

The Present System of Financial Management

Financial management in departments of the Federal Government follows a cycle which is imposed by the fact that their funds are appropriated annually by Parliament on the basis of the departmental Estimates. The submission of the Estimates to Parliament is the exclusive right of the Executive which has imposed a precondition on departments that a long range plan be first submitted and approved so that the Estimates can be examined in context. The Estimates approval having fixed the limit of its resources, the department enters the fiscal year with the requirement to control its funds so as to secure maximum effectiveness in their deployment.

We describe the handling by the Department of each phase in this cycle under the headings:

Program Review

Annual Estimates

Expenditure Control

PROGRAM REVIEW

The formal vehicle for long range resource planning is the Program Review. It consists of a five year plan, revised annually, containing three main elements; a narrative description of activities planned to achieve defined objectives over the planning period, a forecast of manpower requirements to carry out these activities, and a forecast of money requirements. It is submitted to Treasury Board who, following review, grant approval in principle to the plan as submitted or as modified and also establish a target figure