

the number currently used in the United Kingdom. The 495 votes have been reduced to approximately 240 in the current estimates and no doubt there can be a further reduction.

(b) "That departmental estimates should be prepared on the basis of programmes of activity and not by standard objects of expenditure."

Your Committee agrees that the *primary* emphasis in the estimates should be on the "programme" rather than on the standard objects of expenditures. The significance of an expenditure must be related to the purpose for which it is being incurred. Departments should justify their estimates by relating them directly to the programme that occasions them and, in turn, justify the programme as being worth the amount expended upon it, not only on its own account but also in competition with other needs for which money is required. This change however should not take place at the expense of omitting relevant details such as are contained in the standard objects of expenditures.

(c) "That the establishment review should be part of the overall review process of expenditures."

In essence, this means that the determination of the number of staff required in a department should be part and parcel of the determination of the cost of the various programmes of the department. The logic of this proposition is self-evident and it has been accepted by the government and is endorsed by your committee.

(d) "That all departments and agencies should be required to prepare and submit to the Executive long-term plans of expenditure requirements by programmes, and that based thereon an overall forecast of government expenditures and prospective resources for a period of five years ahead should be prepared annually."

At present government budgeting and accounting are on a year to year basis. This is necessarily so, because Parliament should and does annually exercise its control and review of a government's administration. Nevertheless, a government should be aware of its probable longer term financial requirements. Increases in population alone will make greater demands upon many branches of government service. Most businesses now must project their budgets ahead for five years or more to be ready to meet changing conditions, obsolescence, new products and other potential developments. The use of such a forecast does not involve a decision to agree with projected expenditures but its value would lie in preventing decisions being made currently that would not take into account the future consequence of that decision by itself, and also in the context of its relative effect on overall operations.

(e) "That Departments and agencies be given the necessary financial authority and be held accountable for the effective management of the financial resources placed at their disposal."

This is probably the most significant of all the recommendations made by the Glassco Commission. In essence, it is a de-centralization of financial responsibility. The theory supporting it is that by making a department itself responsible for its financial expenditure, it will exercise that responsibility more effectively and economically than if some outside body is, as the Report puts it, "likened to a policeman patrolling the departments to ensure financial rectitude".

Your Committee desires to sound a word of caution in connection with this recommendation. The change, of itself, will not automatically bring about the desired improvement. Its success will depend upon how the key personnel in the civil service respond to the challenge involved in this delegation of greater responsibility to them, and assume the higher degree of accountability for the