

**EXPLANATION OF PERSON-YEAR UTILIZATION INCREASE
OFFICE OF THE AUDITOR GENERAL**

In analyzing the Estimates of the Office of the Auditor General, it is important to remember that the request is for the total resources. For planning and presentation purposes, these resources are split among standard objects, as shown on page 22 of the OAG Part III. The total resources being requested are the same as in prior years, except for salary adjustments. What is different is the planned use of the funds allocated to do audits.

On page 7 of the OAG Part III we have indicated that we have not been able to attract the people we want and need to fill the person-year utilization planned. Instead, we have had to supplement staff with people on contract. Thus the mix of contract personnel and permanent staff has not met our planned profiles.

As stated at your committee hearing, there could be as many as 300 consultants working in the Office at any given time. Many of these are specialists who can only be used on a specific short-term assignment basis. Others are general auditors who, during peak times, perform tasks similar to those performed by our permanent staff. This does not remove our objective to fill these positions with permanent people because we believe that continuity on the audits produces higher efficiencies and better findings.

The OAG Part III, on page 12, shows the planned distribution of person-year utilization:

Auditor General's Office	9
Administrative Services	109
Audit Operations	436
Professional Services	65
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TOTAL	619
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The requirement of 28 additional person-years over last year is a combination of replacing general auditors on contract with permanent staff, and filling specialist positions in functional areas with qualified staff. As explained to your Committee, it is impossible to state specifically, at this time, where these 28 person-years will be used because over one half of our audit hours are for value-for-money audits scheduled over a five-year period, and the auditors assigned to those audits are either from our own staff or professionals engaged on contract on a project basis. Were the 28 person-years not used, the money planned to pay the associated salaries will be used to hire contractors to do the work. Failing this, our level of value-for-money auditing would be reduced and, rather than targeting