

Financial Administration

second reading. The principal change in the duties of the Auditor General is to remove from him the present regulations which under some circumstances require him to make a pre-audit of funds. Before the public accounts committee the Auditor General said it was neither reasonable nor fair to expect him to make a pre-audit before expenditure, and as Auditor General afterwards certify to the accuracy of the expenditures. I think that is the principal change in the function of the Auditor General. In other words, the Auditor General is completely removed from any departmental responsibility now. He is parliament's servant to audit the public accounts once they are through the Department of Finance; that is, through our auditor, the comptroller general.

Mr. Hansell: It will not affect his freedom in any way? I notice in the public accounts recommendations have been made that I believe have been sound. Nevertheless, there is running through his recommendations the attitude that he is pretty well free to speak his mind, which I think is an important thing. That will not be affected at all by this?

Mr. Sinclair: This bill gives the Auditor General greater freedom than he has had before. The Auditor General is the servant of parliament, appointed on joint address of both houses, and is only removable by a joint address of both houses. The Auditor General is the one who I think is most pleased with the clearer definition of his duties which is contained in the new bill.

Mr. Hansell: One other matter; the resolution also calls for the regulation of the terms and conditions upon which contracts may be made on behalf of His Majesty. Would the parliamentary assistant mind informing the committee just what relationship there is between the Department of Finance and the Department of Defence Production, public works or any other department that lets contracts? Evidently these departments are not permitted to let a contract without the Department of Finance having something to say about it. When the parliamentary assistant answers me, he might also give the committee some information as to where the Department of Finance may come in in advising whether or not contracts should be let on a straight tender basis, or on a cost-plus basis.

Mr. Sinclair: Once again, Mr. Chairman, I do not like to get into the actual details of the legislation when, as far as this resolution is concerned, we have yet no final knowledge of the legislation. I think it was before the public accounts committee last year that the Auditor General gave his opinions on the various types of contracts which are let under varying circumstances: contracts by open tender to the lowest bidder, contracts on a management fee and the cost-plus contract. The relationship of the Department of Finance to other departments is specified very clearly in this bill. As the hon. member for Kamloops said, this is the key bill of government and of those other departments of government. What this bill is attempting to set up is a uniform practice in every department on the matter of letting contracts. I would not like to go into it very much more deeply at the moment, except to say that once again the bill is trying to translate into legislative form the recommendations made by the Auditor General in various appearances before the public accounts committee.

Mr. Knowles: Will the parliamentary assistant say a word about the provisions of this bill respecting the idea of revolving funds for stores? In particular I should like to know whether the proposal that is planned for stores accounting is the same as is now in effect in the Department of Transport. My other question is this: Will the passing of this bill automatically set up such stores accounts in other departments? Or will there be required other legislation or other enactments for each individual department wishing to have it done that way?

Mr. Sinclair: So far as the first question is concerned, in his preliminary statement the minister said that provision for the revolving fund, so far as stores are concerned, will be modelled closely on the Department of Transport Stores Act which was debated at length a year ago. Again the aim is to have a more uniform system both of accounting and purchasing, and the benefit of bulk purchases for all departments, instead of having each department make its own.

I must confess that at the present time the answer to the second question slips my memory. However, I shall have an answer on second reading of the bill.

Mr. Wright: I notice that in the schedule to the bill there are listed some thirty-three boards and corporations, but the Canadian wheat board is not included. I am wondering