

Stock-taking and Inspection.

Stock-taking is carried out by the District Storekeepers, the stock on the Comptroller's books being completely taken at the end of each financial year. Stock-taking, however, only covers the stock held by the District Storekeeper, those issued and charged out to branches being excluded. After stock-taking, the stock-sheets are forwarded to the headquarters office for examination and comparison with stores ledger balances. The result of each stock-taking is also examined by the Stores Audit Inspector, who checks the sheets and locates discrepancies, &c. At each annual stock-taking values of stores are averaged if the stock in hand is made up of several purchases at different rates, but such average does not increase or reduce the total value under the item heading.

In addition to the annual stock-taking, the District Storekeepers are required to take stocks of a reasonable proportion of the stores in their custody at intervals, the idea being that the whole of the stock in each store will be progressively checked during the year prior to the annual stock-taking.

Interim stock-taking is also performed, as instructed by the Comptroller. This interim and progressive stock-taking is of advantage in that it should ensure a closer knowledge of the quantities of each item on hand, and should enable the stock of many articles to be kept to the minimum compatible with the requirements. With regard to the annual stock-taking, however, we are of opinion that this should be performed by headquarters or other staff so that the check is an absolutely independent one. In addition, the stock-taking should be complete in that the whole of the stock should be recorded.

Comptroller should have Charge of all Stores.

In the course of our visits of inspection to the railway workshops we found a very large quantity of material (all presumably charged out to different jobs) lying in the hands of various branches. Inquiry elicited the information, subsequently confirmed in evidence, that the Stores Branch had no responsibility at all for stores and materials once these were issued on requisition. This is a bad practice. We are of the opinion that the Stores Branch should have complete control of all stores and materials throughout the service, and that sub-stores in charge of Stores Branch staff should be established at the various workshops.

It is necessary to have sub-stores in connection with the workshops, and these should be under the supervision of the Comptroller of Stores, who should see that the workshops are not waiting for material that is required. In some cases we discovered that orders issued by the works were not carried out by the Storekeeper for many months. A complete revision of this is essential. The Stores Accountant should be directly under the Chief Accountant.

After an examination of the Stores depots, shops, &c., we recommended an immediate stock-taking, the result given us being as under :—

Statement of Stores on Hand by Branches, not in Custody of Stores Branch, 6th December, 1924.

Locomotive Branch	..	..	..	..	160,578
Maintenance Branch	..	..	..	..	247,600
Signal and Electrical Engineer	..	..	..	..	59,777

£467,955

This figure does not, however include second-hand material estimated (by the Comptroller of Stores) as of the value of not less than £100,000. The stock-taking was hurriedly performed, and could scarcely have been done with detailed accuracy. At the same time it should give a fair idea of the minimum value of the stores on hand not in the custody of the Stores Branch. This accumulation of stores, which, as we understand the position, has been charged against working-expenses during past years and does not appear in the accounts of the Department as value of stores on hand, affects all departmental figures apart from the Traffic Branch.