

Auditor General's Report.

Act and other Acts which deal with expenditure, justifies me in urging objections on these points to the opinions of even so great a lawyer as Sir Oliver Mowat, it would be ridiculous to contend that his view, no matter how unreasonable it may appear to a layman, is not probably correct in a legal sense.

However, I hope that you can go so far with me as to believe that there are doubts which Parliament ought to be asked to remove. The Government will probably reason in this way: The Auditor General has been performing his duties under certain impressions as to the line of action which the Audit Act warrants him in taking. The Treasury Board took the same view, but the late Minister of Justice has different opinions. There should be no doubts. It is the duty of the Government to have opinions on the subjects, because Parliament can make its intentions clear and the Government is expected to advise Parliament as to the changes which are required in Legislation.

If the Government thinks that the law should be what the late Minister of Justice thinks it is, the advice should be to that effect. If the Government, however, thinks that there may be some use to be had from the Treasury Board, the Minister of Justice and the Auditor General, it might be made clear by additions to the Audit Act that the opinions taken by the late Minister of Justice are not to prevail in the future.

Then, although these points are more important than anything else which requires amendment in the Audit Act, there are many other changes which should be made to bring the practice into conformity with the law. The Audit Act was very well prepared in contemplation of an important change in the management of the public finances, but it was not perfect, as it could not have been expected to be. Changes in the Act should be made to justify completely the present practice, or we should make the practice conform to the law, which seems almost impossible in some cases. For instance with reference:

(1) to credits (section 30): When I learn that a cheque is likely to be drawn under a credit, while I consider that the payment would be improper, it is plainly right that the Department should be notified of my objection; but there is no provision for an appeal to the Treasury Board as is provided when I object to the issue of a Receiver General's cheque.

(2) Section 32, subsection (a) provides for obtaining the opinion of the Attorney General when I report that there is no parliamentary authority, but there is no provision for such opinion when I report the usual legal objection.

(3) The method of issuing the cheque when I am overruled is different from what seems contemplated by the Act in subsections *a.b.c.* and 2. The cheques are now issued in exactly the same way as when I am not overruled.

(4) The duties of the Treasury Board in connection with appeals from the Audit Office should be more clearly defined. If the duties of the Auditor General were fully and accurately set out, the Treasury Board should be directed to sustain an appeal from the Auditor General only when the Auditor General had, in its opinion, misunderstood the rules laid down for his guidance and to state in its decisions the point of difference between the Board and the Auditor General. The Auditor General should be instructed to embody in his statement to Parliament of the proceedings, as required by subsection 2 of section 32, the decisions of the Board as now described. Parliament evidently intended that it should be supplied with the reasoned opinions of the Treasury Board and the Auditor General, so as to determine what should be the practice, as is done in England in the differences between the Auditor General and the departments.

It is quite plain, with the important and onerous duties of the Members of the Treasury Board as members of the Government, that they cannot be expected to look into the details of differences between departments and the Audit Office, that they will not look into such details, and that, therefore, in the public interest they should confine their attention to establishing principles. Then, the Auditor General should know what the principle is in each case, so that when it is adopted by Parliament, it should serve for his guidance in the future.

I am, sir, your obedient servant,

J. L. McDOUGALL, A.G.

The Secretary, Treasury Board.