

**Office of the Auditor General of Canada
Quarterly Financial Report
For the quarter ended 31 December 2019**



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 (OAG) has 1 program activity: legislative auditing. The OAG conducts independent audits and studies that provide objective information, advice, and assurance to Parliament, government, and Canadians.

Mandate

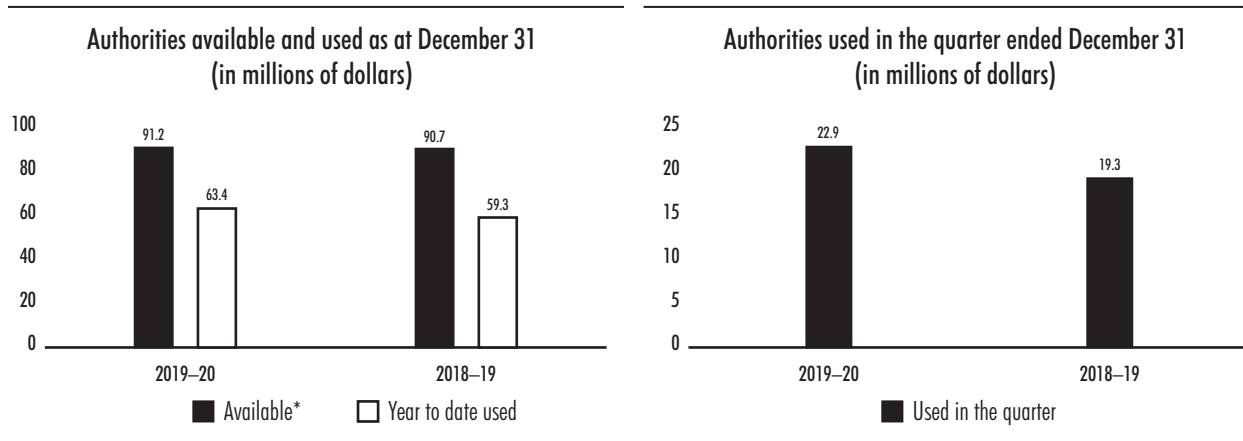
The Auditor General of Canada is an Officer of Parliament, who is independent from the government and reports directly to Parliament. The duties are set out in the *Auditor General Act*, the *Financial Administration Act*, and other acts and orders-in-council. These duties relate to legislative auditing 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 OAG's spending authorities granted by Parliament and those used by the OAG, consistent with the Main Estimates for the 2019–20 fiscal year. This quarterly report provides financial information on the use of spending authorities. The OAG 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 used increased as a result of the growing workforce, the economic salary increases, and the revised salary structure that was announced in the first quarter of the 2019–20 fiscal year. The revised salary structure involved converting from a broadband to a lock-step structure to simplify the pay process.



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

Risks and uncertainties

The key risk for the OAG is its ability to effectively acquire, develop, and use new technologies and methodologies to keep pace with the changing audit environment. Managing this risk means that the OAG must invest in its information technology security and architecture, including the modernization of audit tools and emerging technologies. Accordingly, the OAG has had to reduce the number of performance audits that it conducts.

Significant changes in operations, personnel, and program

There were no significant changes in operations, personnel, and program during the third quarter of the 2019–20 fiscal year.

Approved by:

Original signed by

Sylvain Ricard, CPA, CA
 Interim Auditor General of Canada

Ottawa, Canada
 28 February 2020

Original signed by

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

Statement of authorities (unaudited)

	Fiscal year 2019–20			Fiscal year 2018–19		
	Total available for use for the year ending 31 March 2020*	Used during the quarter ended 31 December 2019	Year to date used at quarter-end	Total available for use for the year ended 31 March 2019*	Used during the quarter ended 31 December 2018	Year to date used at quarter-end
	<i>(in thousands of dollars)</i>					
Vote 1— Program expenditures	83,733	21,079	57,151	83,365	17,040	52,805
Less revenues netted against program expenditures	(2,660)	(710)	(1,366)	(2,660)	(11)	(371)
Net Vote 1— Program expenditures	81,073	20,369	55,785	80,705	17,029	52,434
Budgetary statutory authorities	10,154	2,538	7,615	9,957	2,299	6,897
Total budgetary authorities	91,227	22,907	63,400	90,662	19,328	59,331
Non-budgetary authorities	—	—	—	—	—	—
Total authorities	91,227	22,907	63,400	90,662	19,328	59,331

* 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		
	Planned expenditures for the year ending 31 March 2020	Expended during the quarter ended 31 December 2019	Year to date expended at quarter-end	Planned expenditures for the year ending 31 March 2019	Expended during the quarter ended 31 December 2018	Year to date expended at quarter-end
<i>(in thousands of dollars)</i>						
Expenditures:						
Personnel	79,507	20,478	55,514	78,942	16,940	51,468
Transportation and communications	3,837	1,007	2,982	4,034	810	2,398
Information	651	272	494	722	130	447
Professional and special services	6,367	1,562	4,051	6,752	1,012	3,777
Rentals	1,654	159	1,056	1,385	135	980
Repair and maintenance	298	26	100	341	25	82
Utilities, materials, and supplies	307	44	125	270	51	119
Acquisition of machinery and equipment	1,232	60	426	844	236	422
Other subsidies and payments	34	9	18	32	–	9
Total gross budgetary expenditures	93,887	23,617	64,766	93,322	19,339	59,702
Less revenues netted against expenditures:						
Costs recovered						
Members of the Canadian Council of Legislative Auditors (CCOLA)	(660)	(41)	(164)	(660)	(11)	(159)
International audit	(2,000)	(669)	(1,202)	(2,000)	–	(212)
Total cost recovered	(2,660)	(710)	(1,366)	(2,660)	(11)	(371)
Total net budgetary expenditures	91,227	22,907	63,400	90,662	19,328	59,331