Consolidated Government Financial Assets and Liabilities
– Estimation –

Estimates are derived from the compilation of data obtained from the data sources for each institutional unit in the population of interest.

The following processes are used to optimize accuracy:

1. Getting the detail:
   Published public accounts and local government financial statements do not always contain the detail needed to precisely convert public accounts entries required for the FMS and CSNA classifications. Generally speaking, the greater the detail in the source data, the greater the precision in applying classification codes. The practice is to first obtain the public accounts and then to approach individual governments and solicit the additional detail required to accurately apply the classifications. Increasingly, data are obtained from governments electronically. This enhances accuracy in two ways. One, it eliminates the possibility of transcription errors inherent in using printed public accounts and the solicited supplementary financial detail on paper. Secondly, the electronic data file often contains far more detail than the paper products they replace and this permits the application of classifications to detailed data resulting in greater precision.

2. Quality control on processing:
   Once public accounts publications and financial statements are obtained and combined with supplementary information, there are many transactions required to transform these raw data into CSNA and FMS estimates. Strict quality control is maintained on all of these transactions such as historical continuity, data validation, and data confrontation.

3. Financial assets of a government component that are liabilities of another government component:
   Since the program covers all financial assets of governments (including those financial assets that are liabilities of another government) and liabilities (including those liabilities that are financial assets of other governments), the two are matched and disparities are addressed since these transactions must be eliminated in the consolidation process. The matching of these two records enables us to detect disparities, and when these disparities constitute errors, to correct them.

   In the production of consolidated financial assets and liabilities of the federal, provincial and territorial, and local governments, all financial assets of a government component that are liabilities of another government component are eliminated or netted to avoid double counting. A similar process is done in the production of consolidated provincial, territorial, and local government financial assets and liabilities by province.

   However, the Canada total of Consolidated Provincial, Territorial and Local Government assets and liabilities does not reflect the elimination or netting of assets and liabilities where an institutional unit of one province or territory invests in the securities of another province or territory. Also, the issue of securities/bonds by a particular government and the purchase of them by an investment fund or an agency (institutional unit) of that same government are not eliminated in the production of asset and liability data for that particular general government or government. For example, if the Workers Compensation Board of a province invested in the provincial government bonds of that same province then these are not eliminated in the production of the assets and liabilities for that provincial general government. However, they are eliminated in the production of consolidated assets and liabilities series for more than one level of government.