



Quarterly Financial Report

For the quarter ended December 31, 2021



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For more information, contact

Public Service Commission of Canada
22 Eddy Street
Gatineau (Quebec) K1A 0M7

Email: cfp.infocom.psc@cfp-psc.gc.ca

Website of publisher: <https://www.canada.ca/en/public-service-commission.html>

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For the quarter ended December 31, 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 of Canada (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.

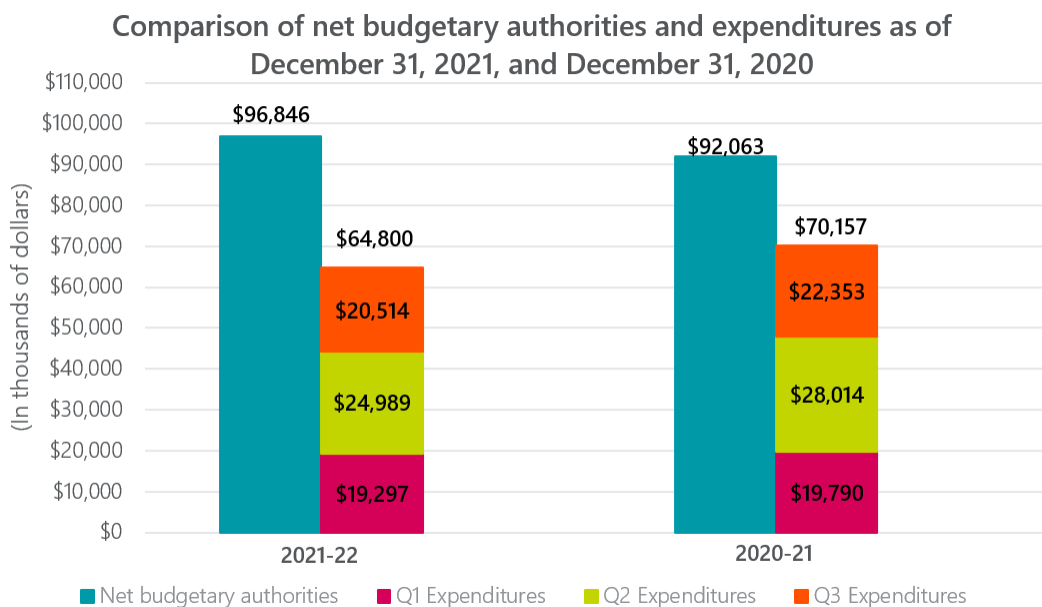
In addition, the agency has the authority to re-spend certain revenues received from other government departments and agencies in a fiscal year to offset expenditures incurred in that same year, for the provision of assessment and counselling products and services.

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 December 31, 2021.

The following graph provides a comparison of the net budgetary authorities available for spending and the expenditures for the quarters ended December 31, 2021, and December 31, 2020, for the agency's combined Vote 1 – Program Expenditures and Statutory Authorities.

Figure 1: Comparison of net budgetary authorities and expenditures as of December 31, 2021, and December 31, 2020



Text version

Comparison of net budgetary authorities and expenditures as of December 31, 2021, and December 31, 2020

Year	Net budgetary authorities	Q1 expenditures	Q2 expenditures	Q3 expenditures
2021-22	\$96,846	\$19,297	\$24,989	\$20,514
2020-21	\$92,063	\$19,790	\$28,014	\$22,353

2.1 Significant changes to authorities

As shown in Section 6: Statement of Authorities, at December 31, 2021, there was an increase of \$4,783,000 (2021–22: \$96,846,000 compared to 2020–21: \$92,063,000) in authorities available for use in the current year, as compared to the previous year.

The variance is due mainly to the following:

- \$2,909,000 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, as well as late Phoenix damages and late implementation
- \$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 \$22,353,000 in 2020–21 to \$20,514,000 in 2021–22; a variance of \$1,839,000 or 8.2%.

The variance is due mainly to the following:

- a decrease of \$1,063,000 in personnel, mainly resulting from fewer indeterminate employees and students
- an increase of \$162,000 in spending operation and maintenance spending due to the following:
 - an increase of \$64,000 in rentals due to timing differences for payments to suppliers
 - a decrease of \$245,000 in professional and special services, mainly due to a reduction in consulting services provided during the second quarter
 - an increase of \$459,000 in acquisition of machinery and equipment, mainly due to the purchase of computer equipment for PSC employees
 - a decrease of \$94,000 in other subsidies and payments, mainly due to a higher recovery amount in salary overpayments
- an increase of \$939,000 in revenue netted against expenditures, mainly due to the impacts of the COVID-19 pandemic
 - last year 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; all these factors are due to the agency adapting to the virtual work environment that resulted from the COVID-19 pandemic
 - the agency has also adapted its 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 will 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

February 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 December 31, 2021	Year-to-date used at quarter-end
Vote 1 – Program Expenditures	85,147	18,564	57,001

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

Fiscal year 2021–22 (in thousands of dollars)			
-	Total available for use for the year ending March 31, 2022¹	Used during the quarter ended December 31, 2021	Year-to-date used at quarter-end
Statutory – Refund of Previous Year Revenue	0	0	0
Statutory – Employer Contributions to Employee Benefit Plans	11,699	1,950	7,799
Total Budgetary Authorities	96,846	20,514	64,800



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 December 31, 2020	Year-to-date used at quarter-end
Vote 1 – Program Expenditures	80,616	19,491	61,572
Statutory – Refund of Previous Year Revenue	2	1	2
Statutory – Employer Contributions to Employee Benefit Plans	11,445	2,861	8,583
Total Budgetary Authorities	92,063	22,353	70,157

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 December 31, 2021	Year-to-date used at quarter-end
Personnel	91,934	19,716	61,926
Transportation and telecommunications	673	6	18
Information	208	37	135
Professional and special services	15,015	1,578	3,811
Rentals	1,428	141	1,132
Repair and maintenance	99	5	10
Utilities, materials and supplies	179	45	112
Acquisition of machinery and equipment	1,383	552	609



Fiscal year 2021–22 (in thousands of dollars)			
-	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended December 31, 2021	Year-to-date used at quarter-end
Other subsidies and payments	179	96	216
Total gross budgetary expenditures	111,098	22,176	67,969
Less: Revenues netted against expenditures	(14,252)	(1,662)	(3,169)
Total net budgetary expenditures	96,846	20,514	64,800



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 December 31, 2020	Year-to-date used at quarter-end
Personnel	86,548	20,779	64,169
Transportation and telecommunications	837	37	75
Information	348	23	42
Professional and special services	14,635	1,823	4,400
Rentals	1,449	77	1,129
Repair and maintenance	579	12	21
Utilities, materials and supplies	166	42	87
Acquisition of machinery and equipment	1,585	93	164

Fiscal year 2020–21 (in thousands of dollars)			
-	Planned expenditures for the year ending March 31, 2021	Expended during the quarter ended December 31, 2020	Year-to-date used at quarter-end
Other subsidies and payments	166	190	921
Total gross budgetary expenditures	106,313	23,076	71,008
Less: Revenues netted against expenditures	(14,250)	(723)	(851)
Total net budgetary expenditures	92,063	22,353	70,157

