

**Office of the Auditor General of Canada  
Quarterly Financial Report  
for the quarter ended 30 September 2020**



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.

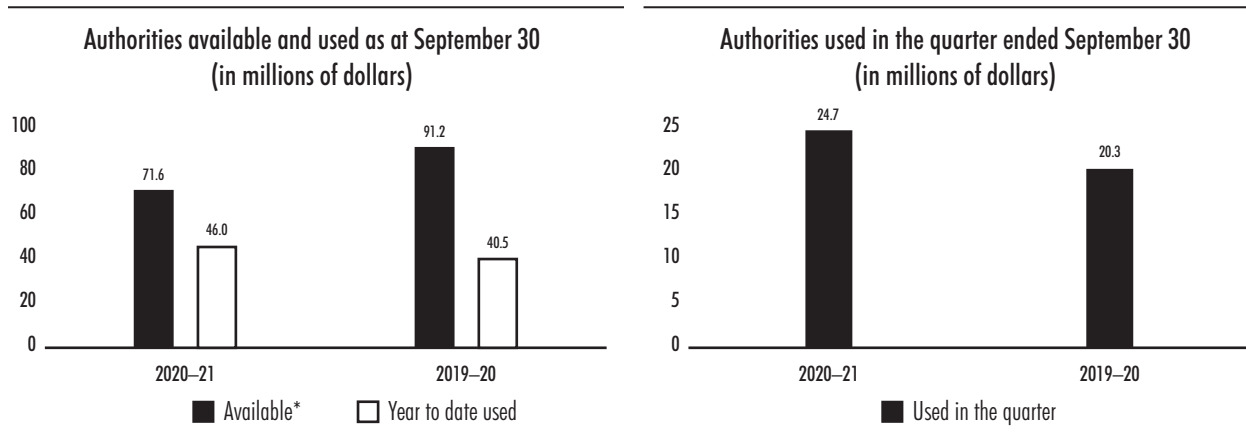
### **Basis of presentation**

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 2020–21 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

In the 2019–20 fiscal year, the full supply of authorities was provided in the first quarter. As a result of the coronavirus disease (COVID-19) pandemic and limited sessions in the spring for Parliament to study supply, the full supply of authorities for the 2020–21 fiscal year is expected to be received in December 2020. This change explains the decrease in authorities available for use at the end of the second quarter compared with last year.

The authorities used increased as a result of the growing workforce and the revised salary structures that were announced in previous quarters.



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

## Risks and uncertainties

The primary risk currently facing the OAG is its limited capacity to deliver on its performance audit mandate. This risk has emerged because of significant underfunding of the OAG in recent years, which resulted in a reduction in the number of audits delivered by the performance audit practice. This risk has been compounded by the stress imposed on the OAG’s operations by the COVID-19 pandemic and by the fact that the House of Commons has requested specific performance audit work, which will require substantial resources to complete.

Another risk that the OAG faces is its capacity to invest in necessary information technology systems and architecture for the audit and corporate services. These investments have been delayed because of insufficient funding of the OAG.

## **Significant changes in operations, personnel, and program**

There were no significant changes in operations, personnel, and program during the second quarter of the 2020–21 fiscal year.

**Approved by:**

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Karen Hogan, CPA, CA  
Auditor General of Canada

Ottawa, Canada  
27 November 2020

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

## Statement of authorities (unaudited)

	Fiscal year 2020–21			Fiscal year 2019–20		
	Total available for use for the year ending 31 March 2021*	Used during the quarter ended 30 September 2020	Year to date used at quarter-end	Total available for use for the year ended 31 March 2020*	Used during the quarter ended 30 September 2019	Year to date used at quarter-end
	<i>(in thousands of dollars)</i>					
Vote 1— Program expenditures	64,402	22,481	41,939	83,731	17,793	36,072
Less revenues netted against program expenditures	(2,660)	(243)	(856)	(2,660)	(23)	(656)
Net Vote 1— Program expenditures	61,742	22,238	41,083	81,071	17,770	35,416
Budgetary statutory authorities	9,822	2,455	4,910	10,154	2,538	5,077
<b>Total budgetary authorities</b>	<b>71,564</b>	<b>24,693</b>	<b>45,993</b>	<b>91,225</b>	<b>20,308</b>	<b>40,493</b>
<b>Non-budgetary authorities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total authorities</b>	<b>71,564</b>	<b>24,693</b>	<b>45,993</b>	<b>91,225</b>	<b>20,308</b>	<b>40,493</b>

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

## Departmental budgetary expenditures by standard object (unaudited)

	Fiscal year 2020–21			Fiscal year 2019–20		
	Planned expenditures for the year ending 31 March 2021	Expended during the quarter ended 30 September 2020	Year to date expended at quarter-end	Planned expenditures for the year ending 31 March 2020	Expended during the quarter ended 30 September 2019	Year to date expended at quarter-end
	<i>(in thousands of dollars)</i>					
<b>Expenditures:</b>						
Personnel	63,092	21,335	40,295	79,505	17,410	35,036
Transportation and communications	3,320	188	311	3,837	947	1,975
Information	591	483	532	651	64	222
Professional and special services	4,677	2,287	4,032	6,367	1,318	2,489
Rentals	1,101	269	1,217	1,654	167	897
Repair and maintenance	171	14	31	298	48	74
Utilities, materials and supplies	182	29	46	307	64	81
Acquisition of machinery and equipment	1,003	316	370	1,232	304	366
Other subsidies and payments	87	15	15	34	9	9
<b>Total gross budgetary expenditures</b>	<b>74,224</b>	<b>24,936</b>	<b>46,849</b>	<b>93,885</b>	<b>20,331</b>	<b>41,149</b>
<b>Less revenues netted against expenditures:</b>						
<b>Costs recovered</b>						
Members of the Canadian Council of Legislative Auditors (CCOLA)	(660)	(19)	(46)	(660)	(23)	(123)
International audits	(2,000)	(224)	(810)	(2,000)	–	(533)
<b>Total cost recovered</b>	<b>(2,660)</b>	<b>(243)</b>	<b>(856)</b>	<b>(2,660)</b>	<b>(23)</b>	<b>(656)</b>
<b>Total net budgetary expenditures</b>	<b>71,564</b>	<b>24,693</b>	<b>45,993</b>	<b>91,225</b>	<b>20,308</b>	<b>40,493</b>