(SECRETARY.)</p>	<p>Mr. J. SMITH,</p> <p>16 Ghuznee Street,</p> <p>WELLINGTON.</p>
--	---

*Or, I have to acknowledge, &c.

(FOR NOMINAL INDEX.)

WRITER:

Record No.

ADDRESS:

Date of Letter:

SUBJECT:

PREVIOUS
PAPERS:

SUBSEQUENT
PAPERS:

(FOR SUBJECT INDEX.)

WRITER:

Record No.

ADDRESS:

Date of Letter:

SUBJECT:

PREVIOUS
PAPERS:

SUBSEQUENT
PAPERS:

(FOR REGISTER.)

WRITER:

Record No.

ADDRESS:

Date of Letter:

SUBJECT:

PREVIOUS
PAPERS:

SUBSEQUENT
PAPERS:

WRITER:**Record No.****ADDRESS:****Date of Letter:****SUBJECT:****PREVIOUS
PAPERS:****SUBSEQUENT
PAPERS:**

(DEPARTMENT.)

REGISTER OF OTHER DEPARTMENTS' FILES.

File No.

Department.

Received from Date:

* Referred to Date:

* Received back Date:

Returned to Date:

* Not to be used when file circulates within office only.

REFERENCES OUTWARD.

File No.

Referred to Date:

* File or portion of file referred.

* If whole file referred, strike out "or portion of file"; if portion of file only referred, strike out "File or," and give particulars—as, "Two sheets, re J. Smith's claim."

File No.

Bring up (Date):

For

APPENDIX B.

REPORT OF COMMITTEE APPOINTED TO INQUIRE INTO THE ACCOUNTING SYSTEMS OF THE GOVERNMENT DEPARTMENTS.

The Public Service Commissioner.

Wellington, 1st July, 1913.

In accordance with your instructions we have made a careful investigation of the accounting systems in the various Departments, and beg to report as follows:—

Seventy-five offices were visited, including district offices in the four centres. While the methods employed attain the desired result, they can be shortened, many superfluous and costly checks eliminated, labour-saving devices introduced, and greater uniformity observed. There is a tendency to make too many books in connection with the record of revenue and expenditure. No sufficient line of cleavage exists between books of record and books of account.

The present system of accounting for revenue collected is unnecessarily cumbersome, leading to duplication of work as between the Treasury and the Departments.

There are no less than one thousand Receivers of Revenue in the Dominion, each rendering regular accounts, and many only collecting a few pounds in the course of the year.

The number of officers accounting direct to the Treasury might be materially reduced by a system of (a) Central Receivers accounting to the Treasury, and (b) sub-receivers accounting to the Central Receivers. In many cases the same details are forwarded to the Head Office as to the Treasury, whereas if the bank receipts were forwarded to each central office with particulars endorsed thereon the amounts could be embodied in the one general account. This is already the practice in a few Departments, and has proved a success. Such a system would abolish the necessity of forwarding to Wellington a certified or other copy of each receipt given to the public.

The sub-receivers need only keep a combined Receipt and Cash Book, in which by the carbon process a copy of the essential particulars in the receipt are written up when the receipt is prepared. This form is already in use in the State Fire Office, and is excellently adapted to this purpose, as it not only does away with the necessity of entering up a special Cash-book, but also affords a basis for a proper local audit.

The Receiver should keep a Cash-book showing daily totals of receipts under the various headings appertaining to the particular Department. This book should in all cases be ruled in columns to save unnecessary writing. Particulars of each receipt should be entered upon a specially ruled statement, the total of which should be carried into the Cash-book. This statement to be prepared in duplicate by the carbon process, and one copy retained and filed in the office for local audit and reference purposes, the other to be sent to the Treasury in support of a copy of the Cash-book. The copy of the Cash-book showing the classified totals is all that is required by the Treasury, and will suffice for that office. The details as disclosed in the statements can be passed on to the Audit or Head Office of the Department as required.

It should be an invariable rule that the receipt of money should be entered in Cash-books daily, a rule which is not always observed.

A number of small Receivers of Revenue in the Government Buildings and adjacent offices who have to keep all the records and books appertaining to such a position could account through the Treasury Cashier as Central Receiver.

In most cases it is better for each Department to collect the accounts of its various branches—work with which its officers are thoroughly acquainted—and after summarizing pass the results on to the Receiver-General. This effects two main objects: (1) It relieves the Treasury of a mass of entirely unnecessary details, and of the work of bringing these details into usable form; (2) it places each Department in the possession of its financial position without recourse to the present method of relying upon some one else.

From our first visit to the Treasury we have had under consideration the question of Provincial Receivers and Paymasters in the larger centres. We approached the matter with a bias in favour of its adoption, but the results of a searching investigation resulted in the conclusion that the scheme would be both costly and inconvenient—costly to the State, and inconvenient alike to the public and the Government Departments. The modification and extension of the present system suggested will, we think, be found a more satisfactory solution.

Many amounts collected by local Receivers which are payable to local bodies or authorities are now paid to Public Account and centralized in Wellington, where they are allocated and distributed often by officers without local knowledge. It is recommended that as a general rule any sum so collected should be paid over locally. This will not only obviate unnecessary book-keeping, but save considerable delay and frequent correspondence.

REGISTERED LETTERS.

Great laxity exists generally with reference to the treatment of inward registered letters and their contents. Often no signature is obtained beyond that of the messenger or officer who first receives the letter, though the contents may be passed through several hands.

A suitable Registered-letter-received Book should be issued on the lines of that attached, which is in use in the Government Insurance Office. It provides a simple and ready check on the passage of a registered letter and its contents through an office. All registered letters addressed to an officer, whether by name or title, should be entered and cleared in this book.

Instead of the present system of accounting weekly and four-weekly, accounting periods are recommended to be 1st–7th, 8th–15th, 16th–23rd, and 24th to end of each month, for Receivers rendering accounts more frequently than monthly, and each calendar month for all others. This

plan will obviate the necessity for a broken period at the end of the financial year, and will in many instances be welcomed by the Receivers themselves.

The copy of the Receiver's Cash-book is at present certified to with an elaborate attestation, witnessed by a second person. In our opinion a simple signature to the account is all that is necessary.

CREDITS.

A very large proportion of the receipts now treated as credits to votes should be treated as revenue. In practice clause 48 of the Public Revenues Act, 1910, is strained to an extent which was probably not contemplated, and is certainly not justifiable. The present system also increases the work both of the Treasury and the Departments.

Recoveries on account of expenditure in previous years should be treated as revenue.

EXPENDITURE.

There is a considerable overlapping and duplication of work in Departments, and between Departments and the Treasury, in connection with the records of expenditure. It is unnecessary that the same information, though perhaps in different form, should be kept in several separate sets of books. All details of items should be kept by the Departments, and the Treasury should only record the charges against votes as a whole.

The responsibility of keeping the net expenditure against each item should be cast upon Departments. The net votes should be kept in the Treasury, and the totals of items as kept by Departments should be balanced quarterly with the Treasury figures.

A schedule of vouchers for payment should be forwarded by each Department to the Treasury daily, or less frequently, say, twice a week, according to requirements. This schedule should receive a consecutive number and be prepared by the carbon process in triplicate, each copy on different-coloured paper. In the larger Departments the Remington-Wahl machine would prove very useful for the work. A draft schedule is appended. A summary of charges should appear at the foot of each schedule, showing the votes and items against which the total of the schedule is chargeable. From this summary the Treasury entries of charges against votes will be carried into the debit requisitions, and thence into the Ledger.

The top copy should be retained by the Department and filed in binding-covers to form the record of claims sent on for payment. The second and third copies should accompany the vouchers to the Treasury, where the second copy would, after insertion of cheque-numbers against each entry, be filed for reference and take the place of some thirty abstract books of expenditure now kept.

There should be one series of numbers for direct-payment cheques and vouchers common to both, instead of a different series of cheque-numbers for each branch of the bank.

The third copy should be passed on to the Audit Office by the Treasury when the vouchers are sent on in requisitions. This copy will in the first place be available as a check against the paid vouchers, and upon return could be utilized as the statement of detailed expenditure required by the Public Revenues Act if this return is to be continued in its present form.

From the copy retained by the Department will be prepared the record of expenditure under items, and any other necessary departmental returns.

No difference will be made in the treatment of vouchers which have been paid by imprestees. These will be scheduled and charged up in the same way as vouchers sent on for direct payment.

A simple book should be kept by each Department to show the expenditure under items of votes. This should be posted from the summary at the foot of each schedule sent to the Treasury, whether direct payment, imprest, or transfer. The particulars needed will be merely—Date of schedule, schedule number, and total amount chargeable to item on the schedule.

As the Treasury records will not show itemized details, the Departments will be required to prepare from the simple books suggested the gross and net expenditure under items at the end of each year for purposes of the estimates. This expenditure under items will have to balance with the total net expenditure of each vote as shown in the Treasury book.

A regulation should provide that a summary of the net expenditure in items must be prepared and forwarded to the Treasury as soon after the close of the financial year as may be required by the Paymaster-General. This will effect the necessary reconciliation between the departmental and Treasury books.

CARD INDEX TO CLAIMS PASSED.

The present method of keeping a record of claims sent on for payment is cumbersome and ineffective. It is recommended that a simple form of card index be substituted for the abstract of claims. This, in addition to readily bringing together all payments to one person or firm, will greatly facilitate reference and save clerical work, as only the schedule number, date, and amount of claim need be entered after the first entry of name and address. Thus from the card the schedule can readily be traced, and from the schedule the Treasury action can be ascertained, and, if necessary, the voucher itself turned up at a moment's notice. All this is effected without the keeping of one of the many books now used. The cards will also form a more effective check against duplicate payments than at present exists.

