

gained from these inspections many desirable improvements have been made in the organization of the various branch offices and the staff properly allocated in proportion to the volume of work to be performed.

During the past year twelve District Public Trustee offices and ten District Manager offices were inspected in regard to all branches of the work, either by the Chief Inspector or the Assistant Chief Inspector. In conducting the inspections care was taken to avoid duplication of the work done by these Inspectors and the local Reviewing Inspectors.

The inspections carried out indicate that the work throughout the Dominion was efficiently performed. It is apparent that the policy of decentralization which has been in full force for the past five years is a wise one and has been of immense benefit to the working of the Office.

Elsewhere in this report reference is made to the appointment of a Chief Auditor. The duties of the Chief Inspector and the Chief Auditor have been so arranged as to enable the Chief Inspector and his staff to devote their principal attention to the administration of estates, staff, and organization matters.

In addition to the District Public Trustee and District Manager offices inspected by the Chief Inspector and the Assistant Chief Inspector there are fifty-five Agencies throughout the Dominion, which are inspected at regular intervals by the controlling District Public Trustees or District Managers. During the year 121 such inspections were conducted, and reports furnished in each instance to the Public Trustee. On each visit of inspection the opportunity is taken of giving instructions to the Agents upon matters calling for attention, and to discuss with them the estates situated in their districts. Contact is also maintained with the Agents by monthly circular memoranda discussing matters relating to the administration of estates and to the work of the Office generally.

(b.) *Internal Audit.*—In view of the vast extent of the funds and property under the control of the Public Trustee and the constant increase in the business transacted by the Office, it was decided during the year to institute a complete and continuous internal audit system, covering all books, accounts, and accounting records, for the purpose of ensuring that all cash, securities, jewellery, &c., received by the Public Trustee in the ordinary course of business are properly accounted for and under adequate protection.

This internal check does not in any way restrict or interfere with the audit conducted by the Audit Department. On the contrary, it is co-ordinated with it, and the underlying purpose is to ensure that the audit of all branches and agencies of the Office is kept up to date, and by reason of the intimate knowledge of Office matters by the officers conducting the work that the entire accounting system is maintained on proper lines, and the prescribed method of dealing with cash, securities, &c., is closely observed. This work is supervised by the Chief Auditor, a position which was created in August, 1925. He is required to make personal visits to all District Public Trustee offices, and such other offices as he may deem necessary, at such times as will provide the most useful check, and to satisfy himself, *inter alia*,—

- (a.) That the manner in which the cash, valuables (including jewellery and effects), and securities are kept is satisfactory :
- (b.) That the safes, strong-rooms, and vaults in which cash and securities are kept are suited to the requirements of the Office and afford proper security :
- (c.) That the system of custody of deeds, &c., deposited with wills of living testators is satisfactory :
- (d.) That the safe-deposit locker system is properly conducted :
- (e.) That the officers acting as cashiers or custodians of securities are suited to their positions and are thoroughly reliable :
- (f.) That the system of receiving, recording, and parting with securities, collecting coupons, &c., in force at each branch is in accordance with instructions and provides every safeguard :
- (g.) That the Office premises and furniture are suitable and are kept in good condition :
- (h.) That proper provision is made against unauthorized entry into Office premises :
- (i.) That all books and accounting records are well and neatly kept, and that the work is not allowed to fall into arrear.