

Naval Vessels : Purchase

In March, 1948, the Government decided to purchase from the Admiralty six "Loch" class frigates and one other ship suitable for conversion to a survey vessel, and a payment of £1,600,000 sterling was made on 30th March, 1948.

The cost of the six frigates, which have since been transferred to the Royal New Zealand Navy, was £1,367,300 sterling.

As a survey ship was not available the Admiralty was asked to transfer the balance of £232,700 as referred to in this report relative to reconditioning the "Monowai."

Occupation Force in Japan

Further claims were received from the Australian authorities for New Zealand's share of expenditure charged to the British Commonwealth Occupation Force "Pool Account." These claims adjusted charges in respect of expenditure previously made but not debited, and credit was allowed for supplies forwarded direct to Japan by New Zealand.

The claims, after taking account of a progress payment of £100,000 made during the previous financial year, amounted to £160,253 4s. 6d., and an amount of £56,673 7s. 10d was received. These sums were debited and credited respectively to item "Army" in War Expenses Account.

The Australian Treasury recently advised that the pricing of issues to 5th September, 1948, when services to New Zealand ceased had not been completed and that further claims would be submitted.

Following representations to Treasury by the Audit Office that arrangements be made with the Australian Government for claims rendered on New Zealand to be certified by the Commonwealth Auditor-General, advice has been received from that official that suitable action is taken in Australia to verify their correctness.

Rationing Defence Forces

Rationing returns have continued to be submitted for audit by the three branches of the Defence Forces.

A good standard has been maintained by the Army and Navy, but Air Force returns should be improved. It is clear that these have not been checked by the Air Department Head Office.

Stores : Defence Forces

Army.—All Army stores depots and camps have been inspected within the last year either by Audit or Army Department Inspectors. Certain improvements are being effected in the system of control and accounting, and on the whole the position is satisfactory.

Air.—Inspections of Air Department stores in the past revealed a standard of accounting and control which left a good deal to be desired. During 1948 the Department took steps to effect an improvement. A working party is making a complete physical stock-take of all stores at each station and is adjusting store ledger-cards to