



Quarterly Financial Report
For the quarter ended June 30, 2023

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

Introduction

This quarterly financial 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 in accordance with the special purpose financial reporting framework described in the [Directive on Accounting Standards, GC 4400 Departmental Quarterly Financial Reports](#). It should be read in conjunction with the [Main Estimates](#) and [Supplementary Estimates](#). This quarterly report has not been subject to an external audit or review.

A summary description of the Canada Energy Regulator (CER)'s core responsibilities can be found in [Part II of the Main Estimates](#).

The CER receives its funding through annual Parliamentary authorities. Nearly all expenditures are subsequently recovered from the companies regulated by the CER and the funds are deposited to the Consolidated Revenue Fund of the Government of Canada.

Basis of Presentation

The quarterly financial report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the CER's spending authorities granted by Parliament, and those used by the CER, consistent with the Main Estimates and Supplementary Estimates for the 2023-24 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.



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

Highlights of the Fiscal Quarter and the Fiscal Year to Date Results

This section highlights any significant items that affected the year-to-date results and/or contributed to the net change in resources available for the year and actual expenditures. It should be read in conjunction with the [Statement of Budgetary Authorities](#) and the [Departmental Budgetary Expenditures by Standard Object](#), which can be found at the end of this report.

Budgetary authorities analysis

As reflected in the [Statement of Budgetary Authorities](#) and the [Departmental Budgetary Expenditures by Standard Object](#), the department's total authority available for use in the fiscal year ending March 31, 2024 is \$113.42 million, as compared to \$100.27 million in the fiscal year ending March 31, 2023. The increase of \$13.15 million is due to:

- an increase of \$31.65 million related to Budget 2022 funding for regulatory renewal activities including Indigenous engagement and net-zero modelling as well as funding to implement the Impact Assessment Act;
- a decrease of \$1.09 million related to the employee benefit plan;
- a decrease of \$3.16 million related to compensation allocations as a result of adjustments made to terms and conditions of service or employment in the federal public administration;
- a decrease of \$4.27 million related to a Budget 2020 initiative to improve the CER's ability to interpret and make data available digitally to Canadians; and
- a decrease of \$9.98 million related to a Budget 2018 initiative to transition to new impact assessment and regulatory processes.

Expenditures analysis

As reflected in the [Departmental Budgetary Expenditures by Standard Object](#), the department's authority used in the quarter ended June 30, 2023, is \$26.51 million, as compared to \$24.13 million as at the quarter ended June 30, 2022. The increase of \$2.38 million is due to:



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- an increase of \$4.05 million related to Budget 2022 funding for regulatory renewal activities including Indigenous engagement and net-zero modelling as well as funding to implement the Impact Assessment Act;
- an increase of \$0.45 million related to the grants and contributions;
- an increase of \$0.33 million related to the employee benefit plan;
- a decrease of \$0.35 million related to compensation allocations as a result of adjustments made to terms and conditions of service or employment in the federal public administration;
- a decrease of \$0.75 million related to a Budget 2020 initiative to improve the CER's ability to interpret and make data available digitally to Canadians; and
- a decrease of \$1.35 million related to a Budget 2018 initiative to transition to new impact assessment and regulatory processes.

Risks and Uncertainties

The CER's work is shaped by emerging energy trends and by the proactive consideration of safety, environmental, societal, and economic trends – that may influence both the volume of adjudicative matters that come before the CER in any given year, and our ability to carry out responsibilities that represent the ever-changing interests and concerns of Canadians. Due to the nature of its mandate, the CER's expenditures are influenced by planned and unplanned events (internal and external) that create uncertainty in expenditure and resource pressures.

In 2021, the CER implemented an Enterprise Risk Management (ERM) Framework as the next step in maturing the organization's processes for managing risks in the context of the current governance model and new Strategic Plan. ERM is a holistic approach to identify, assess, prepare for, and manage organization-wide strategic risks. By providing a framework to identify enterprise level risk events, ERM enables the CER's Board of Directors and senior management to strategically manage events that might stand in the way of organizational success as well as identifying mitigations to these risks.



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Significant Changes in Relation to Operations, Personnel and Programs

Governor General in Council (GIC) has appointed Mr. Sandor Sajnovics as our newest CER Commissioner, effective May 1, 2023.

Gitane De Silva resigned as Chief Executive Officer (CEO) effective July 28, 2023.

Tracy Sletto assumed the role of CEO on July 28, 2023.

Barbara van Noord assumed the role of acting Chief Financial Officer.

The original version was approved by,

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Tracy Sletto
Chief Executive Officer

Barbara van Noord
Acting Chief Financial Officer

Calgary, Canada
16 August 2023



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STATEMENT OF AUTHORITIES
(unaudited)

(in thousands of dollars)

	Fiscal year 2023-2024			Fiscal year 2022-2023		
	Total available for use for the year ending March 31, 2024*	Used during the quarter ended June 30, 2023	Year to date used at quarter-end	Total available for use for the year ending March 31, 2023*	Used during the quarter ended June 30, 2022	Year to date used at quarter-end
Vote 1 - Program Expenditures	102,010	23,654	23,654	90,160	21,604	21,604
Statutory Authority	11,413	2,853	2,853	10,107	2,527	2,527
Total Budgetary authorities	113,423	26,507	26,507	100,267	24,131	24,131
Non-budgetary authorities						
Total authorities	113,423	26,507	26,507	100,267	24,131	24,131

More information is available in the attached table.

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



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DEPARTMENTAL BUDGETARY EXPENDITURES BY STANDARD OBJECT (unaudited)

(in thousands of dollars)

	Fiscal year 2023-2024			Fiscal year 2022-2023		
	Planned expenditures for the year ending March 31, 2024*	Expended during the quarter ended June 30, 2023	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2023*	Expended during the quarter ended June 30, 2022	Year to date used at quarter-end
Expenditures:						
Personnel	86,498	21,933	21,933	77,487	20,835	20,835
Transportation and communications	2,557	418	418	2,580	366	366
Information	270	2	2	286	27	27
Professional and special services	13,849	2,625	2,625	14,160	2,409	2,409
Rentals	525	102	102	582	46	46
Repair and maintenance	1,053	193	193	1,081	112	112
Utilities, materials, and supplies	467	69	69	445	40	40
Acquisition of land, building and works	259	-	-	264	-	-
Acquisition of machinery and equipment	1,245	394	394	1,018	13	13
Transfer payments	6,700	727	727	2,364	278	278
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	-	44	44	-	5	5
Total gross budgetary expenditures	113,423	26,507	26,507	100,267	24,131	24,131
Less						
Total Revenues netted against expenditures	-	-	-	-	-	-
Total net budgetary expenditures	113,423	26,507	26,507	100,267	24,131	24,131

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