



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

2020–21 Departmental Results Report

Original signed by

Karen Hogan, FCPA, FCA
Auditor General of Canada

Original signed by

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

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Message from the Auditor General of Canada

The climate of uncertainty and unanticipated obstacles that came about as a result of the coronavirus disease (COVID-19) pandemic were a challenge for everyone. The Office of the Auditor General of Canada (OAG) juggled daily challenges and continued to deliver results for parliamentarians, the northern legislatures, and the boards of Crown corporations, as well as for Canadians. This achievement is a proud moment for me and for those I work with—now remotely—every day.

Over the past year, we continued to flesh out the 3-year strategic plan announced by Sylvain Ricard, former Interim Auditor General of Canada, in our 2020–21 Departmental Plan. The plan was designed to increase the OAG’s impact and relevance to its clients (parliamentarians, northern legislatures, and boards of Crown corporations), the organizations the OAG audits, its employees, and other stakeholders.

As I indicated in our 2021–22 Departmental Plan, our strategic plan is now supported by vision and mission statements. The work to execute this plan, both internally and with our partners and stakeholders, is ongoing, and we are on our way to bringing together people, expertise, and technology to transform Canada’s future, one audit at a time. I believe that over the last year, I demonstrated to many in government the impact of this vision and the fact that we are a collaborative organization focused on creating value for those we audit, and ultimately for all Canadians who count on public servants to provide them with the programs and services they need. Collectively, it’s about delivering results for all of Canada’s peoples.

Despite the challenges brought on by the pandemic, this past year has been one of significant growth. With the increase to the OAG’s base funding announced in the Fall Economic Statement 2020, we are in a good position to continue our initiatives to attract, train, and retain new talent to serve in all areas of the organization and to effectively acquire, develop, and use new technologies and methodologies to keep pace with the changing environment and to respond to the needs of Parliament.

A significant addition to the OAG was the appointment in February 2021 of Jerry DeMarco as the Commissioner of the Environment and Sustainable Development. Jerry is a leading Canadian expert in the field of environmental policy and law, and his years of experience will bring invaluable insights to our work on sustainable development and environmental issues.

Part of the Commissioner’s mandate is to monitor how we and all of government promote sustainable development. Goal 16 of the United Nations’ Sustainable Development Goals focuses on strengthening government institutions, and we are doing our part to make that happen in a meaningful way. We are contributing to advancing the goals by better integrating them across our audit work and reporting, with the aim of beginning to mainstream this approach across the government. This is supported through refined audit methodology, and increased awareness and knowledge of the goals among our audit professionals. Our own commitments to contributing to the advancement of the



Karen Hogan, FCPA, FCA
Auditor General of Canada

goals are outlined in the Sustainable Development Strategy for the Office of the Auditor General of Canada—2020–2023.

Another area of increased focus over the past year is diversity and inclusion. I committed this past year to ensuring that gender-based analysis plus (GBA Plus) considerations are also incorporated into our audit work, so that we may provide elected officials and all Canadians with objective information on the government’s progress on its priority of equity, diversity, and inclusion. We have also taken actions within the OAG to support diversity and inclusion. In March 2021, the OAG’s Executive Committee released a statement of action, which commits us to identify and address racism, biases, and discrimination in the workplace.

The OAG’s success is the result of our people—they come together across the OAG to make our work count, whether under normal circumstances or challenging ones such as those brought about by the COVID-19 pandemic. I’m grateful to all of my colleagues, across audit operations and services, for achieving on a daily basis the results that form the foundation for this report. I’m also grateful for the collaborative spirit shown by the public servants we engage with in conducting our work, recognizing that the audits we’ve conducted over the last year often involved organizations that were also on the front lines helping Canadians navigate the pandemic. Together, we are able to bring forward information that government organizations can use to improve their day-to-day work and that parliamentarians and members of the northern legislatures can use to influence meaningful change for all of Canada’s peoples.

Original signed by

Karen Hogan, FCPA, FCA
Auditor General of Canada
26 October 2021

Results at a glance

In the 2020–21 fiscal year, the Office of the Auditor General of Canada used \$100.1 million of parliamentary authorities and had 632 full-time-equivalent employees.

With these resources, we completed the following:



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



13 performance audits of federal government activities and programs



4 special examinations of Crown corporations



a review of departmental progress in implementing sustainable development strategies



our annual report on environmental petitions



our annual commentary on our financial audit work

In 2020, the OAG established 3 pillars: care, connect, and modernize. These pillars serve as the foundation for our strategic plan. During the fiscal year, in support of these pillars, we accomplished the following:



Care

- launched 2 important mental health initiatives: the Not Myself Today awareness campaign and the Working Mind mandatory training
- initiated frequent check-ins with staff and cultivated employee feedback through surveys and town hall meetings
- staffed 150 new full-time-equivalent positions and began the renewal of our onboarding program to ensure these new hires feel welcome, well equipped, and engaged
- provided each and every OAG employee with equipment and support to work remotely
- launched the OAG's first reverse mentoring program
- were rated as one of the 10 top employers in the 2020 Public Service Employee Survey



Connect

- performed sustained outreach to deputy ministers and chief audit executives
- participated in 22 parliamentary hearings and briefings
- increased virtual opportunities for employees to connect with management and with each other, such as town halls, question-and-answer sessions with the executive team, and forums for corporate services



Modernize

- continued implementation of our security self-assessment and deployed critical security tool
- transitioned our entire learning platform to online formats
- acquired and implemented Microsoft Teams
- finalized the acquisition of our new audit working paper tool
- increased leverage of technology and data analytics in the conduct of our audits

Results: What we achieved

Our core responsibility: Legislative auditing

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

Our current results: Audit operations

Being able to deliver quality audits on time and on budget is an essential part of achieving our departmental result: a well-managed and accountable government. In the 2020–21 fiscal year, we were able to deliver on time 95% of audits with statutory deadlines, and we met our planned reporting dates for 72% of audits without statutory deadlines.

Financial audits

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

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

In the 2020–21 fiscal year, we completed 90 financial audits.

The objective of our financial audits is to provide opinions on the fair presentation of an entity’s financial statements and on the entity’s compliance with legislative authorities. An unmodified audit opinion indicates that in all material respects, the entity has demonstrated compliance with both the accounting standards and the legislative authorities applicable to its financial transactions. While control over this rests with the entities, we support and encourage their adoption of accounting standards by working with them to identify opportunities for continuous improvement in their systems of financial reporting and internal control. With this in mind, our target for financial audit reports to be issued with an unmodified opinion is 100%.

