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Audit Report

System of National Accounts (SNA) – Audit of Communication

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Executive Summary

Economic growth, exports, productivity, gross domestic product, government debt, industrial production, consumer credit, purchases of foreign bonds, and economic cycles are some of the terms we read or hear about almost every day. What they have in common is that the underlying statistics that measure these phenomena emerge from the Canadian System of National Accounts (CSNA).

The CSNA is a set of statistical statements, or accounts, each one providing an aggregated portrait of economic activity during a given period. Each account differentiates itself from the others by providing a different perspective of the economy, whether it be industrial, financial, or environmental or whether it gives information on productivity or from the point of view of transactors (such as consumers and governments). Because these accounts all use a common set of definitions, concepts and classifications, and are explicitly related to each other, they form an integrated system and, facilitate coherence and credibility of the economic stories assembled from the CSNA data.

The objective of the audit is to provide the Chief Statistician (CS) and the Departmental Audit Committee (DAC) with assurance that mechanisms are in place to ensure that changes being made to the CSNA standards; line up with international practices, take into consideration the needs of its stakeholders, are clearly communicated to users to ensure that the data are well understood and that significant data are only eliminated after consultation.

The audit was conducted by Internal Audit Services in accordance with the Government of Canada's *Policy on Internal Audit*.

Key Findings

The audit found that effective oversight is in place to provide ongoing review of statistical output and methods and help set priorities. Guidance for dissemination and publication of Statistics Canada information and for data retention is provided by Statistics Canada policies and standards. Mechanisms are in place to ensure that changes made to the CSNA line up with international standards.

Communication risks are identified and managed at two levels – *key users* that are known and for whom individual information is available and *other users* whose information is not available. An opportunity to strengthen the communications framework exists by creating a central register of user information at the SNA branch level to manage risk with respect to communication with all users.

Roles and responsibilities are defined and communicated, organizational charts exist, and a governance structure for the 2012 Historical Revisions project has been developed and documented. An undocumented process for managing the 2012 Historical Revisions exists, but a formal documented change management process does not exist for all CSNA revisions and changes. A web based communications channel exists for recording and managing revisions and changes, but this is not a formal change management system that is mandated to be used for all CSNA revisions and changes.

Internal and external communication strategies exist for the routine production releases and for the 2012 Historical Revisions project, but a communication plan for the annual revisions does not exist. Divisions work individually to communicate their products and services to end-users.

Overall Conclusion

There are mechanisms in place to ensure that changes being made to the CSNA standards line up with international practices and take into consideration the needs of its stakeholders. However, opportunity exists to ensure that changes being made to the standards are more clearly communicated to users, and that these significant changes are only eliminated after consultation.

Conformance with Professional Standards

The conduct of this engagement conforms to Government of Canada Internal Auditing Standards, which incorporate the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing.¹

Patrice Prud'homme
Chief Audit Executive
Internal Audit Services, Statistics Canada

¹ IAS at Statistics Canada completed an internal assessment of its audit activity in 2010-2011 to confirm its conformance with these standards. An external assessment is scheduled to follow this year in 2011-2012.

Introduction

Background

Statistics Canada's System of National Accounts – a balance sheet reporting initiative born out of the crisis of the Great Depression – has proved of pivotal importance to government economic planners and to the business community alike. The system's relevance has been underscored by Canada's experience in more recent economic downturns, notably that of 2009. Statistics Canada has embarked on a comprehensive effort to enhance its reporting, so that the System of National Accounts continues to meet the evolving need for international compatibility as expressed, for example, through the G20's call for better data.

Economic growth, exports, productivity, gross domestic product, government debt, industrial production, consumer credit, purchases of foreign bonds, and economic cycles are some of the terms we read or hear about almost every day. What they have in common is that the underlying statistics that measure these phenomena emerge from the Canadian System of National Accounts (CSNA).

The CSNA is a set of statistical statements, or accounts, each one providing an aggregated portrait of economic activity during a given period. Each account differentiates itself from the others by providing a different perspective of the economy, whether it be industrial, financial, or environmental or whether it gives information on productivity or from the point of view of transactors (such as consumers and governments). Because these accounts all use a common set of definitions, concepts and classifications, and are explicitly related to each other, they form an integrated system and facilitate the coherence and credibility of the economic stories assembled from the CSNA data. The word "national" is somewhat misleading as it gives the impression that only the national economy is examined, however, in Canada, the provincial and territorial dimension also forms part of the CSNA.

The CSNA offers an accurate, comprehensive and multi-dimensional portrait of our economy in terms of structure, current performance and trend. It provides the accounting framework for macroeconomic analysis, and gives various institutions and levels of government the tools to assist them in assessing a wide range of economic and policy decisions. For example, the Bank of Canada and the federal, provincial and territorial governments use CSNA information to formulate fiscal, monetary or foreign exchange policies. CSNA data are used in the formula to determine the payments to provinces under the equalization program and to allocate the harmonized sales tax to provincial economies.

