



Public Service Commission
of Canada

Commission de la fonction publique
du Canada



Quarterly Financial Report
For the Quarter ending December 31, 2015 (unaudited)

To be published on February 26, 2016

Canada

INTRODUCTION

This quarterly financial report should be read in conjunction with the Main Estimates and Supplementary Estimates for fiscal year 2015-16.

This quarterly report has been prepared by management, as required by section 65.1 of the *Financial Administration Act* (FAA) and in the form and manner prescribed by the Treasury Board Accounting Standard 1.3.

The quarterly report has been reviewed by the Internal Audit Committee of the Public Service Commission of Canada (PSC).

AUTHORITY AND OBJECTIVES

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

The PSC is mandated to:

- Make appointments to and within the public service, based on merit and free from political influence. The PSEA provides the authority to the Commission to delegate to deputy heads its authority to make appointments to positions in the public service. This authority is currently delegated to the deputy heads subject to the PSEA, across the federal government;
- Administer the provisions of the PSEA that are related to the political activities of employees and deputy heads. Part 7 of the PSEA recognizes the right of employees to engage in a political activity, while maintaining the principle of political impartiality in the public service. It also sets out specific roles and responsibilities for employees and for the PSC related to political activities; and
- Oversee the integrity of the staffing system and, in collaboration with other stakeholders, ensure non-partisanship. This oversight role includes: the regulatory authority and policy-setting function; the ongoing support and guidance; and the monitoring of the staffing performance of delegated organizations; the conduct of audits that provide an independent assessment of the performance and management of staffing activities; and the conduct of investigations of staffing processes and improper political activities by public servants.

A summary description of the PSC's programs can be found in section II of the [2015-16 Report on Plans and Priorities](#).

BASIS OF PRESENTATION

Management has prepared this quarterly report using an expenditure basis of accounting for both expenditures and revenues. The accompanying Statement of Authorities includes the organization's spending authorities granted by Parliament and those used by the organization, consistent with the Main Estimates and Supplementary Estimates for the 2015-16 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 monies 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 PSC uses the full accrual method of accounting to prepare and present its annual financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis of accounting.

HIGHLIGHTS OF FISCAL QUARTER AND FISCAL YEAR-TO-DATE RESULTS

This section highlights the significant items that contributed to the net decrease in resources available for the current year and in actual expenditures for the quarter ended December 31, 2015. In reading these highlights, it is important to note that the PSC has the authority to re-spend revenues received from other government departments and agencies in a fiscal year – of an amount not to exceed \$14,252K – to offset expenditures incurred in that fiscal year arising from the provision of assessment and counselling services and products.

Significant Changes to Authorities

The net decrease of \$1.1M, from \$88.8M in 2014-15 to \$87.7M in 2015-16, as per Table 1: Statement of Authorities, is mainly related to the following:

- A decrease of \$0.5M resulting from transfers to other organizations due to the implementation of enterprise-wide government initiatives, including compensation services to the Public Service Pay Centre in Miramichi, New Brunswick and the back office transformation;
- A decrease of \$0.5M regarding the in-year transfer of funds pertaining to the Public Service Resourcing System, being postponed because the Parliamentary Supply authorization was delayed due to the fall election;
- A decrease of \$0.2M pertaining to the amount received for the operating budget carry forward; and
- A net increase of \$0.1M resulting from the compensation for some applicable salary and wage increases and the revision of the rate used to determine the Employee Benefit Plan costs estimates.

Significant Changes to Gross Budgetary Expenditures

As of December 31, 2015, total gross budgetary expenditures show a reduction of \$0.3M, from \$20.7M in 2014-15 to \$20.4M in 2015-16, as per Table 2: Departmental budgetary expenditures by standard object.

The variance is mainly attributable to the following:

- The most significant decrease occurred in personnel expenditures for a total of \$0.3M. This results from a decrease in maternity and paternity allowance as well as severance allowance benefits; and
- An increase of \$0.3M in rentals and a decrease of \$0.3M in professional and special services and acquisition of machinery and equipment expenditures is mainly due to the receipt and disbursement of corresponding invoices in two different quarters.

Significant Changes in Revenues Netted Against Expenditures

As of December 31, 2015, the PSC forecasted a total of \$8.0M in annual re-spendable revenues for the current fiscal year, which is slightly below the levels of last year's third quarter (\$8.5M).

The collection of Assessment and Counselling Services revenues at the end of the third quarter accounts for 59% of overall revenues anticipated for the current fiscal year, which is consistent with the third quarter (56%) of the previous fiscal year.