Although 96% of our financial audit opinions were unmodified, 4 audit reports we issued required modified audit opinions. Two of these instances (the Northwest Territories Business Development and Investment Corporation and the Yukon Liquor Corporation) related to an inability to attend inventory counts in the territories because of the ongoing pandemic. The third instance (the Qulliq Energy Corporation) was for a scope limitation we faced in auditing the corporation's inventory management systems. Finally, the fourth instance (National Defence's Reserve Force Pension Plan) related to unaudited comparative figures in the prior period.

Performance audits

We were able to complete 13 performance audits in the 2020–21 fiscal year, including 3 unanticipated audits relating to COVID-19 programs, and an audit on the Investing in Canada Plan, as requested by Parliament in January of 2020. These reports, as well as those listed in our 2020–21 Departmental Plan, appear in the List of reports section of this report.

One of the ways in which we assess the impact of our performance audit work is through the level of parliamentary engagement with our reports. Parliamentary committees reviewed 61% of the reports that we presented to Parliament in the 2020–21 fiscal year, compared with 42% in the prior year.

Special examinations

Special examinations are a type of performance audit that focuses on the operations of parent federal Crown corporations. These audits examine whether a corporation's systems and practices provide reasonable assurance that its assets are safeguarded, its resources are managed economically and efficiently, and its operations are carried out effectively. Our target is for 100% of the corporations we audit to have no significant deficiencies, 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.

Of the 4 entities for which we completed special examinations during the 2020–21 fiscal year, we noted that 2 had significant deficiencies: the National Arts Centre, in the areas of governance and corporate risk management, and the Canadian Dairy Commission, in the area of governance. The other 2 entities, Telefilm Canada and the Canadian Race Relations Foundation, had no significant deficiencies.

Our strategic plan

In our 2020–21 Departmental Plan, we outlined the elements of a 3-year strategic plan to increase our impact and relevance to our stakeholders, built on a foundation of 3 pillars. Throughout the 2020–21 fiscal year, we continued to advance this plan by refining our pillars and framing them with a new vision, a new mission, and new strategic objectives. At the same time, we launched a corporate initiative to revisit our core values and shape our culture to align with our renewed vision.

To support this plan, we have also started to integrate our corporate planning activities. Part of this process involves the renewal of our strategic framework. As a result, the strategic framework presented in our 2020–21 Departmental Plan has now been superseded by a framework aligned with the pillars of our strategic plan: care, connect, and modernize (Appendix A).

Care

This year, we prioritized the health and well-being of our people. We invested sustained effort to ensure that our employees could navigate these challenging times by providing each and every OAG employee with equipment and support to work remotely—from technical equipment to secure Microsoft Teams connections. But, more importantly, we supported our people with ongoing compassionate communication about the importance of self-care, the provision of flexible work arrangements, and frequent reminders about available mental health resources.

Some of the pressure felt during the last few years should be lifted with the filling of 150 positions. This will help spread the workload out while engaging new people with new ideas to invigorate the OAG work environment. While the budgetary approval of additional funding occurred in March 2021, we began the hiring process early in anticipation of additional funding to meet our mandate.

Validation of our efforts is evident in the 2020 Public Service Employee Survey results, which establish the OAG among the top 10 best places to work in Canada's public service.

Connect

This pillar relates to how we effectively connect with both our internal and external stakeholders. Strong relationships with our stakeholders allow us to better understand their needs, which in turn allows us to develop and deliver value-added products to them.

Connecting our people. Being able to connect our employees during the pandemic has been crucial, not only for ensuring the continuity of our operations, but also to foster a sense of community, belonging, and connection between staff. Over the past year, we leveraged the use of technology to enable those interactions, through town halls, question-and-answer sessions with the executive team, and forums for corporate services as well as for supporting our new reverse mentoring program.

Building connections. Over the past year, the Auditor General has reached out across the government to deputy ministers and chief audit executives. This outreach will help position the OAG, in the eyes of the entities it audits, as a trusted partner in generating government-wide improvements in the best interests of Canadians.

Supporting the fight against COVID-19. Canada's Parliament relies on the OAG, and throughout the pandemic, this relationship was more evident than ever. Recognizing the magnitude and speed of spending on COVID-19 measures, Parliament turned to the OAG to carry out a number of audits

related to COVID-19 in a short period of time. In response, we were able to pivot, collaborate actively with the organizations affected by this work, and adapt our audit approaches to the developing situation. This nimble approach allowed us to complete our work faster, resulting in findings and recommendations timely enough to support the ongoing management of the pandemic.

Modernize

Even prior to the pandemic, the OAG had identified the need to modernize the processes, tools, and technologies supporting its operations. Although the funding issues that were hindering our modernization have been resolved, we recognize there is still much work to be done. Regardless, the OAG has made notable progress in the following 2 areas.

Integrating our planning function. We have laid the foundation for modernization by adopting an integrated and collaborative approach to planning. We are building cross-functional teams and networks to cultivate empathy and an office-wide view to effect change in alignment with our vision, mission, and objectives. With this move, we are putting a greater emphasis on prioritizing, resourcing, and monitoring our highest-value corporate initiatives.

Updating our technology. Some of the OAG’s most impactful modernization work in the 2020–21 fiscal year was in the area of information technology. Most notably, we were able to make good progress on our plan to reduce our information technology security risk. We were also able to finalize the acquisition of a new audit working paper tool. Once implemented, this tool will increase administrative efficiencies, improve audit quality, and increase the use of audit quality indicators in audit oversight.

As was the case for many organizations, the pandemic fast-tracked our adoption of new technologies. For example, Microsoft Teams has been essential in our efforts to communicate and collaborate during this extended period of remote work. This software has allowed us to securely connect our employees with both colleagues and external parties. Not only has it enabled us to support the transition of all our professional development courses to an online format, it has allowed us to carry out onboarding, social, and learning activities to welcome and help new staff as they familiarize themselves with the OAG.

Results achieved

Exhibit 1 presents the OAG’s indicators, targets, and results for the last 3 fiscal years.