CSNA data are also used by researchers in government, academia and non-governmental organizations, both in Canada and abroad, to assess Canadian economic performance. Business people use the CSNA when developing strategies and in planning investments. Comparisons, analyses and forecasts on the world economy – often performed by international organizations such as the Organisation for Economic Co-operation and Development, the International Monetary Fund and the United Nations - are generally done using statistics produced within the SNA framework. University scholars, particularly professors and students of economics and business, are important users. Textbooks on economics and other subjects often refer to the CSNA and make extensive use of CSNA data.

The CSNA's common set of concepts, definitions and classifications allows for coherent and comparable data, they are referred to as CSNA's Standards. International guidelines for the national accounts were developed in conjunction with organizations such as the Organization for Economic Co-operation and Development, the International Monetary Fund and the United Nations. Canada adheres to these international guidelines (with a few minor exceptions). The guidelines are periodically reviewed and

updated to help ensure their relevancy. They enable us to compare our statistics with those of other nations. A description of the revision process can be found in Appendix A.

Audit Objective

The objective of the audit is to provide the Chief Statistician (CS) and the Departmental Audit Committee (DAC) with assurance that:

- Mechanisms are in place to ensure that changes being made to the CSNA standards; line up with international practices, take into consideration the needs of its stakeholders, are clearly communicated to users to ensure that the data are well understood and that significant data are only eliminated after consultation.

Scope

Senior managers at Statistics Canada are well aware of the need to clearly identify who the national and international users of the data are; to establish a new communications framework to ensure that adequate and appropriate information is being published; and to consult widely with stakeholders and data users to anticipate their future needs. Audit criteria for this audit are further detailed in Appendix B.

For the purposes of our audit, the scope focused on the CSNA Standards development process, including the understanding of the user's needs, the Canadian participation in the international guideline revision process, the Canadian guidelines revision process, the implementation of the revised standards and the communication of the revisions made to the users.

Approach

The field work consisted of a review of the processes and practices in place for the consultation and communication activities undertaken in relation to CSNA Standards.

This audit was conducted following the Standards for the Professional Practice of Internal Auditing as per The Institute of Internal Auditors (IIA) and in accordance with the TBS *Policy on Internal Audit*. The audit work consisted of examination of documents, interviews with key Senior Management and personnel, and a review of compliance with relevant policies and guidelines.

Authority

The audit was conducted under the authority of Statistics Canada Multi-Year Risk-Based Audit Plan 2010/11-2012/13, approved April 15, 2010 by the Chief Statistician.

Findings, Recommendations and Management Responses

The audit found that effective oversight is in place to provide ongoing review of statistical output and methods and help set priorities. Guidance for dissemination and publication of Statistics Canada information and for data retention is provided by Statistics Canada policies and standards. Mechanisms are in place to ensure that changes made to the CSNA line up with international standards.

Although various strategies, activities and communication channels are used to communicate with all the users and stakeholders of CSNA information, communication risks are identified and managed at two levels – *key users* that are known and for whom individual information is available and *other users* whose information is not available. As a result, the SNA branch is only able to evaluate and assess the communication strategies and outreach activities for the *key users* they know because they can engage them directly to get timely and relevant feedback. A central register of user information does not exist at the SNA branch level to manage risk with respect to communication with all *users*.

Roles and responsibilities are defined and communicated, organizational charts exist, and a governance structure for the 2012 Historical Revisions project has been developed and documented. An undocumented process for managing the 2012 Historical Revisions is in place, but a formal documented change management process does not exist for all CSNA revisions and changes. A web based communications channel exists for recording and managing revisions and changes, but this is not a formal change management system that is mandated to be used for all CSNA revisions and changes.

Internal and external communication strategies are required for 1) routine “production” releases, 2) the Annual Revisions and 3) the Historical Revisions. Internal and external communication strategies exist such as detailed production schedules for each project or program at the divisional level; the establishment of a Dissemination and Production team to support the sharing of timely, relevant and reliable information to the users and stakeholders; a disseminating strategy for disseminating the routine “production” releases; and a formal communication plan listing the communication strategy for the 2012 Historical Revisions. But an integrated communication plan for the annual revisions does not exist. Divisions are working independently to communicate their products and services to end-users, since communication activities are not coordinated at the branch level.

All recommendations and management response and action plans that follow in the sections below should be considered within the existing Statistics Canada’s management structure.

Governance and Strategic Direction

Effective oversight is in place to provide ongoing review of statistical output and methods and help set priorities. Guidance for dissemination and publication of Statistics Canada information and for data retention is provided by Statistics Canada policies and standards. Mechanisms are in place to ensure that changes made to the CSNA line up with international standards.

Effective Oversight

The establishment of effective oversight and strategic direction is important to ensure that changes made to the CSNA take into consideration the needs of its key users and are well communicated, and that the

CSNA has the necessary mechanisms in place to ensure that changes made to standards line up with international practices and significant data are only eliminated after consultation.

