



Your file - Votre référence

JAN 25 2013

Our file - Notre référence

Mr. Kevin Page
Parliamentary Budget Officer
Library of Parliament
Parliament Buildings
OTTAWA, ON K1A 0A9

Dear Mr. Page:

This is to provide your office with further information relating to the Canadian Northern Economic Development Agency's spending as reported in your Expenditure Monitor: 2012-13 Q2.

Your report on expenditures showing the large variance in spending on Business Development (4,079% change) refers to a transfer of spending between Program Activities that our department has explained in our 2011-2012 DPR (page 12 of the Agency's 2011-2012 Departmental Performance Report). This transfer of expenses which we have carried out to better and more accurately reflect our spending is causing some major variances in year over year comparisons. We certainly did want to disclose this information to Parliamentarians and other readers and we felt the DPR/RPP reporting processes were the best suited for this type of reporting change.

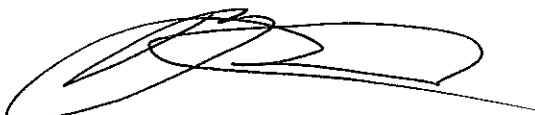
This could have easily been explained to your staff had the question been asked prior to the release of the report. Unfortunately, this reference has now left the impression with the media and the public that the Canadian Northern Economic Development Agency's spending is out of control, which I can assure you is not the case.

We do note that this type of background information could be added to our quarterly report to enhance its usefulness and we will consider incorporating more explanation in the next report.

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If you need further information on this, your staff can certainly contact Yves Robineau at (613) 992-5072.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Patrick Borbey', with a large, sweeping flourish extending to the right.

Patrick Borbey
President

cc: James Ralston
Comptroller General of Canada
Treasury Board of Canada Secretariat



January 29, 2013

Mr. Patrick Borbey
President
Canadian Northern Economic Development Agency
400 Cooper Street
Ottawa, ON K1A 0H4

Dear Mr. Borbey:

A handwritten signature in cursive script that reads 'Patrick'.

Thank you for your letter of January 25, 2013, regarding interim financial reports to Parliament.

The purpose of the Expenditure Monitor is to provide parliamentarians with the most complete picture of federal spending. The Expenditure Monitor, which has now been published for six quarters, draws upon information from PBO's Integrated Monitoring Database (which uses data from the Receiver General of Canada) as well as departments' quarterly financial reports. In the spirit of providing the best possible information to Parliament, we feel that an improvement to the process may be helpful.

Accordingly, for program activities highlighted in future Expenditure Monitor reports that are not explained in the relevant quarterly financial report, my staff will contact the responsible senior financial officer to provide a brief explanation.

Combined with the additional disclosures in quarterly financial reports that you mentioned, I am confident that parliamentarians will be better served.

Yours truly,

A handwritten signature in cursive script that reads 'Kevin Page'.

Kevin Page
Parliamentary Budget Officer

c.c.: Mr. Rick Stewart, Assistant Secretary to the Cabinet, Privy Council Office, Liaison Secretariat for Macroeconomic Policy
Mr. James Ralston, Comptroller General of Canada, Treasury Board of Canada Secretariat