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du Canada

Canada

Quarterly Financial Report for the Quarter Ended June 30, 2024

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Quarterly Financial Report for the Quarter Ended June 30, 2024

From: Treasury Board of Canada Secretariat

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

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1. Introduction

► In this section

This quarterly report has been prepared by management as required by [section 65.1 of the *Financial Administration Act*](#) and in the manner prescribed by the Treasury Board. The report should be read in conjunction with the [Main Estimates](#) and the [Supplementary Estimates \(A\)](#).

The report has been reviewed by the Departmental Audit Committee.

1.1 Basis of presentation

This report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Treasury Board of Canada Secretariat's (TBS's) spending authorities granted by Parliament and those used by TBS, consistent with the Main Estimates and the Supplementary Estimates (A) for the fiscal year ending March 31, 2025. This 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 money 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.

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

1.2 Raison d'être

TBS is the central agency that acts as the administrative arm of the Treasury Board, a committee of Cabinet. TBS supports the Treasury Board in the following principal roles:

Spending oversight

Review spending proposals and authorities; review existing and proposed government programs for efficiency, effectiveness and relevance; provide information to Parliament and Canadians on government spending.

Administrative leadership

Lead government-wide initiatives; develop policies and set the strategic direction for government administration related to service delivery, access to government information, and the management of assets, finances, information and technology.

Regulatory oversight

Develop and oversee policies to promote good regulatory practices; review proposed regulations to ensure they adhere to the requirements of government policy; and advance regulatory cooperation across jurisdictions.

Employer

Develop policies and set the strategic direction for people management in the public service; manage total compensation (including pensions and benefits) and labour relations; undertake initiatives to improve performance in support of recruitment and retention.

1.3 TBS's financial structure

TBS manages both departmental and Treasury Board central votes. Its departmental operating expenditures and revenues are managed under Vote 1, Program expenditures.

This quarterly report highlights the financial results of:

- Vote 1, **Program Expenditures**, related to the delivery of TBS's mandate

- Vote 20, **Public Service Insurance**, provides the employer's share of group benefit plan coverage costs as part of the Treasury Board's role as the employer of the core public administration. These plans include:
 - Public Service Health Care Plan
 - Public Service Dental Care Plan
 - Pensioners' Dental Services Plan
 - Disability Insurance Plan
 - provincial payroll taxes (British Columbia, Manitoba, Newfoundland and Labrador, Ontario and Quebec)
 - Public Service Management Insurance Plan
- statutory authorities that cover any residual amounts between the government's contributions to the various plans and the distribution of these costs to departments

TBS manages 6 different central votes:

- Vote 5, **Government Contingencies**, supplements other appropriations to provide federal departments and agencies with temporary advances for urgent or unforeseen departmental expenditures between parliamentary supply periods
- Vote 10, **Government-wide Initiatives**, supplements other appropriations to support the implementation of strategic management initiatives across the federal public service
- Vote 15, **Compensation Adjustments**, supplements other appropriations to provide funding for adjustments made to terms and conditions of service or employment of the federal public administration as a result of collective bargaining
- Vote 25, **Operating Budget Carry Forward**, supplements other appropriations for the carry forward of unused operating funds from the previous fiscal year, up to 5% of the gross operating budget in an organization's Main Estimates
- Vote 30, **Paylist Requirements**, supplements other appropriations to meet legal requirements for the government as employer for items such as parental benefits and severance payments
- Vote 35, **Capital Budget Carry Forward**, supplements other appropriations for the carry forward of unused capital funds from the previous fiscal year, up to 20% of an organization's capital vote

The funding in these votes is approved by Parliament. Funding in central votes is transferred from TBS to individual departments and agencies once specified criteria are met. Like any other department, TBS also receives its own share of appropriations transferred from these votes to its own Vote 1. Unused central vote funding is lapsed.

