

Under the Financial Administration Act every payment pursuant to an appropriation is made under the control and direction of the Comptroller by cheque drawn on account of the Receiver General or by such other instrument as the Treasury Board may direct. In practice the paid Comptroller's cheques are cleared daily by the banks to the Cheque Adjustment Branch of the Department of Finance and the banks are reimbursed the same day by cheques drawn on the Receiver General's account with the Bank of Canada. In the Cheque Adjustment Branch, the paid cheques are examined and reconciled with the Comptroller's statements of cheques issued and are then retained until they are microfilmed and destroyed in accordance with regulations of the Treasury Board made on the recommendation of the Auditor General.

PUBLIC DEBT

In addition to the collection and disbursement of public moneys for budgetary and non-budgetary purposes the Government receives and disburses substantial sums in connection with its public debt operations. The Financial Administration Act provides that no money shall be borrowed or security issued without the authority of Parliament but with due parliamentary authority the Governor in Council may authorize the Minister of Finance 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 disbursements lawfully authorized to be made from it, 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 OF CANADA

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 arranged so as to disclose the amount of the net debt of Canada which, in accordance with the policy enunciated in the budget speech of May 18, 1920, is determined by offsetting against the gross liabilities only those assets which are regarded currently as readily realizable or interest- or revenue-producing. Consequently, though financial assets such as loans and investments are set up on the statement of assets and liabilities, the costs of fixed capital assets are charged to budgetary expenditures at the time of acquisition or construction and Government buildings, public works, national monuments, military assets and other capital assets are not recorded on the statement of assets and liabilities.

FINANCIAL STATEMENTS

Annually, on or before Dec. 31, or, if Parliament is not then in session, within 15 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 of Canada 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*. In recent years it has been the practice to publish in the *Public Accounts* the financial statements of all Crown corporations and the auditors' reports thereon. In addition a monthly statement of the Government's financial operations is published in the *Canada Gazette*.