

The enquiry was concerned with the structure and practices of the government rather than the policy goals to which government operations are directed.

Now, in connection with the project on financial management, we were instructed by the commission "to determine whether and by what means the budgeting and accounting practice of the government and its system of expenditure control can contribute more effectively to the planning, management and assessment of government operations; to examine government practice in the auditing and verification of records of the public; and to investigate certain aspects of fiscal management and the administration of special funds."

I should state at this point that while the detailed investigation of financial management in the government of Canada was conducted by the project group, the commissioners to whom the group reported assumed full responsibility for the findings and conclusions that appeared in their report. We were assisted by an advisory committee of seven eminent Canadians under the chairmanship of Mr. Maxwell W. MacKenzie, C.M.G., C.A., president, Chemcell Limited, Montreal, a former deputy minister of trade and commerce. This committee acted as a sounding board for the project's views and opinions and the meetings we held were most useful. We had seven meetings with the chairman and two meetings with the full committee.

Now, in taking the various project phases, and dealing first with budgeting and accounting practices, our basic objective was to determine whether and by what means the budgeting and accounting practices of the government and its system of expenditure control can contribute more effectively to the planning, management and assessment of government operations. As you know, responsibility for conducting the business of government is vested primarily with parliament, with the executive for over-all management, and with the ministers and deputy ministers for departmental and agency management. In our view—and I think this view is generally shared—government accounting and budgetary practices should be designed to facilitate efficient management at all levels.

Next, I will deal with the annual estimates and public accounts. I will not cover all the points included in my memorandum. However, I would like to say that, the annual estimates that are presented to parliament give the government's expenditure program, and all subsequent matters in connection with the executive, departments and agencies are based on the approval of these estimates. It is the duty of all concerned to see that the wishes of parliament are carried out. The government's accounting system must necessarily follow the pattern of the estimates, and the public accounts indicate to parliament to what extent their wishes have been carried out.

Now, I do not propose, as I said, to go into detail on each of the various steps which were taken, but the project with which I was associated covered all phases in connection with the preparation and submission of the estimates, and the preparation of the public accounts.

There is one main point which I should repeat; the estimates and accounts should be used as tools for parliamentary controls, as a means of treasury board control over expenditure and management tools for the departments and agencies.

In connection with the project's studies we examined practices followed in the United Kingdom, the United States and the provinces of Canada, and also by large commercial corporations. We made a very detailed study of what we termed the expenditure process, reviewing major departments and some smaller ones, to ascertain the machinery and procedures which were adopted and followed and how these fitted into the general over-all scheme of central control. We looked into the functions of treasury board, questions of policy or detail. We looked at the regulations and we examined the functions of the comptroller of the treasury and how his functions tied in with the operations of the departments, and of the treasury board, having regard at all times to the