



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

# **2021–22**

# **Departmental Results Report**

Original signed by

**Karen Hogan, FCPA, FCA**  
Auditor General of Canada

Original signed by

**The Honourable Chrystia Freeland, P.C., M.P.**  
Minister of Finance

© His Majesty the King in Right of Canada, as represented by the Auditor General of Canada, 2022.

Cat. No. FA1-25E-PDF  
ISSN 2561-0945

# Table of contents

<b>Message from the Auditor General of Canada</b> .....	<b>1</b>
<b>Results at a glance</b> .....	<b>3</b>
<b>Results: What we achieved</b> .....	<b>5</b>
Our core responsibility: Legislative auditing .....	5
Our current results: Audit operations .....	5
Corporate initiatives.....	7
Results achieved .....	10
<b>Resources used</b> .....	<b>13</b>
Parliamentary authorities provided and used.....	13
Human resources.....	14
Expenditures by vote .....	15
Government of Canada spending and activities .....	15
<b>Financial statements</b> .....	<b>17</b>
<b>Additional information</b> .....	<b>45</b>
Organizational profile .....	45
Raison d'être, mandate, and role: Who we are and what we do.....	45
Operating context.....	45
Reporting framework.....	46
Supporting information on the program inventory.....	46
Supplementary information.....	46
Report on staffing .....	47
List of reports .....	50
Organizational contact information.....	51
<b>Appendix: Definitions</b> .....	<b>53</b>
<b>Endnotes</b> .....	<b>57</b>



## Message from the Auditor General of Canada

I am pleased to present the 2021–22 Departmental Results Report for the Office of the Auditor General of Canada (OAG), the second of my mandate. Eighteen months ago, when I laid out my vision for the 2021–22 fiscal year in our Departmental Plan, I spoke of shaping our “new normal.” At the time, none of us could imagine how the coronavirus disease (COVID-19) pandemic would continue to affect our lives and the way that we work. With time, things are slowly becoming clearer.

We are using the ongoing change that is happening around us as an opportunity to review and renew the foundations of our work: our office space, our processes, and our relationships. Throughout the 2021–22 fiscal year, working from home remained the reality for the majority of our staff. However, we started planning for the workplace of the future to support the hybrid model we want to use going forward. We converted some of our office space into a hotelling format with the goal of welcoming our increasing staff complement back to all our workplaces in 2023. We are also working with central agencies to remodel our office space to reduce our carbon footprint and to create a more collaborative work environment.

At the same time, we have begun identifying the changes that need to happen in our audit practices and our services to enhance our relevance to key stakeholders. These changes will be supported by our digital transformation initiative, which will not only enable efficiencies through revised business processes and digital solutions but also modernize our aging information technology (IT) systems.

The 2021–22 fiscal year ended with a prolonged labour dispute with members of the OAG’s Audit Services Group—the first labour dispute in the OAG’s history. It affected all areas of our organization, and for many, it evoked strong emotions. Although an agreement was reached on 1 April 2022, it will take time to mend relationships, restore trust, and rebuild our service capacity. We have launched a revitalization initiative, rooted in dialogue and listening, to influence our culture and to support one another as we build a more inclusive and collaborative work environment.

Ongoing COVID-19 health and safety restrictions and the labour dispute significantly affected our operations. Delays occurred in releasing audit reports, hiring, contracting, and advancing our digital transformation—all contributing to not spending our full 2021–22 parliamentary authorities. In addition to funds eligible to be carried forward to the next fiscal year, we have taken the steps to request that these unspent funds also be available in future years to support projects related to the modernization of aging IT systems and our digital transformation.



Karen Hogan, FCPA, FCA  
Auditor General of Canada

The OAG, like so many other government and non-government organizations, has seen an unprecedented level of change over the past 2 years, and more change is ahead. Despite these challenging times, our people continue to be resilient, dedicated, and professional. I thank each and every one of them for their support and collaboration as we work to achieve our shared vision.

Original signed by

Karen Hogan, FCPA, FCA  
Auditor General of Canada  
6 October 2022

## Results at a glance

In the 2021–22 fiscal year, the Office of the Auditor General of Canada used \$111.4 million of parliamentary authorities and had 727 full-time-equivalent employees.

With these resources, we completed the following:



90 financial audits of the federal government, territorial governments, and Crown corporations



12 performance audits of government activities and programs (10 federal and 2 territorial)



3 special examinations of Crown corporations



a review of departmental progress in implementing sustainable development strategies



our annual report on environmental petitions



our annual commentary on our financial audit work



a dashboard of selected departments' and agencies' performance in areas previously audited



a report on lessons learned from Canada's record on climate change





## Results: What we achieved

### Our core responsibility: Legislative auditing

**Description:** Our audit reports provide objective, fact-based information and expert advice on government programs and activities. With our audits, we assist Parliament in its work on the authorization and oversight of government spending and operations. Our audits are also used by territorial legislatures, boards of Crown corporations, and audit committees to help them oversee the management of government activities and hold them to account for the handling of public funds. Financial audits assess whether the annual financial statements of the Government of Canada, Crown corporations, and others are presented fairly, consistent with applicable accounting standards. Performance audits assess whether government organizations manage with due regard for economy, efficiency, and environmental impact, and measure their effectiveness. Special examinations assess whether Crown corporation systems and practices provide reasonable assurance that assets are safeguarded, resources are managed economically and efficiently, and operations are managed effectively.

### Our current results: Audit operations

Our role in supporting a well-managed and accountable government is to deliver high-quality work in a timely manner to our stakeholders. This information enables them to better inform their decision making and to fulfill their oversight responsibilities. Therefore, we track the timeliness of our completed audits. In the 2021–22 fiscal year, we met our internal targets for audit reporting, generating 98% of our statutory audit reports on time and 87% of audit reports without statutory deadlines in line with our planned reporting dates.

#### Financial audits

The Office of the Auditor General of Canada (OAG) conducts financial audits and related work across various jurisdictions every year, including

- the federal government’s consolidated financial statements, the results of which are published annually in the Public Accounts of Canada
- the consolidated financial statements of the governments of Nunavut, Yukon, and the Northwest Territories, which are each published annually in the public accounts of each of the territories
- the financial statements of most Crown corporations and territorial corporations and many other federal organizations

In the 2021–22 fiscal year, we completed 90 financial audits.

The objective of our financial audits is to provide opinions on the fair presentation of an entity’s financial statements and on the entity’s compliance with legislative authorities. An unmodified audit opinion indicates that in all material respects, the entity has demonstrated compliance with both the accounting standards and the legislative authorities applicable to its financial transactions. While

control over this rests with the entities, we support and encourage their adoption of accounting standards by working with them to identify opportunities for continuous improvement in their systems of financial reporting and internal control. With this in mind, our target for financial audit reports to be issued with an unmodified opinion is 100%.

Ninety-six percent of our financial audit opinions were issued on an unmodified basis. Three of the 4 modified audit opinions related to our inability to observe physical inventory counts because of pandemic-related travel restrictions. The fourth instance related to the entity's non-compliance with authorities for disbursements for medical-related travel that were made without the required authorizations.

## **Performance audits**

We presented 12 performance audit reports in the 2021–22 fiscal year: 10 to the Parliament of Canada, 1 to the Yukon legislative assembly, and 1 to the Nunavut legislative assembly. These reports appear in the “List of reports” section of this report. The prolonged labour dispute that we experienced at the end of the 2021–22 fiscal year delayed the performance audit reports that were intended to be tabled in March 2022. Those reports were delivered in May 2022 and therefore are not included in this report.

One of the ways in which we assess the impact of our performance audit work is through the level of parliamentary engagement with our reports. Parliamentary committees reviewed 80% of the reports that we presented to Parliament in the 2021–22 fiscal year, up from 61% in the prior year. The House of Commons Standing Committee on Public Accounts, the primary user of our work, reviewed 100% of the Auditor General's audit reports referred to it and 2 audit reports of the Commissioner of the Environment and Sustainable Development.

The 2021–22 fiscal year also marked the introduction of our Update on Past Audits tool. This [dashboard](#), available on the OAG's website,<sup>1</sup> provides an updated snapshot of selected departments' and agencies' progress in areas we previously audited. The departments and agencies provided us with updated data, and when possible, we reapplied the audit procedures used in our original audit work to assess progress. The result is a searchable tool that reports on the extent to which improvements have been made.

## **Special examinations**

Special examinations are a type of performance audit that focuses on the operations of parent federal Crown corporations. These audits examine whether a corporation's systems and practices provide reasonable assurance that its assets are safeguarded, its resources are managed economically and efficiently, and its operations are carried out effectively. Our target is for 100% of the corporations we audit to have no significant deficiencies identified, and for the significant deficiencies that are identified to be corrected by the time the next special examination is conducted. Although the entities control the outcome of this indicator, our target is based on our expectation that the work we do will promote effective management and governance practices.

For the 2021–22 fiscal year, we reported the special examination results of 3 Crown corporations: Farm Credit Canada, the Federal Bridge Corporation, and the Public Sector Pension Investment Board. No significant deficiencies were identified for the period under review in these special examinations.

