



February 19, 2013

Ms. Yaprak Baltacioglu
Secretary of the Treasury Board of Canada (TBS)
Treasury Board of Canada Secretariat
Office of the Secretary of the Treasury Board of Canada
140 O'Connor St
Ottawa, Ontario K1A 0R5

Dear Ms. Baltacioglu:

Thank you for your correspondence of February 11, 2013 regarding the recent publication of our Expenditure Monitor note for the second quarter of 2012-13.

Since your predecessor wrote in autumn 2011 seeking greater collaboration with my office on our estimates-related products, my staff have met with Treasury Board Secretariat (TBS) officials on no less than twenty occasions to discuss the methodology and presentation of this work. This includes meetings prior to the release of *each and every* publication to solicit their feedback. Many of their recommendations were incorporated into the final published products.

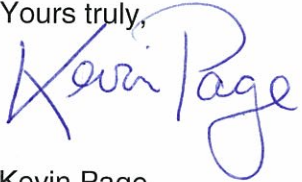
With respect to Internal Services, as we have explained to your staff, we use the definition set out in section 29 of the *Financial Administration Act* that also forms the basis for the corresponding definition in the Program Activity Architecture. The methodology underpinning the calculation of this figure was discussed with your staff over the past two years and refinements made at their behest. For our part, we are uncertain how TBS officials are able to calculate a year-over-year decrease of six per cent, which in itself differs from figures previously shared with my staff. We offered to review the TBS calculations, but your officials declined to meet or explain their methodology.

Finally, let me reassure you that we use the final trial balance data from the Central Financial Management Reporting System that has been signed-off by Deputy Heads, consistent with their responsibilities under the *Financial Administration Act*. Each month, following publication of the aggregate financial data in the Fiscal Monitor, the Deputy Receiver General of Canada shares the detailed expenditures delineated by vote and program activity.

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I trust that the foregoing clarifies any confusion you may have regarding the ongoing collaborative relationship my office has enjoyed with your staff during the past two years; their valuable input into our estimates-related products; and, any concerns regarding the quality of the data used to produce these reports.

Yours truly,

A handwritten signature in blue ink that reads "Kevin Page". The signature is fluid and cursive, with the first name "Kevin" and last name "Page" clearly distinguishable.

Kevin Page
Parliamentary Budget Officer



Treasury Board of Canada
Secrétariat

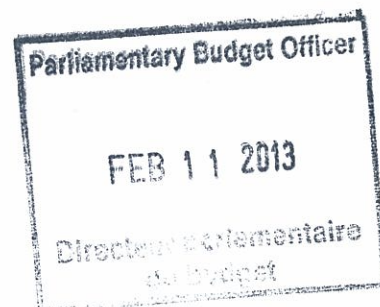
Secrétariat du Conseil du Trésor
du Canada

Secretary of the Treasury Board

Secrétaire du Conseil du Trésor

Ottawa, Canada
K1A 0R5

FEB 11 2013



Mr. Kevin Page
Parliamentary Budget Officer
Library of Parliament
Parliament Buildings
Ottawa, Ontario
K1A 0A9

Kevin
Dear Mr. Page:

I am writing in regard to the publication released by your office "*Expenditure Monitor: 2012-13 Q2*" (www.pbo-dpb.gc.ca), January 24th, 2013.

In reviewing the report, Treasury Board Secretariat (TBS) officials have been unable to verify the finding in the report that Internal Services expenditures increased eight percent year-over-year between 2011-12 and 2012-13, either from the information provided in Annex A of the publication or from the data provided through the Integrated Monitoring Database (IMD), maintained by your office.

While it is unclear which data sources were used in developing the report, using the Central Financial Management Reporting System (CFMRS), TBS' own calculation shows a decrease of six per cent for the first six months of 2012-13 compared to the same period in 2011-12. This would suggest a conclusion opposite to that reported on page 4 of your publication that "*spending growth on overhead has not been curtailed, as suggested in Budgets 2010 through 2012, and the focus of restraint exercises has instead been on reduced spending to front line services*".

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I would encourage your organization to share drafts of your reports, as is the practice by other organizations reporting to Parliament, prior to their release with the goal of allowing sufficient time for review and comment in advance of release. I believe that sharing draft reports and methodology used by the PBO, could lead to better products for both Parliamentarians and the public.

I look forward to improved collaboration between our offices on your future requests.

Yours sincerely,



Yaprak Baltacıoğlu