



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

# 2022–23 Departmental Results Report

Original signed by

Karen Hogan, FCPA  
Auditor General of Canada

Original signed by

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

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## Message from the Auditor General of Canada

I am pleased to present the 2022–23 Departmental Results Report for the Office of the Auditor General of Canada (OAG).

The first 3 years of my 10-year mandate have shown that the OAG has the resilience and strength to adapt to the ongoing changes in our world today. By focusing on areas that matter to Canadians, our work plays a crucial role in promoting transparency in our public institutions and in supporting the accountability relationship between elected officials and government organizations in the spending of public funds, at both the federal and territorial levels.

In 2022–23, we initiated a review of our process for selecting the areas of focus for our performance audits to enhance the relevance of our work for Canadians, legislators, and the entities we audit. We also continued to advance our organizational-level transformation initiatives, which include transitioning to a hybrid workplace, modernizing our processes, reducing our environmental footprint, and supporting a healthy workplace culture.

We delivered audits that allowed us to engage Parliament and the territorial legislatures in dialogue on a variety of important topics, such as chronic homelessness, access to benefits for hard-to-reach populations, processing disability benefits for veterans, addictions prevention and recovery services, the just transition to a low-carbon economy, and hydrogen's potential to reduce greenhouse gas emissions.

The cost of federal initiatives relating to the coronavirus disease (COVID-19) pandemic has amounted to billions of dollars. In 2022–23, our office continued to support parliamentarians in their role of holding the government to account for its pandemic-related expenditures. In December 2022, we issued our performance audit report on specific COVID-19 benefits, which focused on the payment and recovery of benefits and the achievement of the objectives of 6 COVID-19 benefit programs. In our Commentary on the 2021–2022 Financial Audits, we provided our observations on the federal government's COVID-19 economic response and its effects on the financial statements of the Government of Canada. We also drew attention to the process of identifying and recovering overpayments of ineligible benefits.

We have accomplished much in 2022–23, and I am proud to lead the OAG's dedicated and professional employees, who are committed to doing their best work for all Canadians.



Karen Hogan, FCPA  
Auditor General of Canada

Original signed by

Karen Hogan, FCPA  
Auditor General of Canada

7 September 2023

# Results at a glance

In the 2022–23 fiscal year, the Office of the Auditor General of Canada used \$127.9 million of parliamentary authorities and had 732 full-time-equivalent employees.

**With these resources, we completed the following:**



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



24 performance audits of government activities and programs (22 federal and 2 territorial)



3 special examinations of Crown corporations



a review of the 2021 Progress Report on the Federal Sustainable Development Strategy



our annual report on environmental petitions



our annual commentary report on our financial audit work



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



a background on biodiversity in Canada



a research paper on climate-related financial disclosures

For more information on the OAG's plans, priorities, and results achieved, see the "Results: What we achieved" section of this report.

# Results: What we achieved

## Our core responsibility: Legislative auditing

### Description

Our audit reports provide objective, fact-based information and advice on government programs and activities. With our audits, we assist Parliament in its authorization and oversight of government spending and operations.

Our audits also help territorial legislatures, boards of Crown corporations, and audit committees in their oversight of the management of government activities. Those charged with governance use our audit findings to hold their respective organizations 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 programs with due regard for economy, efficiency, and environmental impact, and measure their effectiveness. We have also incorporated the assessment of equity, diversity, and inclusion as a priority area for our performance audits.

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 well-managed and accountable government is to deliver high-quality audit work in a timely manner to Parliament, the territorial legislative assemblies, and the boards of the Crown corporations we audit. This work helps inform our stakeholders' decision making and assists them in fulfilling their oversight responsibilities.

In the 2022–23 fiscal year, we met our internal targets for audit reporting, generating 100% of our statutory audit reports on time and 82% of our audit reports without statutory deadlines in line with our planned reporting dates.

### Financial audits

In the 2022–23 fiscal year, we completed 90 financial audits. These include audits of the consolidated financial statements of the Government of Canada and each of the 3 territorial governments and audits of the financial statements of federal Crown corporations, territorial corporations, and other organizations.

The objectives of our financial audits are to opine on whether the financial statements of the auditee achieve fair presentation in accordance with their applicable financial reporting framework and to opine on the entity's compliance with specified authorities. Unmodified audit opinions indicate that in all material respects, the entity's financial statements are fairly presented, in accordance with the applicable financial reporting framework. They also indicate that the transactions that came to our notice during the financial audit have complied, in all material respects, with the specified authorities. 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%.

During the 2022–23 fiscal year, 97% of our financial audit opinions were issued on an unmodified basis. Of the 4 modified opinions reported in 2021–22, only 1 was resolved. All 3 of the modified audit opinions we noted in 2022–23 were recurring and related to our inability to observe physical inventory counts in the prior year because of pandemic-related travel restrictions.

We also presented our annual commentary on financial audits, which provides additional insights to Parliament on matters of significance raised during our financial audits. In this report, we presented information on the upcoming adoption of accounting standards on asset retirement obligations and on increasing environmental, social, and governance reporting. The commentary provided parliamentarians with a summary of the government's COVID-19 economic response and its effects on the financial statements of the Government of Canada, an initiative that has involved more than \$375 billion over 3 years.

### Performance audits

We presented 24 performance audit reports in the 2022–23 fiscal year: 22 to the Parliament of Canada, 1 to the Yukon Legislative Assembly, and 1 to the Northwest Territories Legislative Assembly. These reports appear in the “List of reports” section of this report and include findings on a variety of important subjects, such as chronic homelessness, access to benefits for hard-to-reach populations, processing disability benefits for veterans, and hydrogen's potential to reduce greenhouse gas emissions. They also include our December 2022 performance audit report on specific COVID-19 benefits, which focused on the payment and recovery of benefits and the achievement of the objectives of 6 COVID-19 benefit programs.

The 2022–23 fiscal year also marked the second iteration of our Update on Past Audits tool. This [dashboard](#), available on the OAG's website,<sup>1</sup> tracks the performance of selected departments and agencies in areas we previously audited. This iteration reviews selected performance measures that we previously reported on and expands on the previous edition to include the review of the implementation of past audit recommendations. The results of this analysis showed that 74% of recommendations reviewed during the 2022–23 update were fully implemented.

