

Inspectors have reported that the collection of articles of clothing and equipment on issue to men discharged or on indefinite leave has not received proper attention. Many of the articles are fit for reissue, and in the aggregate their value would run into several thousands of pounds.

Mechanical Transport Stores.—Army has a number of bulk-store depots holding large stocks of spare parts, accessories, and tools. Inspection was made of three of these depots, and the accounts were found to be in a very satisfactory state. My Inspectors did not have time to visit either of the two stores controlled by motor companies on behalf of the Army.

Reports from Army Stores Inspectors indicate that units using vehicles have failed to keep proper record of the receipt and issue of tools and accessories for the upkeep of vehicles. There is evidence that losses have been considerable, but it is not practicable at this stage to arrive at their extent. In Northern District a stocktaking made on 8th April, 1943, disclosed that ninety-two spare wheels, tires, and tubes, valued at £1,195 12s. 6d., were missing. Reports received towards the latter part of 1943 disclosed that records relating to the issue of petrol also were not adequately checked either as to issues to vehicles or to mileages run against petrol issued. As from 1st April, 1944, a new system of control was introduced, and I have been orally advised by Army that it has already achieved good results.

In August, 1943, Army notified Treasury and the Ministry of Supply that it had substantial stocks of spare parts for disposal. The Ministry of Supply carried out negotiations with the "trade," and the outcome was an agreement to make vehicle-importers the sole trade purchasing agents. Their requirements are fulfilled direct from Army stores, and in the absence of up-to-date price-lists, prices are being fixed at the importers' last-known cost.

Home Guard Stores.—Home Guard units were disbanded towards the latter part of 1943, and accounting officers have been busily engaged in the collection and return to Ordnance of articles of uniform and equipment on issue to personnel. The accounts of most units have now been closed, but in a number of cases it was necessary to transfer large numbers of clothing and equipment cards to Area Offices for the collection of outstanding articles.

(g) Air Force Stores

Stations.—Reports by the Chief Inspector of Equipment and by my own Inspectors show that a decided general improvement has been effected in the state of the stores accounts at stations. The improvement is due to the work of the Air Department inspectional staff, and to the introduction of an internal check system whereby frequent test checks are made of ledger postings and stocks on hand. If the present rate of improvement is maintained it should be possible for me to report next year that the accounts are satisfactory. The chief weakness in them as they stand is in respect of stores in use, which include many items generally termed "attractive." For example, recent applications to write off received in the Audit Office include from one station a loss of 317 blankets, and from another 51 sheets and 50 blankets, and it is unsatisfactory not to know whether these losses are due merely to bad "paper work." The most serious theft reported during the year was one in which a storeman stole £250 worth of miscellaneous stores during a period of nine months.

Ration Costs.—The Audit Office has drawn the attention of the Department to one or two cases where ration-cost allowances have been exceeded.

Store Depots.—In my last report it was stated that permission had been granted to the two main depots to disregard past records and to start afresh with opening balances of actual stocks on hand. The stocktaking took time to complete, and it was not until March, 1944, that the new records for all sections were in operation. Reports covering the new records indicate that they are in good order, subject to the following remarks. At one depot clothing section accounts appear to have again lapsed into an unsatisfactory state, as a communication from the Department