Expenditures incurred against statutory authorities mainly reflect the government's obligation to pay the employer's share of the Public Service Pension Plan, the Canada Pension Plan and the Québec Pension Plan, Employment Insurance premiums and public service death benefits. TBS recovers from other government departments and agencies their share of the employer contributions under the *Public Service Superannuation Act* and is subsequently charged by Public Services and Procurement Canada for actual expenditures in the same statutory vote. Adjustments are made at year-end to individual departments' statutory votes (including those of TBS) for the difference between periodic recoveries and actual expenditures. At year-end, the net effect on TBS's financial statements will be zero.

Transfer amounts from all central votes mentioned above will be included in the financial reports of the individual recipient departments.

2. Highlights of fiscal year-to-date results

► In this section

This section:

- Highlights the financial results for the quarter and fiscal year-to-date ended June 30, 2024.
- Provides explanations of variances compared with the same period last year that exceed materiality thresholds of:
 - \$1 million for Vote 1, Program expenditures, and Statutory authorities
 - \$10 million for Vote 20, Public Service Insurance

Highlights of the fiscal quarter and fiscal year-to-date results (\$ thousands)

	2024-25 Budgetary authorities to March 31, 2025	2023-24 Budgetary authorities to March 31, 2024	Variance in budgetary authorities	Year-to-date expenditures as at Q1 2024-25 (June 30, 2024)	Year-to-date expenditures as at Q1 2023-24 (June 30, 2023)	Variance between 2024-25 year-to-date and 2023-24 year-to-date expenditures	Q1 Expenditures 2024-25	Q1 Expenditures 2023-24
Vote 1: Program expenditures	350,620	316,034	34,586	111,340	83,358	27,982	111,340	83,358
Vote 20: Public Service Insurance	3,843,673	3,412,150	431,523	931,793	842,503	89,290	931,793	842,503
Statutory authorities	34,389	34,751	-362	-38,248	-128,075	89,827	-38,248	-128,075
Total	4,228,682	3,762,935	465,747	1,004,885	797,786	207,099	1,004,885	797,786

2.1 Statement of voted and statutory authorities

Total budgetary authorities available for use increased by \$465.7 million (12.4%) from the previous fiscal year:

- Vote 1 authorities increased by \$34.6 million
- Vote 20 authorities increased by \$431.5 million
- Statutory authorities decreased by \$0.4 million

The following table provides a detailed explanation of these changes.

Changes to voted and statutory authorities (2024-25 compared with 2023-24)	\$ thousands
Vote 1: Program expenditures	
Compensation adjustments to fund salary increases to meet obligations under collective agreements	25,701
Funding to advance clean fuels markets in Canada	20,100
Funding to support the implementation of proactive pay equity in the federal public service	13,351
Funding for critical operating requirements - Office of the Chief Human Resources Officer	11,873
Funding for the Action Plan for Black Employees in the Public Service	10,075
Funding for the training and development initiatives for the IT community	4,725
Funding to provide leadership in the transition to cloud technologies	2,635
Funding for immediate implementation of certain non-discretionary provisions of the modernized <i>Official Languages Act</i>	2,415
Transfers from various organizations to the Treasury Board of Canada Secretariat for contributions to the Greening Government Fund	2,347
Funding for the cyber security of government operations	2,248
Funding for the Joint Learning Program	1,843
Funding to address workplace harassment, discrimination and violence in the federal public service	1,632
Transfers from various organizations to the Treasury Board of Canada Secretariat for the Financial Community Developmental programs and initiatives	1,288
Other miscellaneous changes that do not exceed materiality thresholds	1,455
Sunset of funding to establish the Centre of Expertise for Real Property to improve federal asset management	-1,289
Sunset of the Centralized Enabling Workplace Fund	-2,405
Sunset of funding to renew the Office of Public Service Accessibility	-2,585
Sunset of funding for Access to Information Review and Action Plan	-2,628
Transfers to various organizations for innovative approaches to reduce greenhouse gas emissions in government operations	-4,407
Transfer of the Canadian Digital Service Program from TBS to Employment and Social Development Canada	-21,447
Refocusing Government Spending	-32,341