## Corporate initiatives

As outlined in our 2021–22 Departmental Plan, our vision and mission guide us in shaping our culture while emphasizing 3 key principles: caring for our people, modernization, and building connections with our stakeholders. In the 2021–22 fiscal year, we advanced the following corporate initiatives in support of these principles.

### OAG FLEX

Valuable lessons about remote working have been learned throughout the COVID-19 pandemic, and OAG FLEX was conceived to leverage our experiences and integrate these lessons into the design of our workplace of the future (Exhibit 1). The first of FLEX’s 3 phases (“Adapted workplace”) was launched in May 2021, followed by a survey to gather information on the perceptions that employees have about their work.

In July 2021, the first elements of our new hybrid-working policy were announced. Although the ongoing pandemic continues to affect the policy’s start date, once the policy is implemented, employees will be asked to be on site for a minimum of 37.5 hours a month. OAG FLEX’s first phase (“Adapted workplace”) was successfully completed in November 2021, with the opening of 50 hotelling spaces in our Ottawa office and the reopening of regional offices (subject to local health regulations) at reduced occupancy.

The opening of our offices marked the beginning of the second phase (“Exploration”): the exploration of new ways of working. Through the remainder of the year, we continued the adaptation of our office space and began discussions with Public Services and Procurement Canada to explore office-space options for the future.

Exhibit 1—OAG FLEX project overview



## **Modernization**

In the 2021–22 fiscal year, we advanced our workplace modernization project. We provided employees with the necessary equipment and procedures to work from home, reconfigured existing office space, and implemented a hotelling space-booking tool.

In addition, supported by office-wide consultations, our digital transformation initiative identified modernization opportunities and changes needed to maintain and enhance our relevance with key stakeholders. For example, the implementation of our newly developed data strategy will further our data literacy skills and improve the way we collect, manage, and use data to provide insights for both audit operations and support services.

Our modernization work also included hiring additional IT resources, decommissioning high-risk legacy software and hardware to continue to improve our IT security environment, and deploying a new service-delivery system.

## **OAG talent management**

In the 2021–22 fiscal year, we completed an independent evaluation of our talent management program. Grounded in our existing growth mindset, we began implementing recommended improvements to the program, including developing the additional leadership and accountability skills required in a hybrid work environment influenced by external factors. This enhanced program will support the people management shift that is required across the organization to achieve our strategic objectives.

The key enhancements to the talent management program consist of a succession-planning process and a leadership blueprint. These enhancements align with our 3 key principles (care, connect, and modernize) and focus on helping employees to further develop both a leadership mindset (how to be) and leadership skills (how to do). The enhancements will empower all employees to take ownership of their careers and encourage ongoing robust conversations about performance and development. We look to expand an already rich pool of talented professionals that will help the OAG to maximize the value that we bring to Canadians.

Early piloting of our new leadership training was delivered successfully. A full rollout of the program is on track for launch in 2022.

## **Relationship building**

Stakeholders' engagement at a strategic level is one of the key dimensions that affect organizational performance, directly affecting the decision-making and value-creation process. Building strong relationships and understanding the value-added elements of our work in relation to stakeholders' challenges and opportunities are critical to further enhance the OAG's visibility and continued relevance. To inform our work and remain relevant, we wish to apply purposeful efforts in engaging and fostering trust with key stakeholders.

With this in mind, we initiated the development of a relationship-building framework, aligned with our 3 key principles (care, connect, and modernize), which pulls together perspectives from all of the OAG's functional areas. The framework will set the direction and help encourage collaboration,

build synergies, and realize desired outcomes. It will help ensure that our efforts to develop, nurture, and maintain meaningful relationships with stakeholders are more strategic, deliberate, clear, collaborative, and easily understood. This holistic view, to be finalized in 2022, will help maximize engagement and build mutually beneficial relationships.

## Results achieved

The OAG maintains a departmental results framework for reporting corporate results in accordance with the Treasury Board's Policy on Results. Work continued throughout the 2021–22 fiscal year to update the new framework, which comes into effect 1 April 2023 and will be included in our 2023–24 Departmental Plan. Exhibit 2 presents the OAG's indicators, targets, and results for the last 3 fiscal years.

Exhibit 2—Departmental result, departmental result indicators, targets, and actual results for the 2019–20, 2020–21, and 2021–22 fiscal years

Departmental result: Well-managed and accountable government					
Departmental result indicators	Target	Date to achieve target	2019–20 Actual results	2020–21 Actual results	2021–22 Actual results
Percentage of audit reports on financial statements without qualifications or “other matters” raised	100%	Ongoing	Target not met (97%)	Target not met (96%)	Target not met (96%)
Percentage of special examination reports with no significant deficiencies	100%	Ongoing	Target not met (33%; 1 of 3) <sup>1</sup>	Target not met (50%; 2 of 4) <sup>2</sup>	Target met (100%; 3 of 3)
Percentage of audit reports to Parliament that are reviewed by parliamentary committees	At least 65%	Ongoing	Target not met (42%) <sup>3</sup>	Target not met (61%)	Target met (80%)
Percentage of audit recommendations or opinions addressed by entities: For financial audits, percentage of qualifications and “other matters” addressed from one financial audit report to the next	100%	Ongoing	Target not met (25%; 1 of 4)	Target not met (50%; 1 of 2)	Target not met (25%; 1 of 4)
Percentage of audit recommendations or opinions addressed by entities: For performance audits, percentage of recommendations examined in our performance audit follow-up audits for which progress is assessed as satisfactory	At least 75%	Ongoing	No follow-up conducted	Not applicable <sup>4</sup>	Not applicable <sup>4</sup>

Departmental result: Well-managed and accountable government					
Departmental result indicators	Target	Date to achieve target	2019–20 Actual results	2020–21 Actual results	2021–22 Actual results
Percentage of audit recommendations or opinions addressed by entities: For special examinations, percentage of significant deficiencies reported in our special examination reports that are addressed from one examination to the next	100%	Ongoing	Not applicable <sup>5</sup>	Not applicable <sup>5</sup>	Not applicable <sup>6</sup>
Percentage of audits that meet statutory deadlines, where applicable, or our planned reporting dates					
<ul style="list-style-type: none"> <li>financial audits with a statutory deadline and special examinations</li> </ul>	100%	Ongoing	Target not met (97%) <sup>7</sup>	Target not met (95%) <sup>8</sup>	Target not met (98%) <sup>9</sup>
<ul style="list-style-type: none"> <li>financial audits of federal organizations with no statutory deadline, financial audits of territorial organizations, and performance audits</li> </ul>	At least 80%	Ongoing	Target met (93%)	Target not met (72%)	Target met (87%)
<p><sup>1</sup> Significant deficiencies were noted in the special examinations of the National Gallery of Canada and the Canadian Museum of Immigration at Pier 21.</p> <p><sup>2</sup> Significant deficiencies were noted in the special examinations of the National Arts Centre and the Canadian Dairy Commission.</p> <p><sup>3</sup> The parliamentary session was notably shortened in the 2019–20 fiscal year because of the fall 2019 election campaign and the March 2020 recess in the House of Commons related to the COVID-19 pandemic.</p> <p><sup>4</sup> This indicator is no longer applicable to the current format of follow-up audit work and is currently under review.</p> <p><sup>5</sup> None of the special examination reports issued to a Crown corporation's board had any significant deficiencies noted in their previous examinations.</p> <p><sup>6</sup> Two of the 3 special examination reports issued to a Crown corporation's board had no significant deficiencies noted in their previous examinations; the third was undergoing its first examination under a new corporate structure.</p> <p><sup>7</sup> Two financial audit reports with statutory deadlines were late: National Defence's Reserve Force Pension Plan and Ridley Terminals Inc.</p> <p><sup>8</sup> Three financial audit reports with statutory deadlines were late: National Defence's Reserve Force Pension Plan, Telefilm Canada, and the National Capital Commission.</p> <p><sup>9</sup> One financial audit report with a statutory deadline was late: National Defence's Reserve Force Pension Plan.</p>					





## Resources used

The Office of the Auditor General of Canada (OAG) reports information about its expenditures on the [Government of Canada's Open Government portal](#). This information includes all contracts valued at more than \$10,000 and all travel and hospitality expenses of the Auditor General, the Deputy Auditor General, the Commissioner of the Environment and Sustainable Development, the assistant auditors general, and our Senior General Counsel. The OAG also publishes [quarterly financial reports](#) and annual audited financial statements on its website.

## Parliamentary authorities provided and used

Parliament provided the OAG with up to \$121.2 million in parliamentary authorities, which consisted of \$117.4 million in Main Estimates authorities, \$1.5 million in Supplementary Estimates (C) authorities, and \$2.3 million in adjustments and transfers, which for the most part were routine in nature—for example, carry-forward funding from the previous year and an adjustment to the contributions to employee benefit plans (Exhibit 3).