In order to eliminate "dead matter" from the index a new file should be started each year. The previous year's file should be referred to, and any card brought forward to the new file where necessary. At the end of the year the cards for those from whom no subsequent claim had been received for twelve months could be put away, say, for ten years, and then destroyed.

Instead of mentioning under each Department the number of books abolished in connection with the proposals with reference to payments, we make this one general reference to the fact

that in most offices books, the keeping of which involves considerable clerical labour, will no longer be required. Some Departments have multiplied both books and particulars, and in those the saving will be greater.

Vouchers should in all cases be prepared by departmental officers from the accounts rendered by tradesmen, which should be attached, and the dates or number of invoices quoted on the voucher.

CLAIMS.

The present practice of amending tradesmen's and other accounts and not advising the claimant is bad, and leads to continued irritation on the part of the public. It is recommended that in all cases where alteration is made the claimant should be advised. This also applies to the amalgamation of several separate accounts on one voucher.

Too much delay occurs in dealing with claims for services performed for the Government. They are frequently delayed in the local offices and again in Head Offices, with considerable inconvenience to the public. Salary abstracts are also checked and passed on in a too leisurely manner, frequently reaching the Treasury almost if not altogether too late for payment to be effected on due date. A limit should be placed on the time any claim or abstract otherwise in order is retained in a local or Head Office for checking purposes. Any repeated delay should be sharply dealt with.

In district offices of all Departments it is recommended that the present bulky books be abolished, and the record of vouchers prepared and sent forward for payment be an alphabetically arranged file of copies of the vouchers made by the carbon process. This will save clerical work and be self-indexing. A separate file should be kept for each year, the immediately preceding year's file being kept handy for reference in order to obviate the risk of duplicate payment. The practice which sometimes obtains of making copies of vouchers in the Head Offices should be discontinued, as in doubtful cases the original can readily be turned up in the Treasury.

VOUCHERS.

It is suggested that the approving officer in each Department should be the officer occupying the position designated by the Minister, and that the power of approval should pass automatically to any officer temporarily occupying the position. At present very considerable inconvenience and delay is caused during the absence from any cause of approving officers. In the larger Departments it is recommended that to save delay in payment of claims there should be two approving officers.

We would recommend that the duplication of the payee's name on the contingency voucher be abolished, and that the certificate of each voucher embody the amount thereof in words.

SALARIES.

The record of salaries of officers in which the monthly payments are registered should, in our opinion, be uniformly kept on a card system throughout the service. The card should be ruled in columns and ticked in the columns for each month when the salary is passed, broken periods and arrears being specially noted.

All salaries should be paid in cash, and not by individual cheque for each officer. The majority of the Departments have discarded the individual cheque system, and the practice should be made uniform.

PAYMENTS THROUGH POST OFFICE.

It is recommended that payment of all claims against the Government not exceeding £10 in amount for services which have been duly authorized be made through the Post Office, on the certificate of the local controlling officer of the Department concerned, without further reference to Wellington.

The local officers authorized should be notified to the Postal Department by the head of the Department affected by title, and not by name.

Travelling-allowances of all Inspectors might well be paid at any money-order office on presentation of properly certified vouchers accompanied by an order to pay.

TRANSFERS.

A very considerable amount of labour is expended upon petty interdepartmental accounts. Except when large amounts are involved, monthly and quarterly claims should suffice for all purposes. Such a method would save work in the Departments themselves, and be a very great relief to the Treasury, which is now constantly compelled to make entries for small interdepartmental settlements amounting to a few shillings and in some extreme cases to a few pence.

A special transfer voucher on a distinctive-coloured paper should be brought into use. The method pursued of grouping transfers on a special form requiring the approval of the Secretary to the Treasury and the Controller and Auditor-General is quite superfluous, and leads to duplication of work. The special voucher should be transmitted to the Treasury on ordinary schedules within seven days of its receipt by the Department liable for payment, and, upon reaching the Treasury, be carried straight into debit and credit requisitions.

The necessity for prompt settlement of claims, whether due to the public or Departments, is again emphasized.

RAILWAY CLAIMS.

An immense amount of work is caused by the centralization in Wellington by the Railway Department of claims for fares and freights. It is recommended that all local controlling officers should be authorized to pay such claims when the service is performed, either out of imprest or through the Post Office.

FREIGHT CLAIMS.

Claims for freight and like services, in which a number of Departments are concerned, are sent from Department to Department for approval. By the time such a claim reaches the Treasury there is frequently not only a large number of separate debits to be made on the one claim, but hair-splitting divisions among Departments are also involved. One such claim included many items of a few shillings and one of 10d.

IMPRESTS.

The question of imprests has caused us a good deal of concern. At the date of our visit to the Treasury a sum of about one and a half million pounds sterling was outstanding—*i.e.*, not finally brought to charge—besides that in the hands of the High Commissioner. There can be no doubt that both the number of imprestees and the amount on imprest should be very materially reduced.

The recommendation to pay all accounts locally through the Post Office which do not exceed £10 should have the effect of abolishing many small imprest accounts, the only excuse for the existence of which is the delay caused by reference to Wellington before payment of the numerous small amounts which it is desirable to pay promptly.

The decision as to what officers shall receive imprest advances should be entirely at the discretion of the Secretary to the Treasury. Advances to officers who do not require a permanent imprest should be arranged through the Cashier of the Treasury.

Travelling Inspectors and like officers of the various Departments, instead of receiving imprest advances, should be authorized to cash any claims for travelling allowances and expenses at any convenient money-order office upon presentation of properly completed vouchers. Such a system is already in vogue in the Post and Telegraph Department, and there is no reason why it should not be made general.

It was found that in the Public Works Department vouchers are unnecessarily split into a multitude of charges affecting the votes of other Departments concerned in various works, the subdivision being carried into such minute fractions as to involve in some cases of few pence. It would be better if all vouchers of this nature were in the first place charged to some common vote, and any final subdivision made, say, monthly or quarterly by transfer vouchers.

The Imprest Cash-book and the schedule to accompany the vouchers should be prepared by the carbon process simultaneously.

Vouchers paid through imprest when received by the Departments should be checked and charged, and, instead of being entered in books of record, should be scheduled in the same manner as vouchers for direct payment. The card index will be common to all classes of vouchers. A practice seems to have grown up requiring Ministerial approval to requisitions for imprest advances. This is a matter which might safely be left to the Secretary to the Treasury, and much unnecessary delay saved in connection with matters which are of a purely routine nature.

The whole question of imprest accounts could be simplified in every respect were the advances charged to a General Imprest Account instead of to particular votes, to which, however, the charge is not final until receipted vouchers are produced. The improper use of such an arrangement could be met by a clause to the effect that the expenditure out of all advances so made within the Dominion must be finally charged to the proper votes before the close of the calendar month next following the advance. All that is required is a slight amendment to clause 53 of the Public Revenues Act, 1910.

Numerous small Receivers of Revenue are also imprestees—they have thus to keep two separate accounts. There seems no valid reason why the receipts which are accepted in support of payments should not be allowed to form credits in one common account. The necessary book-keeping entries to fully credit revenue with the total receipts and debit expenditure with the payments could easily be made in the Treasury.

VOTES AND ITEMS.

The form which the estimates take should be made more subject to the Treasury than at present. By recasting the form and lessening the number of items a great improvement could be effected. The estimates should be standardized and all entries of like nature brought into line in accordance with a form prepared by the Treasury. The various Departments should be held strictly responsible for the correct observance of this form and the accuracy of the figures supplied.

We think that some consideration should be given to the question of reducing the number of votes appearing in the annual appropriations. By a judicious system of grouping, as is the practice in the United Kingdom, Parliament could be supplied with the information now given, but the book-keeping would be greatly simplified. For example, the appropriations for the Marine Department are at present split into no less than three votes, whereas one would be sufficient. In a number of other instances the separate votes merely represent small subdivisions of closely allied expenditure. One vote should suffice for each Department. Similarly, we consider that the items themselves are capable of reduction in number by a process of amalgamation.

We think the Working Railways appropriations would be a suitable model to adopt. If desired the details of any item could be given in the estimates, but the expenditure under the item as a whole only would be kept. When it is borne in mind that the items of some of the Departments are very numerous, the saving of work, if our suggestion be adopted, is at once apparent.

The object of giving numbers to votes and items on the appropriations in order to facilitate reference and save clerical work in verbal repetition is defeated for the greater portion of the year by the necessity of writing in detail the description of each vote and item from the 1st April until Parliament has risen. It is suggested that this difficulty might readily be overcome by using the previous year's numbers enclosed in a ring, instead of the previous year's names.

LOCAL AUDIT.

The most effective system of audit is a local audit. This would obviate the necessity of sending many statements and schedules of details to Wellington, which could be replaced by summaries.

Though it does not perhaps come strictly within the order of reference, there is one matter to which we feel impelled to draw attention—viz., the practice of recording information in anticipation of parliamentary returns which may or may not be required. The practice seems to arise through information of an unusual character being sometimes asked for which has not been kept in a readily accessible form, and which may have entailed expense and trouble to extract. Forthwith the Department has added this to its routine work in case a similar return should again be ordered. It will readily be understood that this is a fruitful cause of piling up work which in many cases is quite useless.

A cognate matter which we would also bring under your notice is the voluminousness of some of the departmental reports, which we think in many cases could be judiciously "boiled down" without omitting any material facts. There could be a saving expense both in the recording of the information and also in the printing and indiscriminate distribution of the papers.

