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# Quarterly Financial Report for FCAC for the quarter ended September 30, 2023

From: Financial Consumer Agency of Canada

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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 2023-2024.

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 September 30, 2023, totalled \$12,581,110 or 84.8% of its budgeted expenditures of \$14,829,719 for the period, compared to 80.0% for the same period last year. The variance to budget as at September 30, 2023 of \$2,248,609 is primarily due to lower than planned personnel costs, which is predominately related to delays in staffing vacant positions (\$1,919,477), and timing delays related to professional services costs and acquisition of land, building and works (\$409,465).

When compared to the previous year, FCAC's total expenditures for the three months ended September 30, 2023 of \$12,581,110, were \$585,509 or 4.45% lower than the same period last year. This variance is primarily due to the Ottawa office modernization project that occurred in 2022-23.

## Year-to-date results

FCAC's total expenditures for the six months ended September 30, 2023, totalled \$24,740,268 or 82.1% of its budgeted expenditures of \$30,143,043 for the period, compared to 86.1% for the same period last year. The variance to budget as at September 30, 2023 of \$5,402,775 is primarily due to lower than planned personnel costs as a result of delays in staffing vacant positions (\$3,515,921), and to timing delays related to professional services (\$1,856,076).

When compared to the previous year, FCAC's total expenditures for the six months ended September 30, 2023 of \$24,740,268, were \$108,381 or 0.4% higher than the same period last year. This variance is primarily due to

increases in personnel costs (\$3,093,285) due to the growth of the Agency, as well as economic and merit increases, offset by lower spending in acquisition of land, buildings and works costs (\$3,166,302) due to the Ottawa office modernization project that occurred in 2022-23.

## **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 September 30, 2023.

Approved by:

Judith Robertson

Commissioner

Financial Consumer Agency of Canada

Werner Liedtke, CPA, CMA

Chief Financial Officer

Financial Consumer Agency of Canada

October 23, 2023

## Statement of Authorities (unaudited)

### Fiscal Year 2023-2024

<b>Authority</b>	<b>Total available for use for the year ending March 31, 2024*</b>	<b>Used during the quarter ended September 30, 2023</b>	<b>Year-to-date used at quarter end</b>
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<b>Authority</b>	<b>Total available for use for the year ending March 31, 2024*</b>	<b>Used during the quarter ended September 30, 2023</b>	<b>Year-to-date used at quarter end</b>
<b>Payments under Section 13 of the <i>Financial Consumer Agency of Canada Act</i></b>	\$64,223,152	\$12,581,110	\$24,740,268
<b>Spending of Amounts Equivalent to Proceeds from Disposal of Surplus Moveable Crown Assets</b>	-	-	-
<b>Total authorities</b>	\$64,223,152	\$12,581,110	\$24,740,268

### **Fiscal Year 2022-2023**

<b>Authority</b>	<b>Total available for use for the year ending March 31, 2023*</b>	<b>Used during the quarter ended September 30, 2022</b>	<b>Year-to-date used at quarter end</b>
<b>Payments under Section 13 of the <i>Financial Consumer Agency of Canada Act</i></b>	\$60,776,347	\$13,166,509	\$24,631,776

<b>Authority</b>	<b>Total available for use for the year ending March 31, 2023*</b>	<b>Used during the quarter ended September 30, 2022</b>	<b>Year-to-date used at quarter end</b>
<b>Spending of Amounts Equivalent to Proceeds from Disposal of Surplus Moveable Crown Assets</b>	110	110	110
<b>Total authorities</b>	\$60,776,457	\$13,166,619	\$24,631,887

Note: Totals may not add due to rounding.

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

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

### **Fiscal year 2023-2024**

<b>Expenditures</b>	<b>Planned expenditures for the year ending March 31, 2024</b>	<b>Expended during the quarter ended September 30, 2023</b>	<b>Year-to-date used at quarter end</b>
<b>Personnel</b>	\$42,546,879	\$8,427,322	\$17,021,205
<b>Transportation and communications</b>	928,822	101,141	303,126

<b>Expenditures</b>	<b>Planned expenditures for the year ending March 31, 2024</b>	<b>Expended during the quarter ended September 30, 2023</b>	<b>Year-to-date used at quarter end</b>
<b>Information</b>	2,648,304	213,995	409,628
<b>Professional and special services</b>	12,966,292	2,166,593	4,302,884
<b>Rentals</b>	3,641,048	875,586	1,663,157
<b>Repair and maintenance</b>	6,158	9,019	9,922
<b>Utilities, materials and supplies</b>	63,894	20,350	34,923
<b>Acquisition of land, buildings and works</b>	375,491	400,645	400,645
<b>Acquisition of machinery and equipment</b>	795,746	127,126	273,736
<b>Other subsidies and payments</b>	250,518	239,332	321,041
<b>Total gross budgetary expenditures</b>	<b>\$64,223,152</b>	<b>\$12,581,110</b>	<b>\$24,740,268</b>

Note: Totals may not add due to rounding.

**Fiscal year 2022-2023**



<b>Expenditures</b>	<b>Planned expenditures for the year ending March 31, 2023</b>	<b>Expended during the quarter ended September 30, 2022</b>	<b>Year-to-date used at quarter end</b>
<b>Personnel</b>	\$34,205,760	\$7,134,091	\$13,927,920
<b>Transportation and communications</b>	706,871	57,869	99,734
<b>Information</b>	1,451,738	205,959	332,660
<b>Professional and special services</b>	12,194,547	2,438,138	4,539,412
<b>Rentals</b>	3,355,397	719,140	1,458,740
<b>Repair and maintenance</b>	6,039	903	1,805
<b>Utilities, materials and supplies</b>	71,753	22,032	27,713
<b>Acquisition of land, buildings and works</b>	5,690,000	1,954,802	3,566,947
<b>Acquisition of machinery and equipment</b>	2,838,746	517,120	536,711
<b>Other subsidies and payments</b>	255,606	116,566	140,245

<b>Expenditures</b>	<b>Planned expenditures for the year ending March 31, 2023</b>	<b>Expended during the quarter ended September 30, 2022</b>	<b>Year-to-date used at quarter end</b>
<b>Total gross budgetary expenditures</b>	\$60,776,457	\$13,166,619	\$24,631,887

Note: Totals may not add due to rounding.

**Date modified:**

2023-12-08