



Archived Content

This page has been archived for reference, research or recordkeeping purposes. It has not been altered or updated after the date of archiving. Archived pages are not subject to the Government of Canada Web Standards. As per the Communications [Policy of the Government of Canada](#), you can request alternate formats by contacting the [Web Service Centre](#).

Privy Council Office

Quarterly Financial Report

Statement outlining results, risks and significant changes in operations,
personnel and program

For the quarter ended June 30, 2011

INTRODUCTION

This quarterly report has been prepared by management as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board Accounting Standard 1.3. This quarterly financial report should be read in conjunction with the *Main Estimates and Supplementary Estimates*.

This quarterly report has not been subject to an external audit or review but has been reviewed by the Privy Council Office Audit Committee.

AUTHORITY, MANDATE AND PROGRAM AUTHORITIES

The Privy Council Office (PCO) provides non-partisan, public service support to the Prime Minister and to the Cabinet and its decision-making structures. Led by the Clerk of the Privy Council, PCO helps the Government to implement its vision and to respond effectively and quickly to issues facing the Government and the country. PCO has three main roles:

1. Advice to the Prime Minister: PCO brings together quality, objective policy advice and information to support the Prime Minister, the ministers within the Prime Minister's portfolio and the Cabinet;
2. Secretariat to the Cabinet: PCO facilitates the smooth, efficient and effective functioning of Cabinet and the Government of Canada on a day-to-day basis; and,
3. Public Service Leadership: PCO supports the development and maintenance of a high quality Public Service that meets the highest standards of accountability, transparency and efficiency, one that is able to deliver the best advice to government and excellent services to Canadians.

For more information on PCO's main roles, please visit PCO's website <http://www.pco.gc.ca/>. Further information on PCO's program activities can be located in Part II of the Main Estimates.

BASIS OF PRESENTATION

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the department's spending authorities granted by Parliament and those used by the department, consistent with the Main Estimates and Supplementary Estimates for 2011-12 fiscal year. This quarterly report has been prepared using a special purpose financial reporting framework (using a cash basis) designed to meet financial information needs with respect to the use of spending authorities.

Privy Council Office

Quarterly Financial Report

**Statement outlining results, risks and significant changes in operations,
personnel and program**

For the quarter ended June 30, 2011

The authority of Parliament is required before monies can be spent by the Government. Approvals are given in the form of annually approved limits through appropriations acts or through legislation in the form of statutory spending authority for specific purposes.

When Parliament is dissolved for the purpose of a general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

The Department uses the full accrual method of accounting to prepare and present its departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

HIGHLIGHTS OF FISCAL QUARTER AND FISCAL YEAR TO DATE (YTD) RESULTS

Statement of Authorities

As of June 30, 2011, total authorities available for the year have decreased by \$17 million when compared to the same quarter of 2010-11.

As per the Statement of Authorities, the net decrease of \$17 million can be attributed to changes in funding approvals from year to year. This decrease is mainly attributed to the following:

- A decrease of \$14.0 million related to the funding for the Commissions of Inquiry. No funding has been received to date in 2011-12 but will be sought in future Supplementary Estimates;
- A reduction of \$3.6 million to support the implementation and coordination of a government-wide communications strategy for Canada's Economic Action Plan (EAP). PCO has a central role in the coordination and management of government communications as determined by the Prime Minister and Cabinet. The vast majority of measures contained in the EAP were temporary, and funding was sought until March 31, 2011. Following the Prime Minister's announcement of an extension for four large infrastructure programs until October 31, 2011 to allow for the completion of project construction, additional funding will be sought in future 2011-12 Supplementary Estimates;

Privy Council Office

Quarterly Financial Report

**Statement outlining results, risks and significant changes in operations,
personnel and program**

For the quarter ended June 30, 2011

- A reduction of \$1.7 million for Ministers' Office budgets. The amendments to Ministers' Office Budgets have been approved effective April 1, 2010 and ongoing. The budgets for the five Ministers and Ministers of State within the Prime Minister's portfolio were reduced accordingly; and,
- A reduction of \$1.0 million for the office of the Coordinator for the 2010 Olympics and G8 Security. The Office completed its operations in 2010-11, coordinating security for the G20 and the G8 Leaders' Summits.

Partially offset by:

- An increase of \$3.1 million to enhance PCO's security posture in order to focus on the highest priority elements directly related to the protection of the Department's personnel, information and assets; and,
- An increase of \$0.6 million to the Statutory Authorities from \$14.9 million in 2010-11 to \$15.5 million in 2011-12 due to a 1% increase in the rate for employee benefit plans in 2011-12.

Variances within the authorities by standard objects were created as a result of the funding for Commissions of Inquiry which are not included at this time but will be in future Supplementary Estimates. The funding for the Commissions of Inquiry is mostly for salaries, professional services and transfer payments.