Exhibit 1 Departmental result, departmental result indicators, targets, and actual results for the 2018–19, 2019–20, and 2020–21 fiscal years

Departmental result: Well-managed and accountable government					
Departmental result indicators	Target	Date to achieve target	2018–19 Actual results	2019–20 Actual results	2020–21 Actual results
Percentage of audit reports on financial statements without qualifications or “other matters” raised	100%	Ongoing	Target not met (96%)	Target not met (97%)	Target not met (96%)
Percentage of special examination reports with no significant deficiencies	100%	Ongoing	Target not met (44%; 4 of 9) ¹	Target not met (33%; 1 of 3) ²	Target not met (50%; 2 of 4) ³
Percentage of audit reports to Parliament that are reviewed by parliamentary committees	At least 65%	Ongoing	Target not met (58%)	Target not met (42%) ^{4, 5}	Target not met (61%)
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 (20%; 1 of 5)	Target not met (25%; 1 of 4)	Target not met (50%; 1 of 2)
Percentage of audit recommendations or opinions addressed by entities: For performance audits, percentage of recommendations examined in our performance audit follow-up audits for which progress is assessed as satisfactory	At least 75%	Ongoing	No follow-up conducted	No follow-up conducted	Not applicable ⁶

¹ Significant deficiencies were noted in the special examinations of the National Museum of Science and Technology, Marine Atlantic Inc., the Standards Council of Canada, the Canadian Mortgage and Housing Corporation, and the Canada Development Investment Corporation.

² Significant deficiencies were noted in the special examinations of the National Gallery of Canada and the Canadian Museum of Immigration at Pier 21.

³ Significant deficiencies were noted in the special examinations of the National Arts Centre and the Canadian Dairy Commission.

⁴ The parliamentary session was notably shortened in the 2019–20 fiscal year because of the fall 2019 election campaign and the March 2020 recess in the House of Commons related to the COVID-19 pandemic.

⁵ In our 2019–20 Departmental Results Report, the 2019–20 actual result was reported as 26%. Since that time, 3 additional hearings have been held on those reports.

⁶ This indicator is no longer applicable to the current format of follow-up audit work and is currently under review.

⁷ None of the special examination reports issued to a Crown corporation’s board in the 2019–20 or 2020–21 fiscal years had any significant deficiencies noted in their previous examinations.

⁸ Three financial audit reports with statutory deadlines were late: the Canada Infrastructure Bank, the National Arts Centre, and National Defence’s Reserve Force Pension Plan.

⁹ Two financial audit reports with statutory deadlines were late: National Defence’s Reserve Force Pension Plan and Ridley Terminals Inc.

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

Exhibit 1 Departmental result, departmental result indicators, targets, and actual results for the 2018–19, 2019–20, and 2020–21 fiscal years (cont'd)

Departmental result: Well-managed and accountable government					
Departmental result indicators	Target	Date to achieve target	2018–19 Actual results	2019–20 Actual results	2020–21 Actual results
Percentage of audit recommendations or opinions addressed by entities: For special examinations, percentage of significant deficiencies reported in our special examination reports that are addressed from one examination to the next	100%	Ongoing	Target not met (75%; 3 of 4)	Not applicable ⁷	Not applicable ⁷
Percentage of audits that meet statutory deadlines, where applicable, or our planned reporting dates:					
<ul style="list-style-type: none"> financial audits with a statutory deadline and special examinations 	100%	Ongoing	Target not met (95%) ⁸	Target not met (97%) ⁹	Target not met (95%) ¹⁰
<ul style="list-style-type: none"> financial audits of federal organizations with no statutory deadline, financial audits of territorial organizations, and performance audits 	At least 80%	Ongoing	Target met (94%)	Target met (93%)	Target not met (72%)

¹ Significant deficiencies were noted in the special examinations of the National Museum of Science and Technology, Marine Atlantic Inc., the Standards Council of Canada, the Canadian Mortgage and Housing Corporation, and the Canada Development Investment Corporation.

² Significant deficiencies were noted in the special examinations of the National Gallery of Canada and the Canadian Museum of Immigration at Pier 21.

³ Significant deficiencies were noted in the special examinations of the National Arts Centre and the Canadian Dairy Commission.

⁴ The parliamentary session was notably shortened in the 2019–20 fiscal year because of the fall 2019 election campaign and the March 2020 recess in the House of Commons related to the COVID-19 pandemic.

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

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 (open.canada.ca). This information includes all contracts valued at more than \$10,000 and all travel and hospitality expenses of the Auditor General, the deputy auditors general, the Commissioner of the Environment and Sustainable Development, the assistant auditors general, and our General Counsel. The OAG also publishes quarterly financial reports and annual audited financial statements on its website.

Parliamentary authorities provided and used

Parliament provided the OAG with up to \$106.8 million in parliamentary authorities, which consisted of \$87.9 million in Main Estimates authorities, \$14.2 million in Supplementary Estimates (C) authorities, and \$4.7 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 to the contributions to employee benefit plans (Exhibit 2).

Exhibit 2 Budgetary financial resources (millions of dollars)

2020–21 Main Estimates	2020–21 Planned spending	2020–21 Total authorities available for use	2020–21 Actual spending (authorities used)	2020–21 Difference (actual spending minus planned spending)
87.9	87.9	106.8	100.1	12.2

In the 2020–21 fiscal year, \$100.1 million was charged against our total parliamentary authorities of \$106.8 million. This resulted in the lapsing of \$6.7 million of the OAG’s parliamentary authorities provided in the 2020–21 fiscal year. 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 and credits for certain pay-related amounts for which authorities were not provided in the current year. We expect to carry forward \$4.0 million into the 2021–22 fiscal year.

Exhibit 3 shows the trend in our spending based on parliamentary authorities used for the 2018–19 to 2023–24 fiscal years, and Exhibit 4 shows our budgetary performance summary for the 2018–19 to 2022–23 fiscal years.

