

to any auditor what more could an auditor have done? You would not have found it anyway had not the transportation company again asked for payment, because you would not have known it was owing. What more can an auditor...

**Mr. Henderson:** I would hope that we might have discovered that an account such as this was owing, because one of our approaches is to look over the demands being made by their traditional suppliers, and this kind of thing. This is a fairly usual way of...

**Mr. Stafford:** You missed the point of my question. You would not have known had it not been for the second demand for payment. All I am saying is that when payment is requested a second time it is just as obvious to the department as it is to any auditor. I take it that an auditor could not do much more than could the department in such a case.

Mr. Long has already said that the system works all right and that proper books are kept. If that is so, then, in relation to Dr. McLean's point unless this account had been asked for the second time any spot-check afterward's would be no more successful done by an auditor than by the department.

**Mr. Winch:** Someone stole \$3,000.

**An hon. Member:** That is right.

**Mr. Stafford:** You claim someone stole it. On the other hand, you cannot say that unless you have evidence to prove that whoever did it is guilty beyond a reasonable doubt.

**The Chairman:** All right.

**Mr. Winch:** But we paid this \$3,000 account. Someone stole \$3,000.

**Mr. Stafford:** That is quite true; but how do you know...

**The Chairman:** All right, gentlemen; not across the table.

**Mr. Stafford:** The point I wanted to raise was that it could have been that the transportation company received it twice.

**Mr. Henderson:** That is correct.

**Mr. Stafford:** I wish to ask that question once again because I do not feel you have answered it. Could you say...

**Mr. Henderson:** We were sure...

**Mr. Stafford:** ...with certainty that this receipt, which you say the officials in the Embassy thought was marked "paid", was marked differently from the dozens of other receipts that had been brought into the office in Yugoslavia?

**Mr. Henderson:** It was disavowed, as I understand it, by the transportation company when they were faced with it. The obvious person to tax on this was the administrative officer who had been responsible at the time that the payment was allegedly made, but he was no longer there. In fact he had had two or three successors since.

**Mr. Stafford:** Was it so marked, though, that it resembled the markings on other receipts, and in a way that a person could make a reasonable mistake?

**Mr. Henderson:** I understand that it was marked in a way that could have been interpreted as a receipt.

**Mr. Stafford:** That is what I am getting at.

**Mr. Henderson:** The transportation company disavowed it for the reasons that Mr. Long gave.

My point is that a visitation by an internal auditor and a short report on the operations surely give better assurance that things are going along satisfactorily than to have nothing at all.

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**Mr. Stafford:** And they have it now? I take it they have set up an internal audit?

**Mr. Henderson:** I am hoping that we will get to work.

**The Chairman:** Mr. Henderson, have you completed your recommendations about foreign embassies? Have you any others for the Committee?

**Mr. Henderson:** There are two final points at the end of the note on page 31. As you see, the posts are required to submit estimates for the ensuing year, but they are not told whether these estimates have been approved, nor do they receive back any figures of their expenditures; so that they are more or less in the dark. This is a complaint that we have received in making the rounds. The department is giving consideration to the feasibility of this first suggestion. I have nothing other than that to report.