RISKS AND UNCERTAINTIES

The PSC operates in a dynamic and complex environment that requires it to be efficient, adaptive and innovative. It uses integrated risk management, including the annual development of a Corporate Risk Profile, to identify and respond to challenges and opportunities.

The PSC's key risks and the corresponding mitigation strategies are outlined in section I of the 2015-16 Report on Plans and Priorities.

SIGNIFICANT CHANGES IN RELATION TO OPERATION, PERSONNEL AND PROGRAMS

During the period covered by this report, Christine Donoghue was the Acting President of the Public Service Commission of Canada, Gerry Thom, the Acting Senior Vice-President of the Policy Branch and Stan Lee, the Acting Vice-President of the Staffing and Assessment Services Branch.

APPROVED BY SENIOR OFFICIALS

Original signed by: Christine Donoghue
Acting President
Signed on: February 18, 2016

Original signed by: Omer Boudreau
Chief Financial Officer
Signed on: February 15, 2016

Original signed by: Sophie Perreault, CPA, CGA
For: Phil Morton, CPA, CGA
Deputy Chief Financial Officer
Signed on: February 12, 2016

Gatineau, Canada
Date of publication: February 26, 2016

Table 1: Statement of Authorities (unaudited)*(in thousands of dollars)*

	Fiscal Year 2015-16			Fiscal Year 2014-15		
	Total available for use for the year ending March 31, 2016 ¹	Expenditures during the quarter ended December 31, 2015	Year to date used at quarter-end	Total available for use for the year ending March 31, 2015 ¹	Expenditures during the quarter ended December 31, 2014	Year to date used at quarter-end
Vote 1 – Operating Expenditures ²	\$89,728	\$17,419	\$50,962	\$91,061	\$17,688	\$54,254
Less: Revenues Netted Against Expenditures	(14,252) ³	(2,196)	(4,885)	(14,252) ³	(2,242)	(4,825)
Net Vote 1 – Net	75,476	15,223	46,077	76,809	15,446	49,429
Operating Expenditures						
Statutory - Refund of Previous Year Revenue	-	-	-	1	(3)	1
Statutory - Proceeds from Crown Asset Disposal	-	-	-	-	-	-
Statutory - Employer Contributions to Employee Benefit Plan	12,203	3,051	9,153	12,017	3,005	9,013
Total Budgetary Authorities	12,203	3,051	9,153	12,018	3,002	9,014
Total Authorities	\$87,679	\$18,274	\$55,230	\$88,827	\$18,448	\$58,443

Note: Differences are due to rounding

1. Includes only Authorities available for use and granted by Parliament at quarter-end.
2. Vote 1 – Operating expenditures during 2014-15 include a cumulative amount of \$2,326K as a one-time transition payment for implementing salary payment in arrears by the Government of Canada.
3. The PSC has TBS approval to use cost recovery for assessment and counselling services of up to \$14,252K.

Table 2: Departmental budgetary expenditures by standard object (unaudited)

(in thousands of dollars)

	Fiscal year 2015-16			Fiscal year 2014-15		
	Planned expenditures for the year ending March 31, 2016 ¹	Expenditures during the quarter ended December 31, 2015	Year to date used at quarter-end	Planned expenditures for the year ended March 31, 2015 ¹	Expenditures during the quarter ended December 31, 2014	Year to date used at quarter-end
Personnel	\$84,844	\$18,139	\$54,697	\$85,031	\$18,478	\$55,537
Transportation and telecommunications	673	121	266	451	118	202
Information	356	43	147	479	57	189
Professional and special services	13,202	1,532	3,696	11,251	1,653	3,685
Rentals	2,116	462	850	1,193	134	789
Repair and maintenance	60	4	17	41	3	5
Utilities, materials and supplies	222	93	164	306	35	120
Acquisition of machinery and equipment	376	8	179	955	167	315
Other subsidies and payments ²	81	68	99	3,372	45	2,426
Total gross budgetary expenditures	101,931	20,470	60,115	103,079	20,690	63,268
Less: Revenues netted against expenditures	(14,252)	(2, 196)	(4,885)	(14,252)	(2,242)	(4,825)
Total net budgetary expenditures	\$87,679	\$18, 274	\$55,230	\$88,827	\$18,448	\$58,443

Note: Differences are due to rounding

1. Includes only Authorities available for use and granted by Parliament at quarter-end.
2. Other subsidies and payments during 2014-15 includes a cumulative one-time transition payment of \$2,326K for implementing salary payment in arrears by the Government of Canada.