

1959-60 was 142, its average strength during the year was only 136, and at March 31, 1960, it stood reduced to 132. Ten years ago in 1950 its staff strength was 166. This was at a time when total annual government expenditure was \$2,449 million embracing 29 government departments and 23 Crown corporations. To-day government expenditure is over \$5,707 million embracing 34 government departments and 29 Crown corporations.

75. The Committee was interested in details of the approach being taken by the Auditor General in the course of his duties, particularly the manner in which the Audit Office is seeking to work constructively with the managements of government agencies in evaluating not only the systems of internal control, organization, methods and procedure and related matters, but also the results achieved thereunder in terms of cost. Your Committee was interested also in noting that the Auditor General hopes to achieve this objective in part by the submission of detailed reports to the agency managements on the results of his office's examinations, a practice he hopes to extend to all departments and Crown corporations.

76. The Committee was pleased to note in the Auditor General's Report for 1959 the informative explanations given respecting the operations of those Crown corporations examined by the Auditor General. It is of the opinion that such informative explanations could be usefully expanded and that appropriate appendices might be given.

77. Parliament has placed broad auditing responsibilities on the Auditor General and they involve the largest and most complex business in Canada to-day—the Federal Government. To carry out these responsibilities adequately in the interests of Parliament and the public requires the highest order of leadership coupled with a competent staff of career accountants and auditors. In the opinion of the Committee it is fundamental that this independent auditing office be strong, capable, efficient and equipped to operate in accordance with the high standards of independence and objectivity expected of professional accountants.

78. Since the Auditor General is responsible only to Parliament, the Committee recommends that at the next Session of Parliament, the proposed Special Committee on the Civil Service Act should give consideration to authorizing the Auditor General, with the approval of the Treasury Board, to recruit his own staff under a plan of organization necessary for the proper functioning of his Office and the establishment of rates of compensation for each class of position, having regard to the rates of compensation and conditions of employment for comparable positions in other branches of the public service and outside the public service.

79. Your Committee feels it to be important in the interests of maintaining Parliamentary control over financial matters that the recommendations and suggestions of the Committee be given careful study and consideration by the departments and corporations concerned.

80. A copy of the Minutes of Proceedings and Evidence relating to the above matters is appended.

Respectfully submitted,

ALAN MACNAUGHTON,
Chairman.