## Special examinations

Special examinations are a type of performance audit that focuses on the operations of parent federal Crown corporations. 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 2022–23 fiscal year, we reported the special examination results of 3 Crown corporations: Jacques-Cartier and Champlain Bridges Inc., the Windsor-Detroit Bridge Authority, and the Canadian Broadcasting Corporation. One significant deficiency was identified for the period under review, relating to board oversight at the Windsor-Detroit Bridge Authority.

## Our 2022–24 Strategic Plan

As outlined in our 2022–23 Departmental Plan, our strategic framework guides us in shaping our culture and improving the delivery of our legislative auditing program. Over the past year, we updated this framework to align with and focus on our priorities. We remain guided by principles under our pillars of care, connect, and modernize, and we focus on 2 priorities: a rallying call around a shared vision and building meaningful relationships with our stakeholders.

### Priority 1: One office, one team, one vision

“One office, one team, one vision” is a rallying call that embodies the collective mindset we seek to adopt. This priority means consciously coordinating and integrating across all areas of activity and expertise. It calls for meaningfully engaging with colleagues on OAG culture, recognizing and leveraging the range of our people’s skills and expertise, and creating opportunities to exchange and engage with colleagues in other areas. As we work together to fulfill our mandate, we will be supported by renewed processes and tools, cohesion across operations, and a modernized work environment.

In the 2022–23 fiscal year, we worked on multiple initiatives to support this priority, such as the following:

- A big milestone in OAG FLEX, our transition to a hybrid work model, took place in January 2023, when we welcomed our management cadre back on site for 37.5 hours a month. All employees returned to in-person work in June 2023.
- The first phase of our transformation initiative was completed in 2022. As a result of this initial discovery phase, the initiative has been divided into 3 streams that will transform our audits and internal services as well as our cybersecurity and aging IT systems. Work on all 3 streams continues in parallel, as each stream develops a roadmap to determine and implement next steps.



- Our employee engagement initiative was launched in 2022 with office-wide consultations to gather input from employees. Once the consultations were complete, a working group of managers was struck to develop an action plan, with plans in place to engage non-management employees in the future.

### **Priority 2: Meaningful relationships, trusted advice**

A constructive, beneficial, and productive working relationship is built on mutual trust, respect, awareness, inclusion, and honest communication.

The OAG plays an important role in holding government accountable for financial responsibility, well-managed programs, and transparency in public reporting. Our relevance is built on knowledge, recognized expertise, and the value we bring to stakeholders, including parliamentarians and other elected representatives, government officials, public servants and administrators, and Canadians.

To inform our work and remain relevant through value realization, we will purposefully engage and foster trust with key stakeholders.

In 2022–23, we supported Priority 2 with the following initiatives:

- Our departmental results framework was updated in 2022–23 to better align with our renewed mission and vision. This new framework reflects our continued focus on productive and collaborative relationships with our stakeholders.
- We developed guidance for our employees for establishing a clear and coordinated approach as we finalize our stakeholder engagement plan.
- We modernized our post-audit survey tools and can now better collect, analyze, and report feedback from our financial audit and special examination clients.

### **Gender-based analysis plus**

The OAG incorporates gender-based analysis plus (GBA Plus) in its audit work to provide elected officials and all Canadians with objective information on the government's progress toward its gender, equity, diversity, and inclusion priorities. A summary of the activities to support the advancement of Canada's GBA Plus commitments is included in a supplementary information table accompanying this report.

### **United Nations' 2030 Agenda for Sustainable Development and the Sustainable Development Goals**

The OAG is committed to aligning its audit work to support the United Nations' 2030 Agenda for Sustainable Development and the underlying 17 Sustainable Development Goals. All of the OAG's audits—financial audits, performance audits, and special examinations—contribute to the goal of peace, justice, and strong institutions (Goal 16). In addition, we consider the other goals when planning and reporting on our audit work (Exhibit 1).

**Exhibit 1—The number of United Nations’ Sustainable Development Goal references in the OAG’s direct engagements for the 2022–23 fiscal year**



Notes:

- The number of references includes mentions of any of the United Nations’ Sustainable Development Goals or the 2030 Agenda for Sustainable Development in the OAG’s performance audit reports presented to Parliament and northern legislative assemblies and in the OAG’s special examination reports transmitted to Crown corporations during the period from 1 April 2022 to 31 March 2023. Because a direct engagement report may refer to more than 1 goal, the total number of references is greater than the total number of reports presented or transmitted during the period.
- The source of the Sustainable Development Goal icons is the United Nations.

We were pleased that our previous recommendations to government regarding better aligning the Federal Sustainable Development Strategy with the goals were acted on in the new 2022 to 2026 Federal Sustainable Development Strategy, which has a new structure focused on the goals.

## Contracts awarded to Indigenous businesses

For the purposes of complying with the Directive on the Management of Procurement, the OAG is a Phase 3 organization and as such is aiming to achieve the minimum target of awarding 5% of the total value of contracts to Indigenous businesses by the end of the 2024–25 fiscal year.

- In 2022–23, the contract reporting fields were updated in the OAG’s financial system of record to better support the timely identification and disclosure of contracts awarded to Indigenous businesses.
- In 2023–24, the OAG will evaluate Indigenous business capacity and identify set-aside opportunities in areas where there is significant contracting activity.

## Results achieved

The OAG maintains a departmental results framework for reporting corporate results in accordance with the Treasury Board’s Policy on Results. Our new framework came into effect on 1 April 2023 and was included in our 2023–24 Departmental Plan.

Exhibit 2 presents the OAG’s indicators, targets, and results for the last 3 fiscal years for our departmental result: well-managed and accountable government.

