



Quarterly Financial Reports

2012-2013

Office of the Secretary to the Governor General

For the quarter ended June 30, 2012



**Quarterly Financial Report
for the Quarter ended June 30, 2012**

**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 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 the commander-in-chief. The Office 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. It 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 Office manages a visitor services program at both of the governor general's official residences and oversees the day-to-day operations of these residences. It 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 Office can be found on the following website: [2012-2013 - Main Estimates](#).

This quarterly financial report:

- should be read in conjunction with the 2012-2013 *Main Estimates*;
- 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
- 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 2012-2013 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 Office uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the *Office 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

Statement of Authorities

As of June 30, 2012, the total available budgetary authorities decreased by \$848,000 compared to the first quarter of 2011-2012. This decrease is attributable to the decrease in vote 1 – operating budget (\$806,000) and budgetary statutory authorities (\$42,000).

As reflected in the Statement of Authorities, the decrease in operating budget (\$806,000) is mainly due to a timing difference in the approval of the operating budget carry forward (\$807,000) in 2011-2012. The budget carry-forward in 2012-2013 will be approved in the second quarter of the current fiscal year.

The decrease in the budgetary statutory authorities (\$42,000) is primarily explained by a decrease in the funding provided for the contributions to the employee benefits plans (\$45,000).

Budgetary Expenditures by Standard Object

The quarterly and year-to-date spending for the current fiscal year are in line with those of the previous year. The variance in expenditures of \$222,000 or 4.7% between the two fiscal years is mainly due to the increases in transportation and communications expenditures and in professional and special services.

The increase of \$105,000 or 37.2% of transportation and communications expenditures in 2012-2013 is due to travel expenditures incurred for State visits abroad (\$79,000).



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These travel expenditures were recovered from the Department of Foreign Affairs and International Trade Canada (DFAIT); however, the transfer occurred in the second quarter. Finally, the postage machine was replenished in the amount of \$20,000 in June 2012 as opposed to the second quarter last year.

During the first quarter of 2012-2013, the professional and special services expenditures increased by \$135,000, or 82.3%, compared to the same period in 2011-2012. This increase is the result of consulting services acquired for special projects and temporary help due to losses in personnel (\$108,000). And finally, the expenditures incurred for translation services increased by \$27,000 of which approximately \$7,000 will be recovered from DFAIT during the second quarter.

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 full supply was released on June 29, 2012.

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. The Office's most significant expenditure is personnel including employee benefits.

As departments must pay for the salary increases to employees, the Office had to find efficiencies within its operating vote to fund these increases. The Office was able to accommodate the reduction in funding in the past two fiscal years without significantly affecting its operations. This was done through the establishment and implementation of an organizational-wide human resources plan. The objectives were to align staffing processes with the priorities of the organization and to implement strategies for improving operational efficiencies and value for money.



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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 June 30, 2012.

Approval by Senior Officials

Mr. Stephen Wallace
Secretary to the Governor General

Mr. Fady Abdul-Nour P. Eng.
Chief Financial Officer

Ottawa, Canada
August 29, 2012

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



Quarterly Financial Report (*unaudited*)
For the Quarter ended June 30, 2012

<i>(in thousands of dollars)</i>	Fiscal Year 2012-13			Fiscal Year 2011-12		
	Total available for use for the year ending March 31, 2013	Used during the quarter ended June 30, 2012	Year to date used at quarter-end	Total available for use for the year ending March 31, 2012	Used during the quarter ended June 30, 2011	Year to date used at quarter-end
Vote 1						
Personnel	11,983	3,113	3,113	11,969	3,193	3,193
Operating costs	5,033	939	939	5,035	629	629
Operating Budget Carry forward - TB				807		
Vote 25						
Total Operating Budget	17,016	4,052	4,052	17,811	3,822	3,822
Grants & Contributions				11		
Total Vote 1	17,016	4,052	4,052	17,822	3,822	3,822
Budgetary statutory authorities						
Contributions to employee benefit plans	2,109	527	527	2,154	539	539
Salary of the Governor General	138	34	34	135	33	33
Annuities payable under the <i>Governor General's Act</i>	520	133	133	520	130	130
Total Budgetary authorities	19,783	4,746	4,746	20,631	4,524	4,524

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 June 30, 2012

	Fiscal Year 2012-13			Fiscal Year 2011-12		
<i>(in thousands of dollars)</i>	Planned expenditures for the year ending March 31, 2013	Expended during the quarter ended June 30, 2012	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2012	Expended during the quarter ended June 30, 2011	Year to date used at quarter-end
Expenditures						
Personnel (01)	14,230	3,674	3,674	14,671	3,765	3,765
Transportation & communications (02)	1,208	387	387	1,934	282	282
Information (03)	352	29	29	680	16	16
Professional & special services (04)	1,460	299	299	1,407	164	164
Rentals (05)	201	20	20	150	13	13
Purchased repair & maintenance (06)	201	2	2	201	45	45
Utilities, materials & supplies (07)	1,158	141	141	796	106	106
Acquisition of machinery & equipment (09)	453	61	61	261	3	3
Transfer payments (10)	520	133	133	531	130	130
Total Budgetary Expenditures	19,783	4,746	4,746	20,631	4,524	4,524