



Quarterly Financial Report

For the quarter ended September 30, 2021



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For the quarter ended September 30, 2021 (unaudited)

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.

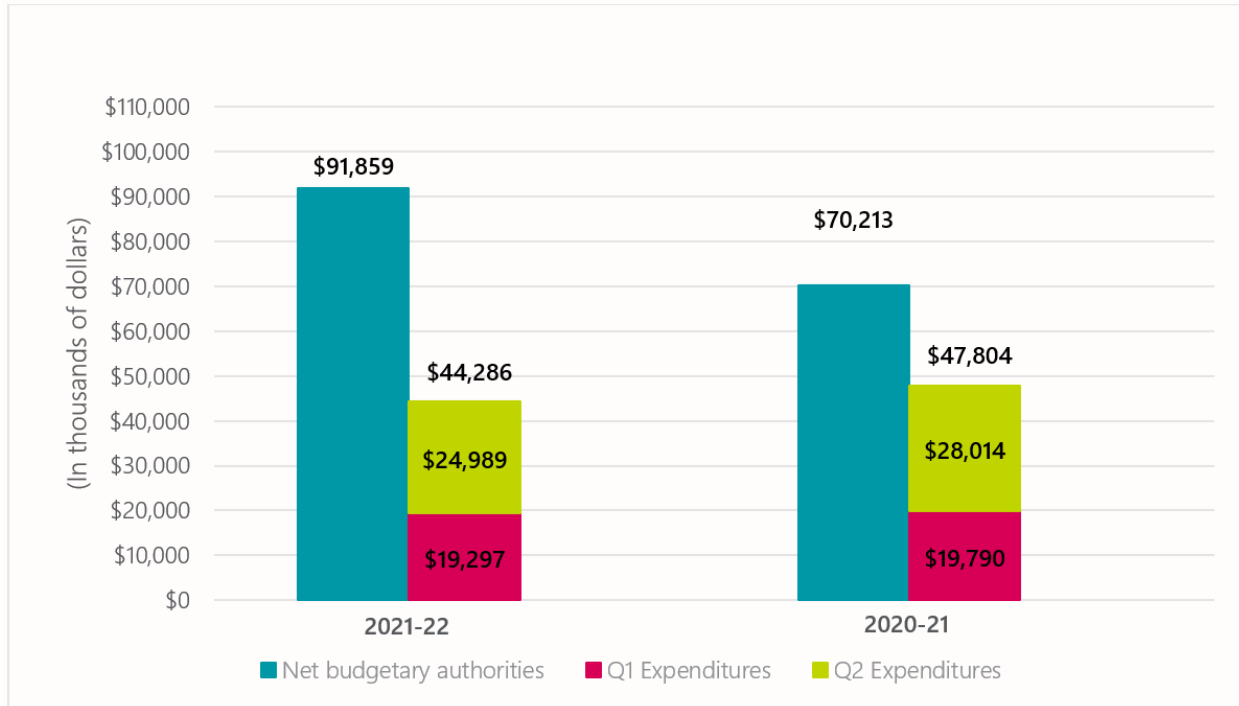
In addition, the agency has the authority to re-spend certain revenues received from other government departments and agencies in a fiscal year to offset expenditures incurred in that same year, for the provision of assessment and counselling products and services.

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 September 30, 2021.

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

Figure 1: Comparison of net budgetary authorities and expenditures as of September 30, 2021, and September 30, 2020



Text version

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

Year	Net budgetary authorities	Q1 expenditures	Q2 expenditures
2021-22	\$91,859	\$19,297	\$24,989
2020-21	\$70,213	\$19,790	\$28,014

2.1 Significant changes to authorities

As shown in Section 6: Statement of Authorities, at September 30, 2021, there was an increase of \$23,258,000 (2021-22: \$95,900,000\$ compared to 2020-21: \$72,641,000) in authorities available for use in the current year, as compared to the previous year.

The variance is due mainly to the following:

- \$19,930,000 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
- \$1,462,000 is explained by an increase in funding received from the Treasury Board submission to cover higher current salary rates following the implementation of new collective agreements
- \$1,613,000 is explained by an increase in the year-end operating budget carry-forward
- \$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 \$28,014,000 in 2020–21 to \$24,989,000 in 2021–22; a variance of \$3,025,000 or 10.8%.

The variance is due mainly to the following:

- a decrease of \$767,000 in personnel, mainly resulting from lower personnel such as indeterminate employees and students
- a decrease of \$1,147,000 in spending operation and maintenance spending due to the following:
 - a decrease of \$673,000 in Rentals due to timing differences for payments to suppliers
 - a decrease of \$657,000 in Professional and Special Services, mainly due to a reduction consulting services provided during the second quarter
 - an increase of \$151,000 in Other Subsidies and Payments, mainly due to a higher amount in salary overpayments
- an increase of \$1,111,000 in revenues netted against expenditures, due mainly to the impact of the COVID-19 pandemic
 - In 2020-21, the revenues were highly impacted 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 COVID-19 pandemic
 - the agency has also adapted its processes to invoice promptly

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

November 28, 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 September 30, 2021	Year-to-date used at quarter-end
Vote 1 – Program Expenditures	84,201	19,140	38,437
Statutory – Refund of Previous Year Revenue	0	0	0
Statutory – Employer Contributions to Employee Benefit Plans	11,699	5,849	5,849
Total Budgetary Authorities	95,900	24,989	44,286

¹Includes 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 September 30, 2020	Year-to-date used at quarter-end
Vote 1 – Program Expenditures	61,195	22,291	42,081
Statutory – Refund of Previous Year Revenue	1	1	1
Statutory - Spending of proceeds from the disposal of surplus Crown assets	0	0	0
Statutory – Employer Contributions to Employee Benefit Plans	11,445	5,722	5,722
Total Budgetary Authorities	72,641	28,014	47,084

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 September 30, 2021	Year-to-date used at quarter-end
Personnel	91,151	24,179	42,210
Transportation and telecommunications	667	11	12
Information	206	63	98
Professional and special services	14,887	1,603	2,233
Rentals	1,415	133	991
Repair and maintenance	98	4	5
Utilities, materials and supplies	178	45	67
Acquisition of machinery and equipment	1,371	45	57



Fiscal year 2021–22 (in thousands of dollars)			
	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended September 30, 2021	Year-to-date used at quarter-end
Other subsidies and payments	178	75	120
Total gross budgetary expenditures	110,152	26,158	45,793
Less: Revenues netted against expenditures	(14,252)	(1,169)	(1,507)
Total net budgetary expenditures	95,900	24,989	44,286



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 September 30, 2020	Year-to-date used at quarter-end
Personnel	70,739	24,946	43,389
Transportation and telecommunications	684	25	38
Information	284	16	19
Professional and special services	11,961	2,260	2,578
Rentals	1,184	806	1,052
Repair and maintenance	473	8	9
Utilities, materials and supplies	136	26	45
Acquisition of machinery and equipment	1,295	60	71



Fiscal year 2020–21 (in thousands of dollars)			
-	Planned expenditures for the year ending March 31, 2021	Expended during the quarter ended September 30, 2020	Year-to-date used at quarter-end
Other subsidies and payments	136	(75)	731
Total gross budgetary expenditures	86,892	28,072	47,932
Less: Revenues netted against expenditures	(14,251)	(58)	(128)
Total net budgetary expenditures	72,641	28,014	47,804

