

tion of a Department of State requires that a proper and regular system of inspection should be maintained, and the results which have followed the appointment of an increased number of departmental Inspectors have been gratifying. The Auditor-General has co-operated very fully in this matter. The audit of stores, under the control of the Audit Office, has been largely extended, with satisfactory results.

APPOINTMENTS ANNULLED.

The provision of a period of six months' probation, in terms of the Public Service Act, 1912, was found as a general rule to be ineffective, and has been extended to a period of not less than two years.

As a result of the extension, Permanent Heads have been enabled more carefully to test the suitability and capacity of new entrants. As was well stated in a previously quoted report, "Many young fellows start their work in life in a line that is not suited to them. If they remain in it they will be failures for life, but if they pass out of it early in life they will probably get into something else which will suit them, and perhaps be successful."

The attention of Permanent Heads and controlling officers has been directed to the importance of reporting specifically on this matter, and during the year the services of thirty-six persons serving on probation were dispensed with for various reasons of unsuitability.

LEGISLATION AFFECTING THE PUBLIC SERVICE ACT.

Section 29 of the Finance Act, 1926, amended sections 20 and 21 of the Public Service Act, 1912.

Section 20 provided that, when the salary of an officer in the Professional Division reached the sum of £700, he might be paid such higher salary as might be determined by the Commissioner and appropriated by Parliament.

In regard to the Clerical Division (section 21), the maximum salary which might be authorized by the Commissioner was £765.

Under the amendment an officer may, with the approval of the Commissioner, be paid a salary in excess of the maximum provided for in the scale of salaries, subject to the amount being appropriated by Parliament.

Prior to this provision the only means by which an officer classified in the Clerical Division could be granted an increased salary was by way of transfer from the Clerical to the Professional or Administrative Divisions—a course which could not be given effect to.

There should only be one officer—the Permanent Head—in each Department in the Administrative Division, and the salary an officer should receive for his services should never be a factor for placing him in a particular Division.

It is further provided that no appeal shall lie from the determination of the Commissioner to approve of or to withhold his approval from any application or recommendation made to him in this connection.

Previously the Professional Division was limited to six classes and the Clerical Division to eight classes. The amendment removes this restriction, and will enable the classification and grading of the officers in these divisions to be brought on a more uniform basis.

AMENDMENTS TO GENERAL REGULATIONS.

There were no amendments to the General Regulations during the year.

PUBLIC SERVICE LIST.

In accordance with the provisions of the Public Service Act, an obligation is placed on the Commissioner to prepare and issue a list of persons employed in the Public Service on the 31st March immediately preceding.

To enable the list to be of real value to those concerned it has been the practice since the commencement of the Act to provide additional information in respect of the salary and grading of all officers for the next succeeding year. It has also been found desirable to include in the list particulars of any regradings of positions