

that these changes commend themselves to this committee. He attaches great significance to the views of the members of this committee on these matters, and so do we. I think that is all I have to say at this time.

The CHAIRMAN: Thank you, Mr. Steele.

The next witness is Mr. Balls who is a graduate of political science and economics of the University of Manitoba and the University of Toronto. Mr. Balls is the comptroller of the treasury. I may say in passing that a subcommittee of this committee worked on—I will not use the word “reforming”—changing the form of the estimates, and they worked very closely with Mr. Balls during the past two years. Their recommendations to some extent have been carried out and were to a considerable degree considered by the Glassco commission.

Mr. H. R. BALLS (*Comptroller of the Treasury*): Thank you very much, Mr. Chairman and gentlemen.

May I say at the outset, Mr. Chairman, that I appreciate your invitation to be present today. I assure you that I shall be very happy indeed to do all that I can to assist you and the members of the committee in your work.

It might be helpful, Mr. Chairman, if I were to describe briefly the functions and organization of my office, particularly as they are of concern to the public accounts committee.

In the first place, the comptroller of the treasury is an executive officer, as Mr. Taylor has pointed out, and an official of the Department of Finance, who has certain statutory functions and responsibilities in regard to the expenditure of public moneys placed on him by virtue of the various provisions of the Financial Administration Act. These functions are essentially fourfold.

In the first place, to control commitments and pre-audit or examine all requisitions for payment before payment is made to ensure that it is in accordance with the governing legislation, appropriation and contract.

Second to control all issues or payments out of the Consolidated Revenue Fund, which is the technical and statutory name for the public treasury.

Third, to maintain accounts and records of all transactions involving the receipt and disbursement of public money.

Fourth, again as Mr. Taylor mentioned, to prepare the public accounts of Canada for submission to the House of Commons and for eventual study by this committee.

For these purposes, my office operates a centralized accounting and disbursement system, which enables us to maintain a complete record of parliamentary appropriations, the commitments against them, and the disbursements chargeable to them. In addition, we provide accounting services and information to departments regarding their financial transactions to assist them in fulfilling their managerial responsibilities.

All payments under appropriations are made under my direction by cheques drawn by treasury officers on the Receiver General of Canada. Under section 31 (3) of the Financial Administration Act, I am directed to reject a requisition if, in my opinion, the payment

- (a) would not be a lawful charge against the appropriation,
- (b) would result in an expenditure in excess of the appropriation, or
- (c) would reduce the balance available in the appropriation so that it would not be sufficient to meet the commitments charged against it.

However, a disallowance or rejection under this provision of the Financial Administration Act may be appealed by a department to the treasury board, which may either sustain or overrule me and order payment to be made.

The pre-audit functions of the office are designed to ensure on behalf of the government that payments are in accordance with the law and that the decisions of parliament, the governor in council, the treasury board and ministers are enforced. The pre-audit is also important from the standpoint