DESTRUCTION OF OLD ACCOUNTS, RECEIPTS, ETC.

It appears that, with the exception of two Departments, there is no system of destroying old and useless books and accounts. A schedule should be prepared for each Department showing the length of time which the various classes of such records should be kept before destruction. For instance, copies of Cash-books would be destroyed after two years, and receipts after ten years.

LIABILITIES.

Considerable misconception exists regarding the annual return of liabilities. There appear to be three distinct and divergent readings of the requirements of the Act: First, amounts due for services rendered, but not paid for during the currency of the financial year; second, amounts which will become due for goods ordered but not yet received; third, unexpended balances of sums authorized to be expended. Of these, the first are the only items which can properly be described as liabilities; the second would be more properly described as commitments or contingent liabilities, while the third can only be regarded as a guide to probable requirements on certain works.

We would recommend that only the first two items be taken into account, and that they be assembled in separate returns to be headed "Liabilities" and "Commitments" respectively. The third item could be kept, if desired, for the information of the Minister.

MACHINES.

We found that throughout the Departments, in most offices, adding and computing machines would be of service. However, in a large number of cases the work is far too small to justify the purchase of a machine. We would recommend a system of grouping Departments, both in Wellington and in the larger centres, whereby certain offices would have machines in common.

GENERAL.

It came under our notice that several Government officers were licensed stamp-vendors receiving poundage on the stamps sold. While this is no doubt a convenience to the Departments in which the officer is employed, it is wrong in principle that any one who is paid a salary should be earning commission for other work done in office hours.

Attention is drawn to the peculiar position in which the service is placed by ordinary routine forms being prescribed by Act or Order in Council. This makes it necessary to amend an Act or issue an Order in Council before there can be effected any desirable alterations which experience or changed circumstances render expedient.

Rent-books should be kept by all Departments in a uniform manner on the card system.

TREASURY.

The overlapping of work in the Treasury is mainly due to the duplication in that office of the details of expenditure already kept by most of the Departments. It will be entirely abolished by the adoption of the scheme outlined in our general recommendation for schedules in triplicate.

The duplications of work in other Departments is dealt with under each Department, and is principally in connection with district, divisional, and Head Offices all keeping records covering the same ground.

If machines as recommended are more generally introduced, carbon copies can replace press-copying. The Roneo machine will still remain useful for advice-notes and other memoranda the body of which is mainly printed matter.

It would be an advantage if a small and up-to-date library of works on accountancy and finance were established in the Treasury. This would be useful to the senior officers for reference, and to the juniors for study.

If a Ledger Branch be constituted as recommended below, a millionaire and a comptometer should be procured. Both machines are absolutely necessary.

In the proposed Accounts Branch the debit and credit requisitions should be prepared by Remington-Wahl machines. The comptometer would also be useful in this branch for checking the additions of imprest, Receivers' and other accounts. There is other work on this section which could be done on Remington-Wahl machines. One Burroughs and two Remington-Wahls are at present in use and fully occupied.

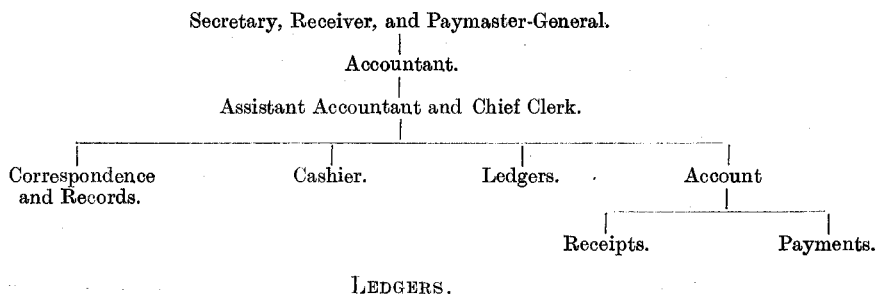
As at present constituted the work of the Treasury is divided as follows:—

- (1.) Loan and statistics.
- (2.) Correspondence and records.
- (3.) Pay and revenue.
- (4.) Accountant's Branch (book-keeping).
- (5.) Imprest and pensions.
- (6.) Cashiers.

We consider that a more suitable arrangement would be the establishment of well-defined branches each controlled by a responsible Clerk in Charge. The branches would be better arranged as follows:—

- (a.) A Ledger Branch, which would include the General Ledger and other principal books of account, also the Loan Ledgers and all accounts and statistics connected therewith.
- (b.) An Accounts Branch, which would comprise all other general work of the Treasury outside correspondence and records. This branch should be subdivided into two sections each in charge of a sectional officer directly responsible to the Clerk in Charge of the branch, who might be called the Accounts Clerk.
- (c.) The Cashier's Branch, with its present duties.
- (d.) The Records and Correspondence Branch, as at present, but any work of an accounting nature now done transferred to its proper place.

The following diagram will illustrate this suggestion:—



A number of items now scattered among various branches, but which are closely related to the work of the Ledger-keepers, should be attached to the proposed Ledger Branch, thus enabling the monthly, quarterly, and yearly statements of revenue and expenditure to be prepared and checked in that branch under the supervision of the Head Ledger-keeper.

TREASURY CASHIER.

The details of both Cash-books kept by the Treasury Cashier can be materially reduced. If statements as outlined in the general scheme be adopted, special statements could be prepared for both the receipts and payments made by this officer. A copy of the Bank Pass-book is made. This is unnecessary, and should be discontinued. A frequent comparison between the Bank Pass-book and the Cash-book should suffice.

It is suggested that when the books of advices to the bank, &c., are reprinted the form should be amended so as to admit of the application of the carbon process instead of the present method of copying the information on to the butts.

It is found that altogether too much use is made of the Treasury Cashier's imprest by officers requiring advances against salaries during the currency of the month. Such advances should be confined to cases of misfortune or unforeseen circumstances, certified to in writing by the head of the Department concerned.

The payment of cheques to order, if adopted, will materially reduce the Cashier's work. This may necessitate further staff adjustments.

INDEX TO RECEIVERS' ACCOUNTS.

Three books were kept in which were recorded the names of Receivers and the date on which their regular accounts reached the Treasury, and, if not in order, the dates when returned for correction. It was suggested that these books were unnecessary and the detail too elaborate. A simple form would suffice, the receipt of the account being indicated by a tick instead of the date being filled in. This has since been carried out, cards being used instead of sheets.

NUMBERING RECEIVERS' ACCOUNTS.

Receivers' accounts should be numbered in one series only for all Departments, and not, as at present, in several distinct sequences.

REVENUE-BOOKS.

The "Revenue-books," which are merely copies of information contained in the daily credit requisition, can, with the exception of those containing credits to votes and items which are under the immediate control of the Treasury, be replaced by filed copies of the daily requisition prepared in triplicate on a Remington-Wahl machine. As copies of the credits are required by Departments which have no other means of obtaining the information, the credits to votes might be kept by carbon process on sheets or interleaved books, the undercopy to be forwarded to Departments.

RECEIVER-GENERAL'S DEPOSITS- LEDGER.

The Deposits Ledger is suitable for the work, but the same information can also be kept in card form. The contracts and railway contracts can also be kept on cards, with a card for each contract.

The Receiver-General's Deposit Account is, for some unexplained and apparently unknown reason, subjected to an extraordinary check which is not applied to any other deposit account. Cheques drawn upon it require the counter-signature of the Controller and Auditor-General. In the case of *all* other deposit accounts the signature of the Receiver and the counter-signature of one of his senior officers suffice, even for sums as large as those which in the Treasury require the Auditor-General's counter-signature.

It is recommended that, to save delay and inconvenience to the public, the Accountant to the Treasury be made the countersigning officer.

PUBLIC ACCOUNT.

Difficulty is experienced by the Treasury in allocating numerous small payments to Public Account which are made by a section of the public who think their duty ends by paying money into the bank, and neither forward bank receipt nor other advice to the Treasury. If such persons were instructed by the Departments concerned to pay the amounts to the most convenient money-order office all this trouble could be avoided. A special form of receipt could be issued and stocked at post-offices.

BANK BUSINESS.

A book called the "Bank Ledger" is kept, into which is posted the amount of all the bank receipts which reach the Treasury. The totals of this book are posted into another book, called "Debits to Public Account." This second book is balanced with the total sums shown to have been paid to Public Account by summarizing the total of the Receivers' accounts into a Revenue Account. Both the Bank Ledger and the Debits to Public Account Book can be abolished, and the bank receipts, after being checked with the Receivers' accounts, summarized on a Burroughs adding-machine, the total so produced to agree with the Revenue Account.

The bank sends a daily summary of the amounts credited to the Public Account at Wellington, and each branch of the bank sends a weekly statement of the several lodgments made at the branch. The bank receipts are checked against the branch returns, and the branch returns against the Head Office daily statements. The totals of the Head Office daily statement, formerly entered in detail in a book, which thus became a copy of the Bank Pass-book, are now entered in total only in a Bank Ledger, which forms the check upon the bank account as kept in the General Ledger. This arrangement is now a satisfactory one, giving a complete check with a minimum of work.

A copy of the Pass-book of the Receiver-General's Deposit Account upon its receipt from the bank is made. We do not consider this necessary: check could be made daily on receipt of the Pass-book, and a note made of outstanding amounts.

DEPOSITS ACCOUNT.

The particulars of the Deposits Account are now entered in three places—(1) The Revenue-book, (2) the Credit Register, (3) the Ledger. There is no need for entries in the Revenue-book, which can be replaced if necessary by carbon copies of the requisition. The miscellaneous deposits could with advantage be kept on cards.

