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National Budget system

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part in formulating and administering the detail policies incident to the operation of the business.

The Lever scheme was prompted apparently by the desire for success through co-operation. In this it represents a view different from that of Leclair or Henry Briggs, Son & Co. Leclair was an altruist. Briggs, if the history of the case is correct, had a motive somewhat selfish. With Lever it was a business proposition which

took into consideration the fact that labor is an important factor in the operation of any organization and that what the worker craves is not charity but opportunity to co-operate; to be allowed to take an interested part in carrying on the business as well as to share in any prosperity which may result from his effort to save time, labor, materials, or money in the discharge of his duties.

(To be continued)

A National Budget System

THE average person who has had no occasion to give particular thought to the matter would probably be shocked by a statement to the effect that the government of the United States has no provision whereby there is drawn up in advance a general financial program for the operation of the government.

Under the present plan the appropriation bill and other bills calling for the disbursement of funds originate with the legislative branch of the government. Such bills may be reported out at any time during the session; hence, it is difficult to determine how much the government plans to spend until the legislative branch adjourns and the President has either signed or vetoed the bills.

There is now (December 1, 1919) before the Senate a bill introduced in the House by Mr. Good of Iowa, (H.R. 9783) the purpose of which is to provide a national budget system and an independent audit of government accounts. This bill passed the House on October 21, 1919.

The bill provides for a budget bureau and an accounting department. The former would be established in the President's office; the latter would take over the functions of the Comptroller of the Treasury and the auditors for the various departments and would be under the direction of an officer to be known as the Comptroller General.

The bill takes the estimates of appropriations out of the hands of the Secretary of the Treasury and requires that they shall be submitted to the President. The latter, with the assistance of the Budget Bureau, is required "to transmit to Congress on the first day of each regular Session after the calendar year 1919, a document to be known as a budget and to contain (1) balanced statements of revenues and expenditures for the preceding fiscal year, (2) of the resources and liabilities at the close of the year, (3) estimates of revenues and expenditures (a) for the current fiscal year, and (b) of the revenues and expenditures needed for the ensuing year."

The Budget Bureau contemplates two functions; one to conduct investigations and compile data from the various government departments; the other to assist the President in the preparation of a budget.

The Comptroller General would be authorized to investigate matters relating to the receipt and expenditure of public funds and to submit to Congress at the beginning of each regular session a report on the work of the Accounting Department with recommendations as to legislation deemed necessary to facilitate prompt rendition and settlement of government accounts. The Comptroller General would have access to all books and records of the executive departments and the power to enforce from such departments any information desired.

He would also report to Congress any disbursements on commitments in excess of appropriations or contracts made in violation of law. He would also be expected to make recommendations looking to economy and perhaps efficiency.

President Taft, in his message to Congress on January 17, 1912, advocated a budget stating incidentally that—"The United States is the only great nation whose government is operated without a budget." The nearest President Taft came to effecting a national budget system was the "President's Commission on Economy and Efficiency," which did much valuable work of investigation as a step intended to be preliminary to the installation of such system.

England has had a budget system for some two hundred years. Other countries which have found it advantageous are France, Switzerland and Japan.

President Wilson, in his message of December 2, 1919, said: "I hope that Congress will bring to a conclusion at this session legislation looking to the establishment of a budget system. That there should be one single authority responsible for the making of all appropriations and that appropriations should be made, not independently of each other, but with reference to one single comprehensive plan of expenditure properly related to the nation's income, there can be no doubt."

Referring to the matter of audit, the President said: "Under existing law the only audit is for the purpose of ascertaining whether expenditures have been lawfully made within the appropriations. No one is authorized or equipped to ascertain whether the money has been spent wisely, economically and effectively."

If the bill passes the Senate and is signed by the President, which it presumably will be, unless it has by the time it reaches him become emasculated, it cannot be regarded as other than an added triumph for Accounting.

Other Changes

Effective December 1, 1919, Mr. Bell became associated with Mr. Wildman in carrying on the work of the Department for Professional Training. It is hoped that the enlargement of the department through the addition of Mr. Bell will enable it to keep pace with its ever increasing opportunities for service throughout the organization. Particularly is it the desire of the department to be of help to the members of the staff individually in connection with their problems. The new arrangement gives promise of more effective service in this respect than has been possible for some time past.

Mr. Bell will be succeeded in the report department of the New York Office by Mr. L. E. Palmer, who relinquished the management of the Detroit Office for this purpose.

Mr. Palmer's successor has not yet been appointed.

Specimen Reports

Sets of fourteen specimen reports have recently been sent by the Department for Professional Training to the various practice offices for the use of the members of the staff.

These reports have been selected by the General Report Department as being fairly representative of our practice. They will be placed in the libraries where they may be easily accessible.

It is intended that these reports shall in no way interfere with any instructions which have been or may be issued by the General Report Department with regard to the mechanical preparation of reports. It is the thought rather that they will serve as a means of assistance to members of the staff in their endeavors to constantly improve their technique in the preparation of reports.

Care in the preparation of the rough copy of reports helps materially the work of review.