

**Office of the Auditor General of Canada  
Quarterly Financial Report  
For the quarter ended 30 June 2019**



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

**For more information, contact**

Communications  
Office of the Auditor General of Canada  
240 Sparks Street  
Ottawa, Ontario  
Canada K1A 0G6

Telephone: 613-995-3708 or 1-888-761-5953 (toll-free)  
Fax: 613-957-0474  
Hearing impaired only TTY: 1-613-954-8042  
Email: [Communications@oag-bvg.gc.ca](mailto:Communications@oag-bvg.gc.ca)  
Website: [www.oag-bvg.gc.ca](http://www.oag-bvg.gc.ca)

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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**

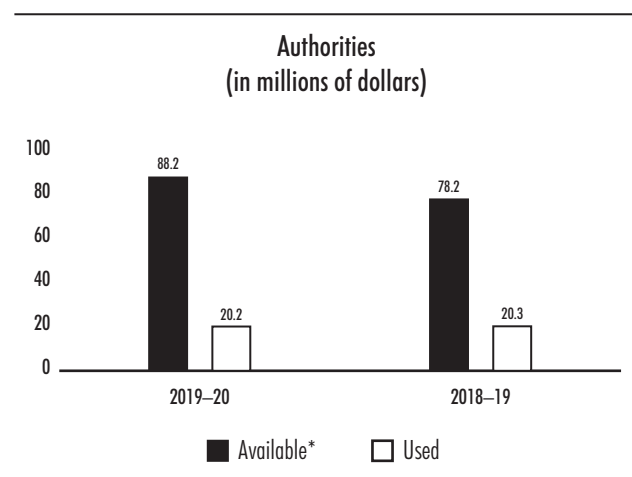
The Auditor General is an Officer of Parliament, who is independent from the government and reports directly to Parliament. The duties are set out in the *Auditor General Act*, the *Financial Administration Act*, and other acts and orders-in-council. These duties relate to legislative auditing and, in 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 2019–20 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 for use increased as a result of additional funding received in fall 2018 (\$7 million), economic and management salary increases (\$2 million), and associated increases in statutory employee benefits (\$1 million).



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

## Risks and uncertainties

The Office received no additional funding in the 2019 federal budget. As a result, we have eliminated five performance audits that had been planned for reporting in the 2019–20 fiscal year, and we will continue to defer certain audit-related work in our financial audit practice. We will also not be able to make the investments in new technologies or audit approaches that are necessary to prepare the Office for the future.

## Significant changes in operations, personnel, and program

Following the passing of Michael Ferguson, Her Excellency the Governor General in Council appointed Sylvain Ricard as Interim Auditor General of Canada for a term of six months, effective 28 March 2019. On 1 July 2019, Her Excellency the Governor General in Council reappointed Mr. Ricard as Interim Auditor General for a term of six months, effective 28 September 2019.

The Office approved a revised salary structure for the Management group, effective 1 April 2019, which involves the conversion from a broadband to a lock-step salary structure.

**Approved by:**

**Original signed by**

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Sylvain Ricard, CPA, CA  
Interim Auditor General of Canada

Ottawa, Canada  
29 August 2019

**Original signed by**

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

## Statement of authorities (unaudited)

	Fiscal year 2019–20			Fiscal year 2018–19		
	<i>Total available for use for the year ending 31 March 2020*</i>	<i>Used during the quarter ended 30 June 2019</i>	<i>Year to date used at quarter-end</i>	<i>Total available for use for the year ended 31 March 2019*</i>	<i>Used during the quarter ended 30 June 2018</i>	<i>Year to date used at quarter-end</i>
	<i>(in thousands of dollars)</i>					
Vote 1— Program expenditures	80,744	18,279	18,279	71,688	18,144	18,144
Less revenues netted against program expenditures	(2,660)	(633)	(633)	(2,660)	(112)	(112)
Net Vote 1— Program expenditures	78,084	17,646	17,646	69,028	18,032	18,032
Budgetary statutory authorities	10,154	2,539	2,539	9,197	2,299	2,299
<b>Total budgetary authorities</b>	<b>88,238</b>	<b>20,185</b>	<b>20,185</b>	<b>78,225</b>	<b>20,331</b>	<b>20,331</b>
<b>Non-budgetary authorities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total authorities</b>	<b>88,238</b>	<b>20,185</b>	<b>20,185</b>	<b>78,225</b>	<b>20,331</b>	<b>20,331</b>

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

## Departmental budgetary expenditures by standard object (unaudited)

	Fiscal year 2019–20			Fiscal year 2018–19		
	<i>Planned expenditures for the year ending 31 March 2020</i>	<i>Expended during the quarter ended 30 June 2019</i>	<i>Year to date expended at quarter-end</i>	<i>Planned expenditures for the year ending 31 March 2019</i>	<i>Expended during the quarter ended 30 June 2018</i>	<i>Year to date expended at quarter-end</i>
	<i>(in thousands of dollars)</i>					
<b>Expenditures:</b>						
Personnel	76,518	17,626	17,626	69,704	17,562	17,562
Transportation and communications	3,837	1,028	1,028	3,137	891	891
Information	651	158	158	561	174	174
Professional and special services	6,367	1,171	1,171	5,250	1,008	1,008
Rentals	1,654	730	730	1,077	735	735
Repair and maintenance	298	26	26	265	16	16
Utilities, materials and supplies	307	17	17	210	26	26
Acquisition of machinery and equipment	1,232	62	62	656	29	29
Other subsidies and payments	34	–	–	25	2	2
<b>Total gross budgetary expenditures</b>	<b>90,898</b>	<b>20,818</b>	<b>20,818</b>	<b>80,885</b>	<b>20,443</b>	<b>20,443</b>
<b>Less revenues netted against expenditures:</b>						
<b>Costs recovered</b>						
Members of the Canadian Council of Legislative Auditors (CCOLA)	(660)	(100)	(100)	(660)	(112)	(112)
International audit	(2,000)	(533)	(533)	(2,000)	–	–
<b>Total cost recovered</b>	<b>(2,660)</b>	<b>(633)</b>	<b>(633)</b>	<b>(2,660)</b>	<b>(112)</b>	<b>(112)</b>
<b>Total net budgetary expenditures</b>	<b>88,238</b>	<b>20,185</b>	<b>20,185</b>	<b>78,225</b>	<b>20,331</b>	<b>20,331</b>

