

Treasury Board advised the House on December 7, 1967 that

44. The Government intends to introduce legislation to provide for transfer of the pre-audit responsibility from the Office of the Comptroller of the Treasury to individual departments and agencies. Substantial staff savings are anticipated when this process is completed.

(Hansard p. 5183)

It is my intention to keep this matter under review and to report further thereon to the House.

As you will note, one sentence in the Auditor General's report says that some of the departments . . .

. . . have not yet taken steps along these lines even though the circumstances justify it. On the other hand, in the related field of pre-audit, staffs are larger and methods more elaborate than modern practice requires.

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That is a statement that needs some thought and some explanation. Does anyone have any questions they would like to ask the witnesses in this regard? If not, I will ask Mr. Henderson to enlarge upon it.

Mr. Henderson: Mr. Chairman, this is another item which will come up, or should come up, when the President of the Treasury Board is before you. It encompasses a very large area but the principal point here is that the Glassco Commission made a very important recommendation—I do not know whether this was included in the 21 which the President of the Treasury Board tabled yesterday—namely, that a great many of the financial responsibilities be decentralized or delegated to the departments, that the pre-auditing work of the Office of the Comptroller of the Treasury, which is now carried out, be removed, and that the responsibility be vested in the Deputy Ministers—much along the same lines as the government delegates this responsibility to the presidents and managements of Crown Corporations.

They have been, shall we say, tuning up in readiness for it, but no action, so far as I know, has been taken in this respect yet because before this responsibility can be transferred—what we call the pre-auditing responsibility and commitment control—the

Financial Administration Act has to be altered. We have to bear in mind the Comptroller of the Treasury does this pursuant to statutory requirement. I therefore gave you the quote of what the President of the Treasury Board stated in the House last December here, namely, that . . .

The government intends to introduce legislation to provide for transfer of the pre-audit responsibility from the Office of the Comptroller of the Treasury to individual departments and agencies. Substantial staff savings are anticipated when this process is completed.

This, therefore, is the key to this and several of the other points here that you will be considering, and I would suggest that that is something on which you would like the President of the Treasury Board to expound next Thursday.

The Chairman: Are there any questions?

Mr. Cullen: A question was raised in the House yesterday about the fact that all Crown Corporations do not use the Auditor General, that some of them retain their own auditors and for very good reasons—because their speciality may be in that particular field. Now is Polymer, of which I am somewhat familiar, one of the Crown Corporations where you feel some improvement could be made by better use of staff, or is that being too particular?

Mr. Henderson: I can answer right off in the case of Polymer. First of all, I am the auditor of Polymer and have been from its inception. The auditing of all its foreign subsidiaries, however, I share jointly with a private firm under an arrangement that has been going now for many years and which works extremely well.

Mr. Cullen: This is the point I am making.

Mr. Henderson: It is not a corporation to which I would suggest any particularly better use could be made in this area. I am speaking more here of the departments and some of the other Crown Corporations without particularizing.

Mr. Cullen: Do you feel that it is beneficial to work together, particularly when working in a foreign field?

Mr. Henderson: Well, it saves me trouble, Mr. Cullen. Moreover, a Corporation like Polymer, as heavily involved as it is in some of the foreign markets, faces local taxation