



## **Quarterly Financial Reports 2011-2012**

**Office of the Secretary to the Governor General**

**For the quarter ended June 30, 2011**



**Quarterly Financial Report  
for the Quarter ended June 30th, 2011.**

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

**A) Introduction**

Raison d'être of the Office of the Secretary to the Governor General

The Office of the Secretary to the Governor General (OSGG) provides support and advice to the Governor General of Canada in his/her unique role as the representative of The Queen in Canada as well as commander-in-chief, OSGG assists the Governor General in carrying out constitutional responsibilities, in representing Canada at home and abroad, in bringing Canadian together, and in granting armorial bearings. OSGG also supports the Governor General in encouraging excellence through the administration of the Canadian Honours System and by organizing the presentations of national honours, decorations, medals and awards. OSGG manages a visitor services program at both of the Governor General's official residences and oversees the day to day operations of these residences. OSGG also provides support to former Governors General, including pensions to former Governors General and their spouses.

Further information on the mandate, roles, responsibilities and programs of the OSGG can be found in 2011-12 Main Estimates, available on the following website: <http://publiservice.tbs-sct.gc.ca/est-pre/20112012/me-bpd/docs/me-bpd-eng.pdf>.

This quarterly financial report:

- should be read in conjunction with the 2011-2012 *Main Estimates* ;
- has been prepared by OSGG management as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board; and
- has not been subject to an external audit or review.

Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the department's spending authorities granted by Parliament and those used by the department consistent with the *Main Estimates* for the 2011-2012 fiscal year. This quarterly report has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.



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The authority of Parliament is required before moneys can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

When Parliament is dissolved for the purposes of a general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

OSGG uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the OSGG Annual Report. However, the spending authorities voted by Parliament remain on an expenditure basis.

### **B) Highlights of fiscal quarter and fiscal year to date (YTD) results**

At June 30th, 2011, the total available budgetary authorities increased by \$ 915,000 compared to the first quarter of 2010-2011. This increase is attributable to the increase in vote 1— operating budget (\$ 718,000) and budgetary statutory authorities (\$ 197,000).

As reflected in the Statement of Authorities, the increase in operating budget (\$718,000) is mainly due to a timing difference in the approval of the operating budget carry forward (\$807 000) in 2011-2012. The budget carry-forward in 2010-2011 which was (\$823,000) was only approved in the second quarter of the fiscal year, hence explaining the difference. The increase is offset by a decrease in the costs of personnel and operations (\$ 89,000).

The increase in the budgetary statutory authorities (\$ 197,000) is primarily explained by an increase in the funding provided for annuities payable under the *Governor General's Act* (\$ 107,000) and by the increase for the contributions to the employee benefits plans (\$ 85,000).

The quarterly and year-to-date spending for the current fiscal year are in line with that of the previous year. The variance in expenditures between the two fiscal years is due to the increase in personnel expenditures of \$126,000\$ or 3.5%. This increase is primarily explained by increases in salaries from collective agreements that were signed at the end of the 2010-2011 as well as other personnel allowances paid during the first quarter of 2011-12.

The increase of \$ 78,000\$ or 38.4% of transportation and communications spending in 2011-2012 are mainly due to travel expenditure that OSGG incurred for medal recipients travelling to Ottawa to attend honour ceremonies. During the first quarter of 2011-12, three ceremonies of



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honorary distinctions took place whereas, for the same period, in 2010-11, only two ceremonies took place.

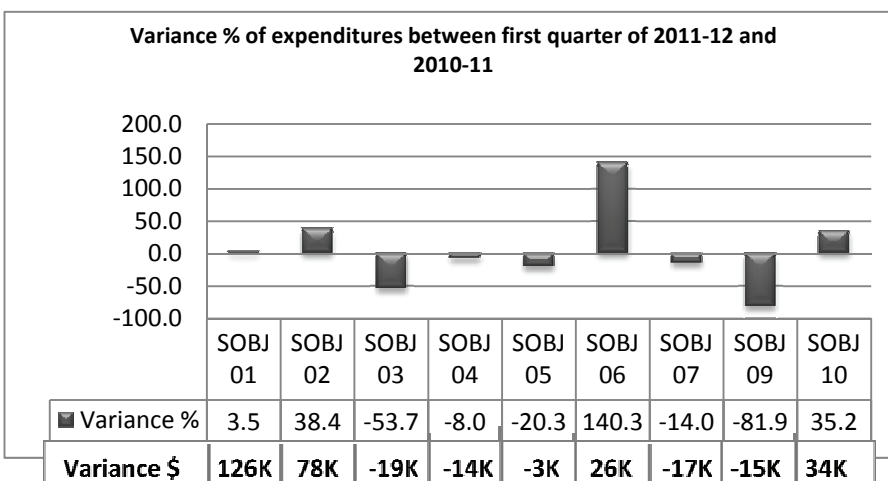
The spending in information for the first quarter of 2011-2012 decreased by \$19,000, or 53.7%. This reduction is explained by expenditures incurred during the first quarter of 2010-11 for the printing of anniversary certificates offered by the Governor General, the preparation of the exhibit for the Visitor Center and expenditures for media monitoring.

During the first quarter of 2011-12, the spending on services of repair and maintenance increased by \$26,000\$, or 140.3%, compared to the same period in 2010-11. This increase results mainly from the acquisition of a maintenance contract for the Record of Document Information Management System (RDIMS).