**Exhibit 2—Departmental result indicators, targets, and actual results for the 2020–21, 2021–22, and 2022–23 fiscal years**

<b>Departmental result indicators</b>	<b>Target</b>	<b>Date to achieve target</b>	<b>2020–21 Actual results</b>	<b>2021–22 Actual results</b>	<b>2022–23 Actual results</b>
Percentage of audit reports on financial statements without qualifications or “other matters” raised	100%	Ongoing	Target not met (96%)	Target not met (96%)	Target not met (97%) <sup>1</sup>
Percentage of special examination reports with no significant deficiencies	100%	Ongoing	Target not met (50%; 2 of 4) <sup>2</sup>	Target met (100%; 3 of 3)	Target not met (67%; 2 of 3) <sup>3</sup>
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 (50%; 1 of 2)	Target not met (25%; 1 of 4)	Target not met (25%; 1 of 4) <sup>4</sup>
Percentage of audit recommendations or opinions addressed by entities: For performance audits, percentage of recommendations examined for which progress is assessed as “substantial improvement”	At least 75%	Ongoing	Not applicable <sup>5</sup>	Not applicable <sup>5</sup>	Target not met (74%) <sup>6</sup>
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>7</sup>	Not applicable <sup>8</sup>	Not applicable <sup>9</sup>

Departmental result indicators	Target	Date to achieve target	2020–21 Actual results	2021–22 Actual results	2022–23 Actual results
Percentage of audits that meet statutory deadlines, where applicable, or our planned reporting dates					
• financial audits with a statutory deadline and special examinations	100%	Ongoing	Target not met (95%) <sup>10</sup>	Target not met (98%) <sup>11</sup>	Target met (100%)
• financial audits of federal organizations with no statutory deadline, financial audits of territorial organizations, and performance audits	At least 80%	Ongoing	Target not met (72%)	Target met (87%)	Target met (82%)

<sup>1</sup> In 2022–23, we issued modified audit opinions on the financial statements of 3 entities (the Northwest Territories Business Development and Investment Corporation, the Qulliq Energy Corporation, and the Yukon Liquor Corporation). All 3 related to our inability to observe physical inventory counts because of pandemic-related travel restrictions.

<sup>2</sup> Significant deficiencies were noted in the special examinations of the National Arts Centre and the Canadian Dairy Commission.

<sup>3</sup> A significant deficiency was noted in the special examination of the Windsor-Detroit Bridge Authority.

<sup>4</sup> Only 1 of the 4 modified audit opinions from 2022–23 were addressed. The remaining modified opinions (of the Northwest Territories Business Development and Investment Corporation, the Qulliq Energy Corporation, and the Yukon Liquor Corporation) were recurring and related to our inability to observe physical inventory counts in the prior year because of pandemic-related travel restrictions.

<sup>5</sup> This indicator was under review for the fiscal year indicated.

<sup>6</sup> Because of a methodology change, the 2022–23 result is the percentage of recommendations examined that were fully implemented.

<sup>7</sup> None of the special examination reports issued to a Crown corporation's board had any significant deficiencies noted in their previous examinations.

<sup>8</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.

<sup>9</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 the corporation's first special examination.

<sup>10</sup> Three financial audit reports with statutory deadlines were late: National Defence's Reserve Force Pension Plan, Telefilm Canada, and the National Capital Commission.

<sup>11</sup> One financial audit report with a statutory deadline was late: National Defence's Reserve Force Pension Plan.

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

## 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](#).<sup>iii</sup> 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](#)<sup>iv</sup> and [annual audited financial statements](#) on its website.

## Parliamentary authorities provided and used

Parliament provided the OAG with up to \$135.6 million in parliamentary authorities, which consisted of \$119.9 million in Main Estimates authorities, and \$15.7 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 for retroactive wage increases (Exhibit 3).

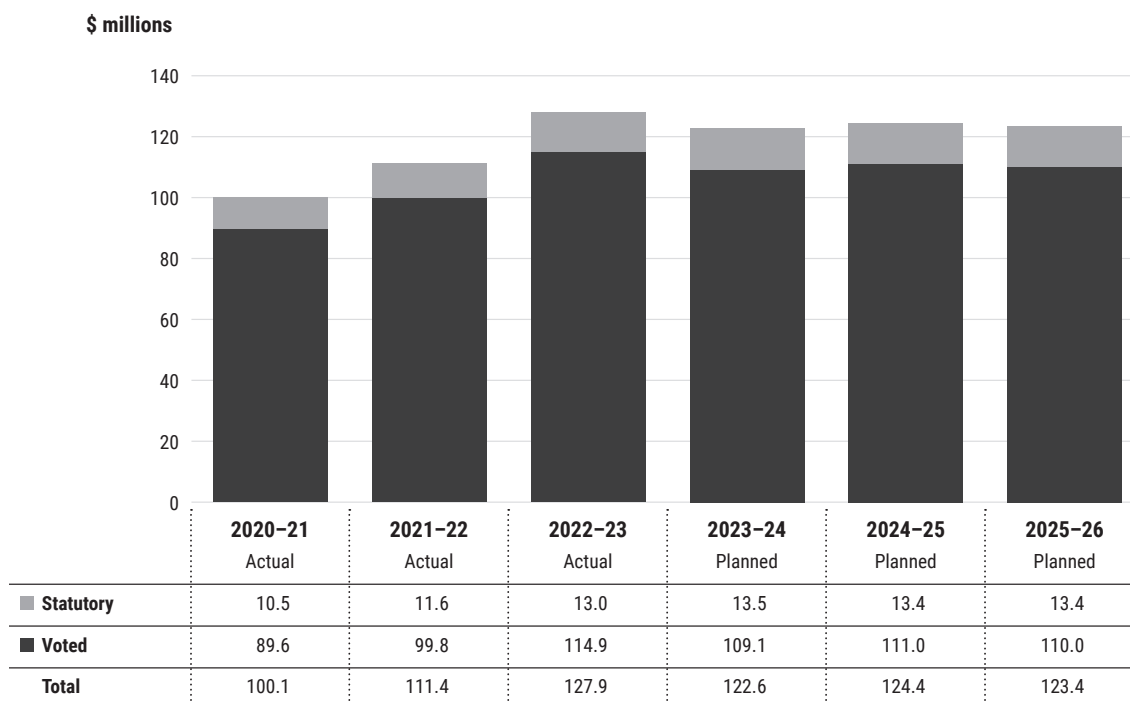
**Exhibit 3—Budgetary financial resources (in millions of dollars)**

2022–23 Main Estimates	2022–23 Planned spending	2022–23 Total authorities available for use	2022–23 Actual spending (authorities used)	2022–23 Difference (actual spending minus planned spending)
119.9	119.9	135.6	127.9	8.0

In the 2022–23 fiscal year, \$127.9 million was charged against our total parliamentary authorities of \$135.6 million. This resulted in the lapse of \$7.7 million of the OAG's parliamentary authorities provided in the 2022–23 fiscal year. The OAG requested the creation of a permanent frozen allotment of \$4.1 million to fund projects related to the modernization of aging IT systems and to our transformation initiative, which reduces the lapse to \$3.6 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 (\$3.6 million) and credits for certain pay-related amounts (\$1.9 million) for which authorities were not provided in the current year. We expect to carry forward \$5.5 million into the 2023–24 fiscal year.

