

*Auditor General's Report***After Recess**

The committee resumed at eight o'clock.

Progress reported.

**PRIVATE BILL**

## FIRST AND SECOND READINGS

Bill No. 125, for the relief of William Taffert.—Mr. Bercovitch.

**AUDITOR GENERAL'S REPORT**PROPOSED CHANGES IN METHOD OF PUBLICATION  
OF PUBLIC ACCOUNTS—AUDIT AND TREASURY  
CONTROL OF CROWN CORPORATIONS

Hon. J. L. ILSLEY (Minister of Finance): Certain hon. members asked that I make a statement on the public accounts before the end of the session. With the consent of the house I should like to make that statement now.

On June 4 last, in reply to some criticisms made by the hon. member for Témiscouata (Mr. Pouliot) in regard to the detail with which information on government expenditures is supplied to parliament, I stated that the whole matter was under active consideration at the time, and promised that before the session closed I expected to be able to make some recommendations, which recommendations the house might adopt if it wished to do so.

On that occasion I pointed out that information in regard to the financial operations of the government are presented to parliament in two different documents: one, called the public accounts, which is a report made to me by an official of the government, the deputy minister of finance; and the other, the report of the auditor general, an officer of this parliament and answerable to this parliament. There had been some criticism of the form of the public accounts, which, as I stated, are in the same form and practically of the same dimensions as they have been for a great many years, but in some cases at least what was really being criticized was the form of the auditor general's report.

With two reports covering the financial activities of the government, it is only natural that such confusion should take place. I therefore indicated that we have had under active consideration the question of "whether the form, the amount of detail, in both the public accounts and the auditor general's report should not be changed," and whether parts of the material now published in the auditor general's report should not be incorporated in the public accounts in order to

[Mr. Gibson.]

let the Minister of Finance take direct responsibility for it as the head of the Department of Finance.

In the course of our consideration we have studied not only the law and the historical background relating to the reports to parliament on government revenues and expenditures, assets and liabilities, et cetera, in so far as Canada is concerned, but also the practices followed by the United States, the United Kingdom, and the other British dominions. Our desire was to draw from all possible sources lessons and suggestions as to the best possible way in which to present to parliament the information necessary to enable it to exercise wisely and efficiently its control over financial matters and assure itself that the executive arm of government is properly carrying out its stewardship. As a result of the study and consideration given to the whole matter, I am glad to be able to announce that the government has decided to accept certain recommendations made jointly by the auditor general, the deputy minister of finance, and the comptroller of the treasury. The government believes that these recommendations are sound, and, if they commend themselves to the judgment of the house, they will be implemented with respect to the accounts for the current fiscal year.

The essential feature of these recommendations is that there should be tabled under a common cover both the public accounts and the auditor general's report; that in future this single document should be called the public accounts, and that, in recording the outlays made by government departments and agencies, the "details" of expenditures printed in the estimates should be followed, but supplemented by such other material as the Minister of Finance may consider necessary to elucidate adequately the uses to which the grants made by parliament have been applied.

To be more specific, the contents of the single report would be organized substantially as follows:

(a) Part I, to consist of an over-all survey and report of the financial operations of the year in such form as will clearly portray the policies followed.

(b) Part II, to consist of the balance sheet of Canada, certified by the auditor general.

(c) Part III, to consist of the revenues of the year classified by departments and sources; this to be signed by suitable executive officers and certified by the auditor general.

(d) Part IV, to consist of expenditure statements as submitted by the comptroller of the treasury and certified by the auditor general.