



NOV 01 2011



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

Dear Mr. ^{Kevin}Page:

In March of this year, your office announced the creation of the Integrated Monitoring Database (IMD). The IMD was subsequently updated in July and October with historical and in-year data on Government of Canada appropriations and expenditures.

I welcome your efforts to provide Parliamentarians and all Canadians with additional financial information on their Government. At the same time, I understand the challenges associated with managing and presenting large volumes of complex data, originating from different sources, in a manner that is accurate and easily understood by a wide audience.

My officials have reviewed the data contained in the IMD and found that in many cases, your data are not consistent with the Public Accounts of Canada or data from the Public Works and Government Services Canada Central Financial Management Reporting System (CFMRS). For instance:

There are a number of material errors in historical (2009-10) authorities and expenditures. These differences are usually because the IMD:

- Does not capture transfers from TB central votes which occurred at year-end (after the tabling of the final Supplementary Estimates);
- Replicates the statutory authority projections found in Estimates documents rather than final amounts; and
- Does not capture expenditures recorded after Period 12.

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There were various material errors in the in-year (Q1 2011-12) authorities and widespread material errors in the in-year expenditures. For example, in both of the following instances, users may be led to believe that voted authorities have already been over-expended when in fact, they have not:

- The authority figure provided in the IMD for Payments to Atomic Energy of Canada Limited was too low, because the IMD replicated the figure found in the Estimates, whereas the actual authorities, as presented in Appropriation Act No. 1, included additional funding provided through Governor General Special Warrants; and
- The expenditure figure provided in the IMD for the Chief Electoral Officer Vote 15 (Operating expenditures) is considerably overstated, because spending that should have been recorded against the "Election Expenses" statutory item was mistakenly recorded against the operating vote.

I would also like to express my concerns about the lack of key contextual information, such as definitions and caveats, which would help IMD users properly interpret the data. For example, it is not clear from the IMD web site that amounts presented as voted authorities may not be legally exceeded, whereas amounts presented as in-year authorities for most statutory items and Program Activities may be legally exceeded (as these amounts are simply forecasts provided for the information of Parliament). Without contextual information about the nature of these various "authorities", users may mistakenly conclude that departments that expend beyond their statutory or Program Activity forecasts have illegally exceeded their authorities, which is not the case. I would also recommend that the IMD web site explain why in many cases the IMD does not match corresponding figures from departmental Quarterly Financial Reports.

My officials in the Expenditure Management Sector are available to work with your officials to refine the IMD methodology and presentation, and also to discuss potential improvements to your Expenditure Monitor. I trust you will agree that it would be to our mutual benefit to collaborate on this important initiative.

Yours sincerely,



Michelle d'Auray

c.c.: Rick Stewart, Assistant Secretary to the Cabinet
Privy Council Office