There is a decrease in the amount of spending on the acquisition of machinery & equipment, in the first quarter of 2011-2012 (\$15,000), or 81.9% compared to the first quarter of 2010-2011. This reduction is mainly due to the timing of purchases. The overall spending on the acquisition of machinery & equipment by year-end is expected to be consistent between years.

Finally, the transfer payments increased by 34 000\$, or 35.2% during the first quarter of 2011-12. This increase is explained by the payment of an annuity to an additional former governor general and the indexing of the annuities paid to the other former governors general.

The following chart shows the percentage variance in spending by standard objects between the first quarter of 2011-12 and 2010-11.





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**C) Risks and Uncertainties**

This Departmental Quarterly Financial Report (QFR) reflects the results of the current fiscal year as per the Main Estimates for which full supply was released on June 27, 2011.

Budget 2010 announced that the operating budgets of departments would be frozen at their 2010-11 levels for the fiscal years 2011-12 and 2012-13. The OSGG's most significant expenditure is personnel including employee benefits which represented 84.6% of the OSGG 2010-11 total budget.

As departments must pay for the salary increases to employees, the OSGG had to find efficiencies within its operating vote to fund these increases. The OSGG was able to accommodate the reduction in funding in 2010-2011 without significantly affecting its operations.

During this fiscal year, the OSGG will use its operating funding to cover the wage increases. Senior management is reviewing various options to address the funding constraints for the current year and 2012-13 fiscal year.



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**D) Significant changes in relation to operations, personnel and programs**

Significant changes during the previous fiscal year

October 1, 2010 – Swearing-in of the new Governor General, His Excellency David Johnston replacing the Right Honourable Michaëlle Jean.

February 1, 2011 – Nomination of Mr. Stephen Wallace, Secretary to the Office to the Governor General, replacing Mrs. Sheila-Marie Cook.

Significant change at the beginning of the second quarter of 2011-12

July 4, 2011 – Nomination of Mr. Fady Abdul-Nour, Director General, Corporate Services and Chief Financial Officer (CFO), replacing Mrs. Dorothy Grandmaître.

Although the arrival of the new CFO occurred after June 30<sup>th</sup>, we chose to acknowledge the change at this point as the Quarterly Financial Report will be signed by the new CFO.

There has been no significant change in operations and in programs over the last year.

**Approval by Senior Officials**

Approved by:

Mrs. Emmanuelle Sajous  
Acting Secretary to the Governor General  
Ottawa, Canada  
August 29, 2011

Mr. Fady Abdul-Nour P. Eng.  
Chief Financial Officer

# Office of the Secretary to the Governor General - Statement of Authorities



Quarterly Financial Report (*unaudited*)  
For the Quarter ended June 30, 2011

	Fiscal Year 2011-12			Fiscal Year 2010-11		
(in thousands of dollars)	Total available for use for the year ending March 31, 2012	Used during the quarter ended June 30, 2011	Year to date used at quarter-end	Total available for use for the year ending March 31, 2011	Used during the quarter ended June 30, 2010	Year to date used at quarter-end
<b>Vote 1</b>						
Personnel	11,969	3,193	3,193	12,046	3,089	3,089
Operating costs	5,035	629	629	5,047	594	594
Operating Budget Carry forward - TB						
Vote 25	807					
<b>Total Operating Budget</b>	<b>17,811</b>	<b>3,822</b>	<b>3,822</b>	<b>17,093</b>	<b>3,683</b>	<b>3,683</b>
Grants & Contributions	11			11		
<b>Total Vote 1</b>	<b>17,822</b>	<b>3,822</b>	<b>3,822</b>	<b>17,104</b>	<b>3,683</b>	<b>3,683</b>
<b>Budgetary statutory authorities</b>						
Contributions to employee benefit plans	2,154	539	539	2,069	517	517
Salary of the Governor General	135	33	33	130	32	32
Annuities payable under the <i>Governor General's Act</i>	520	130	130	413	96	96
<b>Total Budgetary authorities</b>	<b>20,631</b>	<b>4,524</b>	<b>4,524</b>	<b>19,716</b>	<b>4,328</b>	<b>4,328</b>

**Note :** Includes only authorities available for use and granted by Parliament at quarter-end

# Office of the Secretary to the Governor General -Budgetary Expenditures by Standard Object

Quarterly Financial Report (*unaudited*)  
For the Quarter ended June 30, 2011



	Fiscal Year 2011-12			Fiscal Year 2010-11		
(in thousands of dollars)	Planned expenditures for the year ending March 31, 2012	Expended during the quarter ended June 30, 2011	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2011	Expended during the quarter ended June 30, 2010	Year to date used at quarter-end
<b>Expenditures</b>						
Personnel (01)	14,671	3,765	3,765	14,245	3,639	3,639
Transportation & communications (02)	1,934	282	282	1,211	204	204
Information (03)	680	16	16	303	35	35
Professional & special services (04)	1,407	164	164	1,918	178	178
Rentals (05)	151	13	13	151	16	16
Purchased repair & maintenance (06)	201	45	45	151	19	19
Utilities, materials & supplies (07)	796	106	106	1,060	123	123
Acquisition of machinery & equipment (09)	261	3	3	252	18	18
Transfer payments (10)	531	130	130	424	96	96
<b>Total Budgetary Expenditures</b>	<b>20,632</b>	<b>4,524</b>	<b>4,524</b>	<b>19,715</b>	<b>4,328</b>	<b>4,328</b>

**Note:** Total may not add and may not agree with the Statement of authorities due to rounding