Exhibit 4 shows the trend in our spending based on parliamentary authorities used for the 2020–21 to 2025–26 fiscal years, and Exhibit 5 shows our budgetary performance summary for the 2020–21 to 2024–25 fiscal years.

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



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

2022-23 Main Estimates	2022-23 Planned spending	2023-24 Planned spending	2024-25 Planned spending	2022-23 Total authorities available for use	2020-21 Actual spending (authorities used)	2021-22 Actual spending (authorities used)	2022-23 Actual spending (authorities used)
119.9	119.9	122.6	124.4	135.6	100.1	111.4	127.9

## Human resources

Exhibit 6 shows, in full-time equivalents, the human resources the OAG needed to carry out its operations for the 2022–23 fiscal year.

## Exhibit 6—Human resources (full-time equivalents)

2020-21 Actual	2021-22 Actual	2022-23 Actual	2022-23 Planned	2023-24 Planned	2024-25 Planned
632	727	732	747	765	780

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

## Expenditures by vote

For information on the OAG’s organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2023](#).<sup>vi</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>vii</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 2023, 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 2023 was completed in accordance with the Treasury Board's Policy on Financial Management. The results and action plans are summarized in the 2022–23 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

Original signed by

Karen Hogan, FCPA  
Auditor General of Canada

Vicki Clement, CPA, CA  
Deputy Chief Financial Officer

Ottawa, Canada  
18 July 2023

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<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

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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 2023, 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 2023, 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 July 2023

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

	2023	2022
	(in thousands of dollars)	
<b>Financial assets</b>		
Due from the Consolidated Revenue Fund	14,926	6,619
Accounts receivable (note 4)	1,482	1,746
Accounts receivable held on behalf of the Government of Canada (note 4)	(203)	(86)
	16,205	8,279
<b>Liabilities</b>		
Vacation pay	8,992	9,100
Accounts payable and accrued liabilities (note 5)	15,984	7,713
Sick leave benefits (note 6b)	2,441	2,482
Severance benefits (note 6c)	1,603	1,678
Maternity/parental leave benefits (note 6d)	422	934
	29,442	21,907
<b>Net debt</b>	(13,237)	(13,628)
<b>Non-financial assets</b>		
Tangible capital assets (note 7)	2,520	2,997
Prepaid expenses	483	598
	3,003	3,595
<b>Accumulated deficit</b>	(10,234)	(10,033)

Contractual obligations (note 11)

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

**Approved by**

Original signed by

Karen Hogan, FCPA  
Auditor General of Canada

Ottawa, Canada  
18 July 2023

Original signed by

Vicki Clement, CPA, CA  
Deputy Chief Financial Officer

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

	2023	2023	2022
	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	65,400	67,540	60,509
Performance audits and studies	54,200	58,264	49,794
Professional practices	6,500	12,085	9,207
Special examinations of Crown corporations	5,500	5,007	5,011
Sustainable development monitoring activities and environmental petitions	3,000	2,144	2,377
<b>Total cost of operations</b>	<b>134,600</b>	<b>145,040</b>	<b>126,898</b>
<b>Revenues</b>			
International audits	1,100	1,292	780
Other	-	227	90
Revenues earned on behalf of the Government of Canada	-	(236)	(97)
<b>Net revenues</b>	<b>1,100</b>	<b>1,283</b>	<b>773</b>
<b>Net cost of operations before government funding and transfers</b>	<b>133,500</b>	<b>143,757</b>	<b>126,125</b>
<b>Government funding and transfers (note 3)</b>			
Net cash provided by the Government of Canada	-	118,770	112,697
Change in Due from the Consolidated Revenue Fund	-	8,307	(1,386)
Services provided without charge (note 10b)	-	16,479	15,453
<b>Total government funding and transfers</b>	<b>135,655</b>	<b>143,556</b>	<b>126,764</b>
<b>Annual (deficit)/surplus</b>	<b>2,155</b>	<b>(201)</b>	<b>639</b>
<b>Accumulated deficit, beginning of year</b>	<b>(10,033)</b>	<b>(10,033)</b>	<b>(10,672)</b>
<b>Accumulated deficit, end of year</b>	<b>(7,878)</b>	<b>(10,234)</b>	<b>(10,033)</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**

	<b>2023</b>	<b>2023</b>	<b>2022</b>
	<b>Planned results (note 13)</b>	<b>Actual</b>	<b>Actual</b>
	<b>(in thousands of dollars)</b>		
Annual (deficit)/surplus	2,155	(201)	639
Acquisition of tangible capital assets (note 7)	(2,300)	(997)	(713)
Amortization of tangible capital assets (notes 7 and 8)	850	751	674
Write-off of tangible capital assets	-	723	-
	705	276	600
Decrease/(increase) in prepaid expenses	-	115	(45)
<b>Decrease in net debt, during the year</b>	<b>705</b>	<b>391</b>	<b>555</b>
<b>Net debt, beginning of year</b>	<b>(13,628)</b>	<b>(13,628)</b>	<b>(14,183)</b>
<b>Net debt, end of year</b>	<b>(12,923)</b>	<b>(13,237)</b>	<b>(13,628)</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**

	<b>2023</b>	<b>2022</b>
	<b>(in thousands of dollars)</b>	
<b>Operating transactions</b>		
Cash paid for		
Employee salaries, wages, and benefits	(90,937)	(83,593)
Services, transportation, communication, and other expenses	(18,886)	(18,734)
Statutory contributions to employee benefit plans	(11,957)	(13,210)
	(121,780)	(115,537)
Cash received from		
Sales tax recovered	1,546	1,793
Salaries and benefits recovered	1,155	536
International audits	653	980
Other	404	221
	3,758	3,530
<b>Cash used by operating transactions</b>	<b>(118,022)</b>	<b>(112,007)</b>
<b>Capital transactions</b>		
Cash used to acquire tangible capital assets	(748)	(690)
<b>Cash applied to capital transactions</b>	<b>(748)</b>	<b>(690)</b>
<b>Net cash provided by the Government of Canada (note 3c)</b>	<b>(118,770)</b>	<b>(112,697)</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 2023**

**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**

By nature, tangible capital assets are normally used to provide future services.

