

Quarterly Financial Report 2018–19 – Q2

Statement Outlining Results, Risks and Significant Changes in Operations, Personnel and Programs

1. Introduction

This quarterly 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 and Supplementary Estimates. The quarterly report has not been subject to an external audit or review.

Mandate

The Office of the Public Sector Integrity Commissioner of Canada (the Office) is an independent agent of Parliament established to implement the *Public Servants Disclosure Protection Act*, which came into force in April 2007. The Office contributes to strengthening accountability and increases oversight of government operations by providing:

- public servants and members of the public with an independent and confidential process for receiving and investigating disclosures of wrongdoing in, or relating to, the federal public sector. It reports founded cases of wrongdoing to Parliament and makes recommendations to chief executives on corrective measures; and
- public servants and former public servants with a mechanism for making complaints of reprisal for the purpose of coming to a resolution. It investigates and can refer cases to the Public Servants Disclosure Protection Tribunal.

Further details on the Office's authority, mandate and program activities can be found in the [Main Estimates \(Part II\)](#) and in its [corporate plans and reports](#).

Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Office's spending authorities granted by Parliament and those used by the Office consistent with the Main Estimates and Supplementary Estimates for the 2018–19 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 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.

When Parliament is dissolved for the purposes of a general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

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

2. Highlights of the Fiscal Quarter and the Fiscal Year-to-Date Results

This section highlights the significant items that contributed to the variance in resources available for the year and net changes in actual expenditures for the quarter ended September 30, 2018, in comparison to the prior year.

From 2017–18 to 2018–19, total budgetary authorities available for use increased by \$45,628 (0.8%). This change is mostly the result of:

- an increase of \$53,116 in vote 1 authorities mainly due to funding received in 2018–19 as a result of employees' collective agreements.
- a decrease of \$7,488 in budgetary statutory authorities due to the adjustment of the Employee Benefit Plan annual rate, from 15.7% in 2017–18 to 15.2% in 2018–19, as directed by the Treasury Board.

Budgetary expenditures used during the second quarter of 2018–19 increased by \$245,084 (27.5%) as compared to the same quarter last year. The major changes in expenditures by standard object are summarized as follows:

- an increase of \$209,380 in professional and special services primarily due to timing differences in billing and payments between 2017–18 and 2018–19.
- an increase of \$39,667 in salary expenditures attributable to the timing differences in payments of salaries and benefits to personnel.
- an overall decrease of \$3,963 in other expenditures are attributable to the timing differences in billing and payments between 2017–18 and 2018–19.

3. Risks and Uncertainties

The Office continues to operate in a sensitive environment where there still exists a culture of resistance to whistleblowing within the federal public service due to various factors, including fear of reprisal. Decisions by individuals to disclose wrongdoing or submit a complaint of reprisal, the complexity of cases, as well as the legislative requirements and the Office's service standards are major contributors to the workload. In turn, this drives the need to retain and recruit key skilled positions, such as investigators and case analysts.

Volume of cases does fluctuate by month throughout the year, and the complexity of each case can vary significantly. However, if there was a continued and significant increase in the number of cases and/or investigations, the Office runs the risk of not being able to process all files in a timely manner.

4. Significant Changes in Relation to Operations, Personnel and Programs

There have been no significant changes related to operations, personnel or programs during the second quarter of the fiscal year.

5. Approval by Senior Officials

Approved by:

Joe Friday
Public Sector Integrity Commissioner

Ottawa, Canada
November 27, 2018

Eric Trottier, MBA, CPA, CMA
Chief Financial Officer

Statement of Authorities (unaudited)
 Fiscal Year 2018–19

<i>(in dollars)</i>	Total available for use for the year ending March 31, 2019*	Used during the quarter ended September 30, 2018	Year-to-date used at quarter-end
Vote 1 – Program Expenditures	5,255,779	1,017,811	1,765,219
Budgetary Statutory Authorities	476,051	119,013	238,026
Total Budgetary Authorities	5,731,830	1,136,823	2,003,245

Statement of Authorities (unaudited)
 Fiscal Year 2017–18

<i>(in dollars)</i>	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
Vote 1 – Program Expenditures	5,202,663	770,854	1,693,333
Budgetary Statutory Authorities	483,539	120,885	241,770
Total Budgetary Authorities	5,686,202	891,739	1,935,103

* Includes only Authorities available for use and granted by Parliament at quarter-end.

Departmental Budgetary Expenditures by Standard Object (unaudited)
 Fiscal Year 2018–19

<i>(in dollars)</i>	Planned expenditures for the year ending March 31, 2019	Expended during the quarter ended September 30, 2018	Year-to-date used at quarter-end
Personnel	3,607,963	810,369	1,483,134
Transportation and Communications	120,000	22,426	37,282
Information	80,000	11,375	23,241
Professional and Special Services	1,588,867	274,268	430,375
Rentals	60,000	8,343	11,929
Repair and Maintenance	5,000	-	-
Utilities, Material and Supplies	30,000	651	1,405
Acquisition of Land, Building and Works	-	-	-
Acquisitions of Machinery and Equipment	200,000	1,337	1,495
Transfer Payments	40,000	8,054	14,383
Other Subsidies and Payments	-	-	-
Total Budgetary Expenditures	5,731,830	1,136,823	2,003,245

Departmental Budgetary Expenditures by Standard Object (unaudited)
 Fiscal Year 2017–18

	Planned expenditures for the year ending March 31, 2018	Expended during the quarter ended September 30, 2017	Year-to-date used at quarter-end
<i>(in dollars)</i>			
Personnel	3,563,406	770,702	1,588,568
Transportation and Communications	122,100	22,369	42,439
Information	131,185	13,978	21,949
Professional and Special Services	1,487,821	64,888	229,735
Rentals	266,230	4,556	15,683
Repair and Maintenance	7,760	-	159
Utilities, Material and Supplies	15,700	5,765	13,549
Acquisition of Land, Building and Works	-	-	-
Acquisitions of Machinery and Equipment	52,000	3,943	12,173
Transfer Payments	40,000	5,538	10,848
Other Subsidies and Payments	-	-	-
Total Budgetary Expenditures	5,686,202	891,739	1,935,103