

Section 67 of the Financial Administration Act requires the Auditor General to examine in such manner as he may deem necessary the accounts relating to the consolidated revenue fund and to public property and shall ascertain whether in his opinion, among other things, money has been expended for the purposes for which it was appropriated by parliament, and the expenditures have been made as authorized.

Section 70 of the Financial Administration Act requires the Auditor General to report annually to the House of Commons the results of his examinations.

Among the matters in respect of which he is specifically required to report in relation to the expenditure of moneys is any case where any appropriation has been exceeded or applied to a purpose or in a manner not authorized by parliament. In addition he is required to report in respect of every case that he considers should be brought to the notice of the House of Commons. He is authorized to station in any department any member of his staff to enable him more effectively to carry out his duties.

I should like to say a word or two about the size of my office. The estimates for my office are currently before parliament and provide for a total staff strength of 179 employees, 180 counting myself. Those are the estimates for the current 1962-63 fiscal year. This is the number of staff I have estimated and so stated in my report last year as necessary to carry out a basic external audit program within the framework of the existing government organization. The actual working staff I have, however, is only 150 compared to 152 on the same date a year ago. This staff shortage of 29 is caused by recruitment difficulties and delays under government recruitment procedures. The shortage has become of serious concern to me because it is handicapping the scope of the work of the audit office.

This matter has been before the committee on previous occasions. May I just say that it is a problem I hope to be able to discuss with this committee during its forthcoming meetings.

You perhaps are wondering about my relationship with the Glassco commission. The terms of reference of the Glassco commission did not include the office of the Auditor General because his is a parliamentary office not an executive one. However, in order to assist the commission in every way possible the audit office cooperated to the fullest extent with its representatives so that they would have a clear idea of the part the audit office plays in financial operations.

Mr. Chairman, I should like at this time to introduce my audit supervisors, each heading a branch as my operations are divided into five branches. Unfortunately owing to the pressure of business Mr. A. B. Stokes, one of my supervisors, could not be present today so I will ask Mr. Ian Stevenson, the assistant auditor general, to mention the scope of Mr. Stokes' office. I may say that Mr. Stevenson is a person who has had a very great amount of experience in the operation of the audit office. He is a chartered accountant and I owe him a great debt of gratitude for the loyalty and devotion he has extended to me as he extended it to Mr. Sellar. Mr. Stevenson is the assistant auditor general. Would you explain Mr. Stokes' office and duties Mr. Stevenson?

Mr. IAN STEVENSON (*Assistant Auditor General*): Mr. Chairman and gentlemen, Mr. Stokes is the audit supervisor in charge of the audit branch which is responsible for the audit of a large group of crown corporations including Atomic Energy of Canada Limited, Canadian Arsenals Limited, the Canadian Broadcasting Corporation, the Canadian Overseas Telecommunication Corporation, Eldorado Mining and Refining Limited, the national harbours board, the Northern Canada Power Commission, Northern Transportation Company Limited, which is a subsidiary of Eldorado, and Polymer Corporation Limited.