

**Office of the Auditor General of Canada  
Quarterly Financial Report  
For the quarter ended 30 June 2018**



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

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## **Statement outlining results, risks, and significant changes in operations, personnel, and program**

### **Introduction**

This quarterly report has been prepared by management as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board, and it should be read in conjunction with the Main Estimates. This quarterly report has not been subject to an external audit or review.

The Office of the Auditor General has one program activity: legislative auditing. The Office conducts independent audits and studies that provide objective information, advice, and assurance to Parliament, government, and Canadians.

### **Mandate**

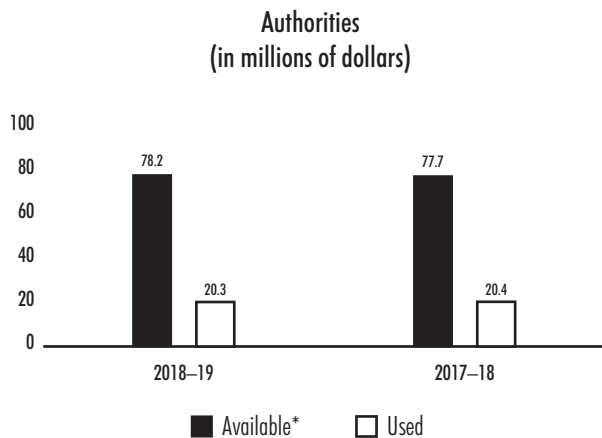
The Auditor General is an Officer of Parliament, who is independent from the government and reports directly to Parliament. The duties are set out in the *Auditor General Act*, the *Financial Administration Act*, and other acts and orders-in-council. These duties relate to legislative auditing and, in certain cases, to monitoring of federal departments and agencies, Crown corporations, territorial governments, and other entities.

### **Basis of presentation**

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Office's spending authorities granted by Parliament and those used by the Office consistent with the Main Estimates for the 2018–19 fiscal year. This quarterly report provides financial information on the use of spending authorities. The Office uses the full accrual method of accounting to prepare and present its annual financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

## Highlights of quarterly and year-to-date results

The authorities available for use have slightly increased because of recent economic salary increases.



\*Includes only authorities available for use and granted by Parliament at quarter-end.

## Risks and uncertainties

Our funding base is insufficient to address the increasing audit and service cost pressures the Office is facing. Although the Office was allocated an additional \$8.25 million in ongoing funding through Vote 40 of the 2018 Budget, this amount is not sufficient to address our needs.

Further, this additional funding is not expected to be approved until the second quarter. As such, we are reviewing our resource allocations to ensure that we can produce all required audits as efficiently as possible in the near term, and we are considering potential options for the longer term.

## Significant changes in operations, personnel, and program

A new Senior General Counsel was appointed and assumed the position on 1 January 2018.

Approved by:

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Michael Ferguson, CPA, CA  
FCPA, FCA (New Brunswick)  
Auditor General of Canada

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Sylvain Ricard, CPA, CA  
Assistant Auditor General and  
Chief Financial Officer

Ottawa, Canada  
29 August 2018

## Statement of authorities (unaudited)

	Fiscal year 2018-19			Fiscal year 2017-18		
	Total available for use for the year ending 31 March 2019*	Used during the quarter ended 30 June 2018	Year to date used at quarter-end	Total available for use for the year ended 31 March 2018*	Used during the quarter ended 30 June 2017	Year to date used at quarter-end
	<i>(in thousands of dollars)</i>					
Vote 1— Program expenditures	71,688	18,144	18,144	70,929	18,257	18,257
Less revenues netted against program expenditures	(2,660)	(112)	(112)	(2,660)	(106)	(106)
Net Vote 1— Program expenditures	69,028	18,032	18,032	68,269	18,151	18,151
Budgetary statutory authorities	9,197	2,299	2,299	9,421	2,308	2,308
<b>Total budgetary authorities</b>	<b>78,225</b>	<b>20,331</b>	<b>20,331</b>	<b>77,690</b>	<b>20,459</b>	<b>20,459</b>
<b>Non-budgetary authorities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total authorities</b>	<b>78,225</b>	<b>20,331</b>	<b>20,331</b>	<b>77,690</b>	<b>20,459</b>	<b>20,459</b>

\*Includes only authorities available for use and granted by Parliament at quarter-end.

## Departmental budgetary expenditures by standard object (unaudited)

	Fiscal year 2018–19			Fiscal year 2017–18		
	Planned expenditures for the year ending 31 March 2019	Expended during the quarter ended 30 June 2018	Year to date expended at quarter-end	Planned expenditures for the year ended 31 March 2018	Expended during the quarter ended 30 June 2017	Year to date expended at quarter-end
	(in thousands of dollars)					
<b>Expenditures:</b>						
Personnel	69,704	17,562	17,562	69,169	17,245	17,245
Transportation and communications	3,137	891	891	3,296	1,092	1,092
Information	561	174	174	532	160	160
Professional and special services	5,250	1,008	1,008	5,038	1,280	1,280
Rentals	1,077	735	735	1,034	722	722
Repair and maintenance	265	16	16	242	4	4
Utilities, materials and supplies	210	26	26	268	34	34
Acquisition of machinery and equipment	656	29	29	752	26	26
Other subsidies and payments	25	2	2	19	2	2
<b>Total gross budgetary expenditures</b>	<b>80,885</b>	<b>20,443</b>	<b>20,443</b>	<b>80,350</b>	<b>20,565</b>	<b>20,565</b>
<b>Less revenues netted against expenditures:</b>						
<b>Costs recovered</b>						
Members of the Canadian Council of Legislative Auditors (CCOLA)	(660)	(112)	(112)	(660)	(106)	(106)
International audit	(2,000)	–	–	(2,000)	–	–
<b>Total cost recovered</b>	<b>(2,660)</b>	<b>(112)</b>	<b>(112)</b>	<b>(2,660)</b>	<b>(106)</b>	<b>(106)</b>
<b>Total net budgetary expenditures</b>	<b>78,225</b>	<b>20,331</b>	<b>20,331</b>	<b>77,690</b>	<b>20,459</b>	<b>20,459</b>