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 future 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:

<b>Tangible capital asset class</b>	<b>Useful life</b>
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

	2023	2022
	(in thousands of dollars)	
Net cost of operations before government funding and transfers	143,757	126,125
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	(16,479)	(15,453)
Amortization of tangible capital assets	(751)	(674)
Write-off of tangible capital assets	(723)	-
(Decrease)/increase in prepaid expenses	(115)	45
Revenues available for spending in future years/ (Recoveries from prior year's revenues)	647	(173)
Adjustment to previous year accruals	61	196
Total items recorded as part of net cost of operations but not affecting current year authorities	(17,360)	(16,059)
Adjustments for items not recorded as part of net cost of operations but affecting current year authorities:		
Acquisition of tangible capital assets	997	713
Decrease in liabilities not charged to authorities	391	555
Other	71	37
Total items not recorded as part of net cost of operations but affecting current year authorities	1,459	1,305
<b>Current year authorities used</b>	<b>127,856</b>	<b>111,371</b>

## b) Authorities provided and used

	2023	2022
	(in thousands of dollars)	
Main Estimates		
Vote 1—Program expenditures	107,013	104,834
Statutory amounts—Contributions to employee benefit plans	12,869	12,523
Total Main Estimates	119,882	117,357
Supplementary Estimates—Vote 1c—Program expenditures	-	1,500
Supplementary voted authorities	11,282	87
Authorities carried forward from previous year	4,302	3,179
Adjustment to statutory contributions to employee benefit plans	87	(912)
Current year authorities provided	135,553	121,211
Less: Lapsed authorities	(7,697)	(9,840)
<b>Current year authorities used</b>	<b>127,856</b>	<b>111,371</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 \$5.5 million (\$5.4 million in 2021–22).

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

	2023	2022
	<b>(in thousands of dollars)</b>	
Net cash provided by the Government of Canada	118,770	112,697
Change in Due from the Consolidated Revenue Fund		
Decrease/(increase) in Accounts receivable and Accounts receivable held on behalf of the Government of Canada	381	(837)
Increase/(decrease) in liabilities charged to authorities	7,926	(549)
Total—Change in Due from the Consolidated Revenue Fund	8,307	(1,386)
Revenues available for spending in future years/ (Recoveries from prior year's revenues)	647	(173)
Adjustment to previous year accruals	61	196
Other	71	37
<b>Current year authorities used</b>	<b>127,856</b>	<b>111,371</b>

4. **Accounts receivable**

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

	2023	2022
	<b>(in thousands of dollars)</b>	
International audits and audit-related professional services	1,023	312
Other government departments and agencies	327	1,352
Other	132	82
Gross accounts receivable	1,482	1,746
Accounts receivable held on behalf of the Government of Canada	(203)	(86)
<b>Net accounts receivable</b>	<b>1,279</b>	<b>1,660</b>

5. **Accounts payable and accrued liabilities**

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

	2023	2022
	<b>(in thousands of dollars)</b>	
Accrued employee salaries	13,376	4,927
Due to others	2,608	2,786
<b>Total</b>	<b>15,984</b>	<b>7,713</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 2022–23 expense amounts to \$8.5 million (\$7.8 million in 2021–22). For Group 1 members, the expense represents approximately 1.02 times (1.01 times in 2021–22) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2021–22) 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 2023. 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 3.05% (2.4% in 2021–22), 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 2021–22); a rate of salary increase of 3.75% (3.75% in 2021–22); an average turnover rate of 8.3% (8.3% in 2021–22); an average retirement age of 58 (58 in 2021–22) for Group 1 members and 61 (61 in 2021–22) 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:

	2023	2022
	<b>(in thousands of dollars)</b>	
Accrued benefit obligation, beginning of year	2,666	3,099
Current year benefit cost <sup>1</sup>	537	618
Interest on the accrued benefit obligation <sup>1</sup>	70	55
Benefits paid	(613)	(959)
Actuarial gain	(136)	(147)
Accrued benefit obligation, end of year	2,524	2,666
Unamortized accumulated actuarial loss, beginning of year	(184)	(313)
Actuarial gain for the year	136	147
Amortization of actuarial gain recognized in the year <sup>1</sup>	(35)	(18)
Unamortized accumulated actuarial loss, end of year	(83)	(184)
<b>Accrued benefit liability</b>	<b>2,441</b>	<b>2,482</b>

<sup>1</sup> These components make up the net benefit expense of \$572 (\$655 in 2021–22) 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	
	2023	2022
	<b>(in thousands of dollars)</b>	
<b>Discount rate</b>		
Increase by 1%	(144)	(157)
Decrease by 1%	162	177
<b>Salary increase rate</b>		
Increase by 1%	133	146
Decrease by 1%	(121)	(133)
<b>Retirement age</b>		
Increase by 1 year	245	264
Decrease by 1 year	(234)	(251)
<b>Turnover rate</b>		
Increase factors by 10%	(91)	(100)
Decrease factors by 10%	99	108
<b>Sick leave utilization rates</b>		
Increase factors by 10%	313	332
Decrease factors by 10%	(298)	(316)

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:

	<b>2023</b>	<b>2022</b>
	<b>(in thousands of dollars)</b>	
Accrued benefit obligation, beginning of year	1,678	1,834
Current year benefit cost	173	35
Benefits paid	(248)	(191)
<b>Accrued benefit obligation, end of year</b>	<b>1,603</b>	<b>1,678</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:

	<b>2023</b>	<b>2022</b>
	<b>(in thousands of dollars)</b>	
Accrued benefit obligation, beginning of year	934	373
Current year benefit cost	1,031	1,574
Benefits paid	(1,543)	(1,013)
<b>Accrued benefit obligation, end of year</b>	<b>422</b>	<b>934</b>

## 7. Tangible capital assets

	Cost					Accumulated amortization				2003 Net book value	2022 Net book value
	Opening balance	Acquisitions	Transfers	Disposals and write-offs	Closing balance	Opening balance	Amortization	Disposals and write-offs	Closing balance		
(in thousands of dollars)											
Informatics software	6,402	-	-	-	6,402	4,941	449	-	5,390	1,012	1,461
Work in progress	769	682	(47)	(722)	682	-	-	-	-	682	769
Informatics hardware and infrastructure	2,682	-	-	-	2,682	2,062	251	-	2,313	369	620
Leasehold improvements	3,428	273	47	(674)	3,074	3,376	24	(674)	2,726	348	52
Office equipment	1,196	42	-	(17)	1,221	1,162	11	(16)	1,157	64	34
Motor vehicle	45	-	-	-	45	11	9	-	20	25	34
Furniture and fixtures	4,331	-	-	(970)	3,361	4,304	7	(970)	3,341	20	27
<b>Total</b>	<b>18,853</b>	<b>997</b>	<b>-</b>	<b>(2,383)</b>	<b>17,467</b>	<b>15,856</b>	<b>751</b>	<b>(1,660)</b>	<b>14,947</b>	<b>2,520</b>	<b>2,997</b>

## 8. Expenses by object

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

	2023	2022
(in thousands of dollars)		
Personnel	119,033	102,150
Rentals	9,922	9,837
Professional and special services	9,728	11,236
Transportation and communications	2,192	712
Information	1,248	925
Small machinery and equipment	1,109	1,050
Amortization of tangible capital assets	751	674
Write-off of tangible capital assets	723	-
Utilities, materials, and supplies	148	118
Repairs and maintenance	116	141
Interest on the sick leave accrued benefit obligation	70	55
<b>Total cost of operations</b>	<b>145,040</b>	<b>126,898</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 2022–23 fiscal year, the OAG paid fees and provided in-kind services to the CAAF totalling \$0.6 million (\$0.7 million in 2021–22). As at 31 March 2023, the OAG held approximately 41% (44% in 2021–22) 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 2022, the OAG provided \$0.2 million in services (\$0.2 million in 2020–21) 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:

	2023	2022
	(in thousands of dollars)	
Expenses—Other government departments and agencies	15,357	13,599
Accounts receivable—Other government departments and agencies	327	1,352
Accounts payable—Other government departments and agencies	485	153

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, health and training services, and security 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.

	2023	2022
	(in thousands of dollars)	
OAG contribution to the health and dental insurance plans— Treasury Board of Canada Secretariat	8,632	7,618
Office accommodation—Public Services and Procurement Canada	7,847	7,835
<b>Services provided without charge</b>	<b>16,479</b>	<b>15,453</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 2023 are summarized as follows:

	2024	2025	2026	2027	Total
	(in thousands of dollars)				
Goods and services	2,198	946	946	143	4,233
Professional services	2,581	351	257	-	3,189
Operating leases	6	-	-	-	6
<b>Total</b>	<b>4,785</b>	<b>1,297</b>	<b>1,203</b>	<b>143</b>	<b>7,428</b>

Contractual obligations with related parties total \$3.9 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 2022–23 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 2021–22 comparative figures have been reclassified to conform to the presentation adopted for the 2022–23 fiscal year.



## Corporate information

### Organizational profile

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

**Main legislative authorities:**

[Auditor General Act](#),<sup>viii</sup> R.S.C. 1985, c. A-17

[Financial Administration Act](#),<sup>ix</sup> 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”](#)<sup>x</sup> is available on the Office of the Auditor General of Canada’s (OAG’s) website.

### Operating context

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

## Reporting framework

The OAG’s departmental results framework and program inventory of record for the 2022–23 fiscal year are shown in Exhibit 7.

### Exhibit 7—Departmental results framework and program inventory

<b>Core responsibility: Legislative auditing</b>	<b>Description</b> <p>Our audit reports provide objective, fact-based information and advice on government programs and activities. With our audits, we assist Parliament in its authorization and oversight of government spending and operations.</p> <p>Our audits also help territorial legislatures, boards of Crown corporations, and audit committees in their oversight of the management of government activities. Those charged with governance use our audit findings to hold their respective organizations to account for the handling of public funds.</p> <p>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.</p> <p>Performance audits assess whether government organizations manage programs with due regard for economy, efficiency, and environmental impact, and measure their effectiveness. Over the last 2 years, we have also incorporated the assessment of equity, diversity, and inclusion as a priority area for our performance audits.</p> <p>Special examinations assess whether Crown corporations systems and practices provide reasonable assurance that assets are safeguarded, resources are managed economically and efficiently, and operations are managed effectively.</p>
<b>Result and indicators</b>	<b>Well-managed and accountable government</b> <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 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 for which progress is assessed as “substantial improvement”</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>
<b>Program inventory</b>	<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>xii</sup>

## Supplementary information tables

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

- [reporting on green procurement](#)<sup>xiii</sup>
- [gender-based analysis plus](#)<sup>xiv</sup>
- [United Nations’ 2030 Agenda for Sustainable Development and the United Nations’ Sustainable Development Goals](#)<sup>xv</sup>

## Report on staffing

The Auditor General has the staffing authorities of the Public Service Commission of Canada through the *Auditor General 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.

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.

#### 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 the compliance with applicable regulations, policies, guidelines, and delegations of authority. We continue to emphasize training on unconscious biases and diversity for all hiring 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 are 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, the 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 People Management Committee and the Executive Committee in compliance with the OAG's governance model.

### 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 2022–23 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 2022–23 fiscal year, 1 staffing appointment was made on a non-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 2022–23 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. In the 2022–23 fiscal year, 1 complaint was received regarding official languages in the context of staffing processes. However, the Commissioner of Official Languages decided to exercise his discretionary power under subsection 58(4) of the *Official Languages Act* and to discontinue the investigation of the complaint.

