Ministry of Supply

Mention has previously been made of the decreasing activities of the Ministry, and such decreases continued during 1946–47. There are still being handled and sold, however, a substantial residue of reserve stocks and a few commodities imported during the year, such as tinplate and wire rope. Cash receipts from debtors other than Government Departments amounted during May, 1947, to as much as £490,000. The Audit Office has not been able to give as much attention to the stock records of the Ministry as it would have desired, but it has been assured recently by the Administrative Officer of the Industries and Commerce Department, which now controls the accounts, that the present records of the comparatively few lines of stocks, except textiles, still held are now satisfactory. As regards textiles, the records have never been considered by Audit to have been in order, but the Ministry has gone to considerable lengths to satisfy itself that sales, and issues to manufacturers, have been accounted for. The Radio Section has not been examined recently, and the Audit Office is therefore unable to comment on its records.

Miscellaneous debts, totalling in value some £20,000, are in dispute, and collection of a further debt of £25,000 for jute supplied in 1943 has been deferred at the request of the Treasury.

The authority under which the Ministry continues to purchase and dispose of commodities appears to be Regulation 2 of the Supply Control Emergency Regulations 1939, Amendment No. 2. Expenditure is made from War Expenses Account and does not require annual appropriation.

Defence Forces Stores

The position of the Defence Forces Stores Accounts, put as succinctly as possible, is that those of the Army Department are on the whole satisfactory, whilst those of the Navy and Air Departments are not. These latter Departments agree that this statement in regard to their stores is not an unfair one, but submit that the reason lies in the shortage of staff and in the lack of experience and training of those employed. This Office, however, has some doubt whether these are all the reasons, and it recalls at least one case in which a stores officer deemed guilty of failure of duty was dealt with in a manner the reverse of severe.

Rations Costs

Naval units and Army camps base their rations costs on a standard issuing price for all commodities, and inquiries indicate that a reasonably uniform figure in respect of *per capita* cost in each unit and camp has been maintained, though there are fairly considerable differences between different naval units.

Air Force stations issues are made at market rates, but this does not explain satisfactorily some sharp fluctuations in *per capita* costs which have been shown on returns extracted by the Air Department and by this Office. The matter has been discussed with the Air Secretary, who has given an assurance that in future more attention will be given upward variations so as to ensure that they do not occur without good reason.