

say, on the 10th of the following month and would have their explanations in the hands of the Head of Branch by the 15th. If the same procedure were followed for posts, some would receive their report about the 25th of the month and their explanations would be back in headquarters about the 15th of the second following month, too late to be of much use. To overcome these difficulties, the following procedure will apply.

The post account, renamed the "Post Cash Record", will be revised slightly and the post will code its own expenditures. At the end of the month the Post Cash Record will be closed, the expenditures summarized under the 16 reporting objects, and these totals, converted to Canadian dollars, telegraphed to Ottawa to be fed into the computer and printed in the monthly report. Then the post will complete a Supplementary Budget Report of the kind illustrated in Exhibit VIII. This is simply an updating of the prior month Budget Report. Let us say on January 20th the post received from Ottawa the Budget Report for December 30th. Attached to it would be a Supplementary Budget Report for January with the first four columns completed, carbon copies of the first four columns on the December Budget Report. At January 30th, when the Post Cash Record was summarized, the totals would be entered in column 5 of the Supplementary Budget Report and the total of columns 4 and 5 would be taken to update the total expenditures (column 6). Expenditure plans would be analyzed and recorded in column 7 and again a projected total to the end of the year arrived at (column 8). This exercise enables the Head of Post to review his financial situation as of January 30th within the first week of February and to prepare his explanations and comments to be mailed to Ottawa in timely fashion.

This has been a brief explanation of the principal components of the financial reporting system.