## Continuous improvement

The OAG maintains an ongoing dialogue with its union representatives, employees in the Audit Services Group and the Audit Professional Group, and management so that it can identify and implement improvements.

Resourcing remains a top priority for the OAG. Several initiatives were implemented in the 2022–23 fiscal year in support of resourcing efforts and were aligned with the call to action on anti racism, equity, and inclusion in the federal public service:

- maintaining several flexibilities related to staffing that were implemented during the pandemic to ensure the continuity of recruitment and hiring activities—these new ways of doing business increased the OAG's ability to deliver efficient and effective staffing, and some will be maintained post-pandemic, such as virtual interviews and online onboarding
- hiring a resource with an expertise in official languages to act as a resource person for employees and managers who have questions about their obligations under the law, to serve as an expert advisor to the Official Languages Committee, and to submit recommendations that will contribute to the achievement of a bilingual workplace
- partnering with Pride at Work Canada to increase the representation of new hires who identify as members of the 2-spirit, lesbian, gay, bisexual, transgender, queer, intersex, and additional diverse communities and to position the OAG as a workplace that welcomes this equity-seeking group

- continuing the engagement of 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 the engagement with Indigenous Link to improve the OAG’s reach in Indigenous communities, and launching a partnership with Indigenous Works to increase the representation of new hires who identify as First Nations, Inuit, or Métis
- continuing the participation in the Employment Accessibility Resource Network’s Champion Group to increase awareness of job opportunities at the OAG for people with disabilities and to increase representation of this employment equity group
- continuing the engagement with employment equity groups through the federal government talent management programs, such as the federal Black Executives Network and the Indigenous Career Navigator Program, to support the recruitment and retention of members of these groups

## 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](#).<sup>xvi</sup> 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 following tables list the performance audit reports and other reporting for the 2022–23 fiscal year, including the planned and actual reporting dates. The titles are those used in the published reports.

### Reports presented to Parliament

#### 2022 Reports of the Auditor General of Canada

Report title	Reporting date	Planned for 2022–23	Reported in 2022–23	Legislative hearings <sup>1</sup>
Report 1—Access to Benefits for Hard-to-Reach Populations	May 2022 <sup>a</sup>			House of Commons Standing Committee on Public Accounts Standing Senate Committee on National Finance
Legend				
Yes 				
No 				

Report title	Reporting date	Planned for 2022–23	Reported in 2022–23	Legislative hearings <sup>1</sup>
Report 2—Processing Disability Benefits for Veterans	May 2022 <sup>a</sup>			House of Commons Standing Committee on Public Accounts House of Commons Standing Committee on Veterans Affairs
Report 3—Follow-up on Gender-Based Analysis Plus	May 2022 <sup>a</sup>			Standing Senate Committee on Social Affairs, Science and Technology
Report 4—Systemic Barriers—Correctional Service Canada	May 2022 <sup>a</sup>			House of Commons Standing Committee on Public Accounts
Report 5—Chronic Homelessness	November 2022			House of Commons Standing Committee on Public Accounts Standing Senate Committee on Indigenous Peoples
Report 6—Arctic Waters Surveillance	November 2022			House of Commons Standing Committee on Public Accounts House of Commons Standing Committee on National Defence Standing Senate Committee on National Security, Defence and Veterans Affairs
Report 7—Cybersecurity of Personal Information in the Cloud	November 2022			House of Commons Standing Committee on Public Accounts
Report 8—Emergency Management in First Nations Communities—Indigenous Services Canada	November 2022			House of Commons Standing Committee on Public Accounts House of Commons Standing Committee on Indigenous and Northern Affairs Standing Senate Committee on Indigenous Peoples
Legend				
Yes 				
No 				

Report title	Reporting date	Planned for 2022–23	Reported in 2022–23	Legislative hearings <sup>1</sup>
Report 9—COVID-19 Vaccines	December 2022	✓	✓	House of Commons Standing Committee on Public Accounts Standing Senate Committee on National Finance
Report 10—Specific COVID-19 Benefits	December 2022	✓	✓	House of Commons Standing Committee on Public Accounts Standing Senate Committee on National Finance
Legend				
Yes ✓				
No ✗				

<sup>a</sup> This report was originally planned to be reported in March 2022. The labour dispute at the OAG at the end of the 2021–22 fiscal year delayed our reporting until May 2022.

<sup>1</sup> In addition to hearings on individual reports, separate briefings were held by the House of Commons Standing Committee on Public Accounts for each of the following report groups: reports 1–4, which were tabled in May 2022; reports 5–8, which were tabled in November 2022; and reports 9–10, which were tabled in December 2022.

## 2023 Reports of the Auditor General of Canada

Report title	Reporting date	Planned for 2022–23	Reported in 2022–23	Legislative hearings <sup>1</sup>
Report 1—Accessible Transportation for Persons With Disabilities	March 2023	✓	✓	House of Commons Standing Committee on Public Accounts House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons With Disabilities
Report 2—Connectivity in Rural and Remote Areas	March 2023	✓	✓	House of Commons Standing Committee on Canadian Heritage
Report 3—Rehabilitation of Parliament's Centre Block—Public Services and Procurement Canada	March 2023	✓	✓	None
Legend				
Yes ✓				
No ✗				



Report title	Reporting date	Planned for 2022–23	Reported in 2022–23	Legislative hearings <sup>1</sup>
Report 4—International Assistance in Support of Gender Equality—Global Affairs Canada	March 2023			House of Commons Standing Committee on Public Accounts
Benefits Delivery Modernization	Deferred to 2023–24			Not applicable
Anti-racism, Equity, and Inclusion in the Federal Public Service	Deferred to 2023–24			Not applicable
Combatting Cybercrime	Deferred to 2023–24			Not applicable
Opioid Harm	Cancelled			Not applicable
Legend				
Yes				
No				

<sup>1</sup> In addition to hearings on individual reports, a separate briefing was held by the House of Commons Standing Committee on Public Accounts for reports 1–4, which were tabled in March 2023.