Statement of Departmental Budgetary Expenditures by Standard Object

The department's quarterly and year-to-date spending are similar to those of the previous year.

RISKS AND UNCERTAINTIES

PCO faces a number of external and internal risks. The dominant financial risks lie in the area of funding initiatives to deal with issues that emerge relatively quickly. As part of its coordinating role, PCO is expected to launch these initiatives on short notice, and either manage the necessary expenditures within its own spending authorities, or cash manage until increased spending authorities are approved.

This Departmental Quarterly Financial Report (QFR) reflects the results of the current fiscal period in relation to the Main Estimates for which full supply was released on June 27, 2011. The department received no additional funding authorities in Supplementary Estimates A.

Privy Council Office

Quarterly Financial Report

Statement outlining results, risks and significant changes in operations,
personnel and program

For the quarter ended June 30, 2011

Budget 2010 announced that the operating budgets of departments would be frozen at their 2010-11 levels for the fiscal years 2011-12 and 2012-13. Management is reviewing various options to adjust to this constraint in funding. Attrition should provide PCO with the necessary flexibility to manage this budget reduction.

SIGNIFICANT CHANGES IN RELATION TO OPERATIONS, PERSONNEL AND PROGRAMS

There have been no significant changes in relation to operations, personnel and programs over the last year except for the fluctuations in the number of Commissions of Inquiry and the winding down of the Office of the Coordinator for the 2010 Olympics and G8 Security. Three Commissions of Inquiry have now finalized their reports in 2010-11 (Commission of Inquiry into Certain Allegations Respecting Business and Financial Dealings Between Karlheinz Schreiber and the Right Honourable Brian Mulroney, Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182 and Internal Inquiry into the Actions of Canadian Officials in relation to Abdullah Almaki, Ahmad Abou-Elmaati and Muayyed Nureddin) and are no longer in operation in 2011-12. The Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River is in the only one that is in full operation for fiscal year 2011-12.

Approved by:

Wayne Wouters
Clerk of the Privy Council and
Secretary to the Cabinet

Ottawa, Canada
Date

Marilyn MacPherson
Assistant Deputy Minister
Corporate Services

Privy Council Office

Quarterly Financial Report

For the quarter ended June 30, 2011

STATEMENT OF AUTHORITIES *(unaudited)*

	Fiscal year 2011-2012			Fiscal year 2010-2011		
	Total available for use for the year ending March 31, 2012 **	Used during the quarter ended June 30, 2011	Year to date used at quarter end	Total available for use for the year ending March 31, 2011 **	Used during the quarter ended June 30, 2010	Year to date used at quarter end
<i>(In thousands of dollars)</i>						
Vote 1 - Net operating expenditures	125,175	26,235	26,235	142,597	27,101	27,101
Budgetary statutory authorities	15,515	3,871	3,871	14,922	3,722	3,722
Total budgetary authorities	140,688	30,106	30,106	157,518	30,823	30,823
TOTAL AUTHORITIES	140,688	30,106	30,106	157,518	30,823	30,823

**includes only Authorities available for use and granted by Parliament at quarter-end

Note: Details may not add to totals due to rounding

Privy Council Office

Quarterly Financial Report

For the quarter ended June 30, 2011

TABLE 1: Departmental budgetary expenditures by Standard Object (*unaudited*)

	Fiscal year 2011-2012			Fiscal year 2010-2011		
	Planned expenditures for the year ending March 31, 2012 **	Expended during the quarter ended June 30, 2011	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2011 **	Expended during the quarter ended June 30, 2010	Year to date used at quarter end
<i>(In thousands of dollars)</i>						
Expenditures						
Personnel	99,495	24,584	24,584	102,194	24,707	24,707
Transportation and communications	7,827	1,048	1,048	6,637	1,294	1,294
Information	2,529	126	126	3,694	511	511
Professional and special services	17,235	2,793	2,793	26,868	2,287	2,287
Rentals	1,578	372	372	3,743	306	306
Repair and maintenance	2,667	249	249	2,117	273	273
Utilities, materials and supplies	1,771	108	108	1,493	156	156
Acquisition of land, buildings and works	-	-	-	-	-	-
Acquisition of machinery and equipment	7,009	795	795	6,867	1,183	1,183
Transfer payments	-	-	-	3,423	-	-
Other subsidies and payments	578	31	31	483	106	106
Total gross budgetary expenditures	140,688	30,106	30,106	157,518	30,823	30,823
TOTAL NET BUDGETARY EXPENDITURES	140,688	30,106	30,106	157,518	30,823	30,823

**includes only Authorities available for use and granted by Parliament at quarter-end

Note: Details may not add to totals due to rounding