

# Budget for Financial Reporting

In 2013 we reported that the Department of Treasury Board and Finance had informed us it would present a budget for financial reporting (a “constructed” budget) that would be comparable with actual audited results.<sup>1</sup> This budget is necessary because the budget prepared and presented in accordance with the *Fiscal Management Act* is not suitable for comparison to the audited results contained within the province’s consolidated financial statements.

In early 2014 the department spent significant time and effort to prepare the constructed budget included in the province’s 2013–2014 consolidated financial statements, released publicly in June 2014.

Now that the department has developed processes to prepare a constructed budget, the department needs to consider when the constructed budget should be prepared and made public.

In our opinion, the constructed budget should be prepared and made public prior to the beginning of the period to which it relates. Ideally, this would be done at the same time as the budget under the *Fiscal Management Act* is made public.

A constructed budget for the year ending March 31, 2015 was not included in Budget 2014. Therefore, it was not made public before the start of the year ending March 31, 2015.

The Department of Treasury Board and Finance has informed us it is currently analyzing when is the most appropriate time to make constructed budgets public—when the budget under the *Fiscal Management Act* is made public, during the year, or at the end of the year. The department is also analyzing whether and how the constructed budget should be used to monitor actual results.

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<sup>1</sup> *Report of the Auditor General of Alberta—July 2013*, page 101.

