

By Mr. Macdonnell:

Q. Clause 55 reads as follows:

*Superintendent*

55. (1) The Superintendent may visit personally, or cause a duly qualified member of his staff to visit, the head office of any association, whenever he deems it necessary as the result of an examination of the statements filed by the association or of the auditor's report, or as the result of information coming to his attention from any other source, and examine the condition and affairs of the association, and report thereon to the Minister as to all matters requiring the Minister's attention and decision.

(2) The officers of such association shall cause the books of the association to be open for the inspection of the Superintendent, and shall otherwise facilitate such examination so far as it is in their power.

(3) For the purpose of such inquiry, the Superintendent may examine under oath the officers, clerks or servants of the association.

(4) The Superintendent may if he deems it necessary nominate an auditor from the list referred to in section 53 to make a special audit, and the auditor so nominated may audit the books, accounts and securities of the association and shall report thereon to the Superintendent.

(5) The expenses of a special audit made under subsection (4) shall be borne by the association, and the auditor's account therefor when approved in writing by the Superintendent is payable by the association forthwith.

Is that limited, or is that the end of it? Can he go further, if he wants to?—A. He may. First of all, of course, he has the annual statement which is required to be filed under clause 51, on or before March 1 of each year.

Q. Yes?—A. Then, on the basis of information that he may get from that or from any other source, or from a personal examination at the head office as often as he wishes, I think that the superintendent should be in a reasonable position to know what is going on.

Under subclause 4 of clause 55 the superintendent is empowered, if he deems it necessary, to nominate an auditor from the panel prepared under the Bank Act, to make a special audit. Clause 53, which was passed over rather quickly, relating to auditors—I should have said clause 54 subclause (3), reads as follows:

(3) The auditor shall make a report to the Superintendent with respect to the accuracy of the statement required by section 51 to be deposited in the Department, and shall also report to him upon the adequacy of the procedure adopted by the association to safeguard the interests of its creditors and members and as to the sufficiency of his own procedure in auditing the affairs of the association.

Subclause (4) reads:

(4) The auditor shall disclose to the Superintendent any matters or circumstances that have come to his knowledge or attention during the course of the audit that would in his opinion assist the Superintendent in the administration of this Act; and the Superintendent may enlarge or extend the scope of the audit and direct that any other or particular examination be made or procedure established.