

A further weakness existed owing to the place occupied by the Examiners in the organization. The Examiners were officers qualified in the law and practice of accountancy. To them all statements of account were submitted for examination before despatch. These officers exercised no control over the preparation of the account in its initial stages, although by their special knowledge and training they were eminently fitted to do so. Their function was confined to the detection of errors and omissions in the completed accounts.

It was found by the Board that the system of divorcing the Examiners from all contact with the general work of preparation produced two serious results :—

- (1.) The accounts clerks were deprived of the assistance and advice which the Examiners were in a position to afford.
- (2.) No opportunity was afforded to the Examiners to detect and remedy errors or omissions at the proper point—viz., in the initial stages of the preparation of the accounts.

The Board decided to bring the examination staff into much more intimate contact with the general accounts work of the Department, and the responsible officers were freely consulted as to the best means to give effect to the decision. As the outcome of these consultations the Board prepared a comprehensive scheme to provide for the appointment of Accountants and Assistant Accountants to the various Accounting Divisions of the Head Office and of District Accountants at Auckland, Christchurch, Dunedin, and Wellington.

The positions were advertised and appointments made by the Public Service Commissioner. All the appointees are qualified accountants by examination.

The full benefits of the reorganization will shortly become apparent, and the Board is confident that the Office has now in sight an accounting organization which, with minor alterations to accommodate the system to changing circumstances, will successfully meet any strain imposed upon it.

SEGREGATION OF ACCOUNTS STAFF.

The inadequacy of the accommodation has not permitted the complete segregation of the accounting staff, but the acquisition of additional premises and the consequent rearrangement of accommodation will enable the whole of the ground floor of the present Head Office building to be devoted to the accommodation of the consolidated staff.

COMMITTEE OF ACCOUNTANTS.

In order that a body of expert opinion might be available, the Accountants and Assistant Accountants have been constituted a "Committee of Accountants," to act in an advisory capacity on all matters relating to accounts. The Committee meets at regular intervals and reports to the Board, through the Chief Accountant, on all matters referred to it for consideration. The ready co-operation of the Accountants and the interest they have displayed in the matters submitted to them are gratefully acknowledged by the Board.

NEW CASH-BOOK SYSTEM.

When the Board took office the statements of receipts and lodgments were prepared simultaneously with the cash-book sheets by mechanical process. It was found that the work could be further reduced and better performed by a different mechanical process. The adoption of the amended system has afforded an illuminating instance of economy resulting from the introduction of machine processes.

When the new system was introduced three women officers were employed on the work, and it was reported that the services of a fourth officer were necessary to enable the work to be coped with. As a result of the change the necessity of appointing a fourth officer was obviated, and it was found that the services of one of the three already engaged on the work could be made available for other employment. Further experience of the system has demonstrated that one of the two remaining officers can be released from the work. The whole of the work is now satisfactorily performed by one woman officer.

The total effect of the introduction of the system in the Head Office shows a saving in salaries of approximately £300 per annum.