

Statement by Jean-Denis Fréchette  
Parliamentary Budget Officer  
to the House of Commons Standing Committee on  
Government Operations and Estimates  
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(*Check Against Delivery*)

Mr. Chair, Vice-chairs, and members of the Committee. Thank you for the invitation to appear and discuss the estimates process and our recent reports on the estimates.

Today I am joined by Mostafa Askari, Jason Jacques and Alex Smith.

### **Estimates Reform**

As you know, in October 2016 the Treasury Board Secretariat released its vision for estimates reform, which involves four pillars:

1. Estimates alignment,
2. Scope and accounting,
3. Vote structure, and
4. Departmental plans and results reports.

We welcome the government's efforts to enhance Parliament's role in financial scrutiny. To help parliamentarians examine the government's proposals, we prepared a document outlining issues to be considered when reforming the business of supply. We have also been monitoring the implementation of the government's reforms through our reports on the estimates.

While we have observations on each of the four pillars, I will focus on the government's proposal to improve the alignment of the budget and the main estimates by delaying the main estimates until May 1.

As the inclusion of budget measures in the spring estimates is an indication of whether delaying the main estimates will lead to alignment with the budget, we tracked the number and value of Budget 2017 spending measures in Supplementary Estimates (A), 2017-18.

We found that only 44 per cent of the additional funding allocated in Budget 2017 for 2017-18 was included in the Supplementary Estimates (A). This is a decrease from the previous year, when 70 per cent of budget funding was included in the Supplementary Estimates (A), 2016-17.

Given the limited number and value of budget measures that were included in the Supplementary Estimates (A), 2017-18, we are concerned that the government's proposal to delay the main estimates may not result in meaningful improvement in the alignment of the budget and the main estimates.

It is worth noting that in 2008 the government began tabling spring supplementary estimates with the stated intention of facilitating a closer alignment of the estimates to the budget. As the number of budget measures included in the spring supplementary estimates has varied considerably, it could be concluded that delaying the main estimates would result in similar challenges.

Our examination suggests that successfully aligning the budget and the estimates will require substantial reforms to Finance Canada's and the Treasury Board Secretariat's budgetary approval processes. Thus, parliamentarians may wish to wait for additional details regarding the government's plan to streamline and align these processes before changing the timing of the main estimates.

### **Budget Tracking—Following the Money**

To help parliamentarians hold the government to account for the implementation of its budget plan, we also decided to track spending and tax measures from announcement in the budget to parliamentary approval through appropriation and budget implementation bills.

We found that a number of Budget 2016's spending measures, 44 per cent, line up with items included in the 2016-17 supplementary estimates. However, many spending measures had more funding or less funding than indicated in the budget, or were simply not funded through the supplementary estimates in 2016-17.

We concluded that there is often no clear line of sight between budget spending announcements and their implementation. The different presentation, wording and accounting methodology makes it challenging to align budget spending measures with items included in the estimates. And it is not possible to track spending on most budget measures beyond the first year or what was actually spent on specific measures.

It is thus very difficult for parliamentarians to follow the money and hold the government to account for implementing its fiscal plan, as outlined in the budget.

We believe that the government may be able to address some of these challenges by preparing and presenting its budget and estimates concurrently and using a more consistent method of presentation.

We have provided copies of the documents I have mentioned to the clerk, and my colleagues and I would be happy to respond to any questions you may have regarding our analyses, as well as the estimates process more broadly.

Thank you, Mr. Chair.