GOVERNOR'S WARRANT.

The Governor's Warrant appears to be an ancient survival whose only recommendation is its age. It seems altogether unnecessary, and a source of trouble and delay, that money voted by Parliament should not be available until the issue of a Warrant by the Governor. His Excellency's assent to the Appropriation Act should be all that is required. The accounts of the Treasury would be expedited were the necessity for the issue of such Warrants abolished.

REQUISITION AND BANK ORDER.

Great inconvenience and delay also arise from the fact that the Minister's signature is necessary to requisitions and bank orders. These documents are merely formal advices to bank to issue money upon which cheques for payment of current expenditure authorized by Parliament may afterwards be drawn. The signature of the Paymaster-General, together with the counter-signature of the Controller and Auditor-General, is quite a sufficient safeguard.

Provision should be made for a Deputy Paymaster-General.

Any special payment requiring Ministerial or Cabinet approval would in ordinary course be submitted to Ministerial Heads before requisitions prepared.

ABSTRACT-BOOKS.

If the suggestion *re* schedules from Departments be adopted, thirty of the thirty-two books in which are posted details of all payments classified under items can be dispensed with, as the particulars therein would be contained in the schedules accompanying all vouchers submitted for payment.

SUPERANNUATION DEDUCTIONS.

Considerable trouble is caused in the Treasury by the system of taking out and balancing superannuation deductions. It was suggested that the docket system be adopted, and this has been done with satisfactory results, including the abolition of overtime.

The system of dockets should be continued, but instead of the preparation of alphabetical schedules from the dockets the amounts should be summarized upon a Burroughs machine and the dockets themselves sent on to the Superannuation Office, as suggested by Mr. Hawthorn, the Clerk in charge of the Pay and Revenue Branches.

ORDER CHEQUES.

Careful consideration has been given to the question of the Treasury issuing cheques payable to order, the cheques to be returned by the bank to the Treasury. The adoption of the system which has previously been recommended by the Hunt Commission is desirable. There would be a saving of work in the Treasury and in the Post Office, to say nothing of the convenience to the payee, in addition to which payment would also be expedited considerably.

The advice to the bank could be curtailed so that it would only include numbers and amounts of cheques. It could then be prepared on Burroughs or Remington-Wahl machines. It would be necessary to enclose an advice with each cheque. This could be prepared in the Department concerned by the carbon process when making out the vouchers, the Treasury merely having to fill in the date of posting.

The Register of Vouchers and the Register of Addresses could both be abolished. The Treasury will always be in possession of its authority for payment, which will be accessible at all times. Much correspondence regarding outstanding vouchers and irregularities in receipts will disappear.

The loss of stamp duty could be obviated if the cheque incorporates a form of receipt, and reads "Pay to the order of ———, subject to the receipt at the foot hereof being duly signed." This form of cheque is used by commercial firms in the United Kingdom.

The present Register of Cheques and Vouchers posted can be abolished if cheques are made payable to order.

IMPREST ACCOUNTS.

Imprestees' accounts are kept in Personal Ledger accounts, also in personal accounts under votes. The keeping of the second account is unnecessary, as a balance between the total of the personal balances and the total of the vote balances as kept by the Head Book-keeper can be established either monthly or quarterly as desired. In any case the particulars with reference to votes could, if so desired, be incorporated with the Personal Ledger, which could be kept in card form.

The Day-book of Imprest Accounts received is unnecessary.

The imprest account of the High Commissioner is prepared upon demy-sized paper, which causes inconvenience to all who deal with it. Foolscap should be used. The account, which is a large one, should be typewritten instead of being prepared in manuscript, as at present. The accounting period observed by the High Commissioner should be brought into harmony with the general scheme.

A Remington-Wahl would seem to be a necessity in the accounting section of the High Commissioner's office.

A copy of the High Commissioner's Bank Pass-book is carefully written out and sent to the Treasury. No object appears to be gained by this. The bank's certificate as to the balance in hand is all that is required.

The imprest vouchers are scheduled and sent to Departments for approval. The system of checking the return of these schedules gave altogether too much work, a large book being kept and the entries therein carefully examined before the tracing of outstanding schedules for purposes of balancing could be completed. A simple form of docket kept in series for each Department was suggested, the docket to be discarded upon the return of the schedule. Thus the dockets remaining will always form a record of the outstanding schedules.

B.—1A.—DETAILED STATEMENT OF EXPENDITURE.

The return B.—1A causes a very large amount of work in the Treasury, in the Post Office, in the Railway Department, in the Audit Office, and in the Government Printing Office, even though in its present form it is merely a schedule of payments. This form has no doubt been adopted from motives of economy, but if the return is continued it should be published in such a manner as to show the total amount paid out of any particular vote to each person or firm concerned.

If the suggested system of keeping expenditure be adopted, the work of preparing the details should be thrown upon the Departments, who will then be in a better position to compile the return with the aid of their card indexes than the Treasury.

The question of continuing the return is one of policy. In our opinion its usefulness does not justify its great cost.

The daily schedule of paid vouchers, the exact form of which is prescribed by Act, entails a very large amount of unnecessary work upon the Treasury. In addition to this the schedule

does not effect the purpose for which it was instituted, for there is no check by the Audit Office to see that the paid vouchers so scheduled represent the vouchers actually included in requisition and charged to votes. The abolition of the schedule is recommended, and the paid vouchers forwarded for post-audit should be accompanied by their respective requisitions against which they can then be checked. This would give a simple self-balancing system and save a large amount of work.

B.-1.—PUBLIC ACCOUNTS.

In B.-1 a lengthy return is published showing the receipts under section 76 of the Local Bodies' Loan Act, 1908, classified under blocks. This return entails a great amount of clerical work, and does not warrant the trouble expended upon it. The total amount collected would be quite sufficient. Such detail is not required in connection with items of a more important character.

The information given more fully in the Tourist Department's annual report is repeated under the heading "Miscellaneous Revenue." One line should amply suffice in the Treasury returns, especially as it is found possible to so dispose of the Customs and Post and Telegraph revenue, with which that of the Tourist Department cannot compare either in magnitude or importance.

IMPERIAL PENSIONS.

The forms for and methods in connection with this work are largely those prescribed by the Imperial Government. The Personal Ledgers for each pensioner, reservist, or retired pay officer, however, should be replaced by a card Ledger with reduced information, and the index also kept on cards, as the Personal Ledger cards must be kept sorted in districts. Carbon copies of the voluminous correspondence in connection with the Imperial pensions should replace press-copying.

IMMIGRANTS' DEPOSITS.

Immigrants' deposits made with the High Commissioner are now dealt with by a somewhat cumbersome method. The High Commissioner advises the Treasury, which in turn issues imprests to Collectors of Customs. The Collectors pay and render imprest accounts for payments. It would be much simpler, admit of saving in accounting, and probably be more convenient to the immigrants, were the Treasury to arrange payment through the Post Office.

LOANS.

The Loan Ledgers and other books subsidiary thereto should be brought under the control of the Head Ledger-keeper, and the officers form part of his staff.

The main record in which the public debt of the Dominion is kept should take the form of a well-bound and securely-locked loose-leaf ledger, instead of a book, which becomes congested, and on account of cross references is apt to prove seriously misleading. Leaves which cease to be of use for current loans, when removed, should be placed in locked covers until there is a sufficient number; and then bound in permanent form, as they will become valuable State records of past transactions.

A folio in the Register showing the amount authorized should be opened as soon as an Act for raising a loan is passed, and not, as at present, left until the money is actually raised.

All transactions in connection with inscribed stock should be entered in this book immediately on receipt of notification from London, apart from any record kept elsewhere. At present the transactions are not entered in the Public-debt Register until the end of each year.

The books should be kept correctly and up to date, all narrations being numbered and entered in the Public-debt Register immediately the advice of the transaction reaches the Treasury, and before its transmission to the Audit Office. It was noticed that such transactions were not entered until the return of completed debentures by the Auditor-General, thus leaving the record, upon which entire dependence should be placed for information, as to the position of the public debt incomplete and even misleading for periods varying from weeks to months.

The present ruling of the book is satisfactory, with one exception. A column should be provided showing the amount of the "unexhausted authority" under each Loan Act. The position is that when a conversion of debentures into stock takes place, although the balance of the authority remains unaltered, the amount of debentures outstanding is reduced, and unless an unexhausted-authority column be kept it might easily be thought that the authority was greater by the amount of the debentures converted.

The columns proposed should be carefully kept up to date, particularly in respect of Acts which authorize annual or regularly recurring loans, so that the unexhausted authority for borrowing under any Act may be certainly and promptly ascertained.

The "Register of Debentures" should also be kept in a loose-leaf ledger, instead of in the several different and various-sized books at present in use.

An Interest Register should be kept on the loose-leaf or card principle, and should indicate not only the amount due and paid, but also the amount of interest due but remaining unpaid at the end of each financial year.

The following headings are suggested as a basis for the book or card :—

Description of Loan.

Date.	Principal.	Date.	Amount of Interest.	Amount of Interest paid.	When paid.	Voucher No.	Interest due remaining unpaid on 31st March.	Remarks.
-------	------------	-------	---------------------	--------------------------	------------	-------------	--	----------

The books at present in use do not, in our opinion, properly meet requirements.

Interest due should be diarized as a check upon the officer who prepares the necessary vouchers for payment.

Particulars of London issues of debentures should be entered in detail in the Register, each debenture number being shown, instead of being grouped as at present. It is at present not possible, when debentures are converted into stock, to readily ascertain those still remaining on charge against the Act under which they were issued.

