



Quarterly Financial Report

2011-2012

Office of the Secretary to the Governor General

For the quarter ended September 30, 2011



**Quarterly Financial Report
for the quarter ended September 30, 2011.**

**Statement Outlining Results, Risks and Significant Changes in Operations,
Personnel and Program**

A) Introduction

Raison d'être of the Office of the Secretary to the Governor General

The Office of the Secretary to the Governor General (OSGG) provides support and advice to the governor general of Canada in his/her unique role as the representative of The Queen in Canada as well as commander-in-chief. The OSGG assists the governor general in carrying out constitutional responsibilities, in representing Canada at home and abroad, in bringing Canadians together, and in granting armorial bearings. The OSGG also supports the governor general in encouraging excellence through the administration of the Canadian Honours System, and by organizing the presentations of national honours, decorations, medals and awards. The OSGG manages a visitor services program at both of the governor general's official residences and oversees the day to day operations of these residences. The OSGG also provides support to former governors general, including pensions to former governors general and their spouses.

Further information on the mandate, roles, responsibilities and programs of the OSGG can be found on the following website: [2011-12 Main Estimates](#)

This quarterly financial report:

- should be read in conjunction with the *2011-2012 Main Estimates*;
- has been prepared by OSGG management as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board; and
- has not been subject to an external audit or review.



Quarterly Financial Report for the quarter ended September 30, 2011.

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* for the 2011-2012 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 moneys 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 OSGG uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the *OSGG Annual Report*. However, the spending authorities voted by Parliament remain on an expenditure basis.

B) Highlights of Fiscal Quarter and Fiscal Year to Date (YTD) Results

On September 30, 2011, the total available budgetary authorities decreased by \$272,000 compared to the second quarter of 2010-2011. This decrease is attributable to the decrease in Vote 1 – operating budget (\$304,000). The decrease is offset by an increase in the budgetary statutory authorities (\$32,000).

As reflected in the Statement of Authorities, the decrease in operating budget (\$304,000) is mainly due to a timing difference in the approval of the payroll requirements – TB Vote 30 (\$179,000). The decrease is also the results of reductions in the personnel budget (\$77,000), operating costs (\$12,000) and variance of the TB Votes 15 and 25 (\$36,000).

The quarterly and year-to-date spending for the current fiscal year differ from those of the previous year. The variance in expenditures between the two fiscal years is due to the increase



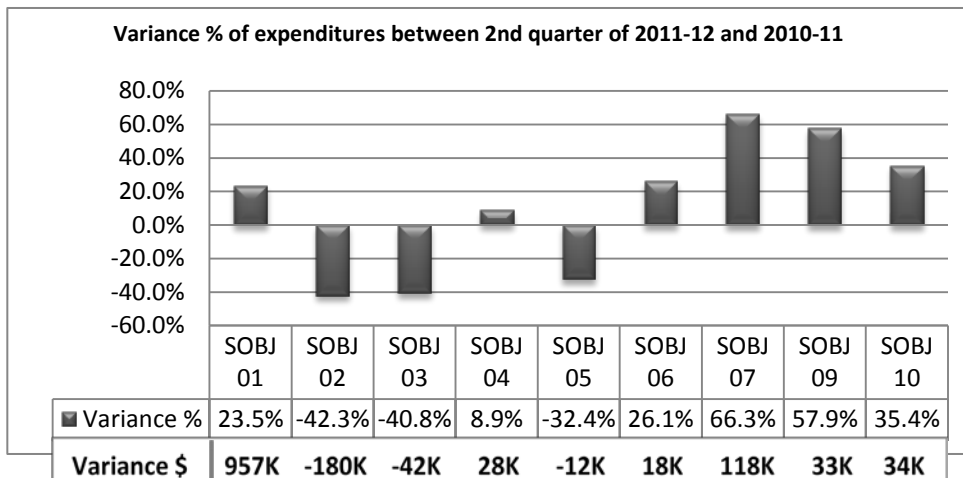
**Quarterly Financial Report
for the quarter ended September 30, 2011.**

in personnel expenditures of \$957,000 or 23.5%. This increase is explained by immediate settlement of severance benefits following the ratification of the collective agreement between Treasury Board and the Public Service Alliance of Canada.

The decrease of \$180,000 or 42.3% of transportation and communications spending in 2011-2012 is mainly due to the decrease in travel expenditures (\$165,000). For the ceremonies of honorary distinctions, the OSGG disburses and recovers the expenditures for the travelling of recipients in Ottawa. In 2011-12, the recovery of \$56,000 for a ceremony which took place in June 2011 was done in the second quarter. A ceremony was also held at the end of the first quarter of 2010-11 and spending of \$58,000 was recorded in the second quarter. The remaining portion of the travel costs (\$51,000) incurred in the second quarter of 2010-11 is due to the transition of governors general. Before her departure, the incumbent governor general, the Right Honourable Michaëlle Jean, travelled across Canada on her farewell tour before the installation of the designated successor, the Right Honourable David Johnston.

