

**Office of the Commissioner of Official  
Languages**

**2017-2018**

**Quarterly Financial Report  
For the Quarter Ended June 30, 2017**

## **Introduction**

This quarterly financial 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. It should be read in conjunction with the Main Estimates. This quarterly report has not been subject to an external audit or review.

### Mandate and programs

The Office of the Commissioner of Official Languages (OCOL) supports the Commissioner of Official Languages in fulfilling his mandate, which consists of taking all actions and measures within his authority to ensure recognition of the status of each of the official languages and compliance with the spirit and intent of the *Official Languages Act* in the administration of the affairs of federal institutions, including any of their activities relating to the advancement of English and French in Canadian society.

Further information about OCOL's programs can be found in the [2017-2018 Departmental Plan](#) in 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 OCOL's spending authorities granted by Parliament and used by OCOL, consistent with the Main Estimates for the 2017-2018 fiscal year. This quarterly report has also been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

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

OCOL uses the full accrual method of accounting to prepare and present its annual financial statements, which are part of the organization's performance reporting process. However, the spending authorities voted by Parliament are prepared on an expenditure basis.

## **Highlights of Fiscal Quarter and Fiscal Year to Date**

This section presents a brief analysis of significant variances in relation to actual expenditures and planned expenditures that affected both the quarter and the year to date results, compared to the same periods of the preceding fiscal year.

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Significant changes to authorities

As of June 30, 2017, total authorities available for the fiscal year have not significantly changed compared to the same quarter of the prior year.

Significant changes to budgetary expenditures

The Office of the Commissioner has spent 22% (\$4.5 million) of its authorities as of June 30, 2017, of which 90% (\$4.06 million) are personnel costs.

Expenditures in this quarter fell by \$204,000, or 4%, compared with the same quarter last year. This decrease is due primarily to the following factors:

- A decrease of approximately \$182,000 in professional services, because fewer consultants and temporary staff were used.
- A decrease of approximately \$45,000 under Transportation and Communications. In 2016–2017, there was an expense of \$39,000 to relocate an employee.
- These decreases were counterbalanced by an increase of approximately \$67,000 in salaries, primarily due to the settlement of collective agreements.

**Risks and Uncertainties**

The risks OCOL had to take into account are caused by factors related to its operating environment. Risks related to project management capability and level of resources can be considered threats.

Project Management Capability

OCOL established an investment planning process that includes a formal project management process comprising evaluation and approval. This investment plan helps OCOL to strengthen its project management capability. The risks related to project management capability have therefore been eliminated.

OCOL also put a governance structure in place for managing and monitoring projects approved under the investment plan.

Level of Resources

OCOL completed an activity-based costing exercise to evaluate its resource needs. This analysis helped the executive committee to make certain decisions about resource allocation.

The organization's resources currently allow for only very limited flexibility in implementing new initiatives. OCOL is conducting an ongoing review of its budget so that it can reallocate resources, as needed, to meet its priorities. This exercise may also

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make it possible to gain a certain amount of flexibility to deal with the financial pressures OCOL is facing, much like other federal institutions.

OCOL developed and implemented a new financial strategy to reassign funds allocated to operations and salaries, in addition to optimizing the use of resources. This exercise also helped to gain a certain amount of flexibility to deal with the financial pressures OCOL is facing.

Part of OCOL's mandate involves investigating official languages complaints. OCOL cannot predict the volume of complaints it will receive. The appointment of a new Commissioner of Official Languages may also have an impact on the strategic plans.

Certain actions taken by the federal government in the past year have created new opportunities in the area of official languages. The reinstatement of the Court Challenges Program may create pressures for OCOL because its legal services team may have to intervene in cases related to this program.

OCOL allocated a full-time resource to facilitate the transition to the Phoenix automatic pay system and to monitor and conduct quality control of the new system.

### **Significant Changes in Relation to Operations, Personnel and Programs**

There have been no significant changes in relation to operations, personnel and programs during the current quarter.

### **Approval by Senior Officials**

Approved by:

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Ghislaine Saikaley  
Interim Commissioner of Official Languages

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Éric Trépanier, CPA, CGA  
Chief Financial Officer  
Assistant Commissioner  
Corporate Management

Gatineau, Canada  
August 29, 2017

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Statement of Authorities (*unaudited*)

| <i>(in thousands of dollars)</i> | Fiscal year 2017-18  |   |                                  | Fiscal year 2016-17  |   |                                  |
|----------------------------------|--|---|----------------------------------|--|---|----------------------------------|
|                                  | Total available for use for the year ending March 31, 2018 * | Used during the quarter ended June 30, 2017 | Year to date used at quarter end | Total available for use for the year ending March 31, 2017 * | Used during the quarter ended June 30, 2016 | Year to date used at quarter end |
|                                  | Vote 1 - Program expenditures                                | 18,596                                      | 3,970                            | 3,970  | 18,559                                      | 4,125                            |
| Budgetary statutory authorities  | 2,134  | 534   | 534                              | 2,332  | 583   | 583                              |
| Total budgetary authorities      | 20,730   | 4,504                                       | 4,504                            | 20,891   | 4,708                                       | 4,708                            |
| Total authorities                | 20,730   | 4,504                                       | 4,504                            | 20,891   | 4,708                                       | 4,708                            |

\* Includes only Authorities available for use and granted by Parliament at quarter end.

Departmental budgetary expenditures by Standard Object (*unaudited*)

| <i>(in thousands of dollars)</i>       | Fiscal year 2017-18                                     |   |                                  | Fiscal year 2016-17                                     |   |                                  |
|--|---|---|----------------------------------|---|---|----------------------------------|
|  | Planned expenditures for the year ending March 31, 2018 | Expended during the quarter ended June 30, 2017 | Year to date used at quarter end | Planned expenditures for the year ending March 31, 2017 | Expended during the quarter ended June 30, 2016 | Year to date used at quarter end |
|  | Expenditures:   |   |                                  |   |   |                                  |
| Personnel                              | 15,730  | 4,061   | 4,061                            | 15,892  | 3,994   | 3,994                            |
| Transportation and communications      | 815   | 70  | 70                               | 764   | 115   | 115                              |
| Information                            | 207   | 36  | 36                               | 332   | 30  | 30                               |
| Professional and special services      | 2,735   | 210   | 210                              | 3,020   | 392   | 392                              |
| Rentals                                | 528   | 86  | 86                               | 298   | 103   | 103                              |
| Repair and maintenance                 | 241   | 22  | 22                               | 90  | 33  | 33                               |
| Utilities, materials and supplies      | 154   | 18  | 18                               | 121   | 9   | 9                                |
| Acquisition of machinery and equipment | 320   | 1   | 1                                | 373   | 6   | 6                                |
| Other subsidies and payments           | -   | -   | -                                | 1   | 26  | 26                               |
| Total gross budgetary expenditures     | 20,730  | 4,504   | 4,504                            | 20,891  | 4,708   | 4,708                            |
| Total net budgetary expenditures       | 20,730  | 4,504   | 4,504                            | 20,891  | 4,708   | 4,708                            |