

## APPENDIX "I"

Extract from Memorandum prepared by the Auditor General

16. It is true that the crown corporations operating as they do along commercial lines and therefore using the accrual basis of accounting (rather than the cash basis used by government departments) do not present their operating and capital estimated requirements to treasury board in the same pattern as government departments. Nevertheless, the staff of the treasury board has to my knowledge developed excellent operating and capital budget formats or layouts showing clearly comparisons between past performance and future estimated requirements. These are for the most part, following executive approval, tabled in parliament at varying dates called for by the different legislation.

17. In paragraph 16 of my report to the House of Commons for the fiscal year ended March 31, 1960, the following recommendation is made:

... consideration should be given to the form of the estimates presentation with a view to providing more meaningful information, for example, by:

- (c) including both operating and capital budgets of crown corporations, even where funds will be forthcoming in full from corporate resources (thus giving parliament an opportunity to consider broad policies associated with their operations);...

An example of the type of crown corporation budget which in my opinion should be included in the estimates is to be found in the operating budget for the Canadian Broadcasting Corporation for the fiscal year 1960-61:

	<i>Estimate for</i> 1960-61
Artists', speakers', musicians' fees, copyrights, performing rights, manuscripts and plays .....	\$19,669,000
Film purchases and rentals .....	6,376,000
Network transmission .....	7,490,000
Building rental and maintenance .....	3,449,000
Salaries and wages .....	38,481,000
Unemployment insurance, pension contribution expense .....	1,996,000
Other departmental expenses .....	15,081,000
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Gross Expenditure .....	92,542,000
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Less:	
Expenditures recovered from capital grant and other departments .....	1,944,000
Commercial revenue net of agency and U.S. network commission payments to private stations .....	28,513,000
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Net Expenditure to be voted by Parliament .....	\$62,085,000
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Presentation of a budget such as above on the appropriate estimates class page should also provide for comparison of the estimate for the year in question with the anticipated expenditure for the current year as well as with the amounts that had been estimated for the current year.