

Public Debt.—In addition to the collection and disbursement of public money for budgetary and non-budgetary purposes, the Government receives and disburses substantial sums in connection with its public debt operations. The Minister of Finance is authorized to borrow money by the issue and sale of securities at such rate of interest and subject to such terms and conditions as the Governor in Council may approve. Although the specific authority of Parliament is required for new borrowings, the Financial Administration Act authorizes the Governor in Council to approve the borrowing of such sums of money as are required for the redemption of maturing or called securities and, to ensure that the Consolidated Revenue Fund will be sufficient to meet lawfully authorized disbursements, he may also approve the temporary borrowing of such sums as are necessary for periods not exceeding six months. The Bank of Canada acts as the fiscal agent of the Government in the management of the public debt.

Accounts and Financial Statements.—Under the Financial Administration Act, accounts are kept to show the revenues of Canada, the expenditures made under and the commitments chargeable against each appropriation, the other payments into and out of the Consolidated Revenue Fund, and such of the assets and direct and contingent liabilities as the Minister of Finance believes are required to give a true and fair view of the financial position of Canada. The statement of assets and liabilities is designed to disclose the amount of the net debt, which is determined by offsetting against the gross liabilities only those assets regarded currently as readily realizable or interest- or revenue-producing. Fixed capital assets, such as government buildings and public works, are charged to budgetary expenditures at the time of acquisition or construction and are shown on the statement of assets and liabilities at a nominal value of \$1.

Annually, on or before Dec. 31 or, if Parliament is not then in session, within fifteen days after the commencement of the ensuing session, the *Public Accounts* is laid before the House of Commons by the Minister of Finance. The *Public Accounts* contains a survey of the financial transactions of the fiscal year, statements of the revenues and expenditures for the year and of the assets and direct and contingent liabilities as at the end of the year, together with such other accounts and information as are necessary to show the financial transactions and financial position of Canada or which are required by law to be reported in the *Public Accounts*. Monthly financial statements are also published in the *Canada Gazette*.

The Auditor General.—The Government's accounts are subject to an independent examination by the Auditor General who is an officer of Parliament. With respect to expenditures, this examination is a post-audit for the purposes of reporting whether the accounts have been faithfully and properly kept and whether the money has been expended for the purposes for which it was appropriated by Parliament and the expenditures have been made as authorized; any audit before payment is the responsibility of the Comptroller of the Treasury. With respect to revenues, the Auditor General is required to ascertain that all public money is fully accounted for and that the rules and procedures applied are sufficient to ensure an effective check on the assessment, collection and proper allocation of the revenue. With respect to public property, he is required to satisfy himself that essential records are maintained and that the rules and procedures applied are sufficient to safeguard and control such property. The Auditor General reports to Parliament the results of his examination, calling attention to any case which he considers should be brought to the notice of the House. He also reports to Ministers, the Treasury Board or the Government any matter which in his opinion calls for attention so that remedial action may be taken promptly.

Public Accounts Committee.—It is the usual practice to refer the *Public Accounts* and the *Auditor General's Report* to the Public Accounts Committee of the House of Commons, which may review them and report its findings and recommendations to the House of Commons.