The audit found that at the *international level*, SNA senior management represents Canada at the United Nations (UN), International Monetary Fund (IMF), Organisation of Economic Co-operation and Development (OECD) and International Trade Advisory Committee (ITAC). This allows Statistics Canada to both contribute and be informed in real time about the changes made to the SNA and facilitate the decision of which standards have to be adopted to meet the evolving need of compatibility to international standards.

At the *national level* advisory committees such as the National Accounts Advisory Committee (NAAC) and Federal-Provincial-Territorial Committee on Economic Accounts, consisting of external advisors and stakeholders and SNA senior management are in place. These committees meet bi-annually and seek advice on key issues, discuss concerns, share ideas and inform membership of what Statistics Canada is doing, so they can take back the information to their respective organizations and communities.

At the *departmental level*, several committees and working groups exist at the Field level such as the Business and Trade Statistics – System of National Accounts (BTS-SNA) Committee on Economic Statistics, and Concepts Committee; at the Branch level, the SNA Data Warehouse Steering Committee, Committee on Methods and Standards; and at the Divisional level, the Environment Statistics Subject Matter, Health and Social Services Institutions Committee, etc. They have been established to discuss and resolve operational issues. These committees meet either weekly bi-weekly or monthly as required. Independent oversight is provided by Statistic’s Canada’s Policy Committee.

Statistics Canada’s Communication and Dissemination Committee provides oversight and sets policy for communication and dissemination. Four policies have been developed for providing guidance on dissemination and publication of information and data. They are: - *Policy on Dissemination, Communications & Marketing Services*; *Policy on the Daily Policy and Official Release*; *Policy on Peer Review*; and *Policy on Informing Users of Data Quality and Methodology*.

Two policies were recently released to provide direction and guidance on data retention. They are - “*Strategy for Information Management*”, released on October 26th, 2010 and “*Directive on the Management of Statistical Microdata Files*” which came into effect on January 1st, 2011.

Strategic Direction

In 1993, an internal consensus on the guidelines and standards was obtained and was called the world-wide guidelines on national accounting, the System of National Accounts 1993 (1993 SNA). The 1993 SNA was produced under the joint responsibility of the UN, the IMF, the Commission of the European Communities, the OECD and the World Bank.

Statistics Canada fully recognises the importance of an internationally comparable set of national statistics accounts amongst all OECD member countries, particularly between Canada and the United States, so that economic analysts can use our statistics and draw conclusions with confidence.

To better align their standards, Canada made an historical revision to the CSNA in 1997 in order to align them with the latest international changes of 1993 SNA. The term “historical revisions” has been used in Canada to describe major revisions to the CSNA that incorporate conceptual, classification, presentational

and major statistical changes. These have tended to occur every 10-15 years and are generally tied to the implementation of new international recommendations.

Another worldwide revision of the standards occurred in 2008 and Statistics Canada intends to make related revisions to its own standards in 2012-2015. Statistics Canada has made the decision to implement a regular revision process instead of a large revision process every 10 to 15 years.

For the 2012 Historical Revisions, an SNA Historical Revision Steering Committee consisting of senior managers of SNA and the Business, Trade and Social Statistics Programs and chaired by the DG SNA branch has been established. A project management team chaired by the DG SNA branch and consisting of the divisional Directors and the project managers from the SNA branch is in place for managing the project.

Formal documentation – such as “Background information on the project”; “Assumptions”; “Governance and Organization”; and “Schedule and Deliverables” - has been developed and is in place to provide direction and guidance to the project management team and the SNA Historical Revision review teams for identifying and making recommendations for revisions.

A report titled “*A Preview of the Historical Revision of the Canadian System of National Accounts*” has been drafted to provide information to users on key changes to be incorporated into the CSNA. This paper will be presented to the NAAC in June 2011 and the international community, policy makers and technical experts by November 2011 to consult and inform them before the June 2012 implementation and release date.

Risk Management and User Consultation

Communication risks are identified and managed at two levels – *key users* that are known in person and for whom individual information is available and *other users* of whom awareness exists but they are not known in person and their individual information is not known. An opportunity to strengthen the communication framework exists by creating a central register of user information at the SNA branch level to manage risk with respect to communication with all *users*.

Fundamental to successfully managing risk with respect to communication is the sharing of timely, relevant and reliable information to elicit the views of those affected by the decisions. Decisions made with the involvement of interested and affected parties will be more effective and more durable.

Risk Management

The audit found that risk with respect to communication with external users is managed at two levels - *key users* that are known and for whom individual information is available and *other users* whose information is not available. *Key users* such as the Bank of Canada, federal, provincial and territorial governments, chartered banks, Treasury Board Secretariat (TBS), Public Works Government Services of Canada (PWGSC), IMF, NAAC, OECD, institutional users, academia, researchers, etc. use CSNA information to formulate and develop policy, administer fiscal programs and develop economic models for analysing the health of the Canadian economy and making comparisons, analyses and forecasts on the world economy.

