



# FINANCIAL CONSUMER AGENCY OF CANADA Quarterly Financial Report

For the quarter ended December 30, 2022





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## Introduction

The Quarterly Financial Report (QFR) for the Financial Consumer Agency of Canada (FCAC, or the Agency) 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.

The [Financial Consumer Agency of Canada Act](#) (the Act) outlines FCAC's functions and administration and enforcement powers and lists the sections of federal laws and regulations under its supervision. A description of its program activities can be found in [FCAC's Business Plan 2022-2023](#).

The QFR has not been subjected 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 Agency's spending authorities as set out in section 13 of the Act. 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 Agency 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, spending authorities included in this report remain on an expenditure basis.

## Highlights of the fiscal quarter and the fiscal year-to-date (YTD) results

### Quarterly results

FCAC's total expenditures for the three months ended December 31, 2022, totalled \$12,735,259, or 88.6% of its budgeted expenditures of \$14,370,733 for the period, compared to 60.1% for the same period last year. The variance to budget as at December 31, 2022 of \$1,635,474 is primarily due to lower than planned personnel costs as a result of delays in staffing vacant positions (\$1,263,821). In addition, there were timing delays related to professional services costs (\$840,541). This underspending was partially offset by higher than planned costs for acquisition of land, buildings and works (\$507,629), due to timing related to the office modernization project.

When compared to the previous year, FCAC's total expenditures for the three months ended December 31, 2022, of \$12,735,259, were \$3,831,481 or 43.0% higher than the same period last year. This variance is primarily due to higher spending in acquisition of land, buildings and works costs (\$1,017,629) and in acquisition of machinery and equipment (\$804,508), both due to the office modernization project. There were increases in personnel costs (\$758,766) due to the growth of the Agency, as well as economic and merit increases. In addition, professional services costs increased by \$778,401 due to various initiatives across the Agency such as the enhancement of research, policy and education services, the investment in information technology, and the creation of a data and analytics capacity.

### Year-to-date results

FCAC's total expenditures for the nine months ended December 31, 2022, totalled \$37,367,146, or 86.9% of its budgeted expenditures of \$42,990,446 for the period, compared to 72.0% for the same period last year. The variance to budget as at December 31, 2022 of \$5,623,300 is primarily due to lower than planned personnel costs as a result of delays in staffing vacant positions (\$3,966,240). There were also timing delays



related to professional services (\$1,980,015) and the acquisition of machinery and equipment (\$418,944). This underspending was primarily offset by earlier than planned expenditures associated with the office modernization project (\$1,394,576).

When compared to the previous year, FCAC's total expenditures for the nine months ended December 31, 2022, of \$37,367,146, were \$10,930,864 or 41.4% higher than the same period last year. This variance is primarily due to higher spending in acquisition of land, buildings and works costs (\$4,584,576) and in acquisition of machinery and equipment (\$1,099,798) both due to the office modernization project. In addition, professional services costs increased by \$2,593,451 due to various initiatives across the Agency such as the enhancement of research, policy and education services, the investment in information technology, and the creation of a data and analytics capacity. Lastly, there were increases in personnel costs (\$1,982,247) due to the growth of the Agency, as well as economic and merit increases.

## Risks and Uncertainties

### Enterprise risk management

The environment in which FCAC operates carries an array of risks to the achievement of its mandate and objectives. While many of these challenges are always present, the extent to which they pose a financial risk to FCAC's objectives varies, depending on economic and financial conditions, and the financial industry environment and its impact on financial consumers. FCAC's ability to achieve its mandate depends on the timeliness and effectiveness with which it identifies, evaluates, prioritizes, and develops initiatives to address areas where it is most at risk.

### Economic, industry and supervisory environment

FCAC operates in a rapidly evolving financial marketplace, including increasingly complex financial products and new technology developed to suit the needs and demands of today's consumers. This may impede FCAC's ability to keep pace with this rapid rate of change.

FCAC must continue to assess the impact of these changes and be prepared to re-allocate funding while remaining flexible. FCAC must also stay abreast of new developments and discussions, both domestically and internationally, and leverage resulting opportunities, while managing risks to ensure the continued achievement of its mandate.