Exhibit 3 Trend in authorities used

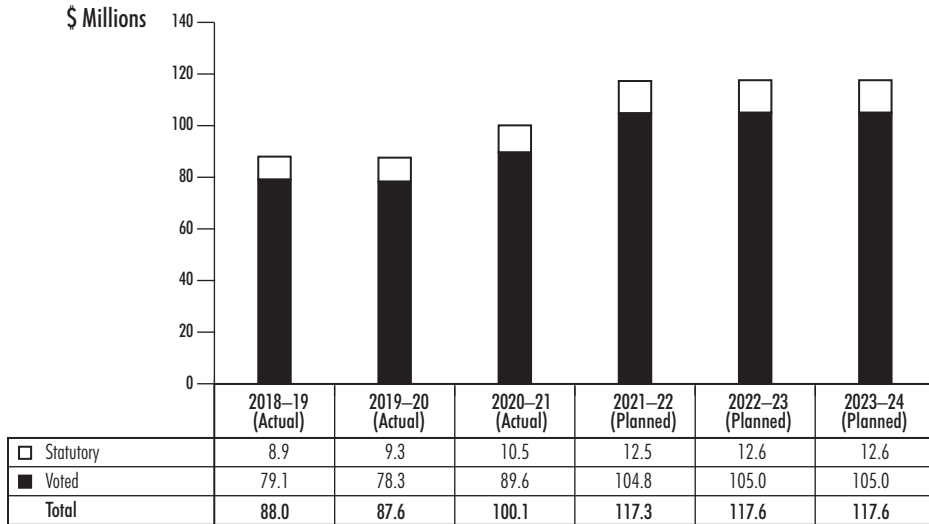


Exhibit 4 Budgetary performance summary (millions of dollars)

2020–21 Main Estimates	2020–21 Planned spending	2021–22 Planned spending	2022–23 Planned spending	2020–21 Total authorities available for use	2018–19 Actual spending (authorities used)	2019–20 Actual spending (authorities used)	2020–21 Actual spending (authorities used)
87.9	87.9	117.3	117.6	106.8	88.0	87.6	100.1

Human resources

In the 2020–21 fiscal year, the OAG planned to use 585 full-time-equivalent employees and actually used 632.

Exhibit 5 shows the trend in our full-time equivalents.

Exhibit 5 Human resources (full-time equivalents)

2018–19 Actual	2019–20 Actual	2020–21 Actual	2020–21 Planned	2021–22 Planned	2022–23 Planned
552	567	632	585	737	737

Financial, human resources, and performance information for the OAG’s program inventory is available in [GC InfoBase](#).¹

Expenditures by vote

For information on the OAG's organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2020–2021](#).ⁱⁱ

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](#).ⁱⁱⁱ

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 2021, 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 2021 was completed in accordance with the Treasury Board’s Policy on Financial Management. The results and action plans are summarized in the 2020–21 Annex to the Statement of Management Responsibility Including Internal Control Over Financial Reporting.¹

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

Original signed by

Karen Hogan, CPA, CA
Auditor General of Canada

Ottawa, Canada
16 July 2021

Original signed by

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

¹ The annex is available on the OAG’s website at 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 2021, 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 2021, 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
16 July 2021

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

	2021	2020
	(in thousands of dollars)	
Financial assets		
Due from the Consolidated Revenue Fund	8,005	6,964
Accounts receivable (note 4)	928	2,336
Accounts receivable held on behalf of the Government of Canada (note 4)	(105)	(183)
	8,828	9,117
Liabilities		
Vacation pay	9,175	7,073
Accounts payable and accrued liabilities (note 5)	8,843	9,052
Sick leave benefits (note 6b)	2,786	2,807
Severance benefits (note 6c)	1,834	2,026
Maternity/parental leave benefits (note 6d)	373	654
	23,011	21,612
Net debt	(14,183)	(12,495)
Non-financial assets		
Tangible capital assets (note 7)	2,958	2,334
Prepaid expenses	553	619
	3,511	2,953
Accumulated deficit	(10,672)	(9,542)

Contractual obligations (note 11)

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

Approved by

Original signed by

Karen Hogan, CPA, CA
Auditor General of Canada

Ottawa, Canada
16 July 2021

Original signed by

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

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

	2021	2021	2020
	Planned results (note 13)	Actual	Actual
	(in thousands of dollars)		
Expenses (note 8)			
Financial audits of Crown corporations, territorial governments, and other organizations, and of the consolidated financial statements of the Government of Canada	57,000	64,042	55,924
Performance audits and studies	28,500	39,300	30,715
Professional practices	10,800	8,230	11,187
Special examinations of Crown corporations	5,500	3,618	4,127
Sustainable development monitoring activities and environmental petitions	1,900	1,132	1,584
Total cost of operations	103,700	116,322	103,537
Revenues			
International audits	1,700	666	1,140
Other	—	158	221
Revenues earned on behalf of the Government of Canada	—	(139)	(199)
Net revenues	1,700	685	1,162
Net cost of operations before government funding and transfers	102,000	115,637	102,375
Government funding and transfers (note 3)			
Net cash provided by the Government of Canada	—	99,444	91,522
Change in Due from the Consolidated Revenue Fund	—	1,041	(3,877)
Services provided without charge (note 10b)	—	14,022	13,370
Total government funding and transfers	104,650	114,507	101,015
Annual (deficit)/surplus	2,650	(1,130)	(1,360)
Accumulated deficit, beginning of year	(9,542)	(9,542)	(8,182)
Accumulated deficit, end of year	(6,892)	(10,672)	(9,542)

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

	2021	2021	2020
	Planned results (note 13)	Actual	Actual
	(in thousands of dollars)		
Annual (deficit)/surplus	2,650	(1,130)	(1,360)
Acquisition of tangible capital assets (note 7)	(2,900)	(1,216)	(679)
Amortization of tangible capital assets (notes 7 and 8)	600	574	559
Loss on disposal of tangible capital assets	—	18	—
	350	(1,754)	(1,480)
Decrease/(increase) in prepaid expenses	—	66	(336)
(Increase)/decrease in net debt, during the year	350	(1,688)	(1,816)
Net debt, beginning of year	(12,495)	(12,495)	(10,679)
Net debt, end of year	(12,145)	(14,183)	(12,495)

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

	2021	2020
	(in thousands of dollars)	
Operating transactions		
Cash paid for		
Employee salaries, wages, and benefits	(75,501)	(69,856)
Services, transportation, communication, and other expenses	(18,426)	(15,678)
Statutory contributions to employee benefit plans	(9,822)	(10,154)
	(103,749)	(95,688)
Cash received from		
Sales tax recovered	1,913	1,232
Salaries and benefits recovered	1,793	1,768
International audits	1,086	1,288
Other	328	426
	5,120	4,714
Cash used by operating transactions	(98,629)	(90,974)
Capital transactions		
Cash used to acquire tangible capital assets	(815)	(548)
Cash applied to capital transactions	(815)	(548)
Net cash provided by the Government of Canada (note 3c)	(99,444)	(91,522)

