



Directive on Accounting Standards: GC 4400 Guideline: Illustrative Quarterly Financial Report

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Rapport financier trimestriel – Exemple à titre d'illustration

Directive on Accounting Standards: GC 4400 Guideline: Illustrative Quarterly Financial Report

Note to reader

This illustrative example provides a model for quarterly financial reports (QFR), and should be read in conjunction with the [Directive on Accounting Standards, GC 4400 Departmental Quarterly Financial Reports](#) which must be used in order to ensure a consistent presentation and disclosure across all departments. This example also provides guidance on the accompanying statement that outlines the results, risks and significant changes relating to a department's operations, personnel and programs. Since the example cannot consider all circumstances, professional judgement must be used when modifying the package to meet departmental reporting requirements.

A. Introduction

Departmental Chief Financial Officers are to ensure that, at minimum and where applicable, the following elements are included in their QFR:

- A signed statement outlining the:
 - Results,
 - Risks, and
 - Significant changes in operations, personnel and programs.
- Quarterly financial information incorporating:
 - A Statement of Authorities and a table of departmental budgetary expenditures by standard objects including both the quarter and the fiscal year-to-date, and
 - Comparative financial information for the preceding fiscal year for both the quarter and the year-to-date.

B. Illustrative Example

The following heading must appear on each page of the report:

DEPARTMENT'S NAME
Quarterly Financial Report
For the quarter ended *Month DD, 20XX*

Form and Content

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

Introduction

This section indicates that the quarterly financial report:

- should be read in conjunction with the Main Estimates (and as applicable - Supplementary Estimates and previous interim reports for the current year).
- 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.
- has not been subject to an external audit or review.

This section also provides:

- A summary description of the department's program activities. This can be done through a link to the appropriate section of the Main Estimates (Part II).
- A brief description of the basis of presentation as follows:

Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the department's spending authorities granted by Parliament, and those used by the department consistent with the Main Estimates and Supplementary Estimates (as applicable) for the 20XX-20XX 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 money 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.

When Parliament is dissolved for the purposes of a general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

The Department uses the full accrual method of accounting to prepare and present its annual departmental 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 the fiscal quarter and the fiscal year-to-date (YTD) results

This section should provide a concise discussion of the significant events affecting both the quarter and the year-to-date results. Elements to be discussed include, but are not restricted to, the following:

1. Identify and explain significant variances including analysis of significant trends related to increases and/or decreases in actual expenditures and in relation to planned expenditures, compared to the same periods of the preceding fiscal year (quarter and YTD), and including the status of any new significant spending initiatives.
2. Identify and explain significant changes that have occurred, but are not readily apparent from the quantitative analysis, for the quarter ended and the YTD.

Explanations should be provided for each significant variance.

Risks and Uncertainties

This section should include information on any significant financial risks and uncertainties, as well as the potential impact of these risks and uncertainties on the department's financial plan for the current year. A brief outline of the strategies adopted to manage those risks and uncertainties should also be included. The focus should be on newly identified risks and on any changes to previously identified risks.

The department's corporate risk profile may be a good source of information in determining what risks may exist. Examples of factors that may increase the amount of risk include:

- Internal restructuring,
- Human resource challenges and key actions,
- Changing economic, technological, social, or political conditions,
- New or changing policies or government-wide priorities,
- Reliance or dependence on key partners, clients, or stakeholders; and,
- Changes in patterns of demand for goods and services.

Significant changes in relation to operations, personnel and programs

This section should provide information about significant changes which occurred in the department during the current quarter relating to operations, personnel and programs. The potential financial impact of the significant changes should be discussed where applicable.

Approval by Senior Officials

This section provides the approval of Senior Officials, as required by the *Policy on Financial Management* as follows:

Approved by:

Name, Deputy Head
(City where signed, e.g. Ottawa, Canada)
(Date signed)

Name, Chief Financial Officer

Notes:

- If the report is signed by an individual who has been delegated authority in the absence of the Deputy Head or CFO, "Acting" should be indicated in the Position Title.
- The posted web version of the quarterly financial report should not display images of the actual signatures of the Deputy Head and Chief Financial Officer. Instead, the text "Original signed by" should be presented immediately above the names of the Deputy Head and Chief Financial Officer.

Statement of Authorities (*unaudited*)

Fiscal year 20XX-20XX (in thousands of dollars)

	Total available for use for the year ending March 31, 20XX ¹	Used during the quarter ended Month DD, 20XX	Year-to-date used at quarter-end
Vote X ² - Net Operating expenditures			
Vote Y- Capital expenditures			
Vote Z - Grants and contributions			
Budgetary statutory authority #1			
Budgetary statutory authority #2			
Total Budgetary authorities			
Non-budgetary authorities			
Total authorities			

More information is available in the attached table.

¹ Includes only Authorities available for use and granted by Parliament at quarter-end.

² Departments should substitute the vote numbers and title by the appropriate ones.

Fiscal year 20XX-20XX (in thousands of dollars)

	Total available for use for the year ending March 31, 20XX ¹	Used during the quarter ended Month DD, 20XX	Year-to-date used at quarter-end
Vote X ² - Net Operating expenditures			
Vote Y- Capital expenditures			
Vote Z - Grants and contributions			
Budgetary statutory authority #1			
Budgetary statutory authority #2			
Total Budgetary authorities			

Non-budgetary authorities			
Total authorities			

More information is available in the attached table.

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

2 Departments should substitute the vote numbers and title by the appropriate ones.

Note to preparers: Summary information contained in this statement should be similar in nature to the information included in the Source and Disposition of Authorities in the Volume II of the Public Accounts (Public Accounts Instructions - Form A).

Departmental budgetary expenditures by Standard Object *(unaudited)*

Fiscal year 20XX-20XX (in thousands of dollars)

	Planned expenditures for the year ending March 31, 20XX	Expended during the quarter ended Month DD, 20XX	Year-to-date used at quarter-end
Expenditures:			
Personnel			
Transportation and communications			
Information			
Professional and special services			
Rentals			
Repair and maintenance			
Utilities, materials and supplies			
Acquisition of land, buildings and works			
Acquisition of machinery and equipment			
Transfer payments			
Public debt charges			
Other subsidies and payments			
Total gross budgetary expenditures			
Less Revenues netted against expenditures:			

Revenues type 1			
Revenues type 2			
Total Revenues netted against expenditures:			
Total net budgetary expenditures			

Departmental budgetary expenditures by Standard Object *(unaudited)* (continued)

Fiscal year 20XX-20XX (in thousands of dollars)

	Planned expenditures for the year ending March 31, 20XX	Expended during the quarter ended <i>Month DD, 20XX</i>	Year-to-date used at quarter-end
Expenditures:			
Personnel			
Transportation and communications			
Information			
Professional and special services			
Rentals			
Repair and maintenance			
Utilities, materials and supplies			
Acquisition of land, buildings and works			
Acquisition of machinery and equipment			
Transfer payments			
Public debt charges			
Other subsidies and payments			
Total gross budgetary expenditures			
Less Revenues netted against expenditures:			
Revenues type 1			
Revenues type 2			
Total Revenues netted against expenditures:			
Total net budgetary			

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