

Auditor General's Report.

it turned out that the assumption was not well founded, none of your officers would be injured. If on the other hand the assumption turned out to be well founded, some one would be injured, but properly so. No one could have any ground for complaining of such a result.

Auditing of Dominion accounts is not based on the fact that a *prima facie* necessity for audit is shown before the audit takes place. The expectation of Parliament in my case seems to be that every means which I can think of to show whether money has been properly or improperly used, shall be applied; that the tests applied shall not be based on the supposition that men generally do the right thing, but on the supposition that they must show by the vouchers and other documents that they did not do the wrong thing. No one who is spending the money of others has a right to complain because every proper test which can be adopted to show that he spent it improperly, is adopted. You seem to have overlooked the fact that the man whose accounts are examined, he having properly exercised the trust in him, is greatly interested in having it well understood that the examination of his accounts has been a rigid one, that there is no possibility of the Public being deceived as to the strictness of the audit. If the Auditor does his duty in a straight forward manner, the people interested will find it out quickly, while if he acts in a cowardly, dishonest way, it will be known just as soon. Let me here quote what was said in the report of the English Public Accounts Committee of 1891-92: "The Treasury point out that had not certain warnings of the Audit Office been disregarded, the fraud would have been discovered earlier and the committee, therefore, remark that this omission illustrates the advantage the departments might often derive from greater alacrity in attending to points raised by the Controller and Auditor General. The assistance afforded by a thorough system of audit deserves a welcome which it does not always receive from those who are responsible for administration."

The report of the inspector who has examined the railway is better evidence as to the facts than that of the chief engineer, or any other person, no matter how skilled in railway construction, who has not seen the railway for which a subsidy is claimed. Then, this is what is required by the 33rd section of the Audit Act:—

"No payment shall be authorized by the Auditor General in respect of work performed, or material supplied by any person in connection with any part of the public service of Canada, unless, in addition to any other voucher or certificate which is required in that behalf, the officer, under whose special charge such part of the public service is, certifies that such work has been performed, or such materials supplied, as the case may be, and that the price charged is according to contract, or if not covered by contract, is fair and just."

You will understand how much more friction there would be in my work, even than there is now, if when a request were made for papers there was an assumption that the special circumstances justified suspicion:

If you have any doubt as to the thoroughness of the audit required by the Audit Act, look at section 55: "The Auditor General may examine any person on oath or affirmation on any matter pertinent to any accounts submitted to him for audit: and such oath or affirmation may be administered by him to any person whom he desires to examine." This does not indicate that the Auditor General should make a less strict audit than that based upon his being supplied with the original documents which are the whole of the best evidence on which payment of millions is made.

You also say: "It would impose a very great deal of extra labour upon the clerical staff of the department if copies are to be sent you of all reports in connection with the very numerous applications for payment upon subsidy account." I don't expect the reports except when they have resulted in causing your department to make an application for payment. There were 15 such applications last year and 19 the year before. The only report of an inspector on which I could put my hand was half a page. Suppose an average report to be 2 pages of type-written matter and that there are 25 in a year—50 pages in all—at a cost of five dollars for the copying. This needs no comment.