

*Charging out of Stores.*

All stores obtained, either locally or imported, for works charged to revenue and used for the purpose of "stock" are paid for by the Treasury, and are not charged against working-expenses until the stores are actually issued by the Stores Branch in response to requisitions for stores issued by the Department requiring them. Until the stores are issued in this way no interest charges thereon are paid by the Railway Department. On the other hand, all stores purchased for works charged to Capital Account are paid for out of the Public Works Fund, bearing interest from the date the money is provided to meet the cost of such stores.

The stores are charged out to the various branches at actual cost, plus  $2\frac{1}{2}$  per cent., this addition being made to cover salaries, wages, and the general upkeep of the stores. Stores expenses—i.e., cost of transport, salaries, wages, maintenance, inspection, and all charges for the last financial year—represented £62,282.

The quantity of ordinary stores held in stock by the Comptroller of Stores is limited as follows :—

Contract stores—not more than three months' supply.

Non-contract stores—not more than six months' supply.

Under special approval—up to twelve months' supply may be stocked if of distinct advantage to do so.

The Comptroller of Stores, in reply to a question with regard to stock, stated that a maximum and minimum stock is being fixed, and this will give the stocks to be held in each store district. Reserve stocks of imported railway materials are based on six months' or twelve months' normal consumption, according to the character of the stores, while reserve stocks of coal are based, when possible, on at least six months' normal consumption.

*Issue of Stores.*

Stores are issued from the various stores upon requisition forms signed by authorized approving officers. Upon receipt of the stores the requisition forms are returned duly signed by requisitioning officers to the District Storekeepers. The system of internal check in connection with the purchase, receipt, and issue of stores is fully dealt with in the Stores Instruction-book, and, within the limitations imposed by the absence of complete control of all stores, appeared to be satisfactory. No stock ledgers are kept by the District Storekeeper, all purchase and debit vouchers being forwarded each week by the District Storekeeper to the Comptroller's Office, Wellington, where each item is duly entered in the Stores ledgers. The payments for all purchases of stores from private firms are made on Treasury contingency vouchers, which are carefully scrutinized by the Comptroller, Ledger-keepers, and their checking staff, and are forwarded to the Chief Accountant, who forwards them in due course to the Treasury Department for payment. All issues made by Storekeepers are summarized on special forms and forwarded each month to the Comptroller, where they are rated and priced out, and returns forwarded to the Chief Accountant. A separate ledger is kept for each store district ; in addition, a stock ledger is kept for many lines—principally imported stores—showing the stocks, receipts and issues of each store in comparison, under item headings, but values are not shown.

The sawmills belonging to the Department are almost exclusively engaged in milling timber for the general needs of the Department, including present house-building operations. These mills issue timber and account for it in the same manner as the various stores.

The Stationery Store Clerk purchases all stationery, with the exception of certain bulk lines ordered by the Comptroller of Stores, and issues it in the same manner as the stores. The accounting stationery ledger is kept by the Stationery Clerk, who sends each year to the Comptroller stock-sheets of all stationery in hand, any discrepancies being inquired into by the Audit Inspector during his inspection visit.

The Comptroller's accounting staff records all purchases, transfers, and issues ; keeps analysis of all expenditure, transfers and issues of stores ; and generally does all the accounting-work of this branch.