

This system has not yet been instituted, whilst the stocktakers previously engaged have worked only intermittently and have checked only a comparatively few lines. These, too, were not properly representative, for of the 300 lines checked 118 were in respect of the comparatively unimportant item, "flags." By far the greater number of lines have not been checked since before the war.

At a recent inspection of a bulk store forming a branch of the main ordnance depot, Trentham, where the accounting should have been relatively simple, a number of discrepancies were found. Investigation of the discrepancies has revealed two instances of failure to charge out material despatched to a manufacturer for making into garments. The value of the material exceeded £500.

Whilst carrying out an inspection at another depot the Inspector drew attention to the exceptionally poor quality of sole leather being supplied by merchants. The matter was reported to the Minister of Defence and suitable refunds were made by the merchants concerned.

*Area Clothing, Camp and Unit Stores.*—Much adverse comment in past reports related to clothing store accounts. By improving store organization and instituting internal check systems these accounts have been brought to a satisfactory state.

Improvement has also been shown in camp and unit stores, but the improvement has not extended to all. As most accounting officers were able to produce satisfactory accounts, and no reasonable explanation was forthcoming from those who did not do so, the failure of these latter would appear to be inexcusable.

In an endeavour to improve matters the Army Department has organized courses of instruction in Quartermasters' duties, and has also taken disciplinary action against a number of accounting officers whose work showed they had been guilty of negligence.

*Mechanical Transport Stores.*—The unsatisfactory position of transport stores accounts mentioned in my last report has been largely remedied in the case of bulk stores, and, with one exception, reports of recent date show that satisfactory accounting is in force. In the case of the exception referred to, the clerical work was found to be of a very poor standard, and apparently no effort had been made to agree ledger balances and stocks on hand.

A report of very recent date on a motor workshops shows the accounts to be in an unsatisfactory state. Ledger cards have mostly ceased to show the correct stocks on hand, and now have little or no value as records. This position extends to tires, both new and recapped, and it seems little to expect that records and actual stock of such an item should be in agreement, whatever allowance should be made in respect of lines comprising small and very numerous items.

Petrol accounts, which cover the stage from purchase to issue to vehicles, were examined in the case of two of the three military districts and were found to be in order. As to the use of the petrol after issue, Army instructions call for comparison of mileages, as recorded on the speedometer of the relative vehicle, with the quantity of petrol consumed, but in one of the two military districts for which records were examined it was found that the comparison had not been made, and in consequence there had been no check on petrol consumed by individual vehicles or on vehicle performances.

The Army no longer requires the driver of a vehicle to record on a daily running-sheet the mileage run on each trip or the duty on which he is engaged, but issues him a running instruction signed by a responsible officer authorizing the vehicle to proceed from its headquarters to a named destination. Apart from the supervision of responsible officers, the safeguard against illegal use of vehicles lies in the activities of the Provost Corps, whose duty it is to stop vehicles and satisfy itself that drivers have the requisite running authority. The Audit Office agrees that this control, properly carried out, should be reasonably satisfactory, and if the criticism which is from time to time directed against what appears unnecessary running of Army vehicles is indeed justified, it means that an officer in authority has failed in his duty.

*Home Guard Stores.*—Army Stores Inspectors have spent much time in giving instructions to Home Guard accounting officers appointed during the latter part of last year. Prior to the appointment of these officers stores accounts had not been well kept, and there have been many "write-off" applications in order to adjust ledger balances to actual stocks. The principal item not satisfactorily accounted for was boots.

Contrary to regulations, a Home Guard Group authorized the payment of car and truck allowance to trainees using their own vehicles to attend parades. Claims aggregating £551 were received, and two, amounting to £98, were paid by the Group before attention was drawn to the wrongful payment. The matter is still under inquiry.