It is of the utmost importance that the keeper of the Loan-books should be immediately notified of all transactions relative to loans. No other branch should be allowed to hold papers for any purpose until after they have been noted by him.

It is absolutely necessary that the Public-debt Register should be balanced at least quarterly with the account in the General Ledger, before the Public Accounts for the quarter are sent to audit.

A special subsidiary ledger account should be kept, to be called the "Conversion Account," into which should be posted all the items necessary to compile the return published in B.-1.

The changes recommended in the work of the Treasury will increase the importance and responsibility of those entrusted with it. We cannot too strongly urge that in selecting the officers who are to carry on the work in future, those chosen should be the best available quite irrespective of present duties or claims which cannot be supported by sterling merit. Our recommendations are based upon the assumption that officers of at least average ability will be employed. From the quality of the work which came under our notice and its general neatness and accuracy, we are of opinion that there will be no need to go outside the present Treasury staff to find the necessary officers. The Treasury staff should be a picked one, to which any officer of the Service should be proud to belong.

In order that uniform methods, strict compliance with the Treasury Regulations, and a proper observance of any new system decided upon may be enforced, it is essential that a fully competent senior officer be appointed Treasury Inspector.

DEPARTMENTAL.

NATIONAL PROVIDENT FUND AND FRIENDLY SOCIETIES OFFICE.

We found an excellent system in force in the National Provident Branch, which adequately meets the special requirements of such a fund.

The accounts of the Friendly Societies office are kept strictly in accordance with the existing Treasury Regulations.

LAND AND INCOME TAX.

The books of this office meet the requirements of a tax-collecting Department which has to keep ledger accounts for individuals. They are well kept, and the methods adopted reduce the work as much as possible consistent with a proper check. The principal improvement to be obtained will be from the introduction of mechanical devices. We suggest combining the Receiver's Cash-book and the Head Office Cash-book. A Remington-Wahl machine can be profitably employed for writing up the Tax Classification Book and other sheets.

There appears to be too sharp a dividing-line between the officers engaged on land-tax and income-tax respectively. As the land-tax is not collected at the same time of the year as the income-tax, the busy periods are not coincident, and we therefore think it possible that with reciprocity between the two sections the services of a couple of juniors might be saved.

POST OFFICE.

It is recommended that a provision similar to that made for the Railways in clause 45 of Public Revenues Act, 1910, be also made in respect of the Post Office, as the position of the two Departments with regard to the maintenance of public services is almost identical.

Full advantages has for some years past been taken of the use of machines and other labour-saving devices.

We are elsewhere suggesting that extended use may be made of the Post Office in the matter of the receipt and payment of moneys. The Department has unique facilities through its 750 money-order offices throughout the Dominion—facilities which cannot be afforded by the bank or by any system of District Paymasters. The necessary machinery already exists and is in operation.

The method we are advocating of supporting entries of total business in the Cash Account by detailed statements (which lend themselves to the use of machines and the carbon process) has been used in this Department for many years with eminently satisfactory results.

The sale of game, fishing, and other licenses is entirely in the hands of the Post Office, but under the present arrangement two other Departments, the Internal Affairs and Treasury, are brought in before the amounts collected are paid over to the societies from whom the licenses were obtained by the Post Office, and for whom they are sold. We would suggest that the Post Office pay over direct to the societies, thus saving much duplication and delay.

NATIVE DEPARTMENT.

There is confusion between the functions of the Native Land and the Survey Departments. This leads to trouble and uncertainty with reference to recoveries. The work and consequently the necessary accounting should be confined to one Department, and the Native seems to be the most suitable.

It would be an advantage were the record of Maori pensioners kept on cards.

There will be no difficulty in adapting the general scheme to this Department, which is keeping more books than are really required.

JUSTICE DEPARTMENT.

The general system advocated will be specially applicable to this Department, and save the keeping of several elaborate books.

Form M.C. 4, in which civil business of Stipendiary Magistrates' Courts is classified as between Europeans and Maoris, is still in use, and should be abolished.

Duplicate receipts are taken from all payees in connection with the law trust accounts. As there is a local audit which compares the originals with the books of entry, the taking of these duplicates appears to be superfluous.

Copies of the Deposit and Law Trust Cash-books are prepared and sent to Wellington. The local audit is sufficient, and the sending of these copies to Wellington is entirely unnecessary. The particulars are not made use of in the Treasury, where the totals only are required. The ticking of the entries on these copies by an Audit examiner in addition to a proper local audit does not seem to be required, the only result being to make work both for the Receiver and in the Audit Office.

PRISONS DEPARTMENT.

The local imprests could well be abolished, and one central imprest established from which small fixed advances could be made. The general system will apply.

PATENT OFFICE.

The revenue of this office is paid entirely in the form of stamps, and the accounting work is therefore reduced to a minimum. The present method of cancellation is by means of a rubber stamp. As the aniline ink is fugitive, a more effective means should be employed. This should be made a general rule for all Departments.

In order that some check may be had on the receipt of fees, it is recommended that a Cash-book and receipt form combined, similar to that in use in the State Fire Office, should be used in the Patent Office.

POLICE DEPARTMENT.

This Department has an excellent system of placing upon its district offices the entire work in connection with all district receipts and payments. The books are well kept, and good results are obtained with a minimum expenditure of labour. The system very closely approaches that recommended by us of concentrating each Department's accounts under central officers who thoroughly understand them, in order to considerably lessen the multitude of minor Receivers, &c., and enable the Treasury to deal only with experienced accounting officers.

In the larger district offices Remington-Wahl machines are necessary, and their installation is recommended.

STAMP DEPARTMENT.

The Annual License Fee Register should be kept in card form.

Copies of the Stock-book, Cash-book, Chief Stamper's Issue-book, together with original requisitions, are sent to the Audit Office. A visit from an Audit officer would save this copying.

The impression of stamps on bank cheques, which is done for the convenience of the bank's customers, costs something like £1,000 per annum. Not only this, but the banks are allowed 2½ per cent. commission on the value of the stamps on the cheques sold. The Stamp Department has to keep an account with every branch of each bank, with the exception of the National Bank, as the commission allowed is assessed not on the stamps impressed on the cheques, but on the cheques actually sold by the bank. We think that banks should pay for the impressed stamps as they are received from the Stamp Department, and much book-keeping thus saved.

A large amount of work is involved in impressing stamps on licenses. Where this can be done with a single die the labour is not material, but in very many instances the die has to be changed perhaps half a dozen times on the same license in order to make up the requisite fee. We see no reason why the ordinary adhesive stamps should not be used.

The duplicate receipts for totalisator-tax should be prepared by carbon process.

Cash paid at the Head Office counter is usually received by one officer and handed to another to account for. The officer attending to the counter should have sole charge of cash.

The accounting system in the offices of the Deputy Commissioners is a good one, the weak point being the laborious copying of Cash-books, dealt with elsewhere.

In the Auckland office additional strong-room accommodation is urgently required, as valuable documents have at present to be left outside.

LAND AND DEEDS REGISTRY.

The accounting is by means of stamps affixed to documents, which are afterwards cancelled.

In this office two ladies are working under most trying and unhealthy conditions, in a small unventilated strong-room. This does not relate to accounts, but we should be failing in our duty did we not bring the matter under notice.

MINES DEPARTMENT.

This Department is hampered by an altogether too elaborate system of authorities, similar to that in the Public Works Department. We recommend that the authority system be confined to specific works only, and not applied to the ordinary routine expenditure of the Department. This would, we are informed, abolish some 90 per cent. of the present issues and a corresponding amount of work. Such authorities as are as necessary to be kept should be recorded on cards.

Cases came under notice where items such as the regular payment of wages of miners, which had to be made the subject of a special authority, were actually paid and accounted for days before the authority to incur the expenditure was issued.

The Rent-book should be replaced by a card ledger.

Salaries are entered monthly in full detail under the name of each officer—an altogether unnecessary multiplication of work.

A Remington-Wahl can be profitably employed in the Head Office of the Mines Department.

STATE COAL-MINES.

There is kept in the General Manager's office an excellent and complete system of accounts which embodies all the transactions of the coal-mines and of the depots.

In our opinion duplication of work would be avoided if the accounts of the local officers were sent to the Accountant in the General Manager's office, instead of direct to the Treasury. He would incorporate them in one central account, a summary of which, as Central Receiver, he would forward to the Treasury. This would save work all round and give no more to the Accountant, as he already of necessity receives and brings into his accounts the information at present sent direct to the Treasury.

It is suggested that the transactions of the Department would be facilitated were the State Coal-mines Account made a separate account at the bank, operated upon by special cheques, as are the State Advances, Public Trust, Post Office Account, &c.

The Personal-Accounts Ledger would, in our opinion, be better kept in card form.

There is duplication of work entailed through keeping the Sales-book, which is a record of coal sold, arranged in such a manner that the amount carried by each steamer can be balanced with the sales. This balance could be effected by a slight rearrangement of the columns in the Sales Register, which is a necessary book of account.

The fortnightly broadsheets prepared by Mine-managers giving in considerable detail the particulars of wages paid do not seem necessary. Receipts are taken from each gang, which are summarized in a "schedule of wages-slips." These are quite sufficient for all purposes of record and audit. At the most the totals only of the broadsheets are required.

The Cash-book at the depots should be ruled in columns for the purpose of breaking up receipts into recognized divisions.

The coal in the yard is classified in the books according to collieries. This is altogether unnecessary. In practice it is not practicable to observe the distinction.