Exhibit 3—Budgetary financial resources (in millions of dollars)

2021–22 Main Estimates	2021–22 Planned spending	2021–22 Total authorities available for use	2021–22 Actual spending (authorities used)	2021–22 Difference (actual spending minus planned spending)
117.4	117.4	121.2	111.4	(6.0)

In the 2021–22 fiscal year, \$111.4 million was charged against our total parliamentary authorities of \$121.2 million. This resulted in the lapse of \$9.8 million of the OAG's parliamentary authorities provided in the 2021–22 fiscal year. The OAG requested the creation of a permanent frozen allotment of \$6.1 million to fund projects related to the modernization of aging IT systems and our digital transformation initiative, which reduces the lapse to \$3.7 million. The OAG may carry forward up to 5% of its operating budget (on the basis of Main Estimates program expenditures) into the next fiscal year, subject to parliamentary approval. This carry forward comprises a combination of lapsed authorities (\$3.7 million) and credits for certain pay-related amounts (\$1.7 million) for which authorities were not provided in the current year. We expect to carry forward \$5.4 million into the 2022–23 fiscal year.

Exhibit 4 shows the trend in our spending based on parliamentary authorities used for the 2019–20 to 2024–25 fiscal years, and Exhibit 5 shows our budgetary performance summary for the 2019–20 to 2023–24 fiscal years.

Exhibit 4—Trend in authorities used (in millions of dollars)

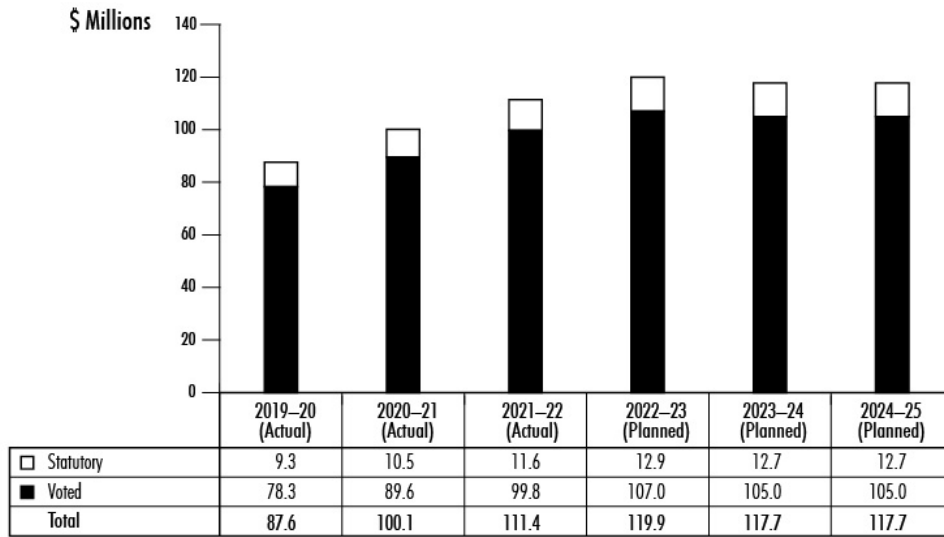


Exhibit 5—Budgetary performance summary (in millions of dollars)

2021–22 Main Estimates	2021–22 Planned spending	2022–23 Planned spending	2023–24 Planned spending	2021–22 Total authorities available for use	2019–20 Actual spending (authorities used)	2020–21 Actual spending (authorities used)	2021–22 Actual spending (authorities used)
117.4	117.4	119.9	117.7	121.2	87.6	100.1	111.4

## Human resources

Exhibit 6 shows, in full-time equivalents, the human resources the OAG needed to carry out its operations for the 2021–22 fiscal year.

Exhibit 6—Human resources (full-time equivalents)

2019–20 Actual	2020–21 Actual	2021–22 Actual	2021–22 Planned	2022–23 Planned	2023–24 Planned
567	632	727	737	747	737

Financial, human resources, and performance information for the OAG’s program inventory is available in [GC InfoBase](#).<sup>ii</sup>

## **Expenditures by vote**

For information on the OAG’s organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2022](#).<sup>iii</sup>

## **Government of Canada spending and activities**

Information on the alignment of the OAG’s spending with the Government of Canada’s spending and activities is available in [GC InfoBase](#).<sup>iv</sup>



# Financial statements



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

## Statement of Management Responsibility Including Internal Control Over Financial Reporting

Management of the Office of the Auditor General of Canada (OAG) is responsible for the preparation of the accompanying financial statements for the year ended 31 March 2022, and for all information contained in these statements, in accordance with Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the OAG's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the OAG's Departmental Results Report, is consistent with these audited financial statements. In preparing the financial statements, management is responsible for assessing the OAG's ability to continue as a going concern; disclosing matters related to going concern; and using the going concern basis of accounting, as applicable.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR), which is designed to provide reasonable assurance that financial information is reliable; that assets are safeguarded; and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities, and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through the careful selection, training, and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communications aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the OAG; and through an annual assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level and may not prevent or detect all misstatements. It is based on an ongoing process designed to identify key risks, to assess the effectiveness of associated key controls, and to make any necessary adjustments.

The effectiveness and adequacy of the OAG's system of internal control are reviewed through the work of internal audit staff, who conduct periodic audits of different areas of the OAG's operations. Also, financial services staff annually monitor ICFR. As a basis for recommending approval of the financial statements to the Auditor General, the OAG's Audit Committee reviews management's arrangements for internal controls and the accounting policies employed by the OAG for financial reporting purposes. The Audit Committee also meets independently with the OAG's internal and external auditors to consider the results of their work.

A risk-based assessment of the system of ICFR for the year ended 31 March 2022 was completed in accordance with the Treasury Board’s Policy on Financial Management. The results and action plans are summarized in the 2021–22 Annex to the Statement of Management Responsibility Including Internal Control Over Financial Reporting.<sup>1</sup>

Raymond Chabot Grant Thornton LLP Chartered Professional Accountants, Licensed Public Accountants, the independent auditor for the OAG, has expressed an opinion on the fair presentation of the financial statements of the OAG in conformity with Canadian public sector accounting standards, which does not include an audit opinion on the annual assessment of the effectiveness of the OAG’s ICFR.

Original signed by

Karen Hogan, FCPA, FCA  
Auditor General of Canada

Ottawa, Canada  
18 August 2022

Original signed by

Lissa Lamarche, CPA, CA  
Assistant Auditor General and  
Chief Financial Officer

---

<sup>1</sup> The annex is available on the OAG’s website at [www.oag-bvg.gc.ca](http://www.oag-bvg.gc.ca).



## Independent Auditor's Report

---

Raymond Chabot  
Grant Thornton LLP  
City Park Place, Suite 200  
1900 City Park Drive  
Ottawa, Ontario  
K1J 1A3

T 613-236-2211

To the Speaker of the House of Commons

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the Office of the Auditor General of Canada (the "Office"), which comprise the statement of financial position as at 31 March 2022, and the statements of operations, change in net debt and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Office as at 31 March 2022, and the results of its operations, the change in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Office in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Office or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Office's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Office to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Compliance with Specified Authorities**

#### *Opinion*

In conjunction with the audit of the financial statements, we have audited transactions of the Office coming to our notice for compliance with specified authorities. The specified authorities for which compliance was audited are the *Financial Administration Act* and its regulations and the *Auditor General Act*.

In our opinion, the transactions of the Office that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above.

#### *Responsibilities of Management for Compliance with Specified Authorities*

Management is responsible for the Office's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Office to comply with the specified authorities.

*Auditor's Responsibilities for the Audit of Compliance with Specified Authorities*

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.

Original signed by

Chartered Professional Accountants,  
Licensed Public Accountants

Ottawa, Canada  
18 August 2022

Office of the Auditor General of Canada  
Statement of Financial Position  
as at March 31

	2022	2021
	(in thousands of dollars)	
<b>Financial assets</b>		
Due from the Consolidated Revenue Fund	6,619	8,005
Accounts receivable (note 4)	1,746	928
Accounts receivable held on behalf of the Government of Canada (note 4)	(86)	(105)
	8,279	8,828
<b>Liabilities</b>		
Vacation pay	9,100	9,175
Accounts payable and accrued liabilities (note 5)	7,713	8,843
Sick leave benefits (note 6b)	2,482	2,786
Severance benefits (note 6c)	1,678	1,834
Maternity/parental leave benefits (note 6d)	934	373
	21,907	23,011
<b>Net debt</b>	(13,628)	(14,183)
<b>Non-financial assets</b>		
Tangible capital assets (note 7)	2,997	2,958
Prepaid expenses	598	553
	3,595	3,511
<b>Accumulated deficit</b>	(10,033)	(10,672)

Contractual obligations (note 11)

The accompanying notes are an integral part of these financial statements.

