

dated 21st June, 1944, asks for approval to adjust large surpluses and deficiencies to bring the ledger into agreement with actual stocks on hand. At the other depot a stocktaking just completed by my Inspector revealed surpluses on bedding items, which suggest that the full quantity of supplies received from overseas had not been brought to charge.

The depots are holding excess stocks of goods of general household use available for disposal, and it is stated by the Department that the excess arose partly through providing for an expected expansion that did not eventuate.

(r) **Navy Stores**

The unsatisfactory position mentioned in my report last year in regard to the stores accounts at the Navy Base has improved to the extent that ledger postings have been brought up to date, and it was possible to make a comprehensive test of stocks. As was to be expected from the lapse of time since a previous balance was attempted, the stocktaking revealed numerous discrepancies. In only comparatively few cases did actual stocks on hand agree with ledger balances, and it is apparent that in its present state the ledger is an unreliable record of stores received, issued, and on hand. The Navy Department states that the position is due to scattered and unsuitable storage facilities and to constantly changing and inexperienced staff. It also expresses the opinion that until the buildings now in course of construction are completed and it has become possible to secure better-qualified staff the position is not likely to show the improvement desired.

(s) **War Assets Realization Board**

The disposal of all buildings, equipment, materials, and commodities which on acquisition were a charge on the War Expenses Account and which are declared by the Services and the Departments concerned to be surplus to their requirement has been entrusted to a recently constituted War Assets Realization Board. The Board has delegated authority as follows:—

Building Utilization Committee : Buildings and fittings.

Ministry of Supply : Motor-vehicles, spare parts, and accessories.

Army : Foodstuffs (in conjunction with Food Controller), petrol and oil (in conjunction with Oil Fuel Controller), horses, used barbed wire, and wood pickets.

Stores Control Board Advisory Committee : General goods, commodities, and materials.

Up to the present the sales of general goods, commodities, and materials have not been numerous, although the Services and Departments are holding large stocks and it would appear desirable that disposal should be hastened, firstly to effect a saving in storage expenses, and secondly, to take advantage of the present favourable market.

(t) **General Remarks on Control of Army and Air Stores**

My report indicates that the stock records at Army Ordnance and Air Stores depots, although not all that might be desired, are in a much better state than formerly. This is pleasing, because, with activities declining it is most important that the records should reveal the true stock position and thus limit the risk of purchasing more goods than it is desirable to hold when hostilities cease. Accurate records are essential also to the furnishing of information to the War Assets Realization Board of surplus stocks available for disposal.

MONEY OR STORES WRITTEN OFF

Section 3 (3), Public Revenues Act, 1926

The above section provides that no moneys or stores may be finally written off and discharged from Public Account without the authority of Parliament, and the Treasury Regulations require that before presentation of relative items to Parliament the concurrence of the Audit Office and the Treasury shall have been obtained.

A statement of moneys and stores in respect of which Audit concurrence to writing off has been given since last report is shown as to the more important items in the Appendix hereto.