

Within the limits of major policies established by the Cabinet, the Treasury Board exercises a detailed central control over the budgets, programs and staffs of departments and over financial and administrative matters generally. Although the most important part of this control function is exercised during the consideration of the estimates the Board maintains a continuous control throughout the year over certain types of expenditure such as large construction or procurement contracts, the number of employees of various classes and the rates of salaries or wages to be paid to them and various other payments of an unusual nature. The purpose is to ensure that the scale of activities and commitments for the future are held within approved policies, that departments follow uniform, efficient and economical practices, and that the Government is informed of and approves any major development of policy or significant transaction that might give rise to public or parliamentary criticism.

To ensure that the decisions of Parliament, the Government and Ministers in regard to expenditures are enforced, there is a centralized accounting and disbursing system. The Financial Administration Act provides that no payment shall be made out of the Consolidated Revenue Fund without the authority of Parliament, and no charge shall be made against an appropriation except upon the requisition of the appropriate Minister of the department for which the appropriation was made or by a person authorized by him in writing. These requisitions, with certificates that the work has been performed and the material supplied and that the price charged is reasonable or according to contract together with such documents as may be required, are presented to the Comptroller of the Treasury. If the payment is a lawful charge against the appropriation, if it does not result in an expenditure in excess of the appropriation, if it does not reduce the balance available in the appropriation below the amount necessary to meet the commitments charged against it, and if it does not contravene any applicable legislative or executive requirements, the Comptroller will make the required payment. However if he declines to make a payment, disallows an item in an account or refuses to give a certificate, the Minister of the department concerned may report the circumstances to the Treasury Board for decision and the Board may confirm or overrule the action of the Comptroller and give such directions as are necessary to carry out its decision. The Comptroller may transmit to the Board any requisition with respect to which he desires its direction and the Board may order that payment be made or refused.

At the commencement of each fiscal year each department submits to the Treasury Board through the Comptroller a division or allotment of each item included in its estimates. When these allotments have been approved by the Board they cannot be varied or amended without the approval of the Board and expenditures charged to appropriations are limited to such allotments.

To avoid over-expenditure within a fiscal year the Comptroller records and controls commitments due to come in course of payment within the year for which Parliament has provided or has been asked to provide appropriations. Under the Financial Administration Act no contract providing for the issue of public funds may be entered into or have any force or effect unless the Comptroller certifies that there is a sufficient unencumbered balance available in an appropriation or in an item included in the estimates before the House of Commons to discharge any commitments under the contract that would be payable during the fiscal year in which the contract was entered into. In a few cases appropriations contain a limitation upon commitments to fall due in future years with an implication, but only an implication, that Parliament will vote funds in such years to meet commitments incurred within such limits. In general however the law does not place limits upon commitments incurred for payments in future years but the Government, through the Treasury Board and the Comptroller, maintains a careful control over these for it must be prepared in future to ask Parliament for appropriations to cover them.

Any unexpended amounts in the annual appropriations lapse at the end of the year for which they are granted and are not available for expenditure in subsequent years. However for 30 days subsequent to Mar. 31, payments may be made and charged to the previous year's appropriations for debts payable during or prior to that fiscal year.