**Approved by**

Original signed by

Karen Hogan, FCPA, FCA  
Auditor General of Canada

Ottawa, Canada  
18 August 2022

Original signed by

Lissa Lamarche, CPA, CA  
Assistant Auditor General and  
Chief Financial Officer

Office of the Auditor General of Canada  
Statement of Operations  
for the year ended March 31

	2022	2022	2021
	Planned results (note 13)	Actual	Actual
	(in thousands of dollars)		
<b>Expenses (note 8)</b>			
Financial audits of Crown corporations, territorial governments, and other organizations, and of the consolidated financial statements of the Government of Canada	62,600	63,520	64,042
Performance audits and studies	50,800	48,803	39,300
Professional practices	8,000	7,334	8,230
Special examinations of Crown corporations	5,500	4,911	3,618
Sustainable development monitoring activities and environmental petitions	2,000	2,330	1,132
<b>Total cost of operations</b>	<b>128,900</b>	<b>126,898</b>	<b>116,322</b>
<b>Revenues</b>			
International audits	1,100	780	666
Other	-	90	158
Revenues earned on behalf of the Government of Canada	-	(97)	(139)
<b>Net revenues</b>	<b>1,100</b>	<b>773</b>	<b>685</b>
<b>Net cost of operations before government funding and transfers</b>	<b>127,800</b>	<b>126,125</b>	<b>115,637</b>
<b>Government funding and transfers (note 3)</b>			
Net cash provided by the Government of Canada	-	112,697	99,444
Change in Due from the Consolidated Revenue Fund	-	(1,386)	1,041
Services provided without charge (note 10b)	-	15,453	14,022
<b>Total government funding and transfers</b>	<b>134,753</b>	<b>126,764</b>	<b>114,507</b>
<b>Annual surplus/(deficit)</b>	<b>6,953</b>	<b>639</b>	<b>(1,130)</b>
<b>Accumulated deficit, beginning of year</b>	<b>(10,672)</b>	<b>(10,672)</b>	<b>(9,542)</b>
<b>Accumulated deficit, end of year</b>	<b>(3,719)</b>	<b>(10,033)</b>	<b>(10,672)</b>

The accompanying notes are an integral part of these financial statements.

Office of the Auditor General of Canada  
Statement of Change in Net Debt  
for the year ended March 31

	2022	2022	2021
	Planned results (note 13)	Actual	Actual
	(in thousands of dollars)		
Annual surplus/(deficit)	6,953	639	(1,130)
Acquisition of tangible capital assets (note 7)	(3,400)	(713)	(1,216)
Amortization of tangible capital assets (notes 7 and 8)	740	674	574
Loss on disposal of tangible capital assets	-	-	18
	4,293	600	(1,754)
(Increase)/decrease in prepaid expenses	-	(45)	66
<b>Decrease/(increase) in net debt, during the year</b>	<b>4,293</b>	<b>555</b>	<b>(1,688)</b>
<b>Net debt, beginning of year</b>	<b>(14,183)</b>	<b>(14,183)</b>	<b>(12,495)</b>
<b>Net debt, end of year</b>	<b>(9,890)</b>	<b>(13,628)</b>	<b>(14,183)</b>

The accompanying notes are an integral part of these financial statements.

Office of the Auditor General of Canada  
Statement of Cash Flow  
for the year ended March 31

	2022	2021
	<b>(in thousands of dollars)</b>	
<b>Operating transactions</b>		
Cash paid for		
Employee salaries, wages, and benefits	(83,593)	(75,501)
Services, transportation, communication, and other expenses	(18,734)	(18,426)
Statutory contributions to employee benefit plans	(13,210)	(9,822)
	(115,537)	(103,749)
Cash received from		
Sales tax recovered	1,793	1,913
International audits	980	1,086
Salaries and benefits recovered	536	1,793
Other	221	328
	3,530	5,120
<b>Cash used by operating transactions</b>	<b>(112,007)</b>	<b>(98,629)</b>
<b>Capital transactions</b>		
Cash used to acquire tangible capital assets	(690)	(815)
<b>Cash applied to capital transactions</b>	<b>(690)</b>	<b>(815)</b>
<b>Net cash provided by the Government of Canada (note 3c)</b>	<b>(112,697)</b>	<b>(99,444)</b>

The accompanying notes are an integral part of these financial statements.

Office of the Auditor General of Canada  
Notes to the financial statements for the year ended 31 March 2022

## 1. Authority and objective

The *Auditor General Act*, the *Financial Administration Act*, and a variety of other acts and orders-in-council set out the duties of the Auditor General and the Commissioner of the Environment and Sustainable Development.

The core responsibility of the Office of the Auditor General of Canada (OAG) is legislative auditing and consists of performance audits and studies of departments and agencies; the audit of the consolidated financial statements of the Government of Canada; financial audits of Crown corporations, territorial governments, and other organizations; special examinations of Crown corporations; and sustainable development monitoring activities and environmental petitions.

Pursuant to the *Financial Administration Act*, the OAG is a department of the Government of Canada. It is listed in Schedule I.1 of the act as a division or a branch of the federal public administration, and in Schedule V of the act as a separate agency. The OAG is not subject to income taxes under the provisions of the *Income Tax Act*.

## 2. Significant accounting policies

### a) Basis of presentation

The financial statements of the OAG have been prepared by management in accordance with Canadian public sector accounting standards (PSAS).

### b) Parliamentary authorities

The OAG is funded by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the OAG does not parallel financial reporting according to PSAS, since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3a provides a reconciliation between the 2 bases of reporting.

### c) Revenues

Revenues are from international audits and from other activities, such as audit professional services provided to members of the Canadian Council of Legislative Auditors.

Revenues are recognized in the period in which services are rendered or in the period in which the underlying transaction or event that gave rise to the revenue takes place.

Of those revenues, amounts that are considered to be earned on behalf of the Government of Canada are not available for discharging the OAG's liabilities. Although the OAG is expected to maintain accounting control, it has no authority regarding the disposition of those revenues. As a result, revenues earned on behalf of the Government of Canada are presented as a reduction of the OAG's gross revenues.

**d) Net cash provided by the Government of Canada**

The OAG operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the OAG is deposited to the CRF, and all cash disbursements made by the OAG are paid from the CRF. The net cash provided by the Government of Canada is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government of Canada.

**e) Due from the Consolidated Revenue Fund**

Amounts due from or to the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that the OAG is entitled to draw from the CRF, without further parliamentary authorities to discharge its liabilities.

**f) Accounts receivable and Accounts receivable held on behalf of the Government of Canada**

Accounts receivable are stated at the lower of cost and net recoverable value. A valuation allowance is recorded for accounts receivable where recovery is considered uncertain.

Accounts receivable held on behalf of the Government of Canada are presented as a reduction to the financial assets on the Statement of Financial Position because they are not available to discharge the OAG's liabilities.

**g) Tangible capital assets**

Tangible capital assets are recorded at historical cost less accumulated amortization. The OAG capitalizes the costs associated with the development of software used internally, such as installation costs, professional service contract costs, and salary costs of employees directly associated with these projects. The costs of software maintenance, project management and administration, data conversion, and training and development are expensed in the year incurred.

When conditions indicate that a tangible capital asset no longer contributes to the OAG's ability to provide services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. Any write-downs of tangible capital assets are accounted for as expenses in the Statement of Operations and are not subsequently reversed.

The cost of work in progress is transferred to the applicable asset class in the year the assets are put into service.



Amortization of tangible capital assets begins when assets are put into use and is recorded using the straight-line method over the estimated useful lives of the assets as follows:

Tangible capital asset class	Useful life
Leasehold improvements	Lesser of the remaining term of the lease or the useful life of the improvements
Furniture and fixtures	10 years
Informatics software	5 years
Informatics hardware and infrastructure	5 years
Office equipment	4–10 years
Motor vehicle	5 years
Work in progress	In accordance with asset class, once in service

#### **h) Accounts payable and accrued liabilities**

Accounts payable and accrued liabilities represent obligations of the OAG for salaries and wages, for material and supply purchases, and for the cost of services rendered to the OAG.

Salary-related accrued liabilities are primarily determined using employees' salaries at year-end. Accounts payable and accrued liabilities are measured at cost.

#### **i) Vacation pay**

Vacation pay is accrued as the benefit is earned by the employees under their respective labour contracts and conditions of employment. The liability represents all unused vacation pay benefits accruing to employees. The employees' salaries at year-end determine the amount of these accrued vacation pay benefits.

#### **j) Employee benefits**

##### **i) Pension benefits**

All eligible employees participate in the Public Service Pension Plan, a plan administered by the Government of Canada. The OAG's contributions are currently based on a multiple of an employee's required contributions and may change over time, depending on the experience of the plan. The OAG's contributions are expensed during the year in which the services are rendered and represent its total pension obligation. The OAG is not required to make contributions with respect to any actuarial deficiencies of the plan.

##### **ii) Health and dental benefits**

The Government of Canada sponsors employee benefit plans (health and dental) in which the OAG participates. Employees are entitled to health and dental benefits, as provided for under labour contracts and conditions of employment. The OAG's contributions to the

plans, which are provided without charge by the Treasury Board of Canada Secretariat, are recorded at cost based on a percentage of the salary expenses and charged to personnel expenses in the year incurred. They represent the OAG's total obligation to the plans. Current legislation does not require the OAG to make contributions for any future unfunded liabilities of the plans.

iii) Sick leave benefits

Employees are eligible to accumulate sick leave benefits until the end of employment, according to their labour contracts and conditions of employment. Sick leave benefits are earned based on employee services rendered and are paid upon an illness or injury-related absence. These are accumulating non-vesting benefits that can be carried forward to future years, but are not eligible for payment on retirement or termination, nor can these be used for any other purpose. A liability is recorded for unused sick leave credits expected to be used in future years in excess of future allotments, based on an actuarial valuation using an accrued benefit method. Changes in actuarial assumptions and any variance between the expected and the actual experience of the sick leave benefit plan give rise to actuarial gains or losses. These gains or losses are amortized on a straight-line basis over the expected average remaining service life of the employees, starting in the fiscal year following the one in which they arose.

iv) Severance benefits

The accumulation of severance benefits for employees ceased in the 2012–13 fiscal year. The accrued benefit obligation is determined using employees' salaries at year-end and the number of weeks earned but unpaid for employees who have elected to defer the receipt of their full or partial severance benefits payment.

v) Maternity/parental leave benefits

Employees are entitled to maternity/parental leave benefits as provided for under labour contracts and conditions of employment. The benefits earned are event-driven, meaning that the OAG's obligation for the cost of the entire benefit arises upon occurrence of a specific event, being the commencement of the maternity/parental leave. The accrued benefit obligation and benefit expenses are based on management's best estimates.

