

**Office of the Commissioner of Official  
Languages**

**2011–2012**

**Quarterly Financial Report  
For the quarter ended December 31, 2011**

## **Introduction**

This quarterly financial 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, and the previous quarterly financial report. This quarterly report has not been subject to an external audit or review.

### Mandate and program activities

The Office of the Commissioner of Official Languages (OCOL) supports the Commissioner of Official Languages in fulfilling his mandate, which consists of taking all actions and measures within his authority to ensure recognition of the status of each of the official languages and compliance with the spirit and intent of the *Official Languages Act* in the administration of the affairs of federal institutions, including any of their activities relating to the advancement of English and French in Canadian society.

Further information about OCOL's responsibilities and program activities can be found in the [2011-2012 Report on Plans and Priorities](#) and in the Main Estimates.

### Basis of presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes OCOL's spending authorities granted by Parliament and used by OCOL, consistent with the Main Estimates and Supplementary Estimates for the 2011–2012 fiscal year. This quarterly report has also 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.

OCOL uses the full accrual method of accounting to prepare and present its annual financial statements, which are part of the organization's performance reporting process. However, the spending authorities voted by Parliament are prepared on an expenditure basis.

## **Highlights of fiscal quarter and fiscal year to date**

This section presents a brief analysis of significant variances in relation to actual expenditures and planned expenditures that affected both the quarter and the year to date results, compared to the same periods of the preceding fiscal year.

Office of the Commissioner of Official Languages  
Quarterly Financial Report  
For the quarter ended December 31, 2011

Significant changes to authorities

As of December 31, 2011, total authorities available for the fiscal year increased by \$1.1 million compared to the previous fiscal year, mainly due to the following factors:

- A \$1.5 million increase in the amount allocated by Treasury Board for reimbursement of eligible payroll expenditures;
- A \$0.3 million decrease in the operating budget carry forward amount.

Significant changes to budgetary expenditures

OCOL has used approximately 68% of its authorities as of December 31, 2011, of which 84% are personnel-related expenditures.

Compared to the previous fiscal year, expenditures in this quarter have increased by \$0.2 million, or 2.7%, up to a total of \$5.3 million due to:

- A \$0.4 million increase in personnel expenditures, mainly due to severance liquidation payments to eligible employees;
- A \$0.2 million decrease in professional services expenditures.

These differences are indicated in the Departmental budgetary expenditures by Standard Object table under the “Personnel” and “Professional and special services” expenditure categories.

**Risks and uncertainties**

Funding required for IM/IT

OCOL is still facing a risk as a consequence of the inadequacy of its IM/IT systems. A Treasury Board submission has been sent to request the one-time funding required to upgrade its deteriorating applications because the current authorities available are not sufficient. This investment would allow OCOL to optimize its business processes in order to improve its productivity and efficiency and to generate savings over the next two years.

A-Base Review

Management is presently implementing the action plan prepared in response to the A-Base Review conducted in 2010–2011. This review identified several constraints within the organization as well as opportunities for optimizing resources.

Budget 2010

The cost containment measures announced in Budget 2010 are another financial risk OCOL faces because it has to absorb salary increases that have been agreed on in collective agreements through its A-Base funding. Management is presently reviewing various options to adjust to this financial constraint.

Office of the Commissioner of Official Languages  
Quarterly Financial Report  
For the quarter ended December 31, 2011

Budget 2011

OCOL agrees to adhere to the spirit and intent of the Strategic and Operating Review announced in Budget 2011. Management is analyzing its financial capability while taking into account the results of the implementation of the A-Base Review action plan and the results of the IM/IT funding request.

**Significant changes in relation to operations, personnel and programs**

There have been no significant changes in relation to operations, personnel and programs over the past quarter.

**Approval by senior officials**

Approved by:

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Graham Fraser  
Commissioner of Official Languages

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Lise Cloutier  
Chief Financial Officer  
Assistant Commissioner  
Corporate Management

Ottawa, Canada  
February 29, 2012

Office of the Commissioner of Official Languages  
 Quaterly Financial Report  
 For the quarter ended December 31, 2011

Statement of Authorities (*unaudited*)

	Fiscal year 2011-12			Fiscal year 2010-11		
	Total available for use for the year ending March 31, 2012 *	Used during the quarter ended December 31, 2011	Year to date used at quarter-end	Total available for use for the year ending March 31, 2011 *	Used during the quarter ended December 31, 2010	Year to date used at quarter-end
<i>(in thousands of dollars)</i>						
Vote 20 - Program expenditures	20,437	4,712	13,780	19,422	4,601	13,537
Budgetary statutory authorities	2,301	575	1,726	2,186	546	1,639
Total budgetary authorities	22,738	5,287	15,506	21,608	5,147	15,176
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\* Includes only Authorities available for use and granted by Parliament at quarter-end.

Office of the Commissioner of Official Languages  
 Quaterly Financial Report  
 For the quarter ended December 31, 2011

Departmental budgetary expenditures by Standard Object *(unaudited)*

	Fiscal year 2011-12			Fiscal year 2010-11		
	Planned expenditures for the year ending March 31, 2012	Expended during the quarter ended December 31, 2011	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2011	Expended during the quarter ended December 31, 2010	Year to date used at quarter-end
<i>(in thousands of dollars)</i>						
<b>Expenditures:</b>						
Personnel	16,611	4,258	12,986	15,142	3,839	11,577
Transportation and communications	1,001	252	610	841	244	626
Information	283	42	64	384	64	103
Professional and special services	3,773	605	1,420	4,054	768	2,370
Rentals	121	22	54	118	24	61
Repair and maintenance	233	21	197	187	82	226
Utilities, materials and supplies	165	47	104	193	52	124
Acquisition of machinery and equipment	545	40	70	520	74	88
Other subsidies and payments	6	-	1	169	-	1
<b>Total net budgetary expenditures</b>	<b>22,738</b>	<b>5,287</b>	<b>15,506</b>	<b>21,608</b>	<b>5,147</b>	<b>15,176</b>