

**Office of the Auditor General of Canada
Quarterly Financial Report
For the quarter ended 31 December 2017**



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

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ISSN 1927-1972

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

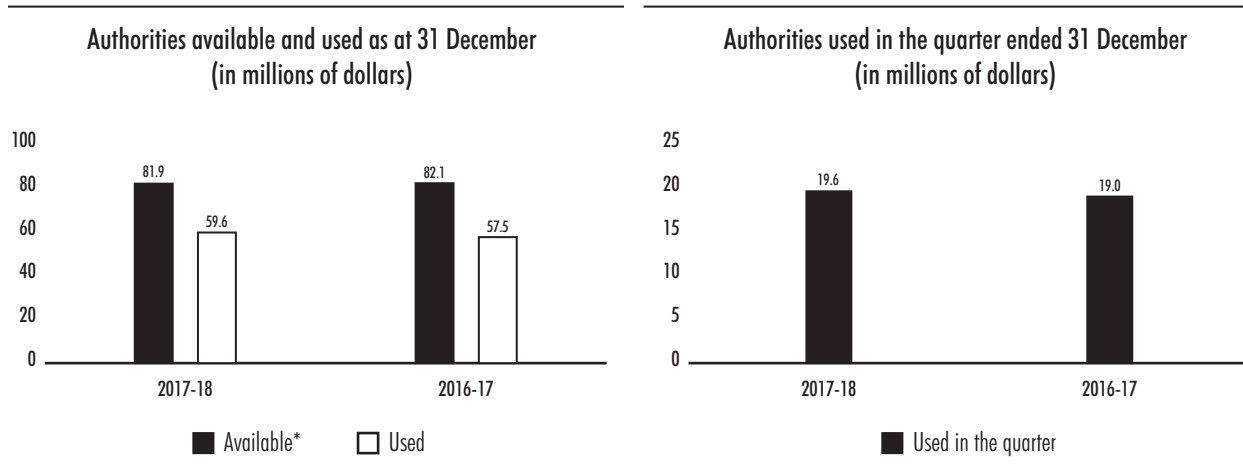
The Auditor General is an Officer of Parliament, who is independent from the government and reports directly to Parliament. The duties are set out in the *Auditor General Act*, the *Financial Administration Act*, and other acts and orders-in-council. These duties relate to legislative auditing and, in 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 2017–18 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

There are no significant changes to authorities available and used to report in the quarter.



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

Risks and uncertainties

Paying for increasing audit and service costs from a funding base that is not increasing will require reductions in products or services, or both, in the near future. 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

Terms and conditions of employment

The Office, in collaboration with a committee that represents the Audit Professional group, has approved a revised salary structure for these unrepresented employees. The revised salary structure covering the period from 1 October 2014 to 30 September 2018 took effect on 15 August 2017.

On 4 December 2017, the Office signed a collective agreement covering the period from 1 October 2014 to 30 September 2018 with its Audit Services staff members.

On 31 December, the Office started reviewing salaries and making retroactive payments. This work will continue in the next few months.

Approved by:

Original signed by

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

Ottawa, Canada
28 February 2018

Original signed by

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

Statement of authorities (unaudited)

	Fiscal year 2017-18			Fiscal year 2016-17		
	Total available for use for the year ending 31 March 2018*	Used during the quarter ended 31 December 2017	Year to date used at quarter-end	Total available for use for the year ended 31 March 2017*	Used during the quarter ended 31 December 2016	Year to date used at quarter-end
	(in thousands of dollars)					
Vote 1— Program expenditures	75,167	17,283	53,069	74,318	16,428	50,441
Less revenues netted against program expenditures	(2,660)	(25)	(358)	(2,510)	(21)	(648)
Net Vote 1— Program expenditures	72,507	17,258	52,711	71,808	16,407	49,793
Budgetary statutory authorities	9,421	2,309	6,925	10,265	2,566	7,698
Total budgetary authorities	81,928	19,567	59,636	82,073	18,973	57,491
Non-budgetary authorities	—	—	—	—	—	—
Total authorities	81,928	19,567	59,636	82,073	18,973	57,491

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

Departmental budgetary expenditures by standard object (unaudited)

	Fiscal year 2017-18			Fiscal year 2016-17		
	Planned expenditures for the year ending 31 March 2018	Expended during the quarter ended 31 December 2017	Year to date expended at quarter-end	Planned expenditures for the year ending 31 March 2017	Expended during the quarter ended 31 December 2016	Year to date expended at quarter-end
<i>(in thousands of dollars)</i>						
Expenditures:						
Personnel	73,407	17,672	51,524	73,482	16,715	49,998
Transportation and communications	3,296	664	2,401	3,208	667	2,217
Information	532	156	453	483	174	442
Professional and special services	5,038	786	4,065	4,969	927	3,798
Rentals	1,034	176	1,056	1,066	183	1,108
Repair and maintenance	242	35	68	217	31	117
Utilities, materials and supplies	268	58	145	229	58	139
Acquisition of machinery and equipment	752	39	269	918	239	307
Other subsidies and payments	19	6	13	11	–	13
Total gross budgetary expenditures	84,588	19,592	59,994	84,583	18,994	58,139
Less revenues netted against expenditures:						
Costs recovered						
Members of the Canadian Council of Legislative Auditors (CCOLA)	(660)	(25)	(144)	(660)	(21)	(141)
International audit	(2,000)	–	(214)	(1,850)	–	(507)
Total net budgetary expenditures	81,928	19,567	59,636	82,073	18,973	57,491