

(b) in excess of \$1,000 had been written off under authority of Department of Finance Vote 22d of Appropriation Act No. 2, 1965.

A summary of these deletions by departments is as follows:

Department	Items	Deleted under authority of		
		Financial Administration Act, sec. 23	Finance Vote 22d	Total deleted
Agriculture .....	440	\$ 5,125	\$ 14,791	\$ 19,916
Citizenship and Immigration .....	1,128	172,972	88,174	261,146
Mines and Technical Surveys ....	35	189	148,759	148,948
National Defence .....	460	8,123	175,568	183,691
National Health and Welfare ....	307	82,473	29,193	111,666
National Revenue—				
Customs and Excise Division ....	156	2,997	—	2,997
Taxation Division .....	957	299,827	12,070	311,897
Northern Affairs and National Resources .....	47	7,934	—	7,934
Public Works .....	98	13,133	—	13,133
Royal Canadian Mounted Police ..	38	8,599	—	8,599
Veterans Affairs .....	879	87,983	175,430	263,413
Other departments .....	145	2,998	—	2,998
	4,690	\$ 692,353	\$ 643,985	\$ 1,336,338

We have drawn attention in the past several years to the fact that whether accounts receivable are kept in memorandum form or recorded as an asset in the Statement of Assets and Liabilities, they are nonetheless debts due to the Crown, and their accurate recording and ultimate collection are primarily responsibilities of the departments concerned. While we have again found that most departments having extensive accounts receivable keep their records accurately and efficiently, this does not apply in the case of some departments where accounts receivable as such are not an important factor. We believe this situation to be largely due to the failure of these departments to maintain controlling accounts and to provide for an effective internal verification of the accounts by officers other than those responsible for keeping the accounts. Such weaknesses in internal control should be remedied in order to reduce the possibility of accounts being tampered with and collections misappropriated.

The Public Accounts Committee expressed concern over this situation and in its Sixth Report 1964 (see Appendix 1, item 28) suggested that the Treasury Board have the matter studied with a view to ensuring that amounts due to the Crown are adequately recorded and that an accounts receivable control system is instituted. The Committee also stated that collection procedures must be tightened up and firmly enforced.