



Quarterly Financial Report

For the quarter ended June 30, 2021 (unaudited)



Aussi disponible en français sous le titre : *Rapport financier trimestriel - Pour le trimestre se terminant le 30 juin 2021*

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1. Introduction

This quarterly financial report should be read in conjunction with the Main Estimates and Supplementary Estimates for fiscal year 2021–22. It 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 Directive on Accounting Standards, GC 4400 Departmental Quarterly Financial Report. It has been reviewed by the Internal Audit Committee of the Public Service Commission of Canada.

This quarterly report has not been subject to an external audit or review.

1.1 Authority and objectives

The Public Service Commission (the agency) is an independent agency established under the *Public Service Employment Act* and listed in schedules I.1 and IV of the *Financial Administration Act*.

A summary description of the agency's programs can be found in its [2021–22 Departmental Plan](#).

1.2 Basis of presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the agency's spending authorities granted by Parliament and those used by the agency consistent with the Main Estimates for the 2021–22 fiscal year. This quarterly report has 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 money 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.

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

1.3 Financial structure

The agency has a financial structure comprised of voted budgetary authorities for program expenditures and statutory authorities for contributions to employee benefit plans.

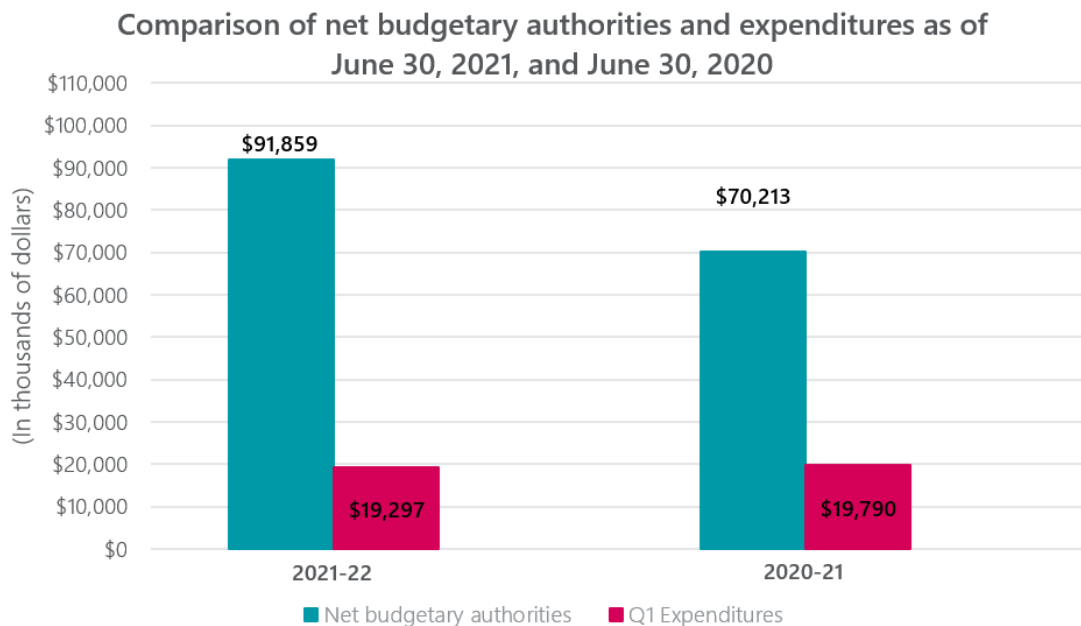
In addition, the agency has the authority to re-spend certain revenues received from other government departments and agencies in a fiscal year to offset expenditures incurred in that same year, for the provision of assessment and counselling products and services.

2. Highlights of fiscal quarter and fiscal year-to-date results

This section highlights the significant items that contributed to the change in resources available for the current year and in the actual expenditures for the quarter ended June 30, 2021.

The following graph provides a comparison of the net budgetary authorities available for spending and the expenditures for the quarters ended June 30, 2021, and June 30, 2020, for the agency's combined Vote 1 – Program Expenditures and Statutory Authorities.

Figure 1 – Budgetary authorities and expenditures: 2021–22 and 2020–21



Text version

Comparison of net budgetary authorities and expenditures as of June 30, 2021, and June 30, 2020

Year	Net budgetary authorities	Q1 expenditures
2021-22	\$91,859	\$19,297
2020-21	\$70,213	\$19,790

2.1 Significant changes to authorities

As shown in Section 6: Statement of Authorities, at June 30, 2021, there was an increase of \$21,646,000 in authorities available for use in the current year, as compared to the previous year.

The variance is due mainly to the following:

- \$20,040,020 is explained by the Main Estimates that were fully granted by Parliament at quarter-end, compared to the previous fiscal year when only 75% of supplies were granted as a result of the COVID-19 pandemic
- \$474,000 is explained by an increase in funding received from the Treasury Board submission to cover higher salary rates following the implementation of new collective agreements
- \$165,000 is explained by a decrease in funding as a result of a transfer to Statistics Canada, as part of the Census cost-sharing program, to contribute to a portion of the costs of collecting the comprehensive data for the 2021 Census Program
- \$254,000 is mainly explained by an increase in funding due to adjustments in the employer contributions to employee benefit plans



2.2 Significant variances in net expenditures from prior year

As shown in Section 7: Budgetary expenditures by standard object, total net budgetary expenditures during the quarter decreased from \$19,790,000 in 2020–21 to \$19,297,000 in 2021–22; a variance of \$493,000 or 2.5%.