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 2021

1. Authority and objective

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

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

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

2. Significant accounting policies

a) Basis of presentation

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

b) Parliamentary authorities

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

c) Revenues

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

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

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

d) Net cash provided by the Government of Canada

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

e) Due from the Consolidated Revenue Fund

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

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

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

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

g) Tangible capital assets

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

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

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

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

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

h) Accounts payable and accrued liabilities

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

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

i) Vacation pay

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

j) Employee benefits

i) Pension benefits

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

ii) Health and dental benefits

The Government of Canada sponsors employee benefit plans (health and dental) in which the OAG participates. Employees are entitled to health and dental benefits, as provided for under labour contracts and conditions of employment. The OAG's contributions to the plans, which are provided without charge by the Treasury Board of Canada Secretariat, are recorded at cost based on a percentage of the salary expenses and charged to personnel expenses in the year

incurred. They represent the OAG's total obligation to the plans. Current legislation does not require the OAG to make contributions for any future unfunded liabilities of the plans.

iii) Sick leave benefits

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

iv) Severance benefits

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

v) Maternity/parental leave benefits

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

k) Related party transactions

i) Inter-entity transactions

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

- Inter-entity transactions are measured at the exchange amount when undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where transactions are allocated costs and recoveries.
- Common services provided without charge by other government departments are recorded as operating expenses by the OAG at the carrying amount of the providing department. A corresponding amount is reported as government funding in the Statement of Operations.

- Other inter-entity transactions are measured at the carrying amount of the providing department.

ii) Other related party transactions

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

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

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

l) Allocation of expenses

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

m) Measurement uncertainty

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

3. Parliamentary authorities

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

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

	2021	2020
	(in thousands of dollars)	
Net cost of operations before government funding and transfers	115,637	102,375
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	(14,022)	(13,370)
Increase in liabilities not charged to authorities	(1,688)	(1,816)
Amortization of tangible capital assets	(574)	(559)
(Decrease)/increase in prepaid expenses	(66)	336
Adjustment to previous year accruals	56	161
Loss on disposal of tangible capital assets	(18)	—
Total items recorded as part of net cost of operations but not affecting current year authorities	(16,312)	(15,248)
Adjustments for items not recorded as part of net cost of operations but affecting current year authorities:		
Acquisition of tangible capital assets	1,216	679
Recoveries from prior year's revenues	(441)	(214)
Other	29	62
Total items not recorded as part of net cost of operations but affecting current year authorities	804	527
Current year authorities used	100,129	87,654

b) Authorities provided and used

	2021	2020
	(in thousands of dollars)	
Main Estimates		
Vote 1—Program expenditures	78,085	78,085
Statutory amounts—Contributions to employee benefit plans	9,822	10,154
Total Main Estimates	87,907	88,239
Supplementary Estimates		
Vote 1c—Program expenditures	12,000	—
Statutory amounts—Contributions to employee benefit plans	2,211	—
Total Supplementary Estimates	14,211	—
Other supplementary voted authorities	3,016	2
Authorities carried forward from previous year	3,179	2,987
Adjustment to statutory contributions to employee benefit plans	(1,524)	(820)
Current year authorities provided	106,789	90,408
Less: Lapsed authorities	(6,660)	(2,754)
Current year authorities used	100,129	87,654

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 \$4.0 million (\$4.0 million in 2019–20).

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

	2021	2020
	(in thousands of dollars)	
Net cash provided by the Government of Canada	99,444	91,522
Change in Due from the Consolidated Revenue Fund		
Decrease/(increase) in Accounts receivable and Accounts receivable held on behalf of the Government of Canada	1,330	(427)
Decrease in liabilities charged to authorities	(289)	(3,450)
Total—Change in Due from the Consolidated Revenue Fund	1,041	(3,877)
Recoveries from prior year's revenues	(441)	(214)
Adjustment to previous year accruals	56	161
Other	29	62
Current year authorities used	100,129	87,654

4. Accounts receivable

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

	2021	2020
	(in thousands of dollars)	
International audits and audit-related professional services	510	1,059
Other government departments and agencies	323	1,081
Other	95	196
Gross accounts receivable	928	2,336
Accounts receivable held on behalf of the Government of Canada	(105)	(183)
Net accounts receivable	823	2,153

5. Accounts payable and accrued liabilities

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

	2021	2020
	(in thousands of dollars)	
Accrued employee salaries	5,166	6,495
Due to others	3,677	2,557
Total	8,843	9,052

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 2020–21 expense amounts to \$7.2 million (\$6.5 million in 2019–20). For Group 1 members, the expense represents approximately 1.01 times (1.01 times in 2019–20) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2019–20) 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. 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 1.7% (1.0% in 2019–20), 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 2019–20); a rate of salary increase of 3.75% (3.5% in 2019–20); an average turnover rate of 8.3% (7.4% in 2019–20); an average retirement age of 58 (58 in 2019–20) for Group 1 members and 61 (61 in 2019–20) 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:

	2021	2020
	(in thousands of dollars)	
Accrued benefit obligation, beginning of year	2,663	2,583
Current year benefit cost ¹	563	414
Interest on the accrued benefit obligation ¹	30	47
Benefits paid	(552)	(511)
Actuarial loss	395	130
Accrued benefit obligation, end of year	3,099	2,663
Unamortized accumulated actuarial gain, beginning of year	144	351
Actuarial loss for the year	(395)	(130)
Amortization of actuarial gain recognized in the year ¹	(62)	(77)
Unamortized accumulated actuarial (loss)/gain, end of year	(313)	144
Accrued benefit liability	2,786	2,807

¹ These components make up the net benefit expense of \$531 (\$384 in 2019–20) 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	
	2021	2020
	(in thousands of dollars)	
Discount rate		
Increase by 1%	(190)	(182)
Decrease by 1%	215	207
Salary increase rate		
Increase by 1%	177	160
Decrease by 1%	(160)	(147)
Retirement age		
Increase by 1 year	313	266
Decrease by 1 year	(297)	(261)
Turnover rate		
Increase factors by 10%	(121)	(91)
Decrease factors by 10%	132	99
Sick leave utilization rates		
Increase factors by 10%	388	336
Decrease factors by 10%	(369)	(320)

