

businesses where you have an effective internal audit team working it not only provides greater assurance to the management, but it also enables the external auditor to do a better job.

Mr. MUIR (*Lisgar*): Is it usual that all departments provide this internal audit?

Mr. HENDERSON: No, the crown corporations have led the way in this. Some of the larger departments have them, but this is a matter, Mr. Muir, which at the present time is caught up in the Treasury Board's attempts to bring about a greater decentralization of authority to departments, as recommended by Glassco, and I have told them—and I find that Dr. Davidson, Secretary of the Treasury Board is in complete agreement with me—that I hope very much that decentralizing such greater responsibility to Deputy Ministers will be accompanied by either a strengthening of the present internal audit set-up they have or the introduction of one or two people to do that work in future.

The CHAIRMAN: It would appear to the committee, Mr. Henderson, that this is one of the more important observations of yours, and if the committee feels that they would like to leave it until we come to the 1964 and 1965 Reports we will go into it more thoroughly.

Mr. HENDERSON: We will cover it in these two reports because I keep it before you each year in my report.

Now, on the matter of Unemployment Assistance, we have been commenting on this in the past reports, and as I say, we dealt with the matter both in 1964 and again in 1965. The last development here was a series of discussions, as I mentioned, between federal and provincial government representatives in January 1966 and in addition to this reference was made to it in the Speech from the Throne. As I say, we have been informed that both the Department of National Health and Welfare and the Department of Justice are currently working on a draft of the Bill. Now Mr. Gilhooly, my director in charge of that area, is with me today and if there is anything further on this I am sure we are in a position to give it to you.

Number 5, Findings of the Royal Commission on Government Organization: As mentioned earlier, I reported on this in accordance with your directions in paragraph 7 of my 1965 report and I would suggest to you that this can probably be best discussed when we reach that paragraph.

Regarding the Form and Content of the Estimates, this was the subject of a study by a subcommittee of your previous committee and it brought down a series of recommendations. You will notice that (a), which I can explain later, was implemented and also a small item under (c) was implemented. But with respect to (b), there has not yet been any action, nor has there been with respect to the other point mentioned in (c).

At the top of page 5 I point this out to you; that is to say, that the recommendation that supporting financial information concerning the Crown corporations and other public instrumentalities be included in the details of services in the Blue Book of Estimates has not been done. At the same time in your report, you asked that explanations be placed in the Blue Book for major proposed increases in the establishments as between the previous year and the