The variance is due mainly to the following:

- a decrease of \$412,000 in personnel, mainly resulting from a reduction of:
 - payments and recoveries to other government departments for employee transfers
 - fewer personnel including students, casual and acting
- a decrease in spending due to the impact of the COVID-19 pandemic:
 - a decrease of \$12,000 in transportation and telecommunications, mainly resulting from a decrease in travel and relocation
 - a decrease of \$761,000 in other subsidies and payments, mainly due to a lower amount in salary overpayments
- an increase of \$268,000 in revenues netted against expenditures, due mainly to the impact of the COVID-19 pandemic
 - Last year in 2020–21, the revenues were highly affected by the reduction in services due to COVID-19 and applicable restrictions. The increase in revenues in 2021–22 is due to a higher demand for e-testing and test administration services and coaching. This is a result of the agency adapting to the virtual work environment that resulted from the pandemic. We have also adapted our processes to invoice in a timely fashion.

3. Risks and uncertainties

The agency is evolving in a dynamic and complex environment that requires it to be effective, adaptive and innovative to support staffing in federal departments and agencies across Canada. As part of its departmental planning and reporting cycle, the agency undertakes an annual review of its organizational risks, as well as quarterly monitoring of mitigation strategies, activities and changes that are likely to have an impact on its expected results. This monitoring includes strategic oversight of the changes in external risk factors and internal vulnerabilities that may have an impact on the agency's results.

The agency's operational context, key risks as well as mitigation strategies can be found in its [2021–22 Departmental Plan](#).

Since the release of the 2021–22 Departmental Plan, amendments to the federal *Public Service Employment Act* are now in effect. The agency welcomes these changes, which will strengthen diversity and inclusion, as well as remove or reduce biases and barriers faced by equity-seeking groups in appointment processes. These changes generate more work for all sectors of the agency. Strategies will be implemented to ensure that a lack of resources does not impede expected results and legislative changes.

4. Significant changes in relation to operations, personnel and programs

The COVID-19 pandemic has affected the agency's operations as outlined in the risks and uncertainties section of this document.

5. Approved by senior officials

Approved by:

Patrick Borbey

President

Philip Morton, CPA, CGA Chief Financial Officer

Gatineau, Canada

August 16, 2021

6. Statement of authorities (unaudited)

Fiscal year 2021–22 (in thousands of dollars)			
	Total available for use for the year ending March 31, 2022¹	Used during the quarter ended June 30, 2021	Year-to-date used at quarter-end
Vote 1 – Program Expenditures	80,160	19,297	19,297
Statutory – Refund of Previous Year Revenue	0	0	0
Statutory – Employer Contributions to Employee Benefit Plans	11,699	0	0
Total Budgetary Authorities	91,859	19,297	19,297

¹ Includes only authorities available for use and granted by Parliament at quarter-end.

6. Statement of authorities (unaudited)

(continued)

Fiscal year 2020–21 (in thousands of dollars)			
	Total available for use for the year ending March 31, 2021²	Used during the quarter ended June 30, 2020	Year-to-date used at quarter-end
Vote 1 – Program Expenditures	58,768	19,790	19,790
Statutory – Refund of Previous Year Revenue	0	0	0
Statutory - Spending of proceeds from the disposal of surplus Crown assets	0	0	0
Statutory – Employer Contributions to Employee Benefit Plans	11,445	0	0
Total Budgetary Authorities	70,213	19,790	19,790

² Includes only authorities available for use and granted by Parliament at quarter-end.

7. Budgetary expenditures by standard object (unaudited)

Fiscal year 2021–22 (in thousands of dollars)			
-	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended June 30, 2021	Year-to-date used at quarter-end
Personnel	87,310	18,031	18,031
Transportation and telecommunications	996	1	1
Information	180	35	35
Professional and special services	12,330	630	630
Rentals	1,440	858	858
Repair and maintenance	2	1	1
Utilities, materials and supplies	1,876	22	22
Acquisition of machinery and equipment	101	12	12



Fiscal year 2021–22 (in thousands of dollars)			
-	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended June 30, 2021	Year-to-date used at quarter-end
Other subsidies and payments	1,876	45	45
Total gross budgetary expenditures	106,111	19,635	19,635
Less: Revenues netted against expenditures	(14,252)	(338)	(338)
Total net budgetary expenditures	91,859	19,297	19,297

7. Budgetary expenditures by standard object (unaudited) (continued)

Fiscal year 2020–21 (in thousands of dollars)			
-	Planned expenditures for the year ending March 31, 2021	Expended during the quarter ended June 30, 2020	Year-to-date used at quarter-end
Personnel	69,500	18,443	18,443



Fiscal year 2020–21 (in thousands of dollars)			
-	Planned expenditures for the year ending March 31, 2021	Expended during the quarter ended June 30, 2020	Year-to-date used at quarter-end
Transportation and telecommunications	792	13	13
Information	143	3	3
Professional and special services	9,814	318	318
Rentals	1,146	246	246
Repair and maintenance	2	1	1
Utilities, materials and supplies	1,494	19	19
Acquisition of machinery and equipment	81	11	11
Other subsidies and payments	1,493	806	806
Total gross budgetary expenditures	84,465	19,860	19,860



Fiscal year 2020–21 (in thousands of dollars)			
-	Planned expenditures for the year ending March 31, 2021	Expended during the quarter ended June 30, 2020	Year-to-date used at quarter-end
Less: Revenues netted against expenditures	(14,252)	(70)	(70)
Total net budgetary expenditures	70,213	19,790	19,790