CSNA data are used in the formula to determine the payments to provinces under the equalization program and to allocate the harmonized sales tax to provincial economies.

Since individual user information such as their name, email information, telephone number, etc. is available for this group, SNA branch is able to directly engage the users to get timely and relevant feedback from them. As a result, they are able to evaluate and assess the communication strategies, forums and outreach activities they are using to identify and manage risk with respect to communication with them.

Other users such as second-tier sophisticated users – professionals, specialists, secondary distributors and institutional users and interest groups use CSNA data to develop strategies, forecasts and in planning investments. This group also includes the general public and the media.

Since individual user information is not known for the *other users*, SNA branch is not able to directly engage these users to get relevant and timely feedback from them. As a result, they are not able to evaluate and assess the communication strategies, forums and outreach activities they are using to identify and manage risk with respect to communication with them.

This was cited as the reason for a few negative events that occurred with this group as a result of the 1997 Historical Revisions. To mitigate this risk with the 2012 Historical Revisions, a project manager has been appointed to develop a communication plan to manage the communication strategies both internally and externally. As well, unlike in 1997, the world-wide-web is available and is being used extensively by Statistics Canada as a communication and dissemination tool.

The audit noted that in the past when publications were sold to recover costs, the divisions had an impetus to know who the users were for marketing purposes. As such, an inventory of users was maintained by the divisions. Now that the publications are free, the “sense of purpose” to keep such an inventory of its users is lost. Instead, projects, programs and divisions only track the users that either call, or email them. At the departmental level, client and user profiles are captured in the Business Information Reporting System (BIRS) for users that pay to obtain data and information from CANSIM. This system is maintained by the Communications and Information Services Branch (CISB). However, effective February 2, 2012, CISB has proposed to the Policy Committee to not charge users for information from CANSIM.

Most Canadians go online for government services. Each online interaction is a data point that records purpose for visit, the origin, the interaction and language. This is a digital channel that is completely measurable. However, programs in the government are focusing on the number of visits and pages viewed and not exploring the potential of going deeper in this data source to explore the intelligence that is there.

Recommendation No. 1

It is recommended that the ACS of National Accounts and Analytical Studies in consultation with CISB ensure that:

- *a “Central Register” of individual user information is created at the SNA Branch level to keep a record of all categories of users and benefit from the intelligence gathered from the on-line interactions.*

Management Response

Management agrees with the recommendation. The Director General of the System of National Accounts (SNA) will ensure that all programs within the Branch are using the corporate tool CRMS to record user / client information. All SNA Directors will ensure that regular reporting occurs from this system on a quarterly and annually basis, at minimum.

Deliverables and Timelines

Implemented CRMS system and staff trained in its use, by May 2012.

Quarterly reports will be presented in February, May, August and November once the CRMS tool is implemented.

Consultation Strategies to Engage *Key Users*

Several committees and working groups consisting of representatives of key users are in place to engage them to obtain their feedback and to address their concerns and suggestions.

Group discussions are held after every quarterly release of the GDP figure. This provides Statistics Canada valuable feedback on emerging user needs and data requirements. It also helps support Statistics Canada's practice of transparency with respect to data compilation challenges and decisions.

Senior SNA management attend trade and business association conferences and workshops and hold memberships at various task forces to provide information and gather feedback.

Presentations and seminars directed towards specific audiences such as academia, professional and trade institutions and associations are delivered on general or specific subjects.

Several communication channels, such as the CANSIM, *the Daily*, emails, surveys, links to articles and papers and reports on the SNA website are used to communicate to users and provide them information on SNA changes and products.

A communication strategy and plan has been developed for the 2012 Historical Revision and several meetings and presentations have been made with federal, provincial and municipal focal points to highlight the changes and the differences between SNA and PWGSC Public Accounts.

Consultation Strategies to Engage *Other Users*

To reach out to these users, SNA attends and participates at trade and business association conferences and workshops; makes presentations and holds seminars in general or directed towards specific audiences like academia, professional and trade institutions and associations on general or specific subjects.

Dedicated information officers at the divisional level respond to user requests and inquiries.

Several communication channels, such as the CANSIM, *the Daily*, emails, surveys, links to articles and papers and reports on the SNA website are used to communicate to users to provide them information on SNA changes and products.

Surveys are used almost exclusively by some of the divisions to obtain information and or feedback from the users.

To mitigate the risks of the events that occurred with the 1997 Historical Revision, a Communication Plan has been developed for the 2012 Historical Revisions to eliminate the surprise factor, raise awareness and understanding of CSNA concepts and terminology, garner user support and reach out to the user community to determine users' needs and how CSNA should evolve to meet them.

A report titled "*A Preview of the Historical Revision of the Canadian System of National Accounts*" has been drafted to provide information to users on key changes to be incorporated into the CSNA. This paper will be presented to the NAAC in June 2011 and the international community, policy makers and technical experts by November 2011 to consult and inform them before the June 2012 implementation and release date.