**k) Related party transactions**

i) Inter-entity transactions

The OAG is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The OAG enters into transactions with these organizations in the normal course of business. These transactions are measured as follows:

- Inter-entity transactions are measured at the exchange amount when undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where transactions are allocated costs and recoveries.

- Common services provided without charge by other government departments are recorded as operating expenses by the OAG at the carrying amount of the providing department. A corresponding amount is reported as government funding in the Statement of Operations.
  - Other inter-entity transactions are measured at the carrying amount of the providing department.
- ii) Other related party transactions

Related parties include key management personnel who have the authority and responsibility for planning, directing, and controlling the activities of the OAG. Related parties also include the close family members of these personnel. The OAG has defined its key management personnel to be the Executive Committee members and parties related to them.

The OAG is also related to parties subject to shared control.

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

#### **l) Allocation of expenses**

All direct expenses related to the delivery of audits and professional practice projects, such as salary, professional services, travel, and other associated costs, are allocated to each audit and professional practice project. All other expenses, including services provided without charge, are treated as overhead and are allocated to audits and professional practice projects on the basis of the direct staff cost charged to them.

#### **m) Measurement uncertainty**

These financial statements are prepared in accordance with PSAS. These standards require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, government funding and transfers, and expenses during the reporting period. The amount of services provided without charge, the assumptions underlying the liability calculation for sick leave benefits, and the estimated useful lives of tangible capital assets are the most significant items for which estimates are used. Actual results could differ significantly from the estimates. These estimates are reviewed annually, and as adjustments become necessary, they are recognized in the financial statements in the period in which they become known.

### **3. Parliamentary authorities**

The OAG is funded through annual parliamentary authorities. Items recognized in the Statement of Operations in one year may be funded through parliamentary authorities in prior, current, or future years. Accordingly, the OAG has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables.

## a) Reconciliation of net cost of operations to current year authorities used

	2022	2021
	(in thousands of dollars)	
Net cost of operations before government funding and transfers	126,125	115,637
Adjustments for items recorded as part of net cost of operations but not affecting current year authorities:		
Services provided without charge by other government departments	(15,453)	(14,022)
Amortization of tangible capital assets	(674)	(574)
Adjustment to previous year accruals	196	56
Loss on disposal of tangible capital assets	-	(18)
Total items recorded as part of net cost of operations but not affecting current year authorities	(15,931)	(14,558)
Adjustments for items not recorded as part of net cost of operations but affecting current year authorities:		
Acquisition of tangible capital assets	713	1,216
Decrease/(increase) in liabilities not charged to authorities	555	(1,688)
Increase/(decrease) in prepaid expenses	45	(66)
Recoveries from prior year's revenues	(173)	(441)
Other	37	29
Total items not recorded as part of net cost of operations but affecting current year authorities	1,177	(950)
<b>Current year authorities used</b>	<b>111,371</b>	<b>100,129</b>

**b) Authorities provided and used**

	2022	2021
	(in thousands of dollars)	
Main Estimates		
Vote 1—Program expenditures	104,834	78,085
Statutory amounts—Contributions to employee benefit plans	12,523	9,822
Total Main Estimates	117,357	87,907
Supplementary Estimates		
Vote 1c—Program expenditures	1,500	12,000
Statutory amounts—Contributions to employee benefit plans	-	2,211
Total Supplementary Estimates	1,500	14,211
Supplementary voted authorities	87	3,016
Authorities carried forward from previous year	3,179	3,179
Adjustment to statutory contributions to employee benefit plans	(912)	(1,524)
Current year authorities provided	121,211	106,789
Less: Lapsed authorities	(9,840)	(6,660)
<b>Current year authorities used</b>	<b>111,371</b>	<b>100,129</b>

The OAG may carry forward up to 5% of its operating budget (based on Main Estimates program expenditures) into the next fiscal year, subject to parliamentary approval. The OAG expects to carry forward \$5.4 million (\$4.0 million in 2020–21).

**c) Reconciliation of net cash provided by the Government of Canada to current year authorities used**

	2022	2021
	<b>(in thousands of dollars)</b>	
Net cash provided by the Government of Canada	112,697	99,444
Change in Due from the Consolidated Revenue Fund		
(Increase)/decrease in Accounts receivable and Accounts receivable held on behalf of the Government of Canada	(837)	1,330
Decrease in liabilities charged to authorities	(549)	(289)
Total—Change in Due from the Consolidated Revenue Fund	(1,386)	1,041
Recoveries from prior year’s revenues	(173)	(441)
Adjustment to previous year accruals	196	56
Other	37	29
<b>Current year authorities used</b>	<b>111,371</b>	<b>100,129</b>

**4. Accounts receivable**

The following table presents details of the OAG’s accounts receivable:

	2022	2021
	<b>(in thousands of dollars)</b>	
International audits and audit-related professional services	312	510
Other government departments and agencies	1,352	323
Other	82	95
Gross accounts receivable	1,746	928
Accounts receivable held on behalf of the Government of Canada	(86)	(105)
<b>Net accounts receivable</b>	<b>1,660</b>	<b>823</b>

## 5. Accounts payable and accrued liabilities

The following table presents details of the OAG’s accounts payable and accrued liabilities:

	2022	2021
	(in thousands of dollars)	
Accrued employee salaries	4,927	5,166
Due to others	2,786	3,677
<b>Total</b>	<b>7,713</b>	<b>8,843</b>

## 6. Employee benefits

### a) Pension benefits

The OAG’s eligible employees participate in the Public Service Pension Plan, which is established and governed by the *Public Service Superannuation Act*, and sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2% per year of pensionable service, times the average of the best 5 consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plan benefits, and they are indexed to inflation.

Both the employees and the OAG contribute to the cost of the Public Service Pension Plan. Because of the amendment of the *Public Service Superannuation Act* following the implementation of provisions related to Economic Action Plan 2012, employee contributors have been divided into 2 groups: Group 1 relates to existing plan members as of 31 December 2012, and Group 2 relates to members joining the Public Service Pension Plan as of 1 January 2013. Each group has a distinct contribution rate.

The 2021–22 expense amounts to \$7.8 million (\$7.2 million in 2020–21). For Group 1 members, the expense represents approximately 1.01 times (1.01 times in 2020–21) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2020–21) the employee contributions.

The OAG’s responsibility with regard to the Public Service Pension Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the plan’s sponsor.

### b) Sick leave benefits

Employees are credited, based on service, a maximum of 15 days annually for use as paid absences due to illness or injury. The sick leave benefit obligation is unfunded and will be paid from future parliamentary authorities.

The most recent actuarial valuation of the sick leave accrued benefit obligation performed for accounting purposes was done as at 31 March 2021 and extrapolated to 31 March 2022. Actuarial assumptions are used to determine the obligation. They are reviewed at

March 31 of each year and are management’s best estimate based on an analysis of the historical data up to the reporting date. The key assumptions used are a discount rate of 2.4% (1.7% in 2020–21), which is based on an average yield of government borrowings over the expected average remaining service life of employees of 9 years (9 years in 2020–21); a rate of salary increase of 3.75% (3.75% in 2020–21); an average turnover rate of 8.3% (8.3% in 2020–21); an average retirement age of 58 (58 in 2020–21) for Group 1 members and 61 (61 in 2020–21) for Group 2 members; and the excess utilization and underutilization of sick leave credits, which are based on plan experience and representative of the different groups of employees covered.

Information about the sick leave benefits as at March 31 is as follows:

	2022	2021
	<b>(in thousands of dollars)</b>	
Accrued benefit obligation, beginning of year	3,099	2,663
Current year benefit cost <sup>1</sup>	618	563
Interest on the accrued benefit obligation <sup>1</sup>	55	30
Benefits paid	(959)	(552)
Actuarial (gain)/loss	(147)	395
Accrued benefit obligation, end of year	2,666	3,099
Unamortized accumulated actuarial (loss)/gain, beginning of year	(313)	144
Actuarial gain/(loss) for the year	147	(395)
Amortization of actuarial gain recognized in the year <sup>1</sup>	(18)	(62)
Unamortized accumulated actuarial loss, end of year	(184)	(313)
<b>Accrued benefit liability</b>	<b>2,482</b>	<b>2,786</b>

<sup>1</sup> These components make up the net benefit expense of \$655 (\$531 in 2020–21) included in the “Personnel” and “Interest on the sick leave accrued benefit obligation” categories in note 8.



