

In respect to the audit of the District Manager offices where the accounting system is not so elaborate, the Chief Auditor and the Chief Inspector co-operate so as to economize in the time of the officers engaged on the work and in travelling expenses.

The accounting work at the agencies is confined entirely to the receipt of cash. The system is simple but effective, and the audit of the agencies, which number fifty-five, is conducted by the controlling District Public Trustees, who forward certificates quarterly to the Public Trustee, through the Chief Auditor, that the work is in order.

At the four large centres—Auckland, Wellington, Christchurch, and Dunedin—the Audit Department maintains what is practically a continuous audit of the classified cash-book and the relative vouchers and lodgment-slips. The internal check conducted at these branches by the Chief Auditor's staff does not overlap in these matters, but is confined to the additional items covered by the system. At some of the smaller branches the Audit Department makes similar audits at irregular intervals as opportunity permits, and any work thus done is not again traversed in detail when the quarterly audit by the Chief Auditor's assistants is conducted.

The Audit Department also checks the interest accrued on investments, the annual accounts and balance-sheet, and the Office securities held as at the 31st March in each year.

At the end of the financial year, of the nineteen District Public Trustee offices, eight were audited to within one month of date, five to within two months, and the remaining six to within three months of date. All the District Manager offices, numbering twelve, were audited to within three months of date, and of the fifty-five agencies fifty-two were completed to within three months of date.

The system of internal audit ensures that all outstanding rents, interest, book debts, &c., are under close and regular scrutiny, and that the payment of estate claims and amounts due to beneficiaries receive prompt attention. It further ensures that clerical errors and omissions are discovered and remedied promptly, thus raising to a high level the standard of efficiency in respect of all matters pertaining to the cash, accounts, the estate and Office securities, and property.

Generally the Office system in respect of the receipt and payment of cash, and the receipt, custody, and disposal of negotiable securities and other estate property received by the Office, affords adequate protection against carelessness, fraud, and dishonesty, and it is gratifying to report that notwithstanding the large turnover during the year, comprising many thousands of cash transactions, not a single irregularity took place.

(c.) *Review of the Administration of Estates.*—The system detailed in previous reports continues to work satisfactorily, but the increasing business may necessitate the Reviewing Inspectors being relieved at a later date of certain routine duties to enable them to devote the bulk of their time to the review of the administration of the estates.

The Reviewing Inspectors have each a special district allocated to them, and they conduct what is practically a continuous audit of the administration of each estate, this work being carried out in the offices where the estates are administered. There are four officers engaged on this work, with headquarters in the main centres, all being competent officers of long experience. Definite itineraries are laid down each year, and advantage is taken of their presence at any particular branch to investigate and report upon complicated matters. Much constructive work is performed, and valuable assistance is given by these officers in the larger and more complicated estates, and in other estates where difficulties arise. Difficulties are discussed by the branch officers with the Reviewing Inspectors, whose experience proves of valuable assistance in such cases.

During the year 724 reviews were dealt with by the Reviewing Inspectors, in addition to which the files of 6,755 estates were surveyed, but no formal reviews were necessary in these latter cases.

In addition to reviewing the administration of estates the Reviewing Inspectors personally investigate any complaints received from clients of the Office and other persons, and in proper cases furnish full reports for the consideration of the Public Trustee. Having regard to the volume of business transacted the number of complaints received is extremely small, and in very few cases is there found to be any justification for the complaint.