During the second quarter of 2011-12, the spending on utilities, materials and supplies increased by \$118,000, or 66.3%, compared to the same period in 2010-11. This increase results mainly from miscellaneous transition costs (\$100,000) to support the beginning of a new mandate for the designated governor general. In 2011-12, an additional cost of \$53,000 was incurred for the renewal of the medals stock. This increase is offset by a decrease of \$35,000 for the purchases of office supplies and of official gifts.

The following chart shows the variance in spending by standard objects between the second quarter of 2011-12 and 2010-11.





Quarterly Financial Report for the quarter ended September 30, 2011.

C) Risks and Uncertainties

This Departmental Quarterly Financial Report (QFR) reflects the results of the current fiscal year as per the Main Estimates for which the full supply was released on June 27, 2011.

Budget 2010 announced that the operating budgets of departments would be frozen at their 2010-11 levels for the fiscal years 2011-12 and 2012-13. The OSGG's most significant expenditure is personnel, including employee benefits, which represented 79.8% of the OSGG 2010-11 total budget.

As departments must now absorb salary increases for their employees, the OSGG had to find efficiencies within its operating vote to fund these increases. The OSGG was able to accommodate the reduction in funding in 2010-2011 without significantly affecting its operations.

During this fiscal year, the OSGG will use its operating funding to cover the wage increases. Senior management is reviewing various options to address the funding constraints for the current year and 2012-13 fiscal year.

D) Significant Changes in Relation to Operations, Personnel and Programs

Significant changes during the previous fiscal year

October 1, 2010 – Swearing-in of His Excellency the Right Honourable David Johnston, Governor General of Canada.

February 1, 2011 – Nomination of Mr. Stephen Wallace, Secretary to the Governor General.

Significant changes during the second quarter of 2011-12

July 4, 2011 – Nomination of Mr. Fady Abdul-Nour, Director General of Corporate Services and Chief Financial Officer (CFO).

September 16, 2011 – Nomination of Madame Patricia Jatton, Deputy Secretary of Policy, Program and Protocol.

There has been no significant change in operations and in programs over the last year.



OFFICE OF THE SECRETARY TO THE GOVERNOR GENERAL
BUREAU DU SECRÉTAIRE DU GOUVERNEUR GÉNÉRAL

**Quarterly Financial Report
for the quarter ended September 30, 2011.**

Approval by Senior Officials

Approved by:

Mr. Stephen Wallace
Secretary to the Governor General

Mr. Fady Abdul-Nour P. Eng.
Director General of Corporate Services and
Chief Financial Officer

Ottawa, Canada
November 29, 2011

Office of the Secretary to the Governor General - Statement of Authorities



Quarterly Financial Report (*unaudited*)
For the Quarter ended September 30, 2011

<i>(in thousands of dollars)</i>	Fiscal Year 2011-12			Fiscal Year 2010-11		
	Total available for use for the year ending March 31, 2012	Used during the quarter ended September 30, 2011	Year to date used at quarter-end	Total available for use for the year ending March 31, 2011	Used during the quarter ended September 30, 2010	Year to date used at quarter-end
Vote 1						
Personnel	11,969	4,457	7,649	12,046	3,522	6,611
Operating costs	5,035	1,148	1,777	5,047	1,185	1,779
Compensation adjustments - TB Vote 15				20		
Operating Budget Carry forward - TB Vote 25	807			823		
Playlist requirements - TB Vote 30				179		
Total Operating Budget	17,811	5,605	9,426	18,115	4,707	8,390
Grants & Contributions	11			11		
Total Vote 1	17,822	5,605	9,426	18,126	4,707	8,390
Budgetary statutory authorities						
Contributions to employee benefit plans	2,154	538	1,077	2,196	517	1,035
Salary of the Governor General	135	33	67	131	32	65
Annuities payable under the <i>Governor General's Act</i>	520	130	260	450	96	192
Total Budgetary authorities	20,631	6,306	10,830	20,903	5,352	9,682

Note : Includes only authorities available for use and granted by Parliament at quarter-end

Office of the Secretary to the Governor General - Budgetary Expenditures by Standard Object



Quarterly Financial Report (*unaudited*)
For the Quarter ended September 30, 2011

<i>(in thousands of dollars)</i>	Fiscal Year 2011-12			Fiscal Year 2010-11		
	Planned expenditures for the year ending March 31, 2012	Expended during the quarter ended September 30, 2011	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2011	Expended during the quarter ended September 30, 2010	Year to date used at quarter-end
Expenditures						
Personnel (01)	14,671	5,029	8,794	14,993	4,072	7,710
Transportation & communications (02)	1,934	246	529	1,284	426	630
Information (03)	680	61	77	328	103	138
Professional & special services (04)	1,407	342	505	2,069	314	493
Rentals (05)	151	25	38	151	37	53
Purchased repair & maintenance (06)	201	87	131	151	69	88
Utilities, materials & supplies (07)	796	296	402	1,153	178	302
Acquisition of machinery & equipment (09)	260	90	94	313	57	76
Transfer payments (10)	531	130	260	461	96	192
Total Budgetary Expenditures	20,631	6,306	10,830	20,903	5,352	9,682

Note: Total may not add and may not agree with the Statement of authorities due to rounding