



FINANCIAL PROCEDURES

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INTRODUCTION

Each year, the Government submits its spending plans and an annual economic policy statement (Budget) to the House of Commons. Proposed tax changes are submitted as necessary. No tax may be imposed, nor money spent, without Parliament's consent.

Furthermore, the *Constitution Act, 1867*, provides that any bill appropriating any part of the public revenue or imposing a tax or duty (money bill) must originate in the House of Commons.

Parliament can only authorize spending requests if they are accompanied by a Royal Recommendation, which is the instrument the Governor General (the Crown) uses to indicate to Parliament his or her approval for a legislative measure that will draw on the Consolidated Revenue Fund.

The fiscal year of the Government of Canada runs from April 1 to March 31. The process of approving the Government's financial requirements begins before the start of the fiscal year. Verification of the Government's spending takes place after the fiscal year ends.

DETAILED ARTICLE

Royal Recommendation for a Bill

BUSINESS OF SUPPLY

The process by which the Government submits its projected annual expenditures for parliamentary approval is called "Supply". The House of Commons authorizes both the amounts and objects or destination of all public expenditures.

The annual expenditure plans (called the "Main Estimates") are submitted to the House on or before March 1. The House must approve or reject the Main Estimates by no later than June 23.

Should there be a change in the Government's requirements as set out in the Main Estimates over the course of the year, Parliament will be asked to approve "supplementary" Estimates.

DETAILED ARTICLES

Business of Supply

Supply Periods

Opposition Motions

Designating an Allotted Day

Estimates Documents

Main Estimates

Interim Supply

Supplementary Estimates

Dollar Items

Votes in the Estimates

Opposed Items
Supply Bills
Governor General’s Special Warrants
Standing Committee on Government Operations and Estimates

BUSINESS OF WAYS AND MEANS

The process by which the Government sets out its economic policy (the Budget) and obtains the necessary legislative authority to raise revenues through taxation is called “Ways and Means”.

Should the Government require funds while waiting for, or in the absence of, income from taxes and other revenue sources, it will seek borrowing authority.

DETAILED ARTICLES

Business of Ways and Means
Ways and Means Motions
Amendments to Ways and Means Bills in Committee and at Report Stage
Borrowing Authority
Budget Speech
Budget Debate
Financial Statements
Pre-Budget Consultations

PUBLIC ACCOUNTS OF CANADA

The House of Commons verifies that federal money is spent in the amounts and for the purposes authorized by Parliament. This monitoring function (often described as “closing the loop”) is delegated largely to the Standing Committee on Public Accounts, which examines and reports on the *Public Accounts of Canada* (the annual report of the Government’s financial transactions), as well as the reports of the Auditor General of Canada.

DETAILED ARTICLES

Standing Committee on Public Accounts
Public Accounts of Canada
Auditor General of Canada
Reports of the Auditor General
Financial Cycle

MORE INFORMATION—FINANCIAL PROCEDURES

[*House of Commons Procedure and Practice*](#), Second Edition, 2009

Chapter 18, Financial Procedures

Chapter 20, Committees

[*Standing Orders of the House of Commons*](#)

Chapter X, Financial Procedures

Find this and other articles on House of Commons procedure by visiting the *Compendium of Procedure* Web site at www.parl.gc.ca/compendium-e.

For further information about the procedures of the House of Commons, please contact the Table Research Branch at (613) 996-3611 or by e-mail at trbdrb@parl.gc.ca.

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