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:

	2021	2020
	(in thousands of dollars)	
Accrued benefit obligation, beginning of year	2,026	2,205
Current year benefit cost	62	180
Benefits paid	(254)	(359)
Accrued benefit obligation, end of year	1,834	2,026

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:

	2021	2020
	(in thousands of dollars)	
Accrued benefit obligation, beginning of year	654	647
Current year benefit cost	690	1,299
Benefits paid	(971)	(1,292)
Accrued benefit obligation, end of year	373	654

7. Tangible capital assets

	Cost					Accumulated amortization				2021	2020
	Opening balance	Acquisitions	Transfers	Disposals	Closing balance	Opening balance	Amortization	Disposals	Closing balance	Net book value	Net book value
	(in thousands of dollars)										
Informatics software	5,098	—	945	—	6,043	4,307	277	—	4,584	1,459	791
Informatics hardware and infrastructure	2,389	99	54	—	2,542	1,630	201	—	1,831	711	759
Work in progress	525	1,072	(999)	(12)	586	—	—	—	—	586	525
Leasehold improvements	3,484	—	—	—	3,484	3,375	39	—	3,414	70	109
Office equipment	1,202	—	—	(6)	1,196	1,106	42	(6)	1,142	54	96
Motor vehicle	25	45	—	(25)	45	15	6	(19)	2	43	10
Furniture and fixtures	4,368	—	—	—	4,368	4,324	9	—	4,333	35	44
Total	17,091	1,216	—	(43)	18,264	14,757	574	(25)	15,306	2,958	2,334

8. Expenses by object

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

	2021	2020
	(in thousands of dollars)	
Personnel	91,892	81,845
Professional and special services	11,185	6,713
Rentals	9,235	8,469
Small machinery and equipment	1,467	1,028
Information	1,001	715
Transportation and communications	577	3,736
Amortization of tangible capital assets	574	559
Utilities, materials, and supplies	214	231
Repairs and maintenance	129	194
Interest on the sick leave accrued benefit obligation	30	47
Loss on disposal of tangible capital assets	18	—
Total cost of operations	116,322	103,537

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 2020–21 fiscal year, the OAG paid fees and provided in-kind services to the CAAF totalling \$0.8 million (\$0.7 million in 2019–20). As at 31 March 2021, the OAG held approximately 46% (46% in 2019–20) 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 2020, the OAG provided \$0.4 million in services (\$0.4 million in 2018–19) 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:

	2021	2020
	(in thousands of dollars)	
Expenses—Other government departments and agencies	12,131	10,817
Accounts payable—Other government departments and agencies	876	263
Accounts receivable—Other government departments and agencies	323	1,081

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

b) Common services provided without charge by other government departments

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

	2021	2020
	(in thousands of dollars)	
OAG contribution to the health and dental insurance plans—Treasury Board of Canada Secretariat	7,484	6,158
Office accommodation—Public Services and Procurement Canada	6,538	7,212
Services provided without charge	14,022	13,370

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 or goods are received. Contractual obligations estimated as at 31 March 2021 are summarized as follows:

	2022	2023	2024	Total
	(in thousands of dollars)			
Professional services	5,015	130	23	5,168
Goods and services	2,849	1,094	2	3,945
Operating leases	23	—	—	23
Total	7,887	1,224	25	9,136

Contractual obligations with related parties total \$0.6 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 2020–21 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.

Additional information

Organizational profile

Auditor General of Canada: Karen Hogan, FCPA, FCA

Main legislative authorities:

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

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

Year established: 1878

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

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

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

“Raison d'être, mandate, and role: Who we are and what we do” is available on the [Office of the Auditor General of Canada's \(OAG's\) website](#).^{iv}

Operating context

Information on the operating context is available on the [OAG's website](#).^v

Reporting framework

The OAG’s departmental results framework and program inventory of record for the 2020–21 fiscal year are shown in Exhibit 6.

Exhibit 6 Departmental results framework and program inventory

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

Supporting information on the program inventory

Financial, human resources, and performance information for the OAG’s program inventory is available in [GC InfoBase](#).^{vi}

Supplementary information tables

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

- [reporting on green procurement](#)^{vii}
- [gender-based analysis plus \(GBA Plus\)](#)^{viii}

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. This instrument was revised with an effective date of 6 January 2021.

Knowledge and support. Managers have access to information, tools, and qualified human resource advisors to help them manage staffing activities effectively. Training and coaching for hiring managers and human resource advisors ensure the quality of staffing transactions and compliance with applicable regulations, policies, guidelines, and delegations of authority. In the 2020–21 fiscal year, emphasis was placed on training pertaining to unconscious biases and diversity and inclusion to align with the Clerk of the Privy Council and Secretary to the Cabinet's call to action on anti-racism, equity, and inclusion in the federal public service.

Staffing plans and decisions

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

Implementation. Staffing requirements (hires, promotions, and internal movements) are identified by managers during annual planning and budgeting processes and revised periodically in collaboration with the Human Resources and Finance teams. Managers address staffing requirements in collaboration with Human Resources and in accordance with the Delegated Human Resources Authorities instrument, the applicable legislation, Terms and Conditions of Employment, collective agreements, and the OAG's Policy on Staffing and Staffing Directive. Key risks—which include acting appointments for longer than 12 months, casual conversions to term or indeterminate status through non-advertised processes, and promotions to the executive group through non-advertised processes—are proactively managed throughout staffing processes.

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

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

Priority entitlements

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

In the 2020–21 fiscal year, no OAG employee 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 2020–21 fiscal year, 100% of appointments to bilingual positions were made on an imperative basis.

Complaints

The OAG Directive on Staffing Recourse provides the opportunity for employees to raise concerns, based on specific grounds, regarding internal staffing processes. No staffing complaints were received in the 2020–21 fiscal year. In accordance with the *Official Languages Act*, the OAG is subject to the audit and complaint process managed by the Office of the Commissioner of Official Languages. No complaints regarding official languages for staffing processes or appointments were received in the 2020–21 fiscal year.

