



OFFICE OF THE
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of British Columbia

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May 1, 2007

Ms. Sheila Davidson, Chairperson
Early Childhood Development Roundtable
First Call BC Child & Youth Advocacy Coalition
L416-4480 Oak Street
Vancouver, British Columbia
V6H 3V4

Re: Your letter dated March 13, 2007 to the Minister of Finance

Dear Ms. Davidson,

We have been copied on the April 26, 2007 letter provided to you by the Minister of Finance as an initial acknowledgement of your March 13th letter. In your letter you had asked the Minister of Finance a number of specific questions regarding the federal funds that had been provided for childcare.

We note that our Office has been specifically referred to in your March 13 letter. In your letter you state that "...government staff advised the community that the federal transfers must be "spent" by March 31, 2007. In various communications, MCFD staff have also suggested that this is a requirement of the Auditor General."

Please be advised our Office did not advise the government that they "must" spend the then residual \$86 million of federal funding by March 31, 2007. When and how to spend public money is a matter of government policy, and not an area our Office should or would be involved in. There is no accounting requirement that the federal funds would have to be spent by a certain date.

There may, however, be fiscal planning issues based on the potential difference between when the Federal monies' were recognized as revenue (fiscal 2006/07) and when an expenditure of the funds is to be made. This budgetary planning again is the purview of the province.

Our discussions with government on these matters are on how to properly account for the receipt and spending of these funds under Generally Accepted Accounting Principles, not to advise on budget decisions.

We trust this clarifies the situation.

Yours truly,

Arn van Iersel, CGA
Acting Auditor General (Acting)

copy: Honourable Carol Taylor, Minister of Finance
Ms. Tamara Vrooman, Deputy Minister of Finance
Ms. Cheryl Wenezenki-Yolland, Comptroller General