As well, in the fall of 2011 another paper will be published to outline the potential effects and impacts of the new changes to the CSNA.

Accountability

Roles and responsibilities are defined and communicated, organizational charts exist, and a governance structure for the 2012 Historical Revisions project has been developed and documented. An undocumented process for managing the 2012 Historical Revisions is in place, but a formal documented change management process does not exist for use for all CSNA revisions and changes. A web based communications channel exists for recording and managing revisions and changes, but this is not a formal change management system that is mandated to be used for all CSNA revisions and changes.

Four major sets of statistical data – the input-output accounts, the income and expenditure accounts, the financial and wealth accounts and the balance of payment accounts, constitute the main components of the National Economic Accounts. The preparation and quality of the data sources for the economic accounts is the responsibility of the Business and Trade Statistics Field and the preparation of the economic accounts based on the data sources is carried out in a matrix environment by the six divisions in the SNA branch. Therefore, clear delineation of responsibilities, delegated authorities and lines of communication to support effective coordination in this matrix environment should exist to ensure efficient and effective operations.

Roles and Responsibilities and Organizational Charts

The audit noted that roles and responsibilities are defined and communicated to employees. Current organizational charts permitting the identification of clear and effective lines of communication and reporting exist and are available on the SNA website for each division in the SNA branch. Generic job descriptions are used by the divisions. The 2012 Historical Revisions project has developed and documented a governance structure with description of the roles and responsibilities of the SNA Historical Revision Steering Committee, the Review Teams and the Dissemination and Products team.

Change Management Process

The audit noted an undocumented process was used for managing the revisions for the 2012 Historical Revisions project since a formal documented change management process does not exist for managing all CSNA revisions and changes.

Staff was slotted into “review teams” according to their area of specialization (e.g. government spending, balance sheets and flows, HST...etc). These teams then looked at the 2008 Historical Revisions and draft recommendations to their respective Steering Committees, who are responsible for determining if the recommendations are applicable for the CSNA.

A standard form was used for drafting the recommendations. This form requires the following information to be entered, prior to submitting it to a Steering Committee for review and approval – *Issues Number and Title; Review Team members and leader; Issue description and context; Recommendation; Compliance with standards (SNA2008 and other); Benefits, risks, impacts on affected programs and clients as a result of this recommendation; Estimated Resources required for implementation of recommendation; Data Requirements; Estimated timeline to develop required data; Completed Impact Grid; Impact on our products (e.g. CANSIM, documentation); and Related Issues.*

The forms were entered into a system called TFS, which logs subject-matter revisions. This is a web based communication channel that is a central repository for documentation, scheduling and logging issues. This is not a formal Change Management system mandated for use by all the divisions in the SNA Branch. Information related to projects that are not horizontal is held at the divisional level and is not available in TFS.

Not having a formal and documented change management process used by all employees increases the risk of inefficient and ineffective use of resources due to miscommunication, misunderstanding, repetition, and incompleteness.

Not mandating the use of a standardized change management system for recording and capturing all revisions and changes increases the risk of loss of corporate knowledge and the inability to track all changes and revisions for auditing purposes.

Recommendation No. 2

It is recommended that the ACS of National Accounts and Analytical Studies ensure that:

- *the change management process is documented and followed for all CSNA revisions and changes; and the use of one change management system is mandated for recording and capturing all CSNA revisions and changes.*

Management Response

Management agrees with the recommendation. The Director General of SNA will ensure that a Planning Analyst position reporting to the DG SNA is classified and staffed. The new Planning Analyst will develop, document, and implement the change management system for the Branch.

The Director General of SNA will also ensure all projects make use of the change management system and that reports from the system are regularly reviewed by the Branch Management meeting and Field Planning Board

Deliverables and Timelines

Planning Analyst position staffed, by the fall of 2011.

An operational Change Management System in place, by December 2011.

Presentation of quarterly reports to Branch Management and semi-annual reports to the Field Planning Board, by December 2011.

Communication

Internal and external communication strategies exist for the routine production releases and for the 2012 Historical Revisions project, but a formal communication plan for the annual revisions does not exist. Divisions work independently to communicate their products and services to end-users. Opportunity exists to gain efficiencies in communication by coordinating internal and external communication efforts at the branch level.

Sharing of timely, relevant and reliable information to external users and stakeholders on the organization's service offerings, planned changes and statistical revisions to the CSNA is critical to engage users and ensure that user needs, constraints and risks are understood and managed.

Formal communication strategies, processes and activities are required for communicating and disseminating routine "production" releases such as the monthly, quarterly GDP releases, quarterly employment data, annual information on the sale of alcohol, etc. and paper and electronic publications and reports; the SNA Historical Revisions; and the Annual Revisions.

Routine Production Releases

Production schedules for routine production releases are documented and available to the production teams. They are detailed and guide the production teams on the deliverables, the milestones to be accomplished, the tasks to be carried out, the individual or team responsible for the task(s) and the date for completion to meet the release dates. These serve as an internal communication strategy for the project, the program and the division.