Changes in assumptions can result in significantly higher or lower estimates of the accrued benefit obligation. The following table illustrates the possible impact of a change in the actuarial assumptions on the accrued benefit obligation as at March 31:

Assumptions	Increase (decrease) in the accrued benefit obligation	
	2022	2021
	<b>(in thousands of dollars)</b>	
<b>Discount rate</b>		
Increase by 1%	(157)	(190)
Decrease by 1%	177	215
<b>Salary increase rate</b>		
Increase by 1%	146	177
Decrease by 1%	(133)	(160)
<b>Retirement age</b>		
Increase by 1 year	264	313
Decrease by 1 year	(251)	(297)
<b>Turnover rate</b>		
Increase factors by 10%	(100)	(121)
Decrease factors by 10%	108	132
<b>Sick leave utilization rates</b>		
Increase factors by 10%	332	388
Decrease factors by 10%	(316)	(369)

### c) Severance benefits

The OAG's severance benefit obligation is unfunded and will be paid from future parliamentary authorities.

The following table presents information about severance benefits, measured as at March 31:

	2022	2021
	<b>(in thousands of dollars)</b>	
Accrued benefit obligation, beginning of year	1,834	2,026
Current year benefit cost	35	62
Benefits paid	(191)	(254)
<b>Accrued benefit obligation, end of year</b>	<b>1,678</b>	<b>1,834</b>

### d) Maternity/parental leave benefits

Management determined the accrued benefit obligation and benefit expenses of maternity/parental leave benefits based on the difference between 93% of the employee's weekly rate of pay and the weekly maternity/parental leave benefit the employee is entitled to receive under the Employment Insurance program or the Québec Parental Insurance Plan. The maternity/parental leave benefit obligation is unfunded and will be paid from future parliamentary authorities.

The following table presents information about maternity/parental leave benefits, measured as at March 31:

	2022	2021
	<b>(in thousands of dollars)</b>	
Accrued benefit obligation, beginning of year	373	654
Current year benefit cost	1,574	690
Benefits paid	(1,013)	(971)
<b>Accrued benefit obligation, end of year</b>	<b>934</b>	<b>373</b>

## 7. Tangible capital assets

	Cost					Accumulated amortization				2022 Net book value	2021 Net book value
	Opening balance	Acquisitions	Transfers	Disposals	Closing balance	Opening balance	Amortization	Disposals	Closing balance		
<b>(in thousands of dollars)</b>											
Informatics software	6,043	30	360	(31)	6,042	4,584	388	(31)	4,941	1,461	1,459
Work in progress	586	543	(360)	-	769	-	-	-	-	769	586
Informatics hardware and infrastructure	2,542	140	-	-	2,682	1,831	231	-	2,062	620	711
Leasehold improvements	3,484	-	-	(56)	3,428	3,414	18	(56)	3,376	52	70
Office equipment	1,196	-	-	-	1,196	1,142	20	-	1,162	34	54
Motor vehicle	45	-	-	-	45	2	9	-	11	34	43
Furniture and fixtures	4,368	-	-	(37)	4,331	4,333	8	(37)	4,304	27	35
<b>Total</b>	<b>18,264</b>	<b>713</b>	<b>-</b>	<b>(124)</b>	<b>18,853</b>	<b>15,306</b>	<b>674</b>	<b>(124)</b>	<b>15,856</b>	<b>2,997</b>	<b>2,958</b>

## 8. Expenses by object

The summary of expenses by object for the year ended March 31 is as follows:

	2022	2021
<b>(in thousands of dollars)</b>		
Personnel	102,150	91,892
Professional and special services	11,236	11,185
Rentals	9,837	9,235
Small machinery and equipment	1,050	1,467
Information	925	1,001
Transportation and communications	712	577
Amortization of tangible capital assets	674	574
Repairs and maintenance	141	129
Utilities, materials, and supplies	118	214
Interest on the sick leave accrued benefit obligation	55	30
Loss on disposal of tangible capital assets	-	18
<b>Total cost of operations</b>	<b>126,898</b>	<b>116,322</b>

The total cost of operations includes services provided without charge by other government departments as disclosed in note 10b.

## 9. Participation in other organizations

### a) Canadian Audit and Accountability Foundation

The OAG is a member of the Canadian Audit and Accountability Foundation (CAAF), a not-for-profit corporation dedicated to promoting and strengthening public-sector performance audit, oversight, and accountability in Canada and abroad through research, education, and knowledge sharing.

In the 2021–22 fiscal year, the OAG paid fees and provided in-kind services to the CAAF totalling \$0.7 million (\$0.8 million in 2020–21). As at 31 March 2022, the OAG held approximately 44% (46% in 2020–21) of the member voting rights of the CAAF and did not have any representation on the Board of Directors of the CAAF.

The OAG does not control the CAAF; therefore, the CAAF is not consolidated in these financial statements.

### b) Canadian Council of Legislative Auditors

The OAG is a member of the Canadian Council of Legislative Auditors (CCOLA). The CCOLA is devoted to sharing information and supporting the continued development of auditing methodology, practices, and professional development. The CCOLA's membership consists of all the provincial and federal legislative audit offices. The CCOLA has 1 associate member (the Office of the Auditor General of Bermuda) and 1 observer (the Office of the Auditor General of the Cayman Islands).

The OAG contributes to the CCOLA through the provision of secretariat and various administrative and support services. The CCOLA reports annually on its operations for the period from October 1 to September 30. For the year ended 30 September 2021, the OAG provided \$0.2 million in services (\$0.4 million in 2019–20) to the CCOLA.

The OAG does not control the CCOLA; therefore, the CCOLA is not consolidated in these financial statements.

## 10. Related party transactions

### a) Inter-entity transactions

The OAG had the following inter-entity transactions during the year, and the following balances as at March 31:

	2022	2021
	(in thousands of dollars)	
Expenses—Other government departments and agencies	13,599	12,131
Accounts receivable—Other government departments and agencies	1,352	323
Accounts payable—Other government departments and agencies	153	876

Expenses disclosed in the table above exclude common services provided without charge, which are disclosed in the next table. The most significant components of the expenses are related to the statutory contributions to employee benefit plans, translation services, security services, and network services.

### b) Common services provided without charge by other government departments

During the year, the OAG received the following services without charge from certain common service organizations. The expenses related to these services have been recorded in the Statement of Operations and are disclosed in note 8.

	2022	2021
	(in thousands of dollars)	
Office accommodation—Public Services and Procurement Canada	7,835	7,484
OAG contribution to the health and dental insurance plans— Treasury Board of Canada Secretariat	7,618	6,538
<b>Services provided without charge</b>	<b>15,453</b>	<b>14,022</b>

The Government of Canada has centralized some of its administrative activities for efficiency, cost-effectiveness purposes, and economic delivery of programs to the public. As a result, the government uses central agencies and common services organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque-issuance services provided by Public Services and Procurement Canada, are not included in the Statement of Operations, as they are not significant.

### c) Common services provided without charge to other government departments

During the year, the OAG provided services without charge to federal departments and agencies, Crown corporations, and other government organizations. These services were related to the conduct of independent audits. The costs related to the provision of these services are reflected in the Statement of Operations.

**d) Parties subject to shared control**

The OAG is related to the Canadian Council of Legislative Auditors through its membership.

**11. Contractual obligations**

The nature of the OAG's activities can result in contracts and obligations whereby the OAG will be obligated to make future payments when the services/goods are received. Contractual obligations estimated as at 31 March 2022 are summarized as follows:

	2023	2024	2025	2026	Total
	(in thousands of dollars)				
Professional services	3,832	32	-	-	3,864
Goods and services	2,593	277	225	225	3,320
Operating leases	6	-	-	-	6
<b>Total</b>	<b>6,431</b>	<b>309</b>	<b>225</b>	<b>225</b>	<b>7,190</b>

Contractual obligations with related parties total \$1.4 million and are included in the above table.

**12. Financial instruments**

The following analysis presents the OAG's exposure to credit and liquidity risks at the reporting date.

**a) Credit risk**

The OAG is exposed to credit risk resulting from the possibility that parties may default on their financial obligations to pay the OAG. Management believes that the risk of loss on its accounts receivable balances is low because of the credit quality of these parties. Accounts receivable balances are managed and analyzed on an ongoing basis. Accordingly, management believes that all accounts receivable will be collected and has determined that a valuation allowance is not required.

**b) Liquidity risk**

Liquidity risk is the risk that the OAG will encounter difficulty in meeting its obligation associated with financial liabilities. The OAG's objective for managing liquidity risk is to manage operations and cash expenditures within the authorities approved by Parliament. Management believes that this risk is low.

**13. Planned results**

The planned results amounts in the “Expenses” and “Revenues” sections of the Statement of Operations are the amounts reported in the Future-Oriented Statement of Operations included in the 2021–22 Departmental Plan. The planned results amounts on the line “Total government funding and transfers” of the Statement of Operations and in the Statement of Change in Net Debt were prepared for internal management purposes and have not been previously published.

