

It has been found also that soldiers' clothing and equipment cards disclose numerous issues of articles in excess of the authorized scale, and unless immediate steps are taken to recover these articles considerable loss may result.

As stated in my last report, three officers of other Departments with stores experience were seconded to the Army Department to act as Army Stores Inspectors, and the foregoing remarks are based partly on reports received from them, for with increased work and loss of staff the Audit Office Inspectors have not been able to undertake annual examination of all accounts. Several stores have not been inspected by either staff during the year.

Army Rations.

All purchases of foodstuffs are made through the Food Controller, who arranges the source of supply and the price to be paid.

Since January the daily cost basis of rationing previously in operation has been discarded and a quantity ration scale introduced. From the system of accounting in force Audit is able to ensure that all foodstuffs purchased are received into store and later issued to cookhouses in accordance with the ration scale. From that point control consists of physical check and supervision which can be carried out only by the authorities constantly on the spot.

Army Transport.

With mechanization of the Army proceeding at a fast rate expenditure on motor-vehicles and stores has reached a very large figure. Vehicles have been properly accounted for, but the accounting for stores for use in connection with them was found to be unsatisfactory as the stock-sheets disclosed many surpluses and deficiencies, when compared with the stock records.

As a check on these stores, which consist of petrol, oil, tires, and accessories, and on the use and efficiency of the vehicles, daily running-sheets and monthly cost returns were required to be prepared in connection with each vehicle. Examination of some of these records by the Audit Office showed that many were incompletely or badly maintained and did not fulfil their purpose. The Audit Office therefore has not been able to satisfy itself that, according to records maintained, vehicles had been run only for army purposes and that expenditure of stores in connection with them was in order. One of the accounts indicated a deficiency of 828 gallons of petrol, but the record of the use of petrol were such that it was not possible to determine whether the recorded shortage was the result only of poor accounting or whether there had been an actual loss resulting from weak supervision and control. A simplified record has been introduced, but its value will depend, no less than did that of the discarded one, on the insistence of the authorities that it be properly maintained. As a supplementary means of control a Provost Traffic Control Force is charged with investigation into the running of army transport and it has authority to hold up any army vehicle and require evidence that it is properly engaged on Army service.

Air Stores.

It was mentioned in my last report that the stores system had not functioned satisfactorily, and, in order to bring ledgers into agreement with actual stocks, Treasury and Audit gave provisional authority to the writing off of deficiencies.

As regards the year's work under review, six reports were received, three of which disclosed a reasonably satisfactory position, but in the three other cases work was of such a standard that it did not result in a satisfactory record being maintained of what stocks should be on hand.

The Department has recently instituted a system of continuous stocktaking, and it is hoped that the early investigation of any discrepancies will ensure a closer accounting.

Navy Stores.

My report of last year stated that at the Naval Base a large number of stock lines checked were at variance with the ledger and that ledger postings were in arrears. An improvement in the position was not anticipated until increased staff was made available, and as the increase did not eventuate the position remains unchanged.

In a recent memorandum the Naval Secretary advised me that strong recommendations have recently been made to the Public Service Commissioner for more and better staff, and he has asked whether the right type of storekeeping staff might be available in Departments not actively connected with the war effort. It is to be feared that at this stage departmental staffs have been so depleted by calls to the armed Services that men from that source will not be available.