



Quarterly Financial Reports

2012-2013

Office of the Secretary to the Governor General

For the quarter ended September 30, 2012



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

Quarterly Financial Report for the Quarter ended September 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 and Canada's Economic Action Plan 2012 (Budget 2012)*;
- 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 Main Estimates or through legislation in the form of statutory spending authority for specific purposes.

As part of the Parliamentary business of supply, the Main Estimates must be tabled in Parliament on or before March 1 preceding the new fiscal year. Budget 2012 was tabled in Parliament on March 29, after the tabling of the Main Estimates on February 28, 2012. As a result the measures announced in the Budget 2012 could not be reflected in the 2012-2013 Main Estimates.

In fiscal year 2012-2013, frozen allotments will be established by Treasury Board authority in departmental votes to prohibit the spending of funds already identified as savings measures in Budget 2012. In future years, the changes to departmental authorities will be implemented through the Annual Reference Level Update, as approved by Treasury Board, and reflected in the subsequent Main Estimates tabled in Parliament.

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 September 30, 2012, there is no significant change from the total available budgetary authorities compared to the second quarter of 2011-2012.

Budgetary Expenditures by Standard Object

The year-to-date spending for the current fiscal year is lower than the previous year. The decrease in expenditures of \$707,000 or 7% between the two fiscal years is mainly due to decreases in personnel and purchased repairs and maintenance.

The decrease in personnel costs (\$878,000) is associated to special payments of severance benefits in the previous year following the ratification of new collective agreements for employees.



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The decrease in purchased repairs and maintenance (\$126,000) is explained by a change in the 2012-2013 government-wide coding structure where expenditures related to informatics were transferred from this category to rentals.

As for quarterly spending, the decrease of \$112,000 or 46% of transportation and communications expenditures in 2012-2013 is mainly due to recoveries received in this quarter of travel expenditures incurred for State visits abroad (\$100,000) that took place in the previous quarter. That situation did not occur in 2011-2012. There was also a decrease of postage expenditures (\$12,000) from last year as the replenishment of the postal machine occurred in the first quarter of this year as opposed to the second quarter in 2011-2012.

Finally, during the same period, the utilities, materials and supplies expenditures decreased by \$138,000, or 47%, compared to the same period in 2011-2012. This decrease is the result of a lower amount of purchases related to food preparations, uniforms and clothing and printed matter.

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 and the addition of the Operating Budget Carry Forward which was approved on September 24, 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) Budget 2012 Implementation

This section provides an overview of the savings measures announced in Budget 2012 that will be implemented in order to refocus government and programs; make it easier for Canadians and business to deal with their government; and, modernize and reduce the back office.

Although the Office was not directly affected by Budget 2012 measures, it will continue to seek innovative, cost efficient ways of addressing risks. The Office will also continue to look for opportunities to work in collaboration with other Government of Canada organizations to achieve efficiencies to deliver on its business goals. With these changes the Office will continue to contribute to the effective management of human resources to the benefit of federal public service departments and agencies, managers, employees and Canadians at large.

E) 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 September 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
November 29, 2012

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



Quarterly Financial Report (*unaudited*)
For the Quarter ended September 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 September 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 September 30, 2011	Year to date used at quarter-end
Vote 1						
Personnel	11,983	3,680	6,793	11,969	4,457	7,649
Operating costs	5,033	1,003	1,942	5,035	1,148	1,777
Operating Budget Carry forward - TB Vote 25	851			807		
Total Operating Budget	17,867	4,683	8,735	17,811	5,605	9,426
Grants & Contributions				11		
Total Vote 1	17,867	4,683	8,735	17,822	5,605	9,426
Budgetary statutory authorities						
Contributions to employee benefit plans	2,109	527	1,054	2,154	538	1,077
Salary of the Governor General	138	34	68	135	33	67
Annuities payable under the <i>Governor General's Act</i>	520	133	266	520	130	260
Total Budgetary authorities	20,634	5,377	10,123	20,631	6,306	10,830

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, 2012

<i>(in thousands of dollars)</i>	Fiscal Year 2012-13			Fiscal Year 2011-12		
	Planned expenditures for the year ending March 31, 2013	Expended during the quarter ended September 30, 2012	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2012	Expended during the quarter ended September 30, 2011	Year to date used at quarter-end
Expenditures						
Personnel (01)	14,706	4,241	7,915	14,671	5,029	8,794
Transportation & communications (02)	1,069	134	521	1,934	246	529
Information (03)	392	103	132	680	61	77
Professional & special services (04)	1,904	404	703	1,407	342	505
Rentals (05)	489	102	122	151	25	38
Purchased repair & maintenance (06)	10	3	5	201	87	131
Utilities, materials & supplies (07)	898	162	303	796	296	402
Acquisition of machinery & equipment (09)	629	95	156	260	90	94
Transfer payments (10)	537	133	266	531	130	260
Total Budgetary Expenditures	20,634	5,377	10,123	20,631	6,306	10,830