

APPENDIX "A"

(Referred to under heading No. 2, page 2.)

The WITNESS:

*Extract from the Fourth Report from the
Committee of Public Accounts, 1945-46:*

4. Before the war Estimates for Works Services recorded in detail new works costing over £2,000 (Civil Estimates) or £2,500 (Defence Estimates) and, in a bulk figure, those costing less than these amounts but over £500. New works costing £500 or under were included in Estimates under the Maintenance and Repairs heading. Expenditure on these Works Services was recorded in the Appropriation Accounts broadly in the same detail as in the Estimates. During the war no details of individual works items have appeared in the Estimates or Appropriation Accounts of the Defence or Supply Departments.

Following the decision not to ask Parliament for Votes of Credit in 1946-47 and to present ordinary Estimates for that year, the Treasury reviewed the form of estimates for works services. Considerable difficulties presented themselves in estimating and accounting under separate items for the smaller items of New Works, and in forecasting the details of individual items forming part of approved programmes. The Treasury consequently proposed that in both Civil and Defence Estimates for 1946-47, only works costing £10,000 or over should be recorded in detail, items costing less than £10,000 being shown in bulk as New Works if costing £1,000 or over, or included in the total for maintenance and repairs if under £1,000. These proposals were referred to Your Committee in October, 1945, and they did not feel that their work would be hampered by the changes. When the Estimates for the Defence Services (and the Ministry of Supply) came to be prepared, further difficulties arose. It proved impossible in the time available to make a final selection, for inclusion in the 1946-47 Estimates, from the many works of rehabilitation necessary, or to prepare proper estimates of total cost, or to arrive at decisions on security aspects. The Estimates of the Defence Departments and the Ministry of Supply for 1946-47, as published, therefore, omit all details of individual new works, but a statement giving details will be presented to Parliament later. Your Committee and the Select Committee on Estimates, which was set up on 5th March, 1946, will be further consulted before this statement is presented.

5. The Comptroller and Auditor General stated that the detailed form of the Statements of New Works appearing in the pre-war Estimates and Appropriation Accounts was designed many years ago when it was thought desirable to secure Parliamentary control over capital expenditure in great detail. He thought that the effect had been under modern conditions that the Estimates and Accounts became loaded with voluminous particulars of works of no especial magnitude or importance and rather bewildering to Parliament.

Your Committee are in agreement with the view expressed by the Comptroller and Auditor General in evidence that a reversion to the very detailed form of the pre-war statements of works services is to be deprecated and that some new standard should be adopted. They think that the adoption of a higher limit than before the war for the display of individual works should secure greater prominence for the most important works undertaken and give Parliament all that is necessary for controlling capital expenditure. As regards the Appropriation Accounts they feel that some further simplification might be considered with a view to including details of the important works only in cases where there was an appreciable variation from the Estimates.