**14. Comparative figures**

Certain 2020–21 comparative figures have been reclassified to conform to the presentation adopted for the 2021–22 fiscal year.

**15. Subsequent event**

On 4 July 2022, the OAG signed a collective agreement with the Public Service Alliance Canada for its members in the Audit Services Group. The agreement provides for a wage increase that covers the period from 1 October 2018 to 30 September 2023. The estimated cost of the agreement represents an amount of \$1.9 million for the fiscal years 2018–19 to 2021–22. This amount will be paid from future parliamentary authorities, subject to parliamentary approval.





---

## Additional information

### Organizational profile

**Auditor General of Canada:** Karen Hogan, FCPA, FCA

**Main legislative authorities:**

*Auditor General Act*, R.S.C. 1985, c. A-17

*Financial Administration Act*, R.S.C. 1985, c. F-11

**Year established:** 1878

**Minister:** The Honourable Chrystia Freeland, P.C., M.P., Minister of Finance\*

\* The Auditor General acts independently in the execution of her audit responsibilities but reports to Parliament on expenditures through the Minister of Finance.

### Raison d'être, mandate, and role: Who we are and what we do

“[Raison d'être, mandate, and role: Who we are and what we do](#)” is available on the Office of the Auditor General of Canada’s (OAG’s) website.<sup>v</sup>

### Operating context

Information on the [operating context](#) is available on the OAG’s website.<sup>vi</sup>

## Reporting framework

The OAG’s departmental results framework and program inventory of record for the 2021–22 fiscal year are shown in Exhibit 7.

Exhibit 7—Departmental results framework and program inventory

Core responsibility: Legislative auditing		
Description	Result and indicators	
<p>Our audit reports provide objective, fact-based information and expert advice on government programs and activities. With our audits, we assist Parliament in its work on the authorization and oversight of government spending and operations. Our audits are also used by territorial legislatures, boards of Crown corporations, and audit committees to help them oversee the management of government activities and hold them to account for the handling of public funds. Financial audits assess whether the annual financial statements of the Government of Canada, Crown corporations, and others are presented fairly, consistent with applicable accounting standards. Performance audits assess whether government organizations manage with due regard for economy, efficiency, and environmental impact, and measure their effectiveness. Special examinations assess whether Crown corporation systems and practices provide reasonable assurance that assets are safeguarded, resources are managed economically and efficiently, and operations are managed effectively.</p>	<p><b>Well-managed and accountable government:</b></p> <ul style="list-style-type: none"> <li>• Percentage of audit reports on financial statements without qualifications or “other matters” raised</li> <li>• Percentage of special examination reports with no significant deficiencies</li> <li>• Percentage of audit reports to Parliament that are reviewed by parliamentary committees</li> <li>• Percentage of audit recommendations or opinions addressed by entities: For financial audits, percentage of qualifications and “other matters” addressed from one financial audit report to the next</li> <li>• Percentage of audit recommendations or opinions addressed by entities: For performance audits, percentage of recommendations examined in our performance audit follow-up audits for which progress is assessed as satisfactory</li> <li>• Percentage of audit recommendations or opinions addressed by entities: For special examinations, percentage of significant deficiencies reported in our special examination reports that are addressed from one examination to the next</li> <li>• Percentage of audits that meet statutory deadlines, where applicable, or our planned reporting dates</li> </ul>	
	<p><b>Program inventory</b></p>	
	<ul style="list-style-type: none"> <li>• Legislative audit</li> </ul>	

## Supporting information on the program inventory

Financial, human resources, and performance information for the OAG’s program inventory is available in [GC InfoBase](#).<sup>vii</sup>

## Supplementary information

The following supplementary information is available on the OAG’s website:

- [reporting on green procurement](#)<sup>viii</sup>
- [gender-based analysis plus](#)<sup>ix</sup>
- [United Nations’ 2030 Agenda for Sustainable Development and the United Nations’ Sustainable Development Goals](#)<sup>x</sup>
- [Monitoring Report on the System of Quality Control—2020–21 Fiscal Year](#)<sup>xi</sup>

## Report on staffing

In accordance with the *Auditor General Act*, the Auditor General has powers and functions of the deputy heads and most of the powers and functions of the Public Service Commission of Canada under the *Public Service Employment Act*. The commission must report annually to Parliament for the previous fiscal year on matters under its jurisdiction; therefore, the OAG commits to reporting annually on its staffing.

In addition, in accordance with the *Auditor General Act*, the Auditor General has many of the same human resource management authorities in relation to OAG employees as the Treasury Board does in relation to those employed in the core public service under the *Financial Administration Act*. This includes determining terms and conditions of employment and conducting the OAG's own collective agreement negotiations. However, there are collective bargaining limitations to these powers related to the authority of entering into a collective agreement with a bargaining agent. The following description takes into account the OAG's people management framework and the monitoring requirements set forth in the OAG's Policy on Staffing. It summarizes the areas of accountability and identifies the indicators present at the OAG. The framework is intended to ensure a values-based staffing system. Through this framework, the core principles of merit and non-partisanship are applied in accordance with the core values of fairness, transparency, access, and representativeness.

### Delegation of staffing and support to managers

**Delegation.** The Auditor General has the authority related to human resource management in accordance with the *Auditor General Act* and may delegate this authority to management. Moreover, staffing responsibilities are fulfilled in accordance with the OAG's Delegated Human Resources Authorities instrument to align with senior management roles and responsibilities. This instrument was last revised with an effective date of 6 January 2021.

**Knowledge and support.** Managers have access to information, tools, and qualified human resource advisors to help them manage staffing activities effectively. Training and coaching for hiring managers and human resource advisors ensure the quality of staffing transactions and compliance with applicable regulations, policies, guidelines, and delegations of authority. We continue to emphasize training on unconscious biases and diversity for all managers and human resource advisors in response to the Clerk of the Privy Council and Secretary to the Cabinet's call to action on anti-racism, equity, and inclusion in the federal public service.

### Staffing plans and decisions

**Planning.** Human resource plans are developed on both strategic and operational levels to support the OAG in its journey toward achieving corporate objectives through recruiting, developing, and retaining talent using an innovative, client-focused, and people-management-driven approach.

**Implementation.** Staffing requirements (hires, promotions, and internal movements) are identified by managers during annual planning and budgeting processes and revised periodically in collaboration with the Human Resources and Finance teams. Managers address staffing

requirements in collaboration with Human Resources and in accordance with the Delegated Human Resources Authorities instrument, the applicable legislation, Terms and Conditions of Employment, collective agreements, the OAG’s Policy on Staffing, and the OAG’s Staffing Directive. Key risks—which include acting appointments for longer than 12 months, casual conversions to term or indeterminate status through non-advertised processes, and promotions to the executive group through non-advertised processes—are proactively managed throughout staffing processes.

**Monitoring.** The Human Resources and Finance teams work together to continuously monitor the staffing plans and decisions, and results are shared with senior management.

Regular reporting activities include providing the bargaining agent with monthly reports on staffing actions to enhance transparency, providing management with hiring forecasts for informed decision making, and producing a formal annual report that summarizes staffing decisions to the Deputy Auditor General.

### **Priority entitlements**

The OAG establishes a priority list, when required, to help it efficiently manage situations such as discontinued functions, organizational changes, and the return of employees who have been on continuous leave for a period of 12 or more consecutive months. Before initiating a staffing action, managers and human resource advisors first verify whether a priority list exists. When a priority list is established, the OAG communicates with the bargaining agent about its members who are on the priority list, and it provides the bargaining agent with a monthly report.

In the 2021–22 fiscal year, no OAG employees had priority status.

### **Official languages**

The Official Languages team provides management with a yearly report on employees’ language profiles, which is then used to establish language training plans. This information allows the OAG to prioritize training requirements and to provide employees with the appropriate training to improve or maintain their language levels.

Staffing bilingual positions on an imperative basis is the norm at the OAG. In the 2021–22 fiscal year, 100% of appointments to bilingual positions were made on an imperative basis.

### **Complaints**

The OAG Directive on Staffing Recourse provides the opportunity for employees to raise concerns, based on specific grounds, regarding internal staffing processes. No staffing complaints were received in the 2021–22 fiscal year. In accordance with the *Official Languages Act*, the OAG is subject to the audit and complaint process managed by the Office of the Commissioner of Official Languages. No complaints regarding official languages in staffing processes or in regard to appointments were received in the 2021–22 fiscal year.

## Continuous improvement

The OAG maintains an ongoing dialogue with its union representatives, employees in the Audit Services Group and the Audit Professional groups, and management so that it can identify and implement improvements. In addition, we have taken into account the federal government's priorities related to staffing. We have responded to the Clerk of the Privy Council and Secretary to the Cabinet's call to action on anti-racism, equity, and inclusion in the federal public service with commitments that will guide our staffing strategies, actions, and decisions.

