

*Financial Administration Act*

Many other measures have been taken to implement Glassco's basic concept of management and his specific recommendations. Financial management throughout government has improved quite dramatically. The wisdom of Glassco's main theme and his faith in people to react positively when given authority and responsibility have been amply demonstrated.

Throughout government much has been done to reap the benefits of the Glassco commission report, and we are on the threshold of implementing the remainder of the most fundamental proposals respecting financial administration and organization. Now, with some measure of pride, I am able to propose in this bill to amend the Financial Administration Act significant and far reaching changes for improvement of efficiency and effectiveness of government operations.

It is not a coincidence that the bill to amend the Financial Administration Act is closely related to the government organization bill, since the latter bill will also implement major Glassco recommendations. Where, in the bill that I have placed before the house, the control functions of the Comptroller of the Treasury would be transferred to departments, in the government organization bill the office of the Comptroller would be the base on which would be built the services side of the department of supply and services. This organization would have a new and vital role to perform in government operations and in pursuit of efficiency and effectiveness in support services. All of this was visualized by Glassco where he discussed a new approach to the tasks of management and the concept of common supporting services.

Because the Financial Administration Act and the proposed amendments are rather technical, I imagine hon. members will want to take some time to study the bill. Therefore, I believe it would be appropriate if I merely highlight the most significant proposals.

A moment ago I spoke of the proposed transfer of financial control functions to departments. This change would involve the offices of the Minister of Finance, Receiver General and Comptroller of the Treasury; and the functions of pre-audit, commitment control, allotment control, keeping the accounts of Canada, and preparation of the public accounts.

The proposal would end the duplication of work and divided responsibility in the area of financial control which Glassco criticized, quite correctly in my own view, and it would

[Mr. Drury.]

permit—indeed it would require—departmental managers to assume full responsibility for their own financial management. In this situation, managers could be held accountable for their performance in managing their operations. In addition, considerable economies may be expected from implementation of this proposal.

Hon. members will know it is proposed that the office of Receiver General would assume the statutory responsibilities of the Comptroller of the Treasury, other than those which will be transferred to departments. In addition to current Receiver General responsibilities, that office would be assigned responsibility for such major functions as cheque issue, keeping the accounts of Canada, and preparing the public accounts.

Other proposals for amendment, while not specifically related to Glassco recommendations, or with reorganization, are important for improved efficiency and effectiveness in government operations. Included in this group is one respecting fees and charges for services, which would permit the introduction of a more efficient system for setting fees and charges. Glassco dealt at some length with the question of non-tax revenue and the need for improved management in this area.

Currently, the statutory framework for the determination of fees and charges to be made by departments for services which they provide creates a number of difficulties in managing this aspect of public administration. In addition, the act is not in a form that encourages departments and agencies to keep under constant review the level of charges. Furthermore, certain charges are fixed by statute and therefore remain unchanged for many years. The proposed amendment is designed to rationalize and improve the effectiveness of the administration of charges for services.

Part V of the act, which deals with public stores, is now considered inadequate to meet the needs of modern property and material management practices and should therefore be amended. It is proposed, first, to rename the Part "Public Property", so that the amended part would cover both real property and material, and second, to empower the treasury board to regulate the custody and control of public property.

The section which refers to revolving funds would be deleted. I believe that it would be infinitely more effective and realistic to use the device of regulations for the very extensive and complex directions which are needed