For disseminating SNA branch products and regular production releases, there is a Dissemination and Productions team. This team is headed by a member of the Income and Expenditure Accounts Division (IEAD) with representation from the rest of the divisions in the SNA branch. The members meet periodically (i.e. on a monthly basis- first Monday of each month) to exchange information, views and best practices with respect to all of the dissemination vehicles such as the SNA web module, CANSIM, publications and other products.

Both on Statistics Canada's Local Access Network (LAN) and Worldwide Access Network (WAN), *the Daily* is regarded as "*Statistics Canada's official release bulletin*". It is Statistics Canada's first line of communication with the media and the public to issue news releases on current social and economic conditions, and act as a vehicle to make announcements about Statistics Canada's newest products.

Website modules such as the "System of National Economic Accounts" (website) module, provides up-to-date portraits of the national and provincial economies and their structures. The "Latest Developments in the Canadian Economic Accounts" webpage is an electronic product that contains information on the latest methodological developments in the Canadian System of Economic Accounts (CSEA). This portal includes announcements and notes detailing when, why and how specific changes are implemented. It also provides updates and supplements to information found in various guides and documents. Typically, methodological information appears on this site, prior to any revisions taking place on Statistics Canada guides and other documents.

CANSIM is a comprehensive socioeconomic database where thousands of tables of data are available for the purposes of forecasting, analysis, evaluating and planning and can be downloaded at anytime from anywhere at a cost.

2012 SNA Historical Revisions

A draft 'SNA Communication Plan' exists that sets the communications framework for the SNA 2012 Historical Revisions project. This plan is pending feedback from the Directors and CISB. The objective of this plan is to take a proactive approach to communication by ensuring that stakeholders are informed of Statistics Canada's intentions well in advance of any implementation. The success of the plan will be assessed by how well the stakeholders understand and accept the changes, by the lack of avoidable surprises to the stakeholders and comparability with other countries and economies is maintained and/or enhanced with particular emphasis on the American economy.

As part of this process, the SNA Branch has worked in collaboration with the CISB, to identify practical means of reaching-out to stakeholders and how to most effectively make use of the available technology. The draft plan identifies and defines the roles of stakeholders (i.e. persons/groups involved in this project), their information requirements, and how the SNA Branch intends to fulfill those requirements. It outlines the approach and strategies for communicating both within the project and externally with clients and partners.

Some of the communication efforts that are currently taking place with respect to the 2012 Historical Revisions include the frequent release of articles using all available channels by the SNA Branch to communicate to all users of the upcoming changes. The Assistant Chief Statistician of the National Accounts and Analytical Studies Field sent emails to all federal, provincial and territorial focal points advising them of the upcoming changes, roughly 22 months in advance of the official 2012 release (i.e. in September 2010). Presentations were made during routine federal, provincial and territorial conferences", with the latest one taking place on November 2010. Presentations were also made to the National Accounts Advisory Committee (NAAC) during May and October of 2010.

A report titled "*A Preview of the Historical Revision of the Canadian System of National Accounts*" has been drafted to provide information to users on key changes to be incorporated into the CSNA and is scheduled for presentation to the NAAC in June 2011 and the international community, policy makers

and technical experts by November 2011 for their information and comment before the June 2012 implementation and release date.

As well, in the fall of 2011 another paper will be published to outline the potential effects and impacts of the new changes to the CSNA.

Annual Revisions

A “*Canadian System of National Accounts Revision Policy*” document is sent to key stakeholders and users such as Bank of Canada (BoC), Dept. of Finance, federal, provincial and territorial focal points, the big Banks, etc. to inform them and to solicit their input on the annual release and revisions that will be carried out by the SNA branch to the CSNA accounts for the years 2011, 2012, and 2013, along with the approximate date the data will be released each year. Although called a policy, it actually is a schedule of the time frame of each revision and release to the CSNA accounts for the years 2011, 2012 and 2013.

Two steps are followed by all the divisions in the SNA branch to release the revisions and inform the users when the revisions are implemented. Firstly the Integrated Metadata Database (IMDB) is updated when the revisions are implemented and released. This is a public database that is available through CANSIM on Statistics Canada’s external portal, and secondly, an announcement is made in *the Daily* with a link to the IMDB. Only the Income and Expenditure Division (IED) writes an article on the impacts of the revision, addressing what, how and reasons why. This is announced in the Daily and linked to CANSIM.

The audit noted that the 2 step process for communicating externally is not documented. A formal communication plan similar to the one that has been developed for the 2012 Historical Revisions does not exist for the Annual Revisions.

Recommendation No. 3

It is recommended that the ACS of National Accounts and Analytical Studies ensure that:

- *an integrated communication plan for both the Historical Revisions and the Annual Revisions be developed and documented at the Branch level.*

Management Response

Management agrees with the recommendation. The Director General of SNA will ensure that an integrated communication plan for the upcoming comprehensive Historical and annual revisions is developed, which will be based on the communication plan for the 2012 revision and the divisional procedures for the annual revisions programs.

