

Mr. CHOWN: —No. 10, that they estimated the fee would run at a minimum of \$5,000 and at a maximum of \$7,500, with travelling and out of pocket disbursements extra.

Mr. RICHARD: The fee was \$7,500 plus, I think, something like \$600 in travelling expenses—about \$8,100 altogether.

Mr. CHOWN: I see.

Now, I would like to read from page 253 of the evidence. The chairman asked Mr. Henderson if he had seen the report. Mr. Henderson replied:

I have seen the report. Mr. Richard made a copy of it available to me.

And later Mr. Bell asked Mr. Henderson:

Do you mean that you have not seen it until very recently?

Mr. Henderson replied:

No, I received a copy from the president yesterday, and I learned of its existence at the time that the accounts were being "finalized" for the year.

The question comes to mind, inasmuch as you have stated today you have received this report from Price Waterhouse on January 19 this year, why were its contents not brought to the attention of the Auditor General before, roughly, June 1, 1960?

Mr. RICHARD: I think it fair to say that officers of the Auditor General's office had an opportunity. The report was in their hands early in May, and they had an opportunity to review it.

Mr. CHOWN: That is not the evidence of the Auditor General. Would it be somebody in your department, Mr. Henderson?

Mr. HENDERSON: The existence of this report came to my attention when the accounts were being finalized which, I think, was on May 12, because during the course of the audit the existence of this report had come to the audit supervisor's attention. He had made certain extracts from it, and brought it up at the time of the signing of the accounts. I had not seen the complete report until I met with Mr. Richard the day before he appeared before this committee last time.

Mr. CHOWN: In other words, on May 31. This evidence was given on June 1?

Mr. HENDERSON: That is right.

Mr. CHOWN: Would you explain to me why, Mr. Richard, this report was not filed with the Auditor General before early in May, and brought to his personal attention before May 31?

Mr. RICHARD: We thought we should have an opportunity of seeing it first.

Mr. CHOWN: What is the procedure, Mr. Auditor General, in cases of this nature? Was your department aware that this management consulting firm had been retained—or anybody under your authority?

Mr. HENDERSON: I understand that we first became aware of their retention during the course of our audit. Is that correct, Mr. Stokes?

Mr. STOKES: Our interim audit.

Mr. CHOWN: Your interim audit?

Mr. HENDERSON: Yes, during the course of our interim audit. The report, proper, Mr. Stokes saw during the finalization of the audit, and he made extracts from it and brought them to my attention; and that is why I asked Mr. Richard for a copy.