

**Canadian Centre for Occupational Health and Safety  
Quarterly Financial Report  
For the quarter ended, June 30, 2011**

**Statement outlining results, risks and significant changes in operations,  
personnel and program**

**A) Introduction**

Canadian Centre for Occupational Health and Safety (CCOHS)

The Canadian Centre for Occupational Health and Safety (CCOHS) operates under the legislative authority of the Canadian Centre for Occupational Health and Safety Act S.C., 1977-78, c. 29 which was passed by unanimous vote in the Canadian Parliament. The purpose of this Act is to promote the fundamental right of Canadians to a healthy and safe working environment by creating a national institute (CCOHS) concerned with the study, encouragement and co-operative advancement of occupational health and safety.

CCOHS is Canada's national occupational health and safety resource which is dedicated to the advancement of occupational health and safety performance by providing necessary services including information and knowledge transfer; training and education; cost-effective tools for improving occupational health and safety performance; management systems services supporting health and safety programs; injury and illness prevention initiatives and promoting the total well-being – physical, psychosocial and mental health - of working people. The Centre was created to provide a common focus for, and coordination of, information in the area of occupational health and safety.

CCOHS functions as an independent departmental corporation under Schedule II of the Financial Administration Act and is accountable to Parliament through the Minister of Labour. Further information on the mandate, roles, responsibilities and programs of CCOHS can be found in the Canadian Centre for Occupational Health and Safety 2011-2012 Main Estimates, available on the following website:

<http://www.tbs-sct.gc.ca/est-pre/20112012/me-bpd/docs/me-bpd-eng.pdf>

This quarterly financial report:

- should be read in conjunction with the 2011-2012 Main Estimates and Supplementary Estimates A;
- 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; and
- has not been subject to an external audit or review.

## Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the department's spending authorities granted by Parliament and those used by the department consistent with the Main Estimates and Supplementary Estimates for the 2011-2012 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. In addition, CCOHS is not authorized to use its revenue collected during the election. The Department uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

## **B) Highlights of fiscal quarter and fiscal year to date (YTD) results**

### Significant Changes to Authorities

CCOHS' net authorities available for use are comparable to the same quarter of 2012 to 2011. Vote 25 revenues are showing higher than last year due to the funding requirements during the election period. During an election there is no authority to spend spendable revenues collected during the course of operations. CCOHS revenues account for at least 40 to 50% of its total budget. Therefore, additional funding was provided via Governor General Warrants during the election period. Funds in excess of Main Estimates were recovered through the frozen allotment – adjustment for vote netting revenue from Governor General Warrants. The balance is the same as the approved amounts in the main estimates.

Overall net funding was decreased due to the reduction in estimates from Budget Constraint Measures implemented last year. This reduction in funding took place in the second quarter of 2010 /2011 via a frozen allotment. This reduction was made permanent through the main estimates process for 2011/2012.

## Statement of Departmental Budgetary Expenditures by Standard Object

Compared to the previous, the gross budgetary expenditures were comparable overall. Personnel expenditures and other standard objects are comparable to the prior year, with no significant variations. CCOHS carefully monitors its expenditures to ensure adequate funding.

### Significant Changes to Revenues Collected

Revenues netted against expenditures are slightly higher than the same period last year. This can be attributed to cash collections of sales made in the last quarter of fiscal 2010/2011 as the revenues represent the revenue credit to the vote. Revenue credited to the vote represents cash collection, which vary in timing from the actual sale. On the expenditure basis of accounting, revenues are recognized when collected.

### **C) Risks and Uncertainties**

CCOHS is partially funded through voted parliamentary spending authorities and statutory authorities for personnel, operating expenditures and capital expenditures. CCOHS is also partially funded through spendable revenue from the sale of goods and services. Delivering departmental programs and services may depend on several risk factors such as economic fluctuations, political climate, technological and scientific development, government priorities, and central agencies or government-wide initiatives. CCOHS sells its products and services to workplaces and attempts to earn up to 50% of its budget through these sales. Our products and services are at risk due to changing technologies and general market conditions.

CCOHS is also a knowledge-based organization and as such, relies on maintaining its talented and committed workforce to continue delivering programs and services. Our aging workforce has seen several retirements per year and this trend is expected to continue.

In [\*Budget 2010 - Leading the Way on Jobs and Growth\*](#), the Minister of Finance announced that the operating budgets of departments, as appropriated by Parliament, would be frozen at their 2010-11 levels for the years 2011-12 and 2012-13. It will be necessary for CCOHS to cash manage any increase in costs relating to operations and salaries during this time. This is a significant risk as CCOHS would have received funding for compensation increases during this time frame.

### Mitigation Strategies

In order to mitigate this risk CCOHS will work to maximize revenues and manage its payroll costs to keep them to a minimum. This will include careful review of any vacancies and savings through attrition when appropriate.

## **D) Significant changes in relation to operations, personnel and programs**

In April 2011, a new President and CEO began at CCOHS. The former incumbent retired after 14 years of service. Our Human Resources Manager retired after 30 years of service. A replacement will be starting on July 4.

In April, a new product, Canadian Employment Legislation was launched. There have been no other significant changes to operations, personnel or programs in the reporting period.

Approved by:



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Steve Horvath  
President and Chief Executive Officer

Hamilton, Canada July 8, 2011



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Bonnie Easterbrook, CGA  
Chief Financial Officer