In the Personal Ledger daily totals of cash are entered: monthly totals would suffice.

It might be arranged that the receipt, office copy, and yardman's order should be prepared by the carbon process at one operation. The yardman's order could subsequently be paired with the office copy and form a check on delivery.

The business of the local branches and of the mines is hampered by the authority system. Authorities are issued for the annual expenditure, and subsequently further authorities for the periodical expenditure of portions of the same amount. This necessitates authority records for matters such as wages, railway freights, wharfage, marine freights, stationery, and other working-expenses which are entirely dependent upon the volume of business, and to which the system should certainly not be applied.

A Burroughs machine is necessary in the Wellington depot. A Remington-Wahl would be very useful in the office of the Mine-manager at Greymouth. We did not visit this office, but from the schedules seen in Head Office the machine could be profitably employed.

In the Wellington depot it was found that the cash-on-delivery system was not working too smoothly. Owing to the absence of customers from home, it had gradually developed into an unrecognized credit system. The alternative of cash with order is also found inconvenient, as a very large number of orders are received by telephone. It is suggested that an arrangement might be come to between the State Coal-mines and Post Office Departments whereby coal, &c., could be paid for at any suburban post-office when ordered—the orders to be telephoned or advised by post to the State Coal Office, and the amount accounted for through the Post Office.

A special form of cash-register after the style of that used in the Telegraph Office would be of great benefit, and enable certain daily-balancing books to be abolished. We are given to understand that negotiations were already under way to this end, and feel sure the introduction of the cash-register will be an unqualified success.

DEPARTMENT OF INTERNAL AFFAIRS.

The Department of Internal Affairs at present keeps the accounts of a number of small offices under control of the Minister. It is recommended that this system be extended to include the Museum and Cook Islands, the accounts of these offices being too small to require separate treatment.

REGISTRAR-GENERAL, AND ELECTORAL.

It is found that the vouchers of the Registrar-General go through the Under-Secretary of Internal Affairs, but that he approves vouchers as Chief Electoral Officer. We think there should be uniformity of procedure.

The details of expenditure on account of elections appear to be unnecessarily full, and the number of headings should be reduced by combining several of the existing columns.

It was suggested by the Registrar-General that the Postal Inspectors should examine the accounts of Registrars of Births, Deaths, and Marriages, and instruct them in uniform methods. The suggestion seems a good one, and could, we think, probably be carried out without unduly interfering with the Inspectors' other duties.

COOK ISLANDS.

A separate system of book-keeping does not appear necessary for this office, which might well be placed under the control of one of the larger Departments.

PUBLIC SERVICE SUPERANNUATION OFFICE.

A comptometer would be of assistance in this office. Generally the system is an excellent one.

PUBLIC HEALTH, ETC.

The invoices for goods, &c., supplied to the medical profession are prepared in duplicate and are entered on cards also. We suggest preparation in triplicate and dispensing with the cards.

A millionaire and a comptometer are recommended, as there is a considerable volume of statistical work involved in connection with the Annual Reports of Public Health.

It is suggested that as the amounts are very small the fees due to medical men for notifying infectious diseases should be paid half-yearly. This will save accounting, and probably be more convenient to the payees.

PRINTING OFFICE.

A complete system of book-keeping is in vogue here. The Department's Cash-book and the Receiver's Cash-book (kept in accordance with the Treasury Regulations) can be easily amalgamated with a resultant saving of work.

Invoices should be prepared in triplicate instead of duplicate, so that accounts can be rendered in the form of a summary of the totals of the invoices, with the invoices themselves attached, instead of the individual items having to be recopied.

The book containing the record of work done for each Department does not appear to us as necessary, as the information is recorded elsewhere.

Our attention was drawn to the frequency with which certain of the Departments send in requisitions for printing and stationery supplies. It is not too much to ask that a Department should be able to estimate its normal requirements for a month ahead, and send in one requisition per month. Unforeseen matters will, of course, arise, but we are satisfied that the work of the Printing Office could be reduced by exercise of foresight on the part of other Departments.

An undue amount of work appears to be involved through the charging and accounting of small amounts of postage. This could be avoided in most cases by making the postage payable on delivery.

It was formerly the practice to have all advertising checked in the Government Printing Office. As technical knowledge is involved, there is much to be said for a reversion to the former custom.

A Remington-Wahl machine and a comptometer are recommended for this office.

The office-accommodation is insufficient for the clerical staff, which at present is working at a great disadvantage.

MENTAL HOSPITALS DEPARTMENT.

The accounting-work in this Department is reduced to a minimum, and leaves little to be desired. The office is an example of a maximum of work done by a minimum of staff—and well done.

The Patients' Ledger should be in card form, as should be the index.

It is a practice among the mental hospitals to hold back their accounts for payment until the month's bills are *all* in. This is no doubt convenient to the Department, but hardly fair to the tradesmen concerned. We think the accounts should be sent on for payment as soon as they are received and checked.

TOURIST DEPARTMENT.

This Department has already adopted the system of carrying the daily totals of transaction into the Cash-book, and duplicating details by carbon process on a statement in support thereof. The result has been satisfactory, and the Department is to be commended for its adoption of such a businesslike method.

A good deal of unnecessary transmission of moneys at present takes place in connection with the branches at Sydney and Melbourne. The collections at these centres are remitted to Wellington, and conversely any money for expenses incurred at these places has to be sent back again. We suggest that official accounts be kept and expenses settled out of moneys collected. This will probably mean that salaries only will have to be remitted from Wellington, and the expense saved of transmitting the collections to and some of the remittance from Wellington.

During the course of our investigation it was mentioned that the accounts at the Melbourne and Sydney offices are not subject to any local audit. We think it right to draw attention to this matter.

The payment of wages to the employees at the Waitomo Caves appears to cause some difficulty, which we think would be best overcome by arranging the matter through the Post Office.

One central imprestee will suffice for this Department. A central Receiver in the Head Office for all the smaller offices already exists, and the plan works well.

The Accounts Register, a large book kept in the agencies in which is posted the amounts due to coach, steamer, motor, and other companies, could well be dispensed with. The information is assembled solely for the purpose of preparing a return for the Head Office, and the book is not used for any other purpose. The information for the Head Office return could be equally well compiled direct from the other sources without an intermediate book, and if the second copy is required the whole could be prepared by the carbon process in the same manner as the Tour Journal.

Railway tickets may only be issued if some other excursion is included in the tour. It would be a great convenience to the public if the Tourist Offices could issue railway tickets. The present practice of issuing coupons which have to be exchanged at the booking-office for railway tickets not only cause unnecessary accounting, but is also a source of irritation to tourists.

CUSTOMS DEPARTMENT.

The book-keeping of this Department will be simplified by the general scheme, and by recording salaries on cards.

The accounts of the Collectors of Customs are in good form and well kept. There are, however, two Cash-books: one is that required for Treasury purposes, the other the Landing

Surveyor's, which is summarized for statistical purposes. We recommend that by rearrangement of the columns the books be combined—or rather, they be combined in one form of statement, to be subsidiary to one Cash-book.

MARINE.

This is one of the Departments in which the number of the items in the appropriations can be materially reduced by amalgamation. Moreover, the expenditure under items is not kept in the form in which they appear on the appropriations.

There does not appear to be an adequate check on stores on Government steamers controlled by the Marine Department.

INSPECTION OF MACHINERY.

The Salary-book contains far too much detail, and should be replaced by cards.

One general imprest account in Wellington should meet all requirements of this Department, which has now twelve Inspectors, each with a separate imprest account. The travelling-expenses of these Inspectors could be paid through the Post Office, as recommended in the case of the Mines Department.

LABOUR DEPARTMENT.

There are about 180 small Receivers, most of whom collect fees but once a year, many only collecting a few shillings annually. These all render separate accounts to the Treasury, in addition to furnishing statements to their Head Office. It is recommended that they should pay their collections to credit of Public Account (or, where no bank exists, to the Post Office), and forward the bank receipt to Head Office with their returns. The amounts can be embodied in the Head Office Receiver's Cash Account. This will save a large number of accounts, many nil returns, much clerical work, and, by concentrating the details in one main account, lead to a very considerable saving of work in the Treasury and Audit.

The Registrar of Factories and the Registrar of Shops kept at local offices should in each case be on cards. There is too great an accumulation of "dead matter" in the books, and the cards will also form their own index.

Sums, frequently large in amount, are collected from employers for disbursement to employees, especially in cases of wages having been paid short of award rates or overtime not adequately paid for. These amounts are generally paid out at once, and are not brought into any deposit or other account. Occasionally, owing to an employee's absence, the whole or some portion of the money has to be held. There are difficulties in the way of a regular deposit account, but the present system is irregular and should not be permitted. It is recommended that instead of an employer being compelled in these cases to pay the money to the Labour Department for disbursement, he should be required to produce within a given time his employee's receipt for the amounts due.

The certificate of registration of factories should be prepared in duplicate by the carbon process, the under-copy to be for the record instead of the butt.

Salaries are kept in great detail in the Expenditure-book under a personal account for each officer, full particulars being posted thereto each month. It was found that a regular personal account is kept against each payee irrespective of the number of transactions. An index to this ledger is also kept. Such a cumbersome system will disappear if our suggestion *re* schedules and card index is adopted.

LANDS AND SURVEY DEPARTMENT.

The system of accounts in this office is on modern lines more closely approximating that recommended. The Department is a large one, the work complicated, and the fact of the successful operations of its system is an indication that the recommendations made will meet the requirements of the service generally.

The departmental Receiver could forward his small collections, together with bank receipts, to the Cashier Treasury for incorporation with his accounts.