Deliverables and Timelines

An integrated communication plan, which will be updated annually, in association with the Corporate Planning process, by February 2012 and each year thereafter.

Communication Strategies for Division Specific Requirements

The audit noted that formal communication strategies, processes and activities exist for division specific requirements. These strategies have been developed by the divisions, such as EASD, who in consultation with CISB has developed four specific forums to communicate with its users and to facilitate an understanding of the priorities of Canadians wanting environmental data and to promote Statistics Canada as a supplier of environmental data. The 4 forums are: 1) Email advertising – sent to about 10,000 Canadians. The email list was purchased; 2) Pop-up surveys on their website to gather information on the users; 3) Series of telephone consultations by hiring a consulting firm to perform this task; and 4) Face-to-Face interaction by presenting and attending conferences, workshops and seminars to build and maintain relationships with their most important users.

The Industry Accounts Division (IAD) was noted to have a “consultation and marketing group”, for their own division’s purposes. The division produces economic models, driven by the input of the users wanting complex models that illustrate a specific type of economic impact(s) (i.e. reason for troughs, peaks, trends...etc).

Each division has dedicated Information Officers (IOs) to respond to “general requests” that specifically relate to their subject-matter.

However, the audit noted that communication activities are not being coordinated at the SNA branch level and that service levels vary amongst divisions. Presently, each division works independently to communicate its products and services to end-users. Therefore each division of their own initiative consults the CISB to obtain their assistance in devising a strategy to effectively reach-out to its end-users. Lack of coordination increases the risk of best practices not being shared and documented, efforts and resources are duplicated and corporate knowledge being lost.

Recommendation No. 4

It is recommended that the ACS of National Accounts and Analytical Studies ensure that:

- *all communication activities – internal and external for the CSNA should be coordinated at the branch-level.*

Management Response

Management agrees with the recommendation. For internal communications, the SNA Branch has, as of April 1st, 2011 created a new division – National Accounts Integration and Development Division (NAIDD). One of the responsibilities of the new division is the coordination of communication for the whole Branch with internal programs supplying data to the SNA. NAIDD is also responsible for coordinating Statistics Canada’s communication with clients for two statutory programs that use SNA data – HST Allocation and Fiscal Arrangements.

Using the deliverables from the first three recommendations, The Director General of SNA will ensure that the Branch Management team review and approve communication plans annually for each program in the SNA and ensure that they are coordinated via a branch committee for that purpose.

Deliverables and Timelines

Documented and established process of coordinating internal communications with data supplying programs via NAIDD, by March 2012.

Documented and established new process of coordinating communications with HST and Fiscal Arrangements clients via NAIDD, September 2011.

Established SNA Branch Communications Committee, which reports to the Branch Management Committee to coordinate communications activities across the Branch, by October 2011.

Appendices

Appendix A: Review Process for SNA and CSNA

Revision processes for SNA and CSNA are as follow:

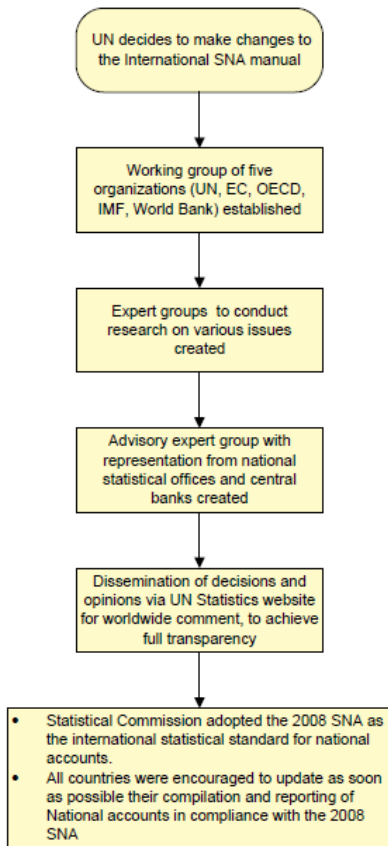
The International System of National Accounts (SNA) Revision Process

1. The decision to make changes to the international SNA Manual is made by the United Nations (UN) to reflect the evolving needs of its users; new developments in the economic environment; and advances in methodological research.
2. The UN establishes a working group consisting of the following 5 organizations – the UN, the European Commission, the Organization for Economic Co-operation and Development (OECD), the International Monetary Fund (IMF) and the World Bank Group.
3. The 5 organizations establish expert groups to conduct research on various issues.
4. An advisory expert group is established with representation from national statistical offices and central banks from countries through-out the world. This includes representation from Statistics Canada.
5. Decisions and opinions are disseminated via the UN statistics website for worldwide comment to achieve full transparency.
6. At the fortieth session, the Statistical Commission adopted the 2008 SNA as the international statistical standard for national accounts. All countries were encouraged to compile and report their national accounts on the basis of the 2008 SNA as soon as possible.

