(n) Air Force Stores

The staff position of the Audit Department has allowed of only a minimum of attention being given to Air Department stores, but during the year the Air Department set up its own Inspectorate, and the reports of the Chief Inspector of Equipment have been made available to the Audit Office. These reports have mostly been couched in condemnatory terms, and reveal that at the majority of stations and depots stores accounting work has been badly done. To adjust the existing position, stations were in many cases instructed to make complete stocktakings, and it is probable that the amount required to be written off charge as deficiencies in stock will reach a large sum.

The reports of inspections of the two main stores depots disclosed that the ledger cards were in a state of muddlement. Many accounts show more stock issued than is recorded as having been received, and there have been many instances in which this result was shown when large quantities of the relative line were actually in store. The Department made a request to Treasury and Audit to have all past records wiped out and a fresh start made with opening balances of actual stocks on hand, and in view of the position into which the accounts had drifted Treasury and Audit had no option but to grant the request. As it is not practicable to ascertain the actual deficiencies, the Air Department is unable to apply for formal writing off in terms of section 3 (3), Public Revenues Act, 1926.

Air Department and other stores are sometimes euphemistically classed as "attractive" and "non-attractive." Blankets and clothing, for instance, are "attractive," whilst a propeller for an aircraft would presumably be "non-attractive." There is therefore some satisfaction in noting that the discrepancies between recorded and actual stocks applied impartially to "attractive" and "non-attractive" items, from which it may be reasonable to deduce that it is as likely that the records are at fault as that there has been any theft or misuse of the relative stores.

It is satisfactory to be able to record that at several stations re-visited by the Chief Inspector, his previous pointed criticisms have been found to have had salutary effect, and that an improvement in the keeping of stores accounts has been manifested. Only continued firm action, however, will maintain a good position, and in this connection it is a matter for regret that a highly qualified accountant officer who had a share in drawing attention to stores control shortcomings has been allowed to resign his commission.

(o) Navy Stores

A satisfactory examination of the accounts at the Naval Base could not be undertaken, as ledger postings were in arrears—a position which has obtained over the past two years. The shortage of staff, which was the reason for the unsatisfactory state of the accounts, still exists. It is to be feared that, even if the stock accounts are now brought up to date, the lapse of time since a previous balance will preclude any satisfactory investigation into differences disclosed between recorded stocks and those actually on hand.

(p) General Remarks on Control of Army, Air, and Navy Stores

Much money and a great deal of time and energy have been expended in keeping stores records which, in the state reported, have little value. They do not provide satisfactory safeguard against misappropriation, and are of little assistance to the Services in providing information regarding stocks available for use, or in estimating future requirements. Reference has been made to accounts which record issues in excess of receipts, and when such a record is allowed to stand without prompt investigation and adjustment by the officers immediately responsible it becomes an absurdity, and indicates a want of earnestness and determination on the part of such officers to have matters put right.

(q) Army Rations

It is to be remarked that foodstuffs are distinct from the stores commented on in the foregoing, and that from the system of accounting in force Audit is able to ensure that supplies of foodstuffs purchased to provide rations are received into store and later issued to cookhouses in accordance with the ration scale. From that point control consists of personal check and supervision by Army Officers in the camps.