



READING THE PUBLIC ACCOUNTS

The Public Accounts show how government money was spent.

They:

- Compare what was spent with planned spending
- Show the results of operations, financial position, changes in cash flow, and detailed notes
- Include detailed information from each department, agency, and government reporting entity
- Are audited by the Auditor General who compares them to Canadian public sector accounting standards

Who releases them? The Government (supported by senior public sector officials who prepare them)

Who audits them? The Auditor General (who expresses an opinion and may provide additional comments)

The Auditor General's opinion on the public accounts can be:

- **Unmodified, or clean:** public accounts comply with standards
- **Qualified:** part of the statements in the public accounts do not comply with accounting standards
- **Adverse:** information in the public accounts is misstated and does not comply with accounting standards

The Auditor General's report can also include a disclaimer stating that there is too much missing, incomplete, or non-compliant information to provide an opinion.

Tips on Reading the Public Accounts

1. Review the public accounts and key sections of the Auditor General's report
2. Ask yourself: How do the results compare to the budget?
3. Hold hearings shortly after their release
4. Get clarification on any issues raised by the Auditor General
5. Get answers from Comptroller and/or other officials
6. During the hearing, listen to the answers to your questions – are you satisfied with them? If not, ask more questions
7. Focus on big picture impact on public administration





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The public accounts also include:

A **Financial Statements Discussion and Analysis** (FSD&A) which is an explanation of how the government has performed in the past, its current financial position, and its future prospects from the perspective of management.

A **management letter** written by the auditors to outline recommended changes to improve internal controls.

Useful Definitions

- Consolidated budget – all revenue and expenses
- Operating budget – annual program revenue and expenses
- Capital Budget – evaluates if spending on major projects is worth the investment
- Debt – money owed
- Discount rate – rate used to determine current value of long-term liabilities
- Revenue – incomes earned (taxes, fees, royalties, etc.)
- Deficit – when expenses are greater than revenue
- Surplus – when revenue is greater than expenses
- Liabilities – money owed
- Net debt – the difference between the financial assets and liabilities

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More Resources:

Tips that highlight good practices and provide practical advice that can be easily applied

Examples of PAC successes where good oversight practices are put into action

