

audit, and there is an appropriation audit. So far as the Auditor General is engaged in the work of administrative audit, he is acting on behalf of the Government; he is assisting the Government in superintending the expenditures of public money. But in so far as he is acting as an appropriation auditor, he is superintending the action of the Government itself, and as an appropriation auditor he is an officer of this House, and of this House alone. Now, the auditor when he is engaged in the work of administrative audit, considers whether the departmental expenditure is in accordance with the treasury instructions. The treasury decides what they will do in respect to any irregularity pointed out, and in England, as here, the auditors make their report through the Treasury Department; not because they are subordinate to the Treasury Department as appropriation auditors, not to give the Treasury Department a superintending control over the auditors, but to enable them to rectify any irregularity or mistake which the auditors have pointed out, and to enable them to accompany the report to the House, with any explanation they may choose to make in reference to that matter. Let me say, Mr. Speaker, that is precisely the position of the auditor here. The Auditor General is required to make his report, not to the Finance Minister, but to Parliament, and he makes it through the Minister of Finance, and why? In order that he may enable the Minister of Finance, first, to make any correction that he or the Treasury Board may desire to make in respect to these irregularities, and to accompany the report with any explanation they may choose to make in respect to the matters which the Auditor General has to criticise. In England there was no provision made for questioning any expenditure in excess of the Parliamentary vote, or for the service for which any appropriation is made, and this expenditure was made without fear of detection, and very serious abuses grew up at one time, especially in connection with the army and navy vote. This in fact, led in a large degree to the modern system of audit in England, and led to the conferring upon the Auditor General and Controller there, supervision over the public appropriations. The appropriation audit now extends to every branch of the public expenditure. It is conducted by the Exchequer and Audit Department, in concert with the accountant of the branch whose accounts are under consideration. They act on behalf of the House of Commons and under the rules set out in the Acts of 1866 and 1884. They see, first, that the expenditure is attested by regular vouchers; second, that the expenditure is sanctioned by the proper departmental authorities, and third, that it is distinctly authorized by some Act of Parliament. Under the first two heads the audit

is an administrative audit; under the whole three the audit is an appropriation audit. The first, as I pointed out, is sent to the treasury to rectify irregularities and then it is the duty of the auditor to report to the House of Commons every departure made from the Appropriation Act. Now, that was the condition of things that existed in England with respect to the audit of the public accounts at the time that our Act of 1878 was carried. Here our statute provides for the appointment of the auditor by the Governor General under the Great Seal of Canada. The auditor is entitled to hold his office, not during pleasure, but during good behaviour, and he can be only removed from that office upon an address supported by both Houses of Parliament. The appointments that are made in his department under the law, are made by the Governor General in Council, who have the power to regulate the numbers, the salaries, the grades, and the classes of officers. The Auditor General may make rules which are reported to the Treasury Department, and which are there approved of before they can come into operation. He may ask for information, or report for information any facts that he deems proper to the Governor General in Council, but he does this through the Minister of Finance as the organ of communication. It is the duty of the auditor to see that no payment is made for which there is no parliamentary appropriation; that there is no money paid beyond the amount voted, that he report to the Governor in Council, through the Minister of Finance, in cases where any accountant or sub-accountant has expended without authority or in excess of an appropriation. The Audit Act provides that no cheque shall issue from the Finance Department without the Auditor General's certificate, except: 1. Where the Law officers of the Crown, differ in opinion from the Auditor General. 2. Where there has been an accident during the recess and an unforeseen expense arises in consequence. 3. Where, upon the report of the Auditor General on the one side and the Deputy Minister of Finance on the other, the Treasury Board decides against the Auditor General. When accounts are prepared by the Department of Finance for the Auditor General, he is required to certify and to report upon them, and it is under this authority that payments are directed. The Auditor General's Report is required to be made to Parliament through the Minister of Finance for the reason I have already mentioned. The law assumes that there is a difference in the nature of the office of Auditor General from that of any other departmental offices connected with the public service. It places every other officer under the entire control of the Government, but it does not so place the Auditor General, because the Auditor General is required to exercise a