

**From THE CITIZENS RESEARCH LEAGUE to the  
CITIZENS OF WINNIPEG, THE CITY GOVERNMENT AND  
THE HEADS OF CIVIC DEPARTMENTS**

**A** BROAD, Winnipeg's financial credit stands high, and deservedly so, thanks largely to a well-administered Sinking Fund which amply safeguards the interests of investors in the City's securities. But, while outside investors are interested most in the capital financing of a city, citizens themselves have an equal if not greater concern in yearly expenditures and the taxation involved by them. It is this "domestic" phase of Civic Financial Administration and Accounting which claims chief attention in the report of the City's outside Auditors. Recognizing, apparently, the citizens' direct interest in the Auditors' findings and recommendations, the City Council, on July 23rd of last year, formally approved of the suggestion that the Report of the Outside Auditors on the Civic Accounts for fiscal year 1916-17 be issued and printed jointly with the City Comptroller's annual report.

The Citizens Research League has lately received a copy of the Eleventh Annual Report of the City Comptroller, covering the fiscal year 1916-17, but as no report of the outside Auditors appears therein the League has undertaken to issue an unbiased summary of it and of the auditors' supplementary Financial Survey—believing that the matters dealt with therein should have the careful study of citizens generally, as well as of the civic administration.

**Differences in Auditors' and Comptroller's Reports**

It is interesting to note that in the Comptroller's report to hand the duplication of assets criticized by the auditors has disappeared, and various other items appear to have been adjusted. Certain other features taken exception to by the auditors are, however, still in evidence in the Comptroller's report. These include the following:

Omission of over \$100,000 unpaid current accounts from the City's Liabilities at the close of the fiscal year.

Carrying forward as assets certain Expense Accounts and Balances which the auditors claim are no more admissible as assets than salaries paid to staff.

Carrying as assets long overdue tax arrears—\$100,000 of which the auditors estimate as extremely doubtful of collection.

Statement that General Revenue Account has surplus of \$178,940—whereas Auditors claim there is a deficit of \$73,217.

The foregoing are cited only as illustrations (apart altogether from matters of departmental organization) of points in conflict between the civic accounting practice and the recommendations of the outside auditors.

There are other differences, but it is not here intended to discuss these in detail. In passing, however, it may be mentioned that, contrary to the previous City practice of doubly including assets, there appears in the Comptroller's latest annual report a double provision for the City General Liability to the Waterworks re the Cornish Avenue property. This apparent new duplication emphasizes the need for careful consideration being given to the auditors' criticism regarding the City's accounting methods.