NEW CONCEPTS OF FINANCIAL MANAGEMENT

by P.H. Irwin,

Urwick, Currie Limited

External Affairs Budget

In examining the new concepts of financial management it may be useful to review a few basic facts about the External Affairs budget and about the existing financial system. It is of interest to look at the main estimates of the Department of External Affairs for 1966-67, both to have in our minds a clear impression of the extent and nature of the Department's expenditures and also to review the standard objects under which expenditures are now made.

A condensed summary of the Main Estimates for 1966-67 is given in the following pages, together with comparable figures for the two previous years. As will be seen, the total cost of running the Department itself is estimated at $37,668,000. To this is added a further $27,180,100 in grants and assessments, largely for international organizations, bringing the total budget to $64,848,100.

Other estimates presented to Parliament by the Secretary of State for External Affairs are the costs of external aid, totalling $84,100,000 in grants to countries on the road to development and an amount of $1,660,200 for administration of the External Aid Office, bringing the total External Aid budget to $85,760,200. Also included in the External Affairs estimates is an amount for special loan assistance through the External Aid Office of $50,000,000; the costs of the International Joint Commission of $392,000 and an amount for special advances to international organizations of $29,400. The grand total of External Affairs estimates for 1966-67 comes to $201,029,700.

Explanation of Terms

There are certain terms which are frequently used in connection with the existing financial system. They are probably familiar to you but it might be useful if I mentioned them here.

Votes - A vote is a grouping of costs of items of a similar nature or common purpose for inclusion in estimates submitted to Parliament. Votes are of three kinds (and External Affairs prepares estimates under all three):

P.H. Irwin.