

**Office of the Auditor General of Canada  
Quarterly Financial Report  
For the quarter ended 31 December 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**

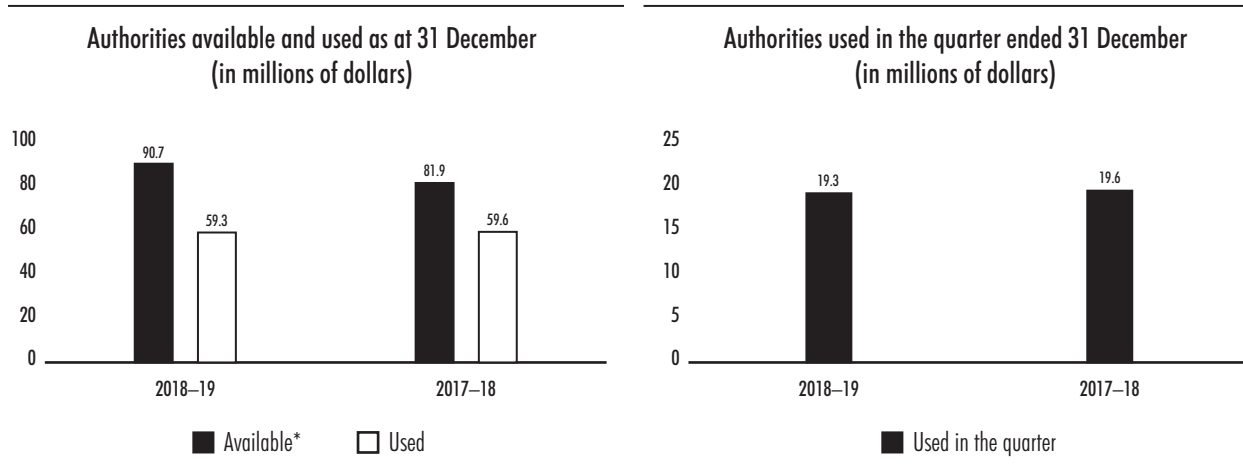
The Auditor General is an Officer of Parliament, who is independent from the government and reports directly to Parliament. The duties are set out in the *Auditor General Act*, the *Financial Administration Act*, and other acts and orders-in-council. These duties relate to legislative auditing and, in 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

While the authorities used remained stable, the authorities available increased as a result of additional funding received at the end of the second 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. While additional ongoing funding of \$7.7 million was approved at the end of the second quarter, this increase is still not sufficient to address our needs. In the near-term, we have eliminated a number of planned performance audits, continue to defer some financial audit-related work, and are deferring some necessary information technology projects. Longer-term investments in audit methodology and tools are also not being funded.

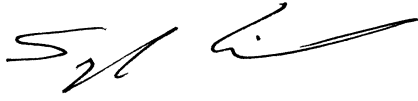
## Significant changes in operations, personnel, and program

The Auditor General, Michael Ferguson, passed away on 2 February 2019. The Office has been working with the Privy Council Office to have an Interim Auditor General appointed.

To oversee the running of the Office, two Deputy Auditors General were appointed, effective 2 January 2019.

Six new Assistant Auditors General were appointed in January 2019 to address upcoming retirements.

Approved by:



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Sylvain Ricard, CPA, CA  
Deputy Auditor General  
On behalf of the Auditor General of Canada

Ottawa, Canada  
28 February 2019



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Lucie Cardinal, CPA, CA  
Assistant Auditor General  
Chief Financial Officer

## 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 31 December 2018	Year to date used at quarter-end	Total available for use for the year ended 31 March 2018*	Used during the quarter ended 31 December 2017	Year to date used at quarter-end
<i>(in thousands of dollars)</i>						
Vote 1— Program expenditures	83,365	17,040	52,805	75,167	17,283	53,069
Less revenues netted against program expenditures	(2,660)	(11)	(371)	(2,660)	(25)	(358)
Net Vote 1— Program expenditures	80,705	17,029	52,434	72,507	17,258	52,711
Budgetary statutory authorities	9,957	2,299	6,897	9,421	2,309	6,925
<b>Total budgetary authorities</b>	<b>90,662</b>	<b>19,328</b>	<b>59,331</b>	<b>81,928</b>	<b>19,567</b>	<b>59,636</b>
<b>Non-budgetary authorities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total authorities</b>	<b>90,662</b>	<b>19,328</b>	<b>59,331</b>	<b>81,928</b>	<b>19,567</b>	<b>59,636</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		
	<i>Planned expenditures for the year ending 31 March 2019</i>	<i>Expended during the quarter ended 31 December 2018</i>	<i>Year to date expended at quarter-end</i>	<i>Planned expenditures for the year ending 31 March 2018</i>	<i>Expended during the quarter ended 31 December 2017</i>	<i>Year to date expended at quarter-end</i>
	<i>(in thousands of dollars)</i>					
<b>Expenditures:</b>						
Personnel	78,942	16,940	51,468	73,407	17,672	51,524
Transportation and communications	4,034	810	2,398	3,296	664	2,401
Information	722	130	447	532	156	453
Professional and special services	6,752	1,012	3,777	5,038	786	4,065
Rentals	1,385	135	980	1,034	176	1,056
Repair and maintenance	341	25	82	242	35	68
Utilities, materials and supplies	270	51	119	268	58	145
Acquisition of machinery and equipment	844	236	422	752	39	269
Other subsidies and payments	32	–	9	19	6	13
<b>Total gross budgetary expenditures</b>	<b>93,322</b>	<b>19,339</b>	<b>59,702</b>	<b>84,588</b>	<b>19,592</b>	<b>59,994</b>
<b>Less revenues netted against expenditures:</b>						
<b>Costs recovered</b>						
Members of the Canadian Council of Legislative Auditors (CCOLA)	(660)	(11)	(159)	(660)	(25)	(144)
International audit	(2,000)	–	(212)	(2,000)	–	(214)
<b>Total cost recovered</b>	<b>(2,660)</b>	<b>(11)</b>	<b>(371)</b>	<b>(2,660)</b>	<b>(25)</b>	<b>(358)</b>
<b>Total net budgetary expenditures</b>	<b>90,662</b>	<b>19,328</b>	<b>59,331</b>	<b>81,928</b>	<b>19,567</b>	<b>59,636</b>

