

*Financial Administration*

by the minister, since it is in *Hansard* of June 25, 1951. If there is any desire for it I have prepared a short summary of the minister's speech at that time, which I will be prepared to read.

**Mr. Green:** The parliamentary assistant had better give us that.

**Mr. Sinclair:** This is the first time I have ever read a speech in the house, and I read very badly. Therefore I hope hon. members will put up with it.

**Mr. Green:** You read the one you made a minute ago.

**Mr. Sinclair:** The hon. member for Vancouver-Quadra has always referred to that as following his notes very carefully.

The resolution seeks to reintroduce a measure providing for the financial administration of the government of Canada, the audit of the public accounts and the financial control of crown corporations. The measure is in substantially the same form as the bill which was introduced by the Minister of Finance at the last session of parliament and given first reading on June 25, 1951.

As the minister pointed out, the purpose of the measure is threefold. In the first place it is designed to provide the organizational and procedural framework for the financial administration of the government of Canada. As such it will constitute a consolidation and modernization in simplified, clarified and amended form of the provisions now included in the Department of Finance and Treasury Board Act, the Consolidated Revenue and Audit Act, 1931, and various other statutes. In the second place it will provide the statutory authority for departments to operate central stores accounts on a basis similar in principle to that provided in the Department of Transport Stores Act; and in the third place it is proposed to establish a more uniform and comprehensive system for regulating the financial relationships between the government and its crown corporations.

In replacing the Consolidated Revenue and Audit Act and the main portion of the Department of Finance and Treasury Board Act the new bill will define the powers and functions of the minister and the Department of Finance, the treasury board, the auditor general and the comptroller of the treasury. It will provide for managing the consolidated revenue fund and for regulating the manner in which public moneys may be paid into and out of the fund. It will determine the accounting requirements to be observed in receiving, managing and disbursing public money, and will prescribe the general form and content of the public accounts. It will

[Mr. Sinclair.]

clarify the present statutory provision relating to public borrowing and the managing of the public debt.

As the minister pointed out, the bill will define more clearly the powers in the field of operation of the treasury board. It will provide for the board to advise the governor in council on financial matters and on conditions of employment and general administrative policy in the public service. It will include specific provision for the board to make regulations with respect to the collection, management and administration of and accounting for public money, the keeping of records of public property, and the administration of the public service; and, when authorized by the governor in council, to perform certain administrative duties now performed by the council under the civil service and certain pensions and superannuation acts. By relieving council of some of these routine matters, there will be a considerable reduction in the volume of work which now comes before it. Moreover, it will mean that many of these matters which are now referred to the treasury board before being considered in council will be dealt with more expeditiously than in the past.

The bill carefully preserves the auditor general's independence, and reaffirms his special status as a servant of parliament. The anomalous requirement in the present legislation whereby the auditor general, if so directed by the governor in council, must audit the accounts of any branch of the public service before payment, will not be re-enacted. This provision has seemed to be quite inconsistent with his position as an officer independent of the executive, and under the new bill it is proposed that he will not be required to commit himself to the propriety of expenditures before payment.

Under present legislation it is the statutory duty of the comptroller of the treasury to undertake these prepayment examinations and to satisfy himself that there is adequate authority for all disbursements, and that there are sufficient unencumbered balances available in the relevant appropriations to cover them. The new bill re-enacts these provisions in substantially unchanged form, with only such additions as experience has shown are desirable. In consequence, the control of commitments and of issues out of the consolidated revenue fund will continue to be the special responsibility of the comptroller. In addition, however, provision will be made for the comptroller to furnish accounting services in connection with the collection of the revenue and to examine the collecting and accounting practices of departments when required to do so.