

made out of the Consolidated Revenue Fund without the authority of Parliament and no charge shall be made against an appropriation except on the requisition of the appropriate Minister or a person authorized by him in writing. These requisitions, which must meet certain standards prescribed by Treasury Board regulation, are presented to the Receiver General, who makes the payment.

At the beginning of each fiscal year, or whenever Treasury Board may direct, each department, unless otherwise directed by the Board, submits a division into allotments of each vote included in its estimates. Once approved these allotments cannot be varied or amended without the consent of the Board; expenditures charged to appropriations are limited to such allotments. To avoid over-expenditures within a fiscal year, commitments due to be paid within the year for which Parliament has provided or has been asked to provide appropriations are recorded and controlled by the departments concerned. Commitments made under contract that will fall due in succeeding years are recorded since the government must be prepared in the 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, but for 30 days subsequent to March 31 payments may be made and charged to the previous year's appropriations for work performed, goods received or services rendered prior to the end of that fiscal year.

Under the Financial Administration Act, every payment against an appropriation is made by the Receiver General by cheque or other instrument. After presentation for payment, the cheques or instruments are cleared daily by the chartered banks through the Bank of Canada to the Cheque Redemption Control Division of the Receiver General; the banks are then reimbursed through a cheque drawn on the Receiver General's account with the Bank of Canada.

Public debt. In addition to collecting and disbursing public money for budgetary and non-budgetary purposes, the government receives and pays out 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 whatever rate of interest and under whatever terms and conditions the Governor in Council approves. Although new borrowings require specific authority of Parliament, the Financial Administration Act authorizes the Governor in Council to approve borrowings as required to redeem maturing or called securities. 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, Treasury Board may prescribe the manner and form in which the accounts of Canada and the accounts of individual departments shall be kept. Annually, on or before December 31 or, if Parliament is not then sitting, within any of the first 15 days after Parliament resumes, the *Public accounts*, prepared by the Receiver General, 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 ended the previous March 31 and statements of revenues and expenditures and of assets and direct and contingent liabilities, together with other accounts and information required to show the financial transactions and financial position of Canada or which are required by law to be reported in the *Public accounts*. The statement of assets and liabilities included in the *Public accounts* is designed to disclose the amount of the net debt, which is determined by offsetting against the gross liabilities only those assets regarded 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. 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 to report whether the accounts have been properly kept, the money spent for the purposes for which it was appropriated by Parliament and the expenditures made as authorized; any audit before payment is the responsibility of the requisitioning department