

APPENDIX No. 3

Q. How did they appear to be a European company?

A. Well, they were located in Europe, I mean their place of business. That would appear from the vouchers.

Q. Do you get letters or does the department get letters according to the papers that you see?

A. We would not get anything. The cheques that are sent to them are cashed in Amsterdam.

Q. To whom do you send them in the name of the company?

A. We do not send cheques at all.

Q. You send them to the department?

A. No, those are issued by the department or by the High Commissioner's office. They are all letter of credit cheques.

Q. You must have a squaring up occasionally and a balance struck and then a final cheque, do you not?

A. At the end of the year, yes.

Q. What do you find at the end of the year? Do you ascertain at the end of the year with whom the correspondence had taken place on the adjustment of accounts?

A. We would have known that the company would have to deal with the bank or with the department just on the matter of adjusting the accounts.

Q. I suppose, having a little curiosity as auditor about this company, you looked into the contract, did you?

A. No, I do not think I have seen any contract yet. I do not think I have reached that stage.

Q. Do you not think that in auditing your accounts it is impossible to audit correctly without knowing what the contract is?

A. Well, if I go over the contracts that are existing, I am afraid I would not have time to do anything else.

Q. Your predecessor thought he made a great deal of money for this country by going over contracts?

A. That is true, but he had 25 or 28 years going over those contracts. Some of those contracts that existed are still current, and unless I have some particular reason for knowing, I presume that the officials have seen them already.

Q. You did not look into the contract and have not done so up to this day?

A. No.

Q. You have never looked at it?

A. No, I have not.

Q. If I may be permitted, I would suggest in future when you are auditing you had better see what the contract is.

Mr. E. E. STOCKTON called and sworn, and examined.

By Mr. Barker:

Q. What is your position, Mr. Stockton?

A. Sub-examiner of accounts.

Q. Sub-examiner of accounts in what office?

A. In the Auditor General's.

Q. How long have you been employed as sub-examiner of accounts in the Audit Office?

A. Well, that is hard to say. I have been employed about fifteen or sixteen years in the Audit Office?

A. How long have you been sub-examiner of accounts, several years?

A. It is about five or six years, since I have had control of the accounts.

Mr. E. E. STOCKTON.