

The company will continue to supply limited quantities of its product to the Government, and negotiations have been entered into as to the future use of the whole machinery, and the terms under which future supplies will be made. The financial settlement has, however, been held up for over a year mainly because the parties are not clear as to the ownership of certain plant.

It appears to the Audit Office that only spasmodic efforts are being made by the Industries and Commerce Department (as successor in this matter to the Munitions Controller) to reach finality, and it has asked the Department whether it can detail one of its officers specially to clear up the position, but no reply has been received.

Stocks of engines and power-transmission spare parts imported for use in machine-gun carriers and trailer fire-pumps were until recently stored by the local representative of the manufacturers, and satisfactory records of these have not been kept by the Department.

Canteen Board

The audit of the Canteen Board's records fell somewhat in arrears, but the accounts for the year ended 31st March, 1947, have now been examined, and those for 1948 are under action.

The audit revealed somewhat unsatisfactory accounting in connection with sales through Head Office, especially in connection with liquor stocks held surplus in 1946. These were of considerable value. Some half of them was disposed of to wholesale firms and to the Tourist and Health Department, and the balance to private firms and persons.

Defence Forces : Stores

Most of the Army stores depots, areas, and camps have been inspected within the last year by either Audit or Army Department Inspectors, and the results, on the whole, have been satisfactory.

Stores inspections of Air stations and depots have been carried out within the last eighteen months, with the exception of Woodbourne Station, which has not been inspected since January, 1946. In the main, the inspections revealed a standard of stores accounting and control which left a good deal to be desired. "Shortages of staff" and "untrained staff" are reasons that have been advanced for the inefficiencies disclosed, but an Audit Inspector's report just to hand says, "shortage of staff may be a contributing reason, but I am of opinion that lack of supervision and organization is the main factor." The recently appointed Director of Equipment has reviewed the position, and by reducing the stocks held on stations and by regular checks it is hoped that an improvement will be effected and maintained.

The two Navy stores depots, the main one at Devonport and the other at Seaview (since closed), have been inspected within the year, and the inspections showed a reasonably satisfactory position. The staff position has eased, and increased efficiency can be expected in the future.