Resourcing remains a top priority for the OAG, and several initiatives were implemented in the 2021–22 fiscal year in support of resourcing efforts:

- developing and approving the 2021–24 resourcing roadmap, which will enable the OAG to have a qualified, experienced, and diverse workforce in place to achieve its vision, mission, and strategic objectives
- continuing to engage staff members as ambassadors through a social media campaign called Get In, Get Started, which promotes job opportunities and increases awareness of the OAG as a potential employer
- renewing engagement with Indigenous Link to improve our reach in Indigenous communities and increase representation of this equity-seeking group
- joining the Employment Accessibility Resource Network's Champion Group to increase awareness of job opportunities at the OAG for people with disabilities and increase representation of this equity-seeking group
- identifying and liaising with qualified candidates from equity-seeking groups through the federal government talent management program, such as members of the Federal Black Executives Network
- dedicating additional resources to developing and executing a diversity and inclusion strategy that is specific to the OAG, which will be approved and implemented in the 2022–23 fiscal year

## Employee awareness of legal rights and responsibilities regarding political activities

The OAG informs all employees when they are hired of their rights and responsibilities regarding political activities, as specified in the OAG's Code of Values, Ethics, and Professional Conduct. Letters of offer include a paragraph on political neutrality, which stipulates that the OAG must remain independent and politically neutral at all times. Employees also receive reminders of these rights and responsibilities for every provincial and federal election.

## List of reports

The OAG presented or transmitted the following reports during the 2021–22 fiscal year.

### Performance audit reports presented to Parliament

#### 2021 Reports of the Auditor General of Canada

- Report 10—Securing Personal Protective Equipment and Medical Devices
- Report 11—Health Resources for Indigenous Communities—Indigenous Services Canada
- Report 12—Protecting Canada’s Food System
- Report 13—Health and Safety of Agricultural Temporary Foreign Workers in Canada During the COVID-19 Pandemic
- Report 14—Regional Relief and Recovery Fund
- Report 15— Enforcement of Quarantine and COVID-19 Testing Orders—Public Health Agency of Canada

#### 2021 Reports of the Commissioner of the Environment and Sustainable Development

- Report 1—Implementing the United Nations’ Sustainable Development Goals
- Report 2—Natural Health Products—Health Canada
- Report 3—Scientific Activities in Selected Water Basins
- Report 4—Emissions Reduction Fund—Natural Resources Canada

### Performance audit reports presented to northern legislative assemblies

- Mental Health Services in Rural Yukon—Department of Health and Social Services
- Follow-up Audit on Corrections in Nunavut—Department of Justice

### Special examination reports transmitted to Crown corporations

- Farm Credit Canada
- Federal Bridge Corporation
- Public Sector Pension Investment Board

## **Other reports presented to Parliament**

### **2021 Reports of the Commissioner of the Environment and Sustainable Development**

- Report 5—Lessons Learned from Canada’s Record on Climate Change
- Report 6—Departmental Progress in Implementing Sustainable Development Strategies
- Report 7—Environmental Petitions Annual Report

## **Other reporting**

- Update on Past Audits searchable tool
- Commentary on the 2020–2021 Financial Audits

## **Organizational contact information**

### **Mailing address**

Office of the Auditor General of Canada  
240 Sparks Street  
Ottawa, Ontario K1A 0G6  
Canada

**Telephone:** 613-995-3708 or 1-888-761-5953

**TTY:** 613-954-8042

**Fax:** 613-957-0474

**Email:** [communications@oag-bvg.gc.ca](mailto:communications@oag-bvg.gc.ca)

**Website:** [www.oag-bvg.gc.ca](http://www.oag-bvg.gc.ca)





## Appendix: Definitions

### **appropriation** (crédit)

Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

### **budgetary expenditures** (dépenses budgétaires)

Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

### **core responsibility** (responsabilité essentielle)

An enduring function or role performed by a department. The intentions of the department with respect to a core responsibility are reflected in one or more related departmental results that the department seeks to contribute to or influence.

### **Departmental Plan** (plan ministériel)

A report on the plans and expected performance of an appropriated department over a 3-year period. Departmental Plans are usually tabled in Parliament each spring.

### **departmental priority** (priorité ministérielle)

A plan or project that a department has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired departmental results.

### **departmental result** (résultat ministériel)

A consequence or outcome that a department seeks to achieve. A departmental result is often outside departments' immediate control, but it should be influenced by program-level outcomes.

### **departmental result indicator** (indicateur de résultat ministériel)

A quantitative measure of progress on a departmental result.

### **departmental results framework** (cadre ministériel des résultats)

A framework that connects the department's core responsibilities to its departmental results and departmental result indicators.

### **Departmental Results Report** (rapport sur les résultats ministériels)

A report on a department's actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

### **experimentation** (expérimentation)

The conducting of activities that seek to first explore, then test and compare the effects and impacts of policies and interventions in order to inform evidence-based decision-making, and improve outcomes for Canadians, by learning what works, for whom and in what circumstances.

Experimentation is related to, but distinct from innovation (the trying of new things), because it involves a rigorous comparison of results. For example, using a new website to communicate with Canadians can be an innovation; systematically testing the new website against existing outreach tools or an old website to see which one leads to more engagement, is experimentation.

**financial audit** (audit d'états financiers)

An audit that provides assurance that financial statements are presented fairly, in accordance with the applicable financial reporting framework.

**full-time equivalent** (équivalent temps plein)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. For a particular position, the full-time equivalent figure is the ratio of number of hours the person actually works divided by the standard number of hours set out in the person's collective agreement.

**gender-based analysis plus (GBA Plus)** (analyse comparative entre les sexes plus [ACS Plus])

An analytical tool used to support the development of responsive and inclusive policies, programs and other initiatives, and to understand how factors such as sex, race, national and ethnic origin, Indigenous origin or identity, age, sexual orientation, socio-economic conditions, geography, culture and disability can impact experiences and outcomes and affect access to and experience of government programs.

**government-wide priorities** (priorités pangouvernementales)

For the purpose of the 2021–22 Departmental Results Report, government-wide priorities refers to those high-level themes outlining the government's agenda in the 2020 Speech from the Throne, namely: Protecting Canadians from COVID-19; Helping Canadians through the pandemic; Building back better—a resiliency agenda for the middle class; The Canada we're fighting for.

**horizontal initiative** (initiative horizontale)

An initiative where two or more federal organizations are given funding to pursue a shared outcome, often linked to a government priority.

**non-budgetary expenditures** (dépenses non budgétaires)

Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

**performance** (rendement)

What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

**performance audit** (audit de performance)

An independent, objective, and systematic assessment of how well the government is managing its activities, responsibilities, and resources.

**performance indicator** (indicateur de rendement)

A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

**performance reporting** (production de rapports sur le rendement)

The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

**plan** (plan)

The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally, a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead to the expected result.

**planned spending** (dépenses prévues)

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts presented in Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

**program** (programme)

Individual or groups of services, activities or combinations thereof that are managed together within the department and focus on a specific set of outputs, outcomes or service levels.

**program inventory** (répertoire des programmes)

Identifies all the department's programs and describes how resources are organized to contribute to the department's core responsibilities and results.

**result** (résultat)

A consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

**special examination** (examen spécial)

A form of performance audit that is conducted within Crown corporations. The scope of special examinations is set out in the *Financial Administration Act*. A special examination considers whether a Crown corporation's systems and practices provide reasonable assurance that its assets are

safeguarded and controlled, its resources are managed economically and efficiently, and its operations are carried out effectively.

**statutory expenditures** (dépenses législatives)

Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

**target** (cible)

A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

**voted expenditures** (dépenses votées)

Expenditures that Parliament approves annually through an appropriation act. The vote wording becomes the governing conditions under which these expenditures may be made.

## Endnotes

- i. Update on Past Audits, <https://www.oag-bvg.gc.ca/internet/ag-measures/index.html>
- ii. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- iii. Public Accounts of Canada, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- iv. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- v. Raison d'être, mandate, and role: Who we are and what we do, [https://www.oag-bvg.gc.ca/internet/English/acc\\_rpt\\_e\\_44111.html](https://www.oag-bvg.gc.ca/internet/English/acc_rpt_e_44111.html)
- vi. Operating context, [https://www.oag-bvg.gc.ca/internet/English/acc\\_rpt\\_e\\_44112.html](https://www.oag-bvg.gc.ca/internet/English/acc_rpt_e_44112.html)
- vii. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- viii. Supplementary Information Table—Reporting on green procurement, [https://www.oag-bvg.gc.ca/internet/English/acc\\_rpt\\_e\\_44113.html](https://www.oag-bvg.gc.ca/internet/English/acc_rpt_e_44113.html)
- ix. Supplementary Information Table—Gender-based analysis plus, [https://www.oag-bvg.gc.ca/internet/English/acc\\_rpt\\_e\\_44114.html](https://www.oag-bvg.gc.ca/internet/English/acc_rpt_e_44114.html)
- x. Supplementary Information Table—United Nations' 2030 Agenda for Sustainable Development and the United Nations' Sustainable Development Goals, [https://www.oag-bvg.gc.ca/internet/English/acc\\_rpt\\_e\\_44115.html](https://www.oag-bvg.gc.ca/internet/English/acc_rpt_e_44115.html)
- xi. Monitoring Report on the System of Quality Control—2020–21 Fiscal Year, [https://www.oag-bvg.gc.ca/internet/English/acc\\_rpt\\_e\\_44104.html](https://www.oag-bvg.gc.ca/internet/English/acc_rpt_e_44104.html)



