Consolidated Government Financial Assets and Liabilities
– Data Accuracy –

While considerable effort was made to ensure high standards throughout all data gathering of administrative records and surveys, the resulting estimates are inevitably subject to a certain degree of error. The coverage of the government portion of the public sector population is virtually total.

There are two categories of errors in statistical information - sampling errors and non-sampling errors. Non-sampling errors are the only type that applies to all of the government data of this program, given that there was no sampling process used to produce these data.

Non-sampling errors can arise from a variety of sources, are difficult to measure and their importance can differ according to the purpose intended. Among non-sampling errors are gaps in the information provided by public sector bodies and errors in processing, such as data capture. Efforts are made to minimize non-sampling errors in a number of ways including, continually updating the universe, designing survey questionnaires to reduce misinterpretation by respondents, performing edits on data during and after data capture, making efforts to reduce non-response, and maintaining ongoing communication with data suppliers.

To further ensure data accuracy, the FMS assets and liabilities data of the federal, provincial, and territorial governments are reconciled to the relevant public accounts or public accounts based data. For additional information on reconciliation, follow the link after the Quality Evaluation segment.

The ability to use the data for analysis depends on the conceptual framework in which the data is being used. With this in mind, it is important to be aware that governments employ different accounting conventions. Some report on a cash basis, others use the accrual approach, while others use a combination of both approaches, commonly referred to as modified cash. Adjustments can bring data produced under these various conventions to a common basis. For example, in the FMS, when a government acquires/purchases a non-financial asset the expenditures related to this purchase are included during the reference period in which the expenditures are made. For governments who have moved to a full accrual basis of reporting this means an adjustment, to their public accounts based data, as they will have capitalized the expenditures relating to the acquisition of the non-financial asset and amortized the cost over the period of its estimated useful life. The public accounts balance sheet of the government will include the non-financial assets. The FMS balance sheets only include/reflect the financial assets of the government. However, complete conversion to a single accounting base is not possible. The FMS generally accepts the accounting conventions used by individual governments. Complete intergovernmental comparability of the data presented by the Financial Management System is hindered by several factors. For example, intergovernmental transactions are not always reported at the same time by both parties involved, and fiscal year-ends may differ. In addition, responsibilities between levels of government are shared differently and varying levels of service is provided.

The allocation of responsibilities between the provincial and territorial governments versus the local governments varies by province. No attempt is made to adjust data to account for inconsistencies in how services are delivered at any level or among levels of government. However, the consolidation, by province and territory, of the assets and liabilities results in a set of data (called Consolidated Provincial, Territorial and Local Government assets and liabilities) are best suited for inter-provincial comparisons.