

The Department acted improperly in requisitioning the cheque for \$2,029,000 on March 30, 1973, and depositing this cheque with a trust company on May 30, 1973, since it had no authority to pay the grant prior to giving its approval of construction plans. (Para. 16.6, 1977 Annual Report)

Secretary of State Vote 20, Appropriation Act No. 3, 1976, 1974-75-76, c.102, provided for a \$300,000 contribution in 1976-77 to an organization engaged in the promotion, sale and distribution of Canadian books abroad. The contribution was authorized by the Treasury Board on February 26, 1976, and was to be based on 50 per cent of the organization's sales through its book distributing centres abroad in the preceding fiscal year, up to a maximum of \$300,000. (Para. 16.9, 1977 Annual Report)

The audited financial statements of the book distributing centres for the year ended March 31, 1976, reported sales of \$463,000. This limited Canada's contribution to the organization in 1976-77 to \$232,000. Since the Department paid the full amount of \$300,000 provided in the Vote, it exceeded its authority by \$68,000, and this amount was improperly charged to Vote 20. (Para. 16.9, 1977 Annual Report)

Guidelines attached to a Treasury Board Minute dated March 9, 1972, authorized the Secretary of State to make contributions up to a maximum of \$150,000 per project to individuals, organizations and institutions for financing research and pilot projects concerned with the development of