Continuous improvement

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

- implementing several initiatives aligned with the Resourcing Strategy 2017–2020 to increase capacity within the Human Resources team, including creating a new Talent Acquisition Specialist position focused on talent attraction and an Advisor, Disability Management position focused on accommodation processes
- engaging staff members as ambassadors and launching a social media campaign called Get In, Get Started in an effort to promote job opportunities and increase overall awareness of the OAG as a potential employer

- renewed engagement with Indigenous Link to continue expanding our reach in Indigenous communities and increase representation of this equity-seeking group
- identifying and liaising with qualified candidates from employment-equity-seeking groups through the federal government talent management program, such as members of the Treasury Board of Canada Secretariat’s Black Employees Network
- launching a new human resources information system (ATOM)
- converting all paper-based and in-person recruitment processes to a virtual model, allowing the OAG to continue staffing activities in a remote setting
- hosting the OAG’s first virtual recruitment event, entitled Open Doors—over 200 participants attended, an attendance 4 times greater than usual

Employee awareness of legal rights and responsibilities regarding political activities

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

List of reports

The following tables list the performance audits and related work recorded in our 2020–21 Departmental Plan, including the planned and actual reporting dates. Titles are those used in the published reports.

Performance audit reports to Parliament

Title	Planned reporting date	Actual reporting date	Parliamentary hearing
2020 Spring Reports of the Auditor General of Canada			
Report 1—Immigration Removals	Spring 2020	July 2020	House of Commons Standing Committee on Public Accounts
Report 2—Student Financial Assistance	Spring 2020	July 2020	House of Commons Standing Committee on Public Accounts
Report 3—Supplying the Canadian Armed Forces—National Defence	Fall 2019	July 2020	House of Commons Standing Committee on Public Accounts
2020 Fall Reports of the Commissioner of the Environment and Sustainable Development			
Report 1—Follow-up Audit on the Transportation of Dangerous Goods	Spring 2020	October 2020	House of Commons Standing Committee on Public Accounts
2021 Reports of the Auditor General of Canada			
Report 1—Procuring Complex Information Technology Solutions	Fall 2020	February 2021	House of Commons Standing Committee on Public Accounts
Report 2—National Shipbuilding Strategy	Fall 2020	February 2021	House of Commons Standing Committee on Public Accounts
Report 3—Access to Safe Drinking Water in First Nations Communities—Indigenous Services Canada	Not applicable ¹	February 2021	House of Commons Standing Committee on Public Accounts Standing Senate Committee on Aboriginal Peoples
Report 4—Canada Child Benefit—Canada Revenue Agency	Fall 2020	February 2021	House of Commons Standing Committee on Public Accounts
Report 5—Follow-up Audit on Rail Safety—Transport Canada	Fall 2020	February 2021	House of Commons Standing Committee on Public Accounts House of Commons Standing Committee on Transport, Infrastructure and Communities

¹ The tabling of this report was initially planned for spring 2021.

² These audits were not anticipated at the time of the 2020–21 Departmental Plan and were conducted at the request of Parliament.

³ A briefing was held by the Standing Committee on Public Accounts on reports 6, 7, 8, and 9.

⁴ One hearing was held by the Standing Committee on Government Operations and Estimates covering reports 6, 7, and 8.

⁵ The tabling of this report was deferred to spring 2021.

⁶ The tabling of this report was deferred to fall 2021.

Title	Planned reporting date	Actual reporting date	Parliamentary hearing
Report 6—Canada Emergency Response Benefit	Not applicable ²	March 2021	House of Commons Standing Committee on Public Accounts ³ House of Commons Standing Committee on Government Operations and Estimates ⁴
Report 7—Canada Emergency Wage Subsidy	Not applicable ²	March 2021	House of Commons Standing Committee on Public Accounts ³ House of Commons Standing Committee on Government Operations and Estimates ⁴
Report 8—Pandemic Preparedness, Surveillance, and Border Control Measures	Not applicable ²	March 2021	House of Commons Standing Committee on Public Accounts ³ House of Commons Standing Committee on Government Operations and Estimates ⁴
Report 9—Investing in Canada Plan	Not applicable ²	March 2021	House of Commons Standing Committee on Public Accounts ³
2021 Reports of the Commissioner of the Environment and Sustainable Development			
Report 1—Implementing the United Nations' Sustainable Development Goals	Fall 2020	April 2021 ⁵	
Report 2—Natural Health Products—Health Canada	Fall 2020	April 2021 ⁵	
Canadian Water Basins	Fall 2020	Not applicable ⁶	Not applicable ⁶

¹ The tabling of this report was initially planned for spring 2021.

² These audits were not anticipated at the time of the 2020–21 Departmental Plan and were conducted at the request of Parliament.

³ A briefing was held by the Standing Committee on Public Accounts on reports 6, 7, 8, and 9.

⁴ One hearing was held by the Standing Committee on Government Operations and Estimates covering reports 6, 7, and 8.

⁵ The tabling of this report was deferred to spring 2021.

⁶ The tabling of this report was deferred to fall 2021.

Performance audit reports to northern legislative assemblies

Title	Planned reporting date	Actual reporting date	Legislative hearing
Mental Health Services in Rural Yukon—Department of Health and Social Services	Fall 2020	June 2021	Not applicable
Follow-up Audit on Corrections in Nunavut—Department of Justice	Fall 2020	Not applicable ¹	Not applicable
Child and Family Services—Nunavut	Spring 2021	Not applicable ²	Not applicable

¹ The tabling of this report was deferred to fall 2021.

² The tabling of this report was deferred to spring 2022.

Special examinations

Crown corporation	Statutory deadline ¹	Completion date	Tabling date ²	Parliamentary hearing
Canadian Commercial Corporation	June 2019	March 2019	July 2020	
Standards Council of Canada	June 2019	March 2019	July 2020	
National Gallery of Canada	December 2019	June 2019	July 2020	
Canada Deposit Insurance Corporation	March 2020	February 2020	November 2020	
Canadian Museum of Immigration at Pier 21	November 2020	March 2020	November 2020	
Telefilm Canada	June 2020	May 2020	November 2020	
National Arts Centre	July 2020	June 2020	November 2020	
Canadian Race Relations Foundation	September 2021	November 2020	February 2021	
Canadian Dairy Commission	March 2021	March 2021	Not applicable	Not applicable

¹ 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.

² The tabling date is the date that the report is tabled in the House of Commons.

Other reports to Parliament

The following table lists other reports that were presented to Parliament in the 2020–21 fiscal year.