## 2022 Reports of the Commissioner of the Environment and Sustainable Development

Report title	Reporting date	Planned for 2022–23	Reported in 2022–23	Legislative hearings <sup>1</sup>
Report 1—Just Transition to a Low-Carbon Economy	April 2022			House of Commons Standing Committee on Public Accounts Standing Senate Committee on Energy, the Environment and Natural Resources
Report 2—Greening Government Strategy	April 2022			House of Commons Standing Committee on Public Accounts
Report 3—Hydrogen’s Potential to Reduce Greenhouse Gas Emissions	April 2022			House of Commons Standing Committee on Public Accounts Standing Senate Committee on Energy, the Environment and Natural Resources
Legend				
Yes				
No				

Report title	Reporting date	Planned for 2022–23	Reported in 2022–23	Legislative hearings <sup>1</sup>
Report 4—Funding Climate-Ready Infrastructure—Infrastructure Canada	April 2022	✔	✔	None
Report 5—Carbon Pricing—Environment and Climate Change Canada	April 2022	✔	✔	Standing Senate Committee on Energy, the Environment and Natural Resources
Report 6—Management of Low and Intermediate Level Radioactive Waste	October 2022	✔	✔	None
Report 7—Protecting Aquatic Species at Risk	October 2022	✔	✔	Standing Senate Committee on Fisheries and Oceans
Report 8—Review of the 2021 Progress Report on the Federal Sustainable Development Strategy	October 2022	✔	✔	None
Report 9—Departmental Progress in Implementing Sustainable Development Strategies—Species at Risk	October 2022	✔	✔	Standing Senate Committee on Fisheries and Oceans
Report 10—Environmental Petitions Annual Report	October 2022	✔	✔	None
Backgrounder—Biodiversity in Canada—Commitments and Trends	October 2022	✘	✔	None
Legend				
Yes ✔				
No ✘				













<sup>1</sup> In addition to hearings on individual reports, a separate briefing was held by the House of Commons Standing Committee on Environment and Sustainable Development for reports 1–5, which were tabled in April 2022. The Standing Senate Committee on Energy, the Environment and Natural Resources also held a briefing for these 5 reports.

## 2023 Reports of the Commissioner of the Environment and Sustainable Development

Report title	Reporting date	Planned for 2022–23	Reported in 2022–23	Legislative hearings
Report 2—Follow-up on the Recovery of Species at Risk <sup>1</sup>	Deferred to 2023–24			Not applicable
Report 3—Discretionary Powers to Protect Species at Risk <sup>1</sup>	Deferred to 2023–24			Not applicable
Legend				
Yes 				
No 				

<sup>1</sup> We planned to complete this report in the 2022–23 fiscal year, but it was deferred to April 2023. It will therefore be included in the number of audits reported in the 2023–24 Departmental Results Report.

## Reports of the Auditor General of Canada to the northern legislative assemblies

Report title	Reporting date	Planned for 2022–23	Reported in 2022–23	Legislative hearings
Yukon Housing	May 2022			Standing Committee on Public Accounts of the Yukon Legislative Assembly
Addictions Prevention and Recovery Services in the Northwest Territories	May 2022			Standing Committee on Government Operations of the Northwest Territories Legislative Assembly
Child and Family Services in Nunavut <sup>1</sup>	Deferred to 2023–24			Not applicable
COVID-19 Vaccines in Nunavut <sup>1</sup>	Deferred to 2023–24			Not applicable
Stanton Territorial Hospital Renewal Project—Northwest Territories	Deferred to 2023–24			Not applicable
Legend				
 Yes				
 No				

<sup>1</sup> We planned to complete this report in the 2022–23 fiscal year, but it was deferred to May 2023. It will therefore be included in the number of audits reported in the 2023–24 Departmental Results Report.

## Special examination reports transmitted to Crown corporations<sup>1</sup>

Crown corporation	Planned for 2022–23	Statutory deadline <sup>2</sup>	Transmittal date	Legislative hearing
Canadian Broadcasting Corporation		February 2023	August 2022	Not applicable
Windsor-Detroit Bridge Authority		October 2022	August 2022	Not applicable
The Jacques-Cartier and Champlain Bridges Inc.		February 2024	April 2022	Not applicable
Legend  Yes  No				

<sup>1</sup> In our 2022–23 Departmental Plan, we reported that we planned to complete 4 special examinations. One of the 4, the special examination of the Federal Bridge Corporation, was transmitted earlier than planned, in March 2022, and is included in our 2021–22 Departmental Results Report.

<sup>2</sup> The *Financial Administration Act* requires a special examination of each Crown corporation to be carried out at least once every 10 years. The statutory deadline is based on this requirement.

## Other reporting

Report title	Reporting date	Planned for 2022–23	Reported in 2022–23	Legislative hearings
Research Paper on Climate-Related Financial Disclosures	May 2022			Not applicable
Commentary on the 2021–2022 Financial Audits	October 2022			Not applicable
Update on Past Audits searchable tool (second version)	November 2022			Not applicable
Legend  Yes  No				

## Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals, and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the [Report on Federal Tax Expenditures](#).<sup>xvii</sup> This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information, and references to related federal spending programs as well as evaluations and the GBA Plus of tax expenditures.

## Organizational contact information

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**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:** [Office of the Auditor General of Canada website](#)<sup>xviii</sup>

## 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*)

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.

### **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 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, impact experiences and outcomes, and can affect access to and experience of government programs.

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

For the purpose of the 2022–23 Departmental Results Report, government-wide priorities are the high-level themes outlining the government’s agenda in the [November 23, 2021, Speech from the Throne](#):<sup>xix</sup> building a healthier today and tomorrow; growing a more resilient economy; bolder climate action; fighting harder for safer communities; standing up for diversity and inclusion; moving faster on the path to reconciliation; and fighting for a secure, just and equitable world.

**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.

**Indigenous business** (*entreprise autochtones*)

For the purpose of the *Directive on the Management of Procurement Appendix E: Mandatory Procedures for Contracts Awarded to Indigenous Businesses* and the Government of Canada’s commitment that a mandatory minimum target of 5% of the total value of contracts is awarded to Indigenous businesses, an organization that meets the definition and requirements as defined by the [Indigenous Business Directory](#).<sup>xx</sup>

**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 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 audit** (*audit de performance*)

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

**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>
- iii Government of Canada's Open Government portal, <https://open.canada.ca/en>
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