

of the estates, and the application of the income if necessary for the maintenance or advancement of the Natives concerned.

A matter of interest to the Native Division which occurred during the past year was the passing of section 24 of the Native Land Amendment and Native Land Claims Adjustment Act, 1917, by which the Public Trustee was declared a leasing authority within the meaning of the Public Bodies' Leases Act, 1908, in respect of the Auckland and Wellington Native reserves. The more favourable conditions of the leases which the Public Trustee can now offer in respect of these reserves is a decided advance, and should benefit the lessees and the beneficial owners.

The distribution to Native beneficiaries in the Taranaki District of rentals derived from the West Coast Settlement Reserves has been performed by the District Manager of the Office at Hawera.

ACCOUNTS.

As indicated under the heading "Apportionment of Control," on page 7, the accounting work of the Office has been under the direction and control of the Public Trustee.

EXAMINATION OF ACCOUNTS.

When the Board took office on the 10th October, 1917, it found a large accumulation of statements of beneficiaries' accounts awaiting review by the Examiners before despatch. Settlements in estates were greatly in arrear owing to the lack of an adequate staff of Examiners. As the position was regarded as serious, and likely to incur unfavourable comment from beneficiaries, special steps were taken to have the work immediately brought up to date. The examination staff was reinforced, and arrangements were made for the services of eight qualified accountants from other Departments of the Public Service to be placed at the disposal of the Office during the evenings over a period of eleven weeks. Before these officers relinquished the work they furnished a valuable report embodying certain suggestions for the more efficient and economical conduct of the accounting-work of the Office, and these suggestions were considered by the Department's staff of Examiners and given effect to wherever possible.

It was decided to attach to the Examination Branch certain officers of good clerical attainments but not technically trained as accountants, the object being to relieve the Examiners of the more routine portions of the work. The Board met the Examiners regularly each week and discussed with them all available measures for the overtaking of the arrears of work. At the request of the Board the Examiners prepared an exhaustive report containing suggestions for the improvement of the Office practice. Amongst the improvements which were introduced may be mentioned the following:—

- (a.) The number of handlings to which the statements of account were subjected from preparation to despatch was largely reduced.
- (b.) Full and complete instructions for the preparation of accounts were prepared, and copies were printed, and distributed to all Accounts Clerks. Attached to the instructions were *pro forma* accounts containing specimens of all classes of entries.
- (c.) An experienced Accounts Clerk was appointed to act as instructional officer.

As a result of these measures the examination work has been brought up to date.

REORGANIZATION OF ACCOUNTING-WORK.

The Board discovered certain fundamental weaknesses and anomalies in the accounting system. This important branch of the Department existed in separate sections instead of in one combined Division. The Chief Accountant, who was nominally in charge of the accounting-work, exercised no control over the officers engaged in the preparation of the estate accounts. The accounts work occupied a subordinate and unsatisfactory position. There was little opportunity for interchange of officers between Division and Division to cope with sudden fluctuations in the work. To remedy these defects the Board has centralized the control of the whole of the accounting work and staff, which is now under the direction of the Chief Accountant.