

4. In regard to (1) above, it would therefore be unnecessary for the various Governments to take any further action on any outstanding matters relating to the accounts for the period prior to 31st March, 1921.

5. As regards (3), the Minister of Pensions states that all new or amending awards will be examined and confirmed in this country by the officers of his Department, and the duty of the Government Audit Department in this connection would be limited to ensuring that payments are not continued on awards which are not confirmed by the Minister of Pensions. The Minister would also be glad if the Audit Department could verify completely the claims for repayment made by the Dominion Government, both as regards the arithmetical accuracy and the basis of the claims.

6. So far as concerns the examination of detailed payments made by the Dominion Government on behalf of the Minister, it is desired that the examination of the Audit Department shall cover—

(i.) Regularity—

(a.) To ensure that pension-payments are in accordance with the rules and regulations of the Ministry—*e.g.*, that pension-payments are authorized by an award confirmed by the Department.

(b.) To ensure that medical charges are in respect of treatment for a disability accepted by the Minister as attributable to or aggravated by service in the Great War.

(c.) To ensure that miscellaneous payments—*e.g.*, travelling-expenses, subsistence, &c.—are within the scale and conditions agreed to by the Minister.

(ii.) Life certificates—to ensure that properly completed life certificates are furnished periodically as required by regulations.

(iii.) Arithmetical accuracy of claims.

7. It is considered that in order adequately to meet this requirement a detailed examination of not less than 10 per cent. of payments should be made, but the Minister would rely on the Audit Department extending its examination wherever the test check indicated that fuller scrutiny was desirable.

8. It is also proposed that the appropriate vouchers and other documents should be retained by the various Governments, subject to the proviso that, should the Comptroller and Auditor-General in this country wish to carry out further audit, the necessary facilities should be afforded him and, if required, the appropriate documents be transmitted for the purpose.

9. In regard to the retention of vouchers and other documents, it is proposed that while authorizing documents—*e.g.*, notification of award, medical history sheets, and records essential for reference during the lifetime of a pensioner—should be retained, permanently paid vouchers and other documents supporting payments should be preserved for a period of at least two years.

10. The Minister of Pensions feels that the course suggested will expedite and facilitate considerably the work incidental to these accounts, and at the same time avoid lengthy correspondence on matters which local audit and investigation would readily dispose of.

11. I shall accordingly be glad to learn whether your Ministers can see their way to arrange for the Auditor-General of New Zealand to undertake the work proposed as from the 1st April, 1923.

I have, &c.,

DEVONSHIRE.

Governor-General His Excellency the Right Hon.

Viscount Jellicoe, G.C.B., O.M., G.C.V.O., &c.

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No. 20.

New Zealand, No 153.

MY LORD,—

Downing Street, 19th July, 1923.

With reference to previous correspondence on the subject of the Imperial Bureau of Mycology, I have the honour to inform Your Excellency that at a general meeting of the Managing Committee of the Bureau, held at the Colonial Office on the 30th May, it was unanimously resolved that an Imperial Mycological Conference should be held in conjunction with the British Empire Exhibition, and at approximately the same time as the Imperial Botanical Conference in July, 1924, and that