There does not appear to be sufficient co-ordination between the various branches of the Lands and Survey Department. The Receivers of Revenue, who account direct to the Treasury, are to all intents and purposes independent officers. Their accounts do not appear to be controlled either by the local Commissioners or the departmental Head Office, and in consequence there is a want of uniformity of method. There is a division of control which is alike detrimental to the best interests of the Department to which they belong and of the Treasury.

All receivers are in a measure directly responsible to the Treasury, but are in no way relieved thereby from ordinary departmental control.

RECEIVERS OF LAND REVENUE.

The books called "Terriers," in which is kept a record of land transactions, would be more convenient if placed on cards.

A Remington-Wahl typewriter is badly needed in these offices, and a Burroughs machine in the larger centres. By use of these machines the work of accounting could be lessened and simplified, the carbon process generally brought in, and forms containing like particulars prepared simultaneously. The card system employed in Wellington for deposit accounts should be adopted generally.

The receipts for returned deposit cheques should be prepared by the carbon process. Cards could well be used to record transactions for local bodies.

A case of hardship came under our notice in connection with payment of rent. An amount of rent due was posted the day before the expiry of the day's grace, but was late in reaching the Receiver, yet the penalty imposed amounted to over £4. The rule applied to land and income tax should be adopted—*i.e.*, all amounts in letters bearing the post-mark not later than the last

day of grace should be accepted without enforcement of the penalty. The present arrangement does not even make provision for delays due to interruptions of mail-services, though it requires all sums to be remitted to Receivers direct through the post.

Broadsheets prepared by machine might replace the present Journal.

We would recommend that all such accounts as timber, grass-seed, &c., be kept by the card-ledger system.

There does not appear to be any valid reason why the whole of the Lands and Survey accounts in each district should not be under the control of one officer, instead of, as at present, being divided between an Accountant and a Receiver who work independently. The more suitable title for such an officer would be District Accountant.

Considerable work is involved in allocating local bodies "thirds" on sections as well as in blocks. It is understood that this could only be avoided by an amendment of the Act, the advisableness of which is suggested for consideration when opportunity offers.

The table of rebates of rent published in C.-1 causes much work in connection with the ascertainment of the total areas. As the essential portion of the table is the number of tenants and the amount of rebate, the area might well be dropped.

By drafting suitable statements the overlapping of the Receiver's Cash-book and the large Dissection-book might be avoided, and the necessity of making manuscript copies avoided by the use of carbon sheets. The daily totals would suffice for Cash-book entries and Treasury returns.

The accounts kept in the Auckland District Office are most complete, and enable the Commissioner to exercise an intelligent control over the numerous surveyors. If such complete accounts are kept in district offices it should suffice if the Head Office were regularly supplied by the District Accountant with any total figures required. The district office appears to be the proper place to keep details of district accounts.

Outside these points the accounts of the Receivers are distinctly good and well kept. The principal ledger (especially in Auckland) is all that could be desired from an accountancy standpoint, and the balance-sheets made up annually therefrom are worthy of publication.

The Receivers generally are zealous officers who take a keen and intelligent interest in their duties.

LANDS FOR SETTLEMENT.

No less than four Departments are sometimes concerned in accounts relative to lands purchased for settlement—the Land Purchase Office, the Lands and Survey Department, the Public Works Department, and the Labour Department. In no place, however, is there provision for assembling all the expenditure, each Department keeping independent records. Thus there is not only a divided authority, but also confusion in accounting.

Four different accounts are involved—viz., Land for Settlements Account, Consolidated Fund, Public Works Fund, and State-guaranteed Advances Account.

The transactions, though necessarily carried out by different officers, should be under control of one central office, and in our opinion the Department which should assume the general management is the Lands and Survey. At present no proper capital account appears to be kept.

VALUATION DEPARTMENT.

The books of this Department are well arranged and well kept. Daily totals only are entered in the copy of the Cash-book sent to the Treasury. A central imprest account is in successful operation, with but one imprestee, who is in the Head Office. A central Receiver in the Head Office incorporates all valuation receipts throughout the Dominion in one account, thus saving much work both in the Department and in the Treasury. Special numbered forms of receipt prepared by carbon process are in use. In fact, this Department's accounts are, as far as the existing law allows, an example of good methods.

DEPARTMENT OF AGRICULTURE.

There is too much circumlocution in the handling of vouchers for payment. These bear provision for no less than four separate series of numbers—viz., the district office, the divisional office, the Accountant's office, and the Treasury. The Index to Claims is kept in three places—(1) the Head Office (Accountant's office), (2) the divisional Head Office, (3) the district office. The book can be replaced in the Head Office by index cards, in the district office by copies of vouchers filed alphabetically, and abolished entirely in the divisional Head Offices, who can readily refer to the Head Office Accountant when necessary.

The practice of keeping duplicate vouchers in the Head Office should be discontinued, as mentioned elsewhere in this report. Duplicate vouchers should be kept in the district offices only.

The index to vouchers is kept in loose-leaf form, but no attempt appears to have been made to clear this of "dead matter."

The Register of Claims paid as Compensation for Stock destroyed is kept in the divisional office and also in the Accountant's office. The register in the latter office should be discontinued.

We would suggest that compensation for stock destroyed be paid by the Post Office on the certificate of the local Inspector without prior reference to Wellington. It is, of course, disappointing to the farmer to have stock condemned, and it would probably be some solatium if the compensation could be paid promptly in the manner suggested.

A great amount of labour is involved in ascertaining the rebate to be allowed to large meat companies on the cost of inspection—e.g., the salaries and travelling-expenses of the Inspectors have to be kept in great detail. The cost of the Head Office administration is, however, not charged, and if this were done it would possibly absorb the amount of rebate allowed. The rebates should therefore be discontinued.

The Register of Periodicals can be dropped, as the card index suggested in another part of this report will render it unnecessary. The Statistics of Stock slaughtered and Meat condemned

should be summarized from the Inspectors' returns, not entered in detail. Form Ag. L 58 should be recast and the record posted from the summary on the form. Form Ag. L 53 should be amended to include the receipt, and L 22 discontinued.

An erroneous practice prevails in recrediting amounts of overpaid vouchers, the voucher itself being altered. A receipted voucher should not be amended, but the overpayment should, on recovery, be treated as a credit to the item.

We agree with the conclusions of the Hunt Commission with reference to necessity for a controlling officer in charge of the district. The matter touches accounts quite as much as general administration. All district accounts should focus in the district office and summaries thereof be compiled and forwarded to Wellington. The district officer should also be a central Receiver for all agricultural receipts.

It was found that a practice has grown up of providing district officers with the local newspapers at the Government expense. This was justified on the ground that stock-sales had to be watched. It is questionable if Stock Inspectors and others would be seriously inconvenienced were the papers discontinued. The State is scarcely justified in supplying them with their daily paper on so slight a pretext. A Remington-Wahl is needed in the Accountant's office. A Remington-Wahl machine and a numbering-machine are required in the Auckland District Office.

The Local Register of Dairies kept in the district offices should be on cards. The Register of Manure, Hides, Wool, &c., imported can be dispensed with. The declaration form, if filed, will give all necessary information.

Form Ag. L 61 is entered in a book, from which a quarterly summary is prepared for use in Head Office. The forms should be filled in the district office to form a record in place of the book, and the quarterly summary prepared from them.

The forms sent out by district offices requiring statistics of crops, cattle, sheep, &c., should be folding forms, or contain provision for the address on the back of the forms, and thus save the use of envelopes.

A very good card system exists in connection with Department's monthly *Journal*. The subscription of 2s. 6d. per annum, however, appears to be much too low, and does not nearly cover the cost of production.

EDUCATION DEPARTMENT.

There are two separate Receivers in this Department—the Chief Clerk and the officer supervising the Industrial Schools Branch. The Cash-books should be combined.

There is an unnecessary operation gone through in the matter of teachers' superannuation payments, each pensioner being required to send in a claim for the amount. The system should be brought into harmony with that in vogue regarding pensions and the Public Service superannuation allowances.

The accounts for the maintenance of children in industrial schools, &c., should be kept on cards.

Fees for examinations should be paid through the Post Office instead of direct to the Public Account. The payment by the public of amounts into the Public Account in many instances leads to confusion in the Treasury owing to the difficulty which frequently arises of ascertaining for what purpose the amount has been paid.

Payments of accounts for maintenance of children in industrial schools should be made to the Post Office instead of to the Court.

A Remington-Wahl machine can be usefully employed in connection with the accounts of special schools.

The process of dealing with the revenue derived from endowment reserves is very involved, leads to a duplication of work in both the Treasury and Education Departments, and sometimes to delay in payment to the various Boards. Instead of being credited to a Deposits Account the revenue should be treated as a recovery, and be credited direct to the Education vote out of which the full amounts should be paid.

The central imprestee system is in vogue in this Department, and is found to be very satisfactory.

IMMIGRATION DEPARTMENT.

This Department is keeping the ordinary books prescribed by the Public Revenues Act.

GOVERNMENT INSURANCE DEPARTMENT.

The accounts of the Department are kept on the revenue system on a double-entry basis. They follow the lines of the accepted form for such accounts, modified to meet New Zealand requirements.

Computing and adding machines suitable to the requirements of the office have been in use for many years. The card system is extensively used. All books and cards are well and neatly kept.

This Department has adopted the system of accounting four times a month on fixed dates instead of weekly, with satisfactory results.

Copies of the Agents' Cash-books could with advantage be done by the carbon process.

STATE FIRE OFFICE.

