



Quarterly Financial Report

2016-2017

Office of the Secretary to the Governor General

For the quarter ended December 31, 2016



OFFICE OF THE SECRETARY TO THE GOVERNOR GENERAL
BUREAU DU SECRÉTAIRE DU GOUVERNEUR GÉNÉRAL

Quarterly Financial Report for the Quarter ended December 31, 2016

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

A) 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 Accounting Standard 1.3](#). This quarterly report should be read in conjunction with the [2016-2017 – Main Estimates](#) and previous Quarterly Financial Reports. This quarterly report has not been subject to an external audit or review.

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

The Office of the Secretary to the Governor General (the Office) 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 the commander-in-chief. The Office assists the governor general in carrying out constitutional responsibilities, in representing Canada at home and abroad, in bringing Canadians together, and in granting armorial bearings. It 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. The Office manages a visitor services program at both of the governor general’s official residences and oversees the day-to-day operations of these residences. It 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 Office can be found on the following website: [2016-2017 - Main Estimates](#).

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 2016-2017 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.

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.



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The Office uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the Office's *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

This section highlights the significant items that contributed to the variances in available authorities for use for the fiscal year ending March 31, 2017 and the variances in actual expenditures for the quarter ended December 31, 2016.

Statement of Authorities

As reflected in the Statement of Authorities, the Office's total available budgetary authorities have increased by \$0.7 million or 3.1%, when compared to the same quarter in 2015-16. This increase is attributable to an increase in approved budgetary authorities for the renewal and enhancement of Canada's Honours System (\$1.1M) as announced in *Budget 2015* and offset by a decrease in the Operating Budget Carry-Forward (\$0.3M).

Budgetary Expenditures by Standard Object

The year-to-date spending has increase by \$0.9 million or 6.2%. The increase in expenditures for the quarter and year-to-date is related to funds received in *Budget 2015* to support and modernize the Canadian Honours System which resulted in increased costs related to personnel; costs related to Governor General Events and costs related to the redesign of the honours portal.

The Office's quarterly spending has decreased by \$87 thousand or 1.6% compared to the previous year. The decrease in personnel expenditures is due to a timing difference compared to last quarter, as a result of a delay in the salary recovery process with other government departments.

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 23, 2016.

The Office's most significant expenditure remains personnel including employee benefits. It manages its personnel appropriation within approved levels with due diligence while continuing to implement an organizational-wide human resources plan. The ongoing objectives of this plan is to effectively align staffing processes with the priorities of the organization and implement



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strategies for improving operational efficiencies and value for money. Furthermore, the Office continues to seek innovative, cost efficient ways of generating savings and addressing risks. The Office continues to look for opportunities to work in collaboration with other Government of Canada organizations to achieve efficiencies to deliver on its business goals. With these changes the Office will continue to contribute to the effective management of human resources to the benefit of federal public service departments and agencies, managers, employees and Canadians at large.

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

The Office received additional funding to support and modernize the Canadian Honours System and bring it closer to all Canadians. As highlighted in *Budget 2015*, these enhancements include increasing the number of nominations to the Order of Canada from under-represented sectors and modernizing eligibility and selection criteria for a number of other honours and awards. It also proposes to bring the Canadian honours and honourees closer to all Canadians through additional events and ceremonies, as well as the creation of an online portal. The Office is currently implementing these changes and will report its progress through future reports.

No other significant changes related to operations, personnel and programs having an impact on financial reporting occurred during the quarter ended December 31, 2016.

Approval by Senior Officials

Original signed by

Mr. Stephen Wallace
Secretary to the Governor General

Original signed by

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

Ottawa, Canada
February 21, 2017

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Statement of Authorities (unaudited)

<i>(in thousands of dollars)</i>	Fiscal Year 2016-17			Fiscal Year 2015-16		
	Total available for use for the year ending March 31, 2017	Used during the quarter ended December 31, 2016	Year to date used at quarter-end	Total available for use for the year ending March 31, 2016	Used during the quarter ended December 31, 2015	Year to date used at quarter-end
Vote 1 - Program expenditures	20,333	4,501	13,665	19,701	4,640	12,894
Budgetary statutory authorities						
Contributions to employee benefit plans	2,249	562	1,687	2,120	513	1,538
Annuities payable under the <i>Governor General's Act</i>	574	141	424	632	139	419
Salary of the Governor General	288	72	217	283	71	214
Total Budgetary authorities	23,444	5,276	15,993	22,736	5,363	15,065

Note : Includes only Authorities available for use and granted by Parliament at quarter-end.

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Budgetary Expenditures by Standard Object (unaudited)

	Fiscal Year 2016-17			Fiscal Year 2015-16		
	Planned expenditures for the year ending March 31, 2017	Expended during the quarter ended December 31, 2016	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2016	Expended during the quarter ended December 31, 2015	Year to date used at quarter-end
<i>(in thousands of dollars)</i>						
Expenditures						
Personnel (01)	15,616	3,703	11,521	14,959	3,888	11,377
Transportation & communications (02)	2,250	512	1,150	1,483	424	913
Information (03)	820	78	362	746	102	318
Professional & special services (04)	1,998	458	1,463	2,576	388	949
Rentals (05)	330	54	223	517	77	281
Repair & maintenance (06)	18	3	4	30	1	2
Utilities, materials & supplies (07)	1,107	321	711	914	282	551
Acquisition of machinery & equipment (09)	270	-3	104	764	40	194
Transfer payments (10)	574	141	424	632	140	419
Other subsidies and payments (12)	461	9	31	115	21	61
Total Budgetary Expenditures	23,444	5,276	15,993	22,736	5,363	15,065