

Office of the Commissioner of Official Languages

2017-2018

**Quarterly Financial Report
For the Quarter Ended September 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 her mandate, which consists of taking all actions and measures within her 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.

Office of the Commissioner of Official Languages
Quarterly Financial Report
For the Quarter Ended September 30, 2017

Significant changes to authorities

As of September 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

OCOL has spent 48% (\$10.4 million) of its authorities as of September 30, 2017, of which 91% (\$9.4 million) relate to personnel costs.

Expenditures in this quarter have increased by \$1.3 million, or 28%, compared to the same quarter of the prior year. This increase is primarily due to the following factors:

- an increase of \$0.8 million in personnel costs for timing differences on cut off;
- an increase of \$0.7 million in personnel costs for retroactive salary payments associated to signed collective agreements;

Offset by:

- a decrease of \$0.4 million in professional services, particularly due to fewer consulting contracts, translation services and temporary staff.

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

Office of the Commissioner of Official Languages
Quarterly Financial Report
For the Quarter Ended September 30, 2017

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:

Ghislaine Saikaley
Interim Commissioner of Official Languages

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

Gatineau, Canada
November 29, 2017

Office of the Commissioner of Official Languages
 Quarterly Financial Report
 For the Quarter Ended September 30, 2017

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 September 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 September 30, 2016	Year to date used at quarter end
Vote 1 - Program expenditures	19,524	5,383	9,353	19,487	4,051	8,176
Budgetary statutory authorities	2,134	533	1,067	2,332	583	1,166
Total budgetary authorities	21,658	5,916	10,420	21,819	4,634	9,342
Total authorities	21,658	5,916	10,420	21,819	4,634	9,342

* 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 September 30, 2017	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2017	Expended during the quarter ended September 30, 2016	Year to date used at quarter end
Expenditures:						
Personnel	16,434	5,377	9,438	16,423	3,774	7,794
Transportation and communications	851	133	203	637	114	229
Information	216	49	85	135	35	65
Professional and special services	2,857	251	461	3,701	649	1,041
Rentals	552	34	120	274	20	123
Repair and maintenance	252	5	27	327	14	47
Utilities, materials and supplies	161	13	31	266	26	35
Acquisition of machinery and equipment	334	54	55	55	2	8
Other subsidies and payments	-	-	-	1	-	-
Total gross budgetary expenditures	21,658	5,916	10,420	21,819	4,634	9,342
Total net budgetary expenditures	21,658	5,916	10,420	21,819	4,634	9,342