In common with other commercial Departments, the system in this office was found to be a good one. The Receiver's Cash-book in use might well form the model for all sub-receivers, as recommended elsewhere. A Remington-Wahl machine would prove useful.

The District Manager's statement of imprest accounts is capable of improvement. It shows particulars and amounts, also cheque number and amount. The latter items could with advantage be omitted.

STATE ADVANCES OFFICE.

The book-keeping in this office is generally satisfactory. The principal difficulties are due to the system of granting rebates as provided by Act. As the bulk of borrowers pay within the days of grace, the relatively small proportion of cases in which no rebate is given makes the non-granting of the rebate equivalent to a penalty. The present practice of bringing the gross amount to charge in the first instance has the effect of unduly swelling the accrued interest at the end of the year. It also necessitates the writing-off of all rebates where accounts are paid within days of grace. It would be better were the amounts now treated as a rebate added to the delayed payments as a penalty. The net result to the borrowers would be exactly the same, but the accounting could be greatly simplified.

Arrears, representing sums of principal and interest due, advice of which has not reached the office by the end of the month, were being extracted from the Journal in detail, on large broadsheets, the process occupying a great deal of time. It was suggested that additional columns might be ruled in the Journal into which the amounts only could be carried without repeating other details. With two such columns arrears need only be specially taken out when three months overdue, by which time the number of entries would be comparatively insignificant. This suggestion has since been given effect to with successful results.

The Cash-book is good and admirably suited to the Department's requirements. It would be an advantage and save clerical work at the end of the year if a column "Accrued Interest" were provided in the Ledger summary.

The present method of sending out notices to mortgagors could be improved upon. The notice and the advice of payment are prepared separately. By the use of carbons and registering forms, one writing should suffice for both forms. If a Remington-Wahl typewriter be used, the Journal totals could be readily arrived at in the one operation.

The strong-room accommodation is both inadequate and inconveniently situated. This interferes with the accounting work to no small extent.

The Register of Due Dates of Fire Insurance Premiums would be better kept on cards. A Balance-sheet and a Revenue Account are all that are necessary to be published in the annual report. These would give the information now published, but in a simpler and more intelligible form.

PUBLIC WORKS DEPARTMENT.

An altogether too elaborate and cumbersome system of authorities and checks exists in this office. This results in petty matters being referred to Wellington which could be dealt with locally not only more expeditiously, but also more satisfactorily. Nothing may be done without a round of procedure and authorities, which destroys the status of District Engineers and reduces their positions to that of mere overseers.

One authority to proceed with a work within certain limits as to expenditure should suffice to enable the District Engineer to do all that is required, and report the results to the Head Office. There are parliamentary, Cabinet, general, and particular authorities, and each authority is kept in a "watertight compartment," to the great hindrance of all concerned. The authority system should not be applied to routine expenditure, but only to works of such magnitude as warrant the existence of a special record. When any such special work is authorized, the District Engineer should be informed of the amount, and should render a periodical statement of the total amount expended to date on each authorized work until its completion.

It was found that Railway claims supported by waybills, &c., and affecting many officers, were referred as a whole to each office, instead of being broken up and each portion referred to the office concerned. One claim dealt with had taken no less than eleven months in its tour round the Dominion.

The Travelling-expenses Register should be abolished, as it duplicates entries made in ordinary books of record. The Register of Vouchers, kept on large sheets and bound up annually, should also be discontinued, as the information will appear elsewhere. The record of expenditure against different works should be kept in the district offices on cards. In those cases where a special authority is necessary it could then be noted at the top of the card. The cards would thus form both a record of district expenditure and a record of expenditure against authorities. From these cards could be prepared any information by the Head Office.

CONCLUSION.

If the work is simplified in the manner suggested in this report it is probable that a net saving could be effected equivalent to the salaries of fifteen officers, distributed as follows: Treasury, 9; Land and Income Tax, 2; Public Works, 2; Agriculture, 2: total, 15.

In several offices the saving of work is not sufficient to warrant any reduction in staff, but will probably obviate the necessity of increasing the staff for some time to come.

The general abolition of many ponderous and expensively bound books which will follow the adoption of the system outlined will lead to a very considerable annual saving reaching some hundreds of pounds sterling.

It may be necessary to explain that this report has been written on notes taken at the time of our visits to the various Departments. We have reason to believe that in a number of instances the recommendations we have made have already been adopted.

We should like to say that in most of the Departments the books in use were neatly kept, and the quality of the work of a high standard.

Finally, we have pleasure in saying that the officers with whom we have come in contact have readily afforded us every opportunity of obtaining information, and have in several instances helped us with valuable suggestions.

GEO. W. BARLTROP.
H. A. HUGGINS.
J. J. ESSON.

Abstract received in Wellington,

NEW ZEALAND.

TREASURY VOUCHER No.

THE NEW ZEALAND GOVERNMENT,

Department
or Service :

Departmental No.

Dr. to

Address :

No. of Authority.	Date of Service or Supply.	Particulars in full.	Sub-Voucher No.	Amount.		
				£	s.	d.
	191					
TOTAL ... £						

NOTE.—The following instructions contained in "The Treasury Regulations" must be strictly adhered to. If the Claimant desires payment to be made to an Agent he must sign the special order endorsed hereon. The Claimant must also take care that his address is CORRECTLY and LEGIBLY WRITTEN, as the cheque for payment will be sent by post to the address given; if the address is not so stated, the abstract will be returned for amendment before payment. The name of the officer appointed to countersign the cheque, and the branch of the Bank of New Zealand on which the cheque is to be drawn, should be stated in the space provided in the form of receipt at foot. (See sections 67 and 64.)

See
Directions
endorsed.

I CERTIFY that, to the best of my knowledge and belief, the foregoing account, amounting to _____ pounds _____ shillings and _____ pence, is true and correct in every particular; that the charge

reasonable; and that

To be charged to

(Signature of Officer authorized to certify.)

Vote No.	Item No.
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12	12
13	13
14	14
15	15
16	16
17	17
18	18
19	19
20	20
21	21
22	22
23	23
24	24
25	25
26	26
27	27
28	28
29	29
30	30
31	31
32	32
33	33
34	34
35	35
36	36
37	37
38	38
39	39
40	40
41	41
42	42
43	43
44	44
45	45
46	46
47	47
48	48
49	49
50	50
51	51
52	52
53	53
54	54
55	55
56	56
57	57
58	58
59	59
60	60
61	61
62	62
63	63
64	64
65	65
66	66
67	67
68	68
69	69
70	70
71	71
72	72
73	73
74	74
75	75
76	76
77	77
78	78
79	79
80	80
81	81
82	82
83	83
84	84
85	85
86	86
87	87
88	88
89	89
90	90
91	91
92	92
93	93
94	94
95	95
96	96
97	97
98	98
99	99
100	100

(APPROVAL STAMP.)

NOTE.—The spaces enclosed by a line are to be left open for numbers to be filled in in the Treasury.

Entered in folio

Treasury Books.

_____, Under-Secretary.

RECEIVED from the Paymaster-General, by cheque No. _____, on '_____'

countersigned this day of _____, 191 , by

Esquire, the sum of _____ pounds _____ shillings and _____ pence
sterling, in full payment of the above account.

One Penny
Revenue
Stamp for
sums of £2
and upwards.

Fourteenth Form—Abstract of Contingencies. Regulations 42, 60, 83, and 93.]

Note.—This form will require revision if it is decided to pay by "order" cheques.

NOTE.—Officers employed in the Public Service are required to alter the certificate as occasion may require before signing it, taking care that it is so worded as to afford assurance that the conditions upon which in each case the payment of the claim depends have been completely and satisfactorily fulfilled, thus :—

When the expenditure incurred under a CONTRACT, it should be certified “that the charge is according to contract, and that the service has been satisfactorily performed.”

In claims for SUPPLIES, add, “The supplies have been duly delivered and are entered in my Departmental Property or Stores for Issue Return for the _____ ending _____, 191 .”

In claims for FOOD or PRESENTS to Natives, add, “The supplies have been delivered to the Natives for whom they were obtained.”

In claims for TRAVELLING-EXPENSES, insert, “I was travelling on the Public Service during the period for which the claim is made.”

In claims for FORAGE, erase the whole certificate, and insert, “I certify that I actually kept a horse for the Public Service during the period for which the claim is made.”

In claims for any other service, add, “The service has been duly performed.”

Officers certifying abstracts will be held responsible for all errors in computation. (Section 63 of “The Treasury Regulations.”) They are requested to observe that unless the foregoing instructions are strictly complied with the Audit Office will be unable to pass the account.

NEW ZEALAND.

SPECIAL AUTHORITY.

NOT TRANSFERABLE.

_____, 191

I HEREBY authorize Mr. _____ (whose signature appears in the margin) to obtain the countersignature of a cheque of the Paymaster-General for the sum of _____ payable to me, and to sign on my behalf a receipt for that amount.

Signature of Claimant : _____

Signature of Authorized Agent :

Address :

Sixteenth Form.—Special Authority for Payment to an Agent.]
[Regulation 67.]

ONE
PENNY
REVENUE
STAMP.

REGISTERED LETTERS RECEIVED.

Date Received.	Registered No.	Addressee.	Received by Mail Clerk.	Sender.	Contents.	CERTIFIED JOINTLY.		Received.
						Clerk.	Clerk.	
					£			
					s.			
					d.			

Approximate Cost of Paper.—Preparation, not given; printing (1,650 copies), £45

By Authority : JOHN MACKAY, Government Printer, Wellington.—1913.

Price 1s. 6d.]

