



Quarterly Financial Report

2011-2012

Office of the Secretary to the Governor General

For the quarter ended December 31, 2011



**Quarterly Financial Report
for the quarter ended December 31, 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: [2011-2012 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.

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.



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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

This section highlights the significant items which contributed to the changes to resources available for the year and actual expenditures for the quarter ended December 31, 2011 and fiscal year to date.

Statement of Authorities

On December 31, 2011, the total available budgetary authorities increased by \$1,361,000 compared to the third quarter of 2010-2011. This increase is attributable to the increase in Vote 1 – operating budget (\$1,329,000) and the budgetary statutory authorities (\$32,000).

As reflected in the Statement of Authorities, the increase in operating budget (\$1,329,000) is mainly due to the increase of the payroll requirements – TB Vote 30 (\$1,450,000) approved by Treasury Board Secretariat to offset the immediate severance pay settlement which occurred in the previous quarter. This increase is also offset by a decrease in the personnel budget (\$77,000), operating costs (\$12,000) and variance of the TB Votes 15 and 25 (\$32,000).

Departmental Budgetary Expenditures by Standard Object

The quarterly and cumulative expenditures for the current fiscal year are very similar to those of the preceding exercise, except for the increase in cumulative personnel costs which is explained by the settlement described above.



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In addition, there is an increase of \$113,000 in machinery and equipment in the third quarter which is explained by the renewal of Microsoft Office support licenses (\$98,000). This expenditure was incurred in December 2011 and was reversed in the month of January 2012 (period 10) to be reflected under purchased repair & maintenance.

C) Risks and Uncertainties

This Departmental Quarterly Financial Report 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 2010-2011 levels for the fiscal years 2011-2012 and 2012-2013. As departments must 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 fiscal year 2012-2013.

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

No significant changes related to operations, personnel and programs having an impact on financial reporting occurred during the quarter ended December 31, 2011.

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
February 29, 2012

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



Quarterly Financial Report (*unaudited*)
For the Quarter ended December 31, 2011

<i>(in thousands of dollars)</i>	Fiscal Year 2011-2012			Fiscal Year 2010-2011		
	Total available for use for the year ending March 31, 2012	Used during the quarter ended December 31, 2011	Year to date used at quarter-end	Total available for use for the year ending March 31, 2011	Used during the quarter ended December 31, 2010	Year to date used at quarter-end
Vote 1						
Personnel	11,969	3,354	11,003	12,046	3,370	9,981
Operating costs	5,035	1,189	2,966	5,047	1,056	2,835
Compensation adjustments - TB Vote 15	4			20		
Operating Budget Carry forward - TB Vote 25	807			823		
Playlist requirements - TB Vote 30	1,629			179		
Total Operating Budget	19,444	4,543	13,969	18,115	4,426	12,816
Grants & Contributions	11			11		
Total Vote 1	19,455	4,543	13,969	18,126	4,426	12,816
Budgetary statutory authorities						
Contributions to employee benefit plans	2,154	539	1,616	2,196	517	1,552
Salary of the Governor General	135	33	100	131	32	97
Annuities payable under the <i>Governor General's Act</i>	520	130	390	450	128	320
Total Budgetary authorities	22,264	5,245	16,075	20,903	5,103	14,785

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



Quarterly Financial Report (*unaudited*)
For the Quarter ended December 31, 2011

<i>(in thousands of dollars)</i>	Fiscal Year 2011-2012			Fiscal Year 2010-2011		
	Planned expenditures for the year ending March 31, 2012	Expended during the quarter ended December 31, 2011	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2011	Expended during the quarter ended December 31, 2010	Year to date used at quarter-end
Expenditures						
Personnel (01)	16,304	3,926	12,720	14,993	3,919	11,629
Transportation & communications (02)	1,934	439	968	1,284	397	1,027
Information (03)	680	44	121	328	72	210
Professional & special services (04)	1,407	332	837	2,069	323	816
Rentals (05)	151	29	67	151	42	95
Purchased repair & maintenance (06)	201	18	149	151	25	113
Utilities, materials & supplies (07)	796	177	579	1,153	160	462
Acquisition of machinery & equipment (09)	260	150	244	313	37	113
Transfer payments (10)	531	130	390	461	128	320
Total Budgetary Expenditures	22,264	5,245	16,075	20,903	5,103	14,785