

Railways Department Accounts

Wartime conditions have compelled the Railways Department to defer maintenance expenditure, and at 31st March, 1944, the amount required to meet such deferred expenditure was estimated to be £410,500, distributed as set out hereunder :—

	£
Ways and works	150,000
Rolling-stock	220,500
Signals	40,000
	£410,500

In terms of subsection (2) of section 10 of the Government Railways Amendment Act, 1936, the Minister of Finance consented to the amount of £410,500 being charged in the Railways accounts for the year ended 31st March, 1944, and credited to the general reserve.

After making provision as above mentioned, the balance of net Revenue Account was reduced to £2,567,970, which was insufficient to meet the full amount of interest on capital liability due for the year—viz., £2,765,724. A reduction of interest charges amounting to the difference was therefore made by the Minister of Finance in terms of section 14 of the Finance Act (No. 2), 1930.

Native Department : Maketu Farm

In 1930 the Arawa Trust Board handed over its property known as Maketu Farm to the Native Department to develop, and by May, 1943, development having been completed, the property was returned to the Board. During the period the farm was under the Department's control it accumulated profits to the extent of £14,984, and these profits accrue to the Board. In addition, the Board obtained the benefit of an undisclosed reserve, probably exceeding £2,000, in that the value of live-stock handed back with the farm was assessed at Government standard rates as opposed to current market values.

Although all indebtedness to the Government by way of advances, interest thereon, and administration charges have been repaid, the Audit Office represented to Treasury that consideration might be given to the recovery of a portion of the employment grants, totalling £18,190, made to the farm during its development. The Audit Office has not yet been advised of any decision in the matter.

Social Security (Medical Benefits) Regulations 1941

In previous reports I have referred to Patients' Lists, which determine the amount of fees receivable from the Social Security Fund by certain medical practitioners giving services on a capitation basis. The first complete revision of Patients' Lists has recently been completed, and the consequent saving in fees has more than justified the special efforts which the Health Department has put into this work. The Department proposes to maintain the revision of these lists as a continuous process.

Public Stores

The Staff position in the Audit Office again compelled it to rely almost wholly upon the work of departmental Inspectors so far as Public Works Department stores were concerned. Reports submitted by the departmental Inspectors disclosed a satisfactory standard under prevailing conditions, and the same position was found to obtain generally in respect of the stores work of Departments examined by my own Inspectors.

An exception was the Health Department's bulk store at Seaview, which holds quantities of reserve stocks of drugs and medical and dental supplies exceeding £300,000 in value. These stocks and supplies were procured under lend-lease and by cash purchase from the United Kingdom.

My Inspector reported that the accounts relating to these stores were in an unsatisfactory state, in that all stores received had not been brought to charge.

The Department has taken steps to remedy the position, and I have been orally informed that a complete stocktaking of the store has been completed and reconciliation with ledger balances is in progress.

The position of the stores purchased or received for the use of the Armed Forces is separately dealt with in the War Expenses section of this report.