### Financial risks

Financial risks, primarily liquidity and credit risks, are closely managed and continue to be rated low.

## Significant changes in operations, personnel and programs

There were no significant changes in Operations, Personnel and Programs during the quarter ended December 31, 2022.

Approved by:

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Judith Robertson  
Commissioner  
Financial Consumer Agency of Canada

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Werner Liedtke, CPA, CMA  
Chief Financial Officer  
Financial Consumer Agency of Canada

January 23, 2023



### Statement of Authorities (unaudited)

Fiscal Year 2022-2023			
Authority	Total available for use for the year ending March 31, 2023*	Used during the quarter ended December 31, 2022	Year-to-date used at quarter end
Payments under Section 13 of the <i>Financial Consumer Agency of Canada Act</i>	\$60,776,347	\$12,735,259	\$37,367,036
Spending of Amounts Equivalent to Proceeds from Disposal of Surplus Moveable Crown Assets	110	-	110
<b>Total authorities</b>	<b>\$60,776,457</b>	<b>\$12,735,259</b>	<b>\$37,367,146</b>

Fiscal Year 2021--2022			
Authority	Total available for use for the year ending March 31, 2022*	Used during the quarter ended December 31, 2021	Year-to-date used at quarter end
Payments under Section 13 of the <i>Financial Consumer Agency of Canada Act</i>	\$48,530,754	\$8,902,705	\$26,433,141
Spending of Amounts Equivalent to Proceeds from Disposal of Surplus Moveable Crown Assets	3,141	1,073	3,141
<b>Total authorities</b>	<b>\$48,533,895</b>	<b>\$8,903,778</b>	<b>\$26,436,282</b>

Note: Totals may not add due to rounding.

\*Includes only authorities available for use at quarter-end.

### Departmental budgetary expenditures by Standard Object (unaudited)



<b>Fiscal year 2022-2023</b>			
	<b>Planned expenditures for the year ending March 31, 2023</b>	<b>Expended during the quarter ended December 31, 2022</b>	<b>Year-to-date used at quarter end</b>
<b>Expenditures:</b>			
Personnel	\$34,205,760	\$7,278,797	\$21,206,717
Transportation and communications	706,871	146,665	246,399
Information	1,451,738	380,084	712,743
Professional and special services	12,194,547	2,319,331	6,858,743
Rentals	3,355,397	733,910	2,192,650
Repair and maintenance	6,039	1,275	3,080
Utilities, materials and supplies	71,753	15,446	43,159
Acquisition of land, buildings and works	5,690,000	1,017,629	4,584,576
Acquisition of machinery and equipment	2,838,746	824,499	1,361,210
Other subsidies and payments	255,606	17,623	157,868
<b>Total gross budgetary expenditures</b>	<b>\$60,776,457</b>	<b>\$12,735,259</b>	<b>\$37,367,146</b>

Note: Totals may not add due to rounding.



<b>Fiscal year 2021-2022</b>			
	<b>Planned expenditures for the year ending March 31, 2022</b>	<b>Expended during the quarter ended December 31, 2021</b>	<b>Year-to-date used at quarter end</b>
<b>Expenditures:</b>			
Personnel	\$29,966,604	\$6,520,031	\$19,224,470
Transportation and communications	808,281	44,853	127,689
Information	1,493,025	203,213	505,383
Professional and special services	9,236,948	1,540,930	4,265,292
Rentals	3,173,490	559,147	1,999,052
Repair and maintenance	1,905,921	(424)	4,928
Utilities, materials and supplies	74,007	9,150	32,078
Acquisition of land, buildings and works	750,000	-	-
Acquisition of machinery and equipment	895,819	19,991	261,412
Other subsidies and payments	229,800	6,886	15,978
<b>Total gross budgetary expenditures</b>	<b>\$48,533,895</b>	<b>\$8,903,778</b>	<b>\$26,436,282</b>

Note: Totals may not add due to rounding.