

how effectively they were being used. Nor did it lend itself to the assigning of responsibility for the planning and control of departmental revenues and expenditures to specific members of departmental management.

To overcome these weaknesses, the Commission recommended and the Government adopted a system of financial management known as program budgeting. Probably the easiest way to explain this system is to describe the purposes that it is intended to serve. Some of the more important of these are as follows:

- (a) To show the nature of the programs being carried out by each department of government and the activities making up each program so that those in authority, by knowing the purposes for which funds are being requested, will be in a position to establish priorities and decide on the most effective use of such funds.
- (b) To bring together as many of the costs associated with a given program or activity as is practicable, to assist those in authority to weigh benefits against costs, and to evaluate alternative methods of achieving a given objective.
- (c) To assess the effect of changes in demands for services on the manpower and other resources needed to support a given program or activity, thereby facilitating the planning and control of such resources.
- (d) To provide a means of holding specific individuals accountable for the estimating and control of revenues and expenditures associated with a particular program or activity.