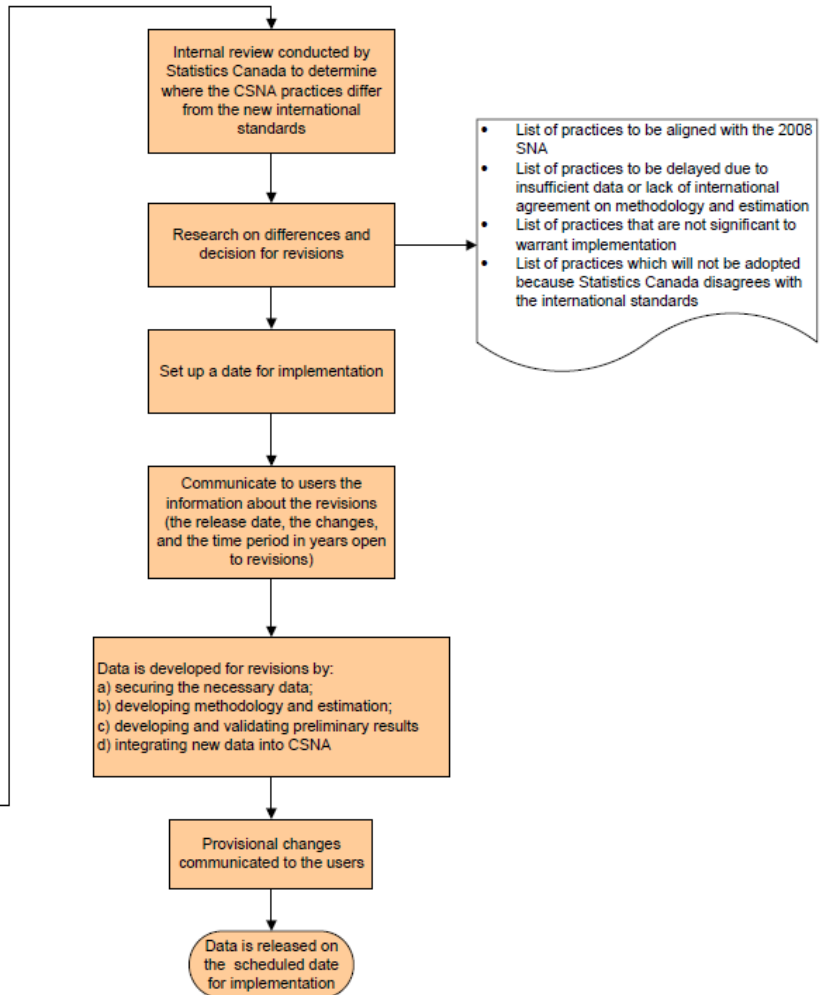
The Canadian System of National Accounts (CSNA) Revision Process

1. Statistics Canada conducts an internal review to determine where the CSNA practices differ from the new international standards.
2. Areas where Statistics Canada differs are researched to decide - which practices will be aligned with the new international standards; which practices will be delayed due to insufficient data or lack of international agreement on methodology and estimation; which practices are not significant to warrant implementation and which practices will not be adopted because we disagree with the international standards.
3. A date is set for the implementation.
4. Communicate to the users the date when the revised data will be released; what changes will be made; and the time period in years open to revision.
5. Data is developed for the revisions by:
 - securing the necessary data
 - developing the necessary methodology and estimation
 - developing and validating preliminary results
 - integrating the new data into the CSNA
6. Provisional changes are communicated to the users.
7. Data is released on the date that is set for implementation.

International System of National Accounts (SNA)
 Revision process



Canadian System of National Accounts (SNA)
 Revision process



Appendix B: Audit Criteria

| Line of Enquiries | Criteria |
|---|---|
| Governance and Strategic Direction | A committee of senior management has been established and receives sufficient information to ensure that; changes made to the CSNA standards take into consideration the needs of its key users and are well communicated, and that CSNA has the necessary mechanisms in place to ensure that changes being made to standards line up with international practices. |
| Risk Management | Appropriate levels of management are involved in analyzing the risk and all appropriate functional areas are involved (i.e. those who have subject-matter expertise). Action plans are put in place to manage or treat risks that are deemed by management to be unacceptable. |
| Citizen-Focussed Services | Formal communication – processes/mechanisms exist and support sharing of timely, relevant and reliable information to users and stakeholders. A Communication Strategy is in place to guide communications with current and potential users. Communication activities are used to inform potential users on the organization’s service offerings. Input is sought, on a regular basis, from users and other stakeholders through mechanisms such as environmental scanning, monitoring of public opinion and client satisfaction. The organization’s planning processes explicitly consider this input and use it to; <ul style="list-style-type: none"> • challenge their objectives and priorities related to service; • ensure their services are relevant and aligned with user needs; and • identify opportunities for enhancing service. |
| Accountability | Responsibilities are clearly spelled out and well communicated. |