Changes to voted and statutory authorities (2024–25 compared with 2023–24)	\$ thousands
Subtotal Vote 1	34,586
Vote 20: Public Service Insurance	
Funding for the public service insurance plans and programs	423,690
Other miscellaneous changes that do not exceed materiality thresholds	7,833
Subtotal Vote 20	431,523
Statutory authorities	
Compensation adjustments to fund salary increases to meet obligations under collective agreements	3,894
Other miscellaneous changes that do not exceed materiality thresholds	-563
Transfer of the Canadian Digital Service Program from TBS to Employment and Social Development Canada	-3,693
Subtotal statutory authorities	-362
Total authorities	465,747

2.2 Statement of departmental budgetary expenditures by standard object

For the fiscal quarter and year-to-date ended June 30, 2024, budgetary expenditures have increased by \$207.1 million (26%) when compared to the same period in the previous year:

- Vote 1 expenditures increased by \$28 million
- Vote 20 expenditures increased by \$89.3 million
- Statutory payments decreased by \$89.8 million

The following table provides a detailed explanation of these changes by vote and by standard object.

Standard object	Changes to voted and statutory expenditures	Variance between 2024–25 year-to-date and 2023–24 year-to-date expenditures (April 1 to June 30) (\$ thousands)	Variance between 2024–25 Q1 and 2023–24 Q1 expenditures (April 1 to June 30) (\$ thousands)
Vote 1: Program expenditures			

Standard object	Changes to voted and statutory expenditures	Variance between 2024-25 year-to-date and 2023-24 year-to-date expenditures (April 1 to June 30) (\$ thousands)	Variance between 2024-25 Q1 and 2023-24 Q1 expenditures (April 1 to June 30) (\$ thousands)
1 Personnel	The increase in year-to-date and Q1 expenditures is mainly due to cost increases from collective agreements signed after Q1 in 2023-24 and partially offset by a decrease in salary expenditures due to the 2023-24 transfer of Canadian Digital Services to Employment and Social Development Canada (Orders in Council 2023-0784).	3,870	3,870
4 Professional and special services	The increase in year-to-date and Q1 expenditures is mainly due to the timing of legal services payments compared to the previous year.	1,954	1,954
Vote-Netted Revenue	The decrease in year-to-date and Q1 vote-netted revenue (VNR) is mainly because the SAP contract administration agreement has yet to be signed in fiscal year 2024-25, delaying the revenue recording process. Total SAP contract administration revenue is forecasted to be comparable to 2023-24.	22,981	22,981
Other	Miscellaneous expenditures	-823	-823
Subtotal Vote 1		27,982	27,982
Vote 20: Public Service Insurance			

Standard object	Changes to voted and statutory expenditures	Variance between 2024-25 year-to-date and 2023-24 year-to-date expenditures (April 1 to June 30) (\$ thousands)	Variance between 2024-25 Q1 and 2023-24 Q1 expenditures (April 1 to June 30) (\$ thousands)
1 Personnel	<p>The year-to-date and Q1 increase in 2024-25 expenditures compared to 2023-24 is mainly attributable to the following public service insurance and benefits:</p> <ol style="list-style-type: none"> 1. Provincial Payroll Taxes 2. Public Service Health Care Plan 3. Disability Insurance plan 4. Public Service Dental Care Plan 5. Pensioners Dental Services Plan 6. Quebec Sales Tax and Parental Insurance Plan 7. Public Service Management Insurance Plan 8. Royal Canadian Mounted Police Life and Disability Insurance Plans <p>In general, increases in public service insurance and benefit expenditures, and payroll taxes is due to the following factors:</p> <ol style="list-style-type: none"> 1. an increase in the utilization rate at which benefits plans are being used or accessed 2. an increase in the unit costs due to new medical technologies, innovations and price inflation 3. an increase in the population or participation rates under insurance and benefits plans 4. salary-driven Vote 20 components affected by