2020 Fall Reports of the Commissioner of the Environment and Sustainable Development—October 2020
Commentary on the 2019–2020 Financial Audits Departmental Progress in Implementing Sustainable Development Strategies—Safe and Healthy Communities Environmental Petitions Annual Report

Organizational contact information

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240 Sparks Street
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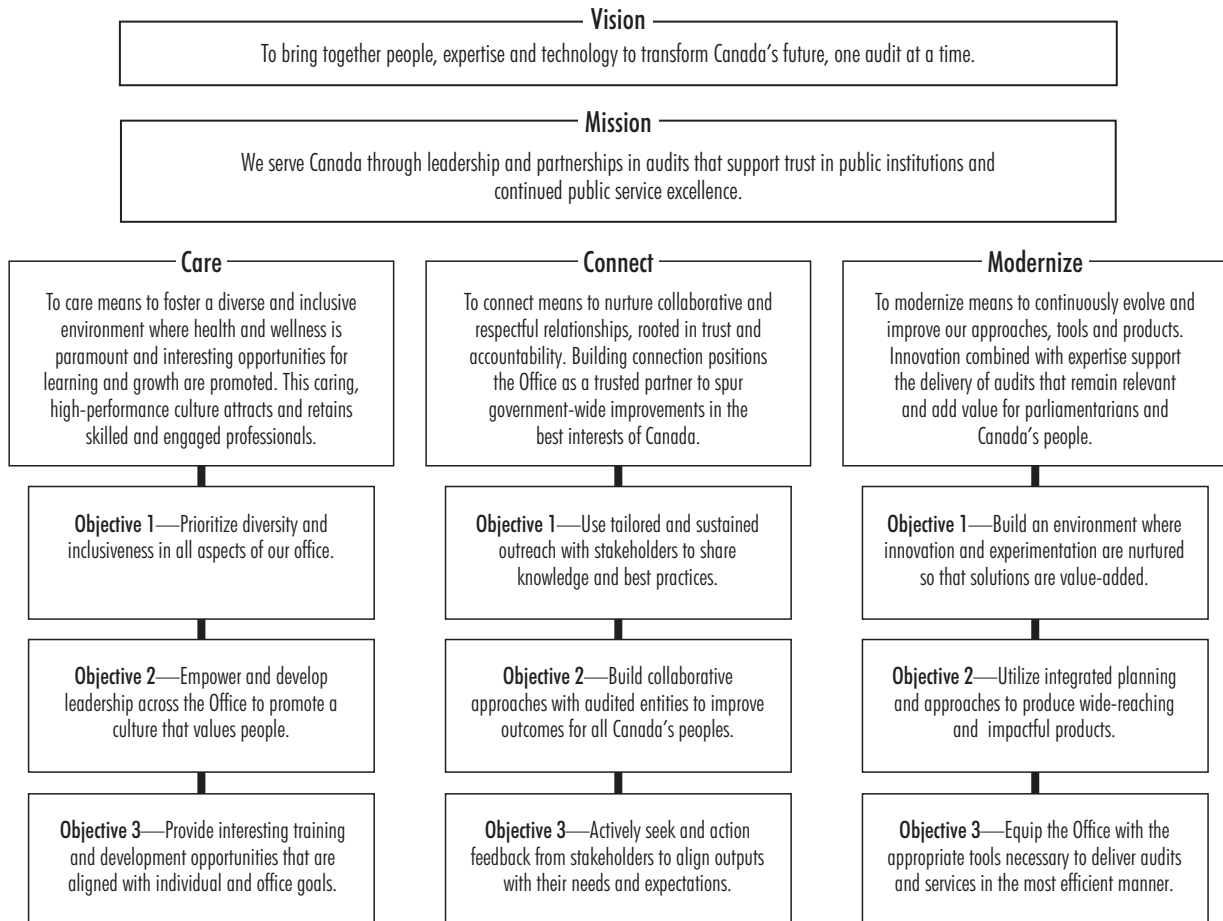
Fax: 613-957-0474

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Appendix A: Strategic framework of the Office of the Auditor General of Canada



Appendix B: Definitions

appropriation (crédit)

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

budgetary expenditures (dépenses budgétaires)

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

core responsibility (responsabilité essentielle)

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

Departmental Plan (plan ministériel)

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

departmental priority (priorité ministérielle)

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

departmental result (résultat ministériel)

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

departmental result indicator (indicateur de résultat ministériel)

A quantitative measure of progress on a departmental result.

departmental results framework (cadre ministériel des résultats)

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

Departmental Results Report (rapport sur les résultats ministériels)

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

experimentation (expérimentation)

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

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

financial audit (audit d'états financiers)

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

full-time equivalent (équivalent temps plein)

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

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

An analytical process used to assess how diverse groups of women, men and gender-diverse people experience policies, programs and services based on multiple factors including race, ethnicity, religion, age, and mental or physical disability.

government-wide priorities (priorités pangouvernementales)

For the purpose of the 2020–21 Departmental Results Report, those high-level themes outlining the government's agenda in the 2019 Speech from the Throne, namely: Fighting climate change; Strengthening the middle class; Walking the road of reconciliation; Keeping Canadians safe and healthy; and Positioning Canada for success in an uncertain 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.

non-budgetary expenditures (dépenses non-budgétaires)

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

performance (rendement)

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

performance audit (audit de performance)

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

performance indicator (indicateur de rendement)

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

performance reporting (production de rapports sur le rendement)

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

plan (plan)

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

planned spending (dépenses prévues)

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

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

program (programme)

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

program inventory (répertoire des programmes)

A list that 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. GC InfoBase, www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html
- ii. Public Accounts of Canada, www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html
- iii. GC InfoBase, www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html
- iv. Raison d'être, mandate, and role: Who we are and what we do, www.oag-bvg.gc.ca/internet/English/acc_rpt_e_43876.html
- v. Operating context, www.oag-bvg.gc.ca/internet/English/acc_rpt_e_43877.html
- vi. GC InfoBase, www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html
- vii. Supplementary Information Table—Reporting on green procurement, www.oag-bvg.gc.ca/internet/English/acc_rpt_e_43878.html
- viii. Supplementary Information Table—Gender-based analysis plus, www.oag-bvg.gc.ca/internet/English/acc_rpt_e_43879.html

