

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

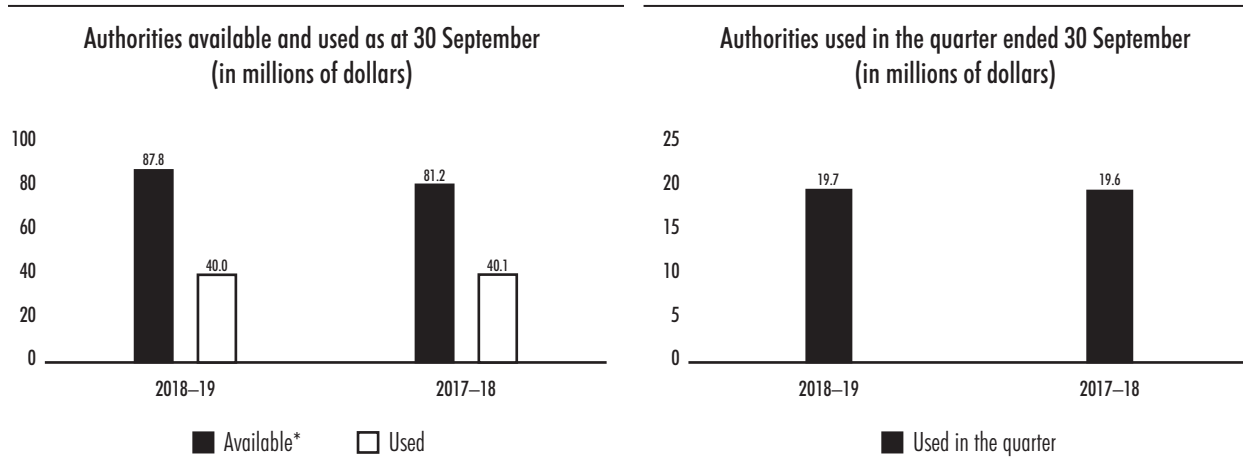
The Auditor General is an Officer of Parliament, who is independent from the government and reports directly to Parliament. The duties are set out in the *Auditor General Act*, the *Financial Administration Act*, and other acts and orders-in-council. These duties relate to legislative auditing and, in 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 have increased as a result of additional funding received at the end of the quarter.



*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. At the end of this quarter, additional ongoing funding of \$7.7 million was approved. This increase is not sufficient to address our needs. We continue to review our resource allocations to ensure that we can produce all required audits as efficiently as possible in the near term, and we are considering options for the longer term.

Significant changes in operations, personnel, and program

Consistent with recently approved changes in the core public administration, the Office approved a revised salary structure for the Management Group. The revised salary structure, covering the period from 1 April 2014 to 1 April 2017, took effect on 9 July 2018.

Approved by:

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

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

Ottawa, Canada
29 November 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 September 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 September 2017	Year to date used at quarter-end
	<i>(in thousands of dollars)</i>					
Vote 1— Program expenditures	80,458	17,621	35,765	74,468	17,529	35,786
Less revenues netted against program expenditures	(2,660)	(248)	(360)	(2,660)	(227)	(333)
Net Vote 1— Program expenditures	77,798	17,373	35,405	71,808	17,302	35,453
Budgetary statutory authorities	9,957	2,299	4,598	9,421	2,308	4,616
Total budgetary authorities	87,755	19,672	40,003	81,229	19,610	40,069
Non-budgetary authorities	—	—	—	—	—	—
Total authorities	87,755	19,672	40,003	81,229	19,610	40,069

*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 September 2018	Year to date expended at quarter-end	Planned expenditures for the year ending 31 March 2018	Expended during the quarter ended 30 September 2017	Year to date expended at quarter-end
<i>(in thousands of dollars)</i>						
Expenditures:						
Personnel	76,035	16,966	34,528	72,708	16,607	33,852
Transportation and communications	4,034	697	1,588	3,296	645	1,737
Information	722	143	317	532	137	297
Professional and special services	6,752	1,757	2,765	5,038	1,999	3,279
Rentals	1,385	110	845	1,034	158	880
Repair and maintenance	341	41	57	242	29	33
Utilities, materials and supplies	270	42	68	268	53	87
Acquisition of machinery and equipment	844	157	186	752	204	230
Other subsidies and payments	32	7	9	19	5	7
Total gross budgetary expenditures	90,415	19,920	40,363	83,889	19,837	40,402
Less revenues netted against expenditures:						
Costs recovered						
Members of the Canadian Council of Legislative Auditors (CCOLA)	(660)	(36)	(148)	(660)	(13)	(119)
International audit	(2,000)	(212)	(212)	(2,000)	(214)	(214)
Total cost recovered	(2,660)	(248)	(360)	(2,660)	(227)	(333)
Total net budgetary expenditures	87,755	19,672	40,003	81,229	19,610	40,069

