

Mr. SELLAR: It has a corporation operating at the head of the lakes.

Mr. CHOWN: Can you name the corporation.

Mr. SELLAR: No. However, I was informed that is the case.

Mr. DRYSDALE: For general information, when Mr. Sellar makes his report to the House of Commons, he is authorized under section 70 to report any other case which the auditor general considers should be brought to the notice of the House of Commons. Could you tell me how you exercise that discretion? Have you any sort of rules as to what is brought before us? I am wondering what matters might be important to you?

Mr. SELLAR: I follow the rules. First, I do not bring to you anything that is so highly technical that it is difficult to explain and is relatively unimportant. You have other things to worry about rather than some tricky question of accounting technique. Secondly, I only bring to you things which I think may be of interest to you as parliamentarians.

Then on the other hand, if I bring a matter to your attention in a report, possibly repeat one of a similar nature a year or so later and you do not pay any attention to either and are not at all interested in it, I do not repeat it if there is a third case. I repeat it just to see whether or not you are interested in it.

I am not critical of the practice in this example which I now give you, but I think it is wrong. A department buys a piece of land. It retains a lawyer as its agent through the Department of Justice. As is customary, the lawyer gets a cheque for the price of the land. The deal takes place at the year end. He does not complete his transaction until the month of May when he pays over. They charge that cheque as of the date it was issued. I claim it should be recorded as a charge the day it is paid over. I would say that, in a sense, is technical, but I have that one in this year and I am using it to explain my technique.

Mr. DRYSDALE: To clarify my own thinking in the matter, is there any case where you have to compile perhaps more complete information than is submitted to you by your auditors on the various matters which might be considered by us?

Mr. SELLAR: My auditors follow the audit guide in submitting stuff to me. They will submit a tremendous mass of stuff. I go through that and decide what I think should go into the report. That is then stencilled and my senior men are given a copy. They will have the copy for two weeks, then hold joint meetings and pick it to pieces. I may or may not be present. They come back and say, "We think you are wrong in including this and we think you should include something which you omitted". The auditor's report is a joint effort and we do not try to standardize what should or should not go in. We cannot tell what will arise. We are influenced by what we think the house is interested in and what we think the law requires us to report.

Mr. DRYSDALE: Although I do not wish to take up too much of the committee's time, I wonder if it would be possible at some future meeting to have an indication of some of the things which you have omitted which you do not think are of interest to us.

Mr. BELL (*Carleton*): No; we have enough work to do as it is.

Mr. DRYSDALE: I seem to be incurring the ire of the group; but we as parliamentarians are here to examine the public accounts. There is a certain discretionary practice left to the Auditor General; and I am interested in finding those things he considers as unnecessary for review by parliamentarians. If we knew what they were, they might be of interest to us. I just want examples.