

OFFICE OF THE AUDITOR GENERAL OF BERMUDA

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2016

(Expressed in Bermuda dollars)

	2016	2015
OPERATIONS		
OPERATING APPROPRIATION	\$ 3,572,471	\$ 3,760,496
OPERATING EXPENSES		
Salaries and employee benefits	2,396,887	2,515,258
Professional services	285,726	830,343
Rent	195,823	199,535
Repairs and maintenance	64,492	66,524
Communications	46,196	47,773
Electricity	31,974	33,914
Travel	17,941	26,697
Material and supplies	17,310	18,706
Advertising and promotion	3,037	13,898
Training	5,200	938
Other	1,346	737
	<u>3,065,932</u>	<u>3,754,323</u>
EXCESS OF OPERATING APPROPRIATION OVER EXPENSES	<u>506,539</u>	<u>6,173</u>
CAPITAL		
CAPITAL APPROPRIATION	21,000	23,382
CAPITAL EXPENSES	<u>14,665</u>	<u>28,220</u>
EXCESS (DEFICIT) OF CAPITAL APPROPRIATION OVER EXPENSES	<u>6,335</u>	<u>(4,838)</u>
REVENUE		
BUDGETED FEES	700,000	910,700
AUDIT FEES RECEIVED	1,210,910	580,550
OTHER REVENUE	445	183

OFFICE OF THE AUDITOR GENERAL OF BERMUDA

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

(Expressed in Bermuda dollars)

1. AUTHORITY

The public office of the Auditor General (the “Auditor”) is established under the Constitution Order 1968. In accordance with the Constitution Order, the Auditor General shall audit the accounts of the Senate, the House of Assembly, all Government departments and offices and all courts, and for that purpose the Auditor General shall have access to all books, records, returns and other documents relating to such accounts. In the exercise of these responsibilities, the Auditor General shall not be subject to the direction or control of any other person or authority.

The Rules of the House of Assembly (the “Rules”) provide for the Speaker to appoint The Committee on the Office of the Auditor (the “Committee”). The Committee shall have the duties as specified in Rules.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Statement of Operations of the Office of the Auditor General has been prepared for the purpose reporting to the Committee pursuant to paragraph 50A of the Rules of the House of Assembly.

The accounting and practices adopted basically correspond to generally accepted accounting principles in Bermuda and Canada to the extent that they are relevant for the purposes of the Statement. The specific accounting policies adopted are described below.

Due to the limited purpose, form and content of the statement it is not intended to present the financial position and results of operations in conformity with generally accepted accounting principles in Bermuda and Canada and does not constitute full accounts or financial statements. The statement has not been prepared for general purposes and therefore some users may require further information.

(a) Revenue

Audit fee revenues for billable audits are recognized when the audit is finalized. Audit fees are accrued at year-end for audits in progress where fieldwork has been substantially completed.

(b) Expenses

Expenses are reported on the accrual basis of accounting. Expenses represent the costs of resources consumed during the year on the Office’s operations.

The classification of expenses between capital expenses and operating expenses follows the classification used for approved budget estimates

(c) Use of estimates

The preparation of financial statements in accordance with PSAB requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates.

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MARCH 31, 2016

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3. BALANCE SHEET AND STATEMENT OF CASH FLOWS

A statement of assets and liabilities (balance sheet) and statement of cash flows have not been presented as they are not required for the purposes of reporting to the Committee. The Office of the Auditor General does not operate a bank account and capital assets are expensed in the year of acquisition.

4. PROFESSIONAL FEES

Professional fees comprise the cost of engaging certain Bermuda resident firms of Chartered Professional Accountants to conduct audit engagements of behalf of the Office of the Auditor General.

5. BUDGET & ECONOMIC DEPENDENCE

Funding for the Office of the Auditor General is included in the Government of Bermuda's estimates as voted through the annual Appropriation Act by the House of Assembly. The appropriation provides separately for operating expenses and capital acquisitions. Any unused appropriation cannot be carried forward for use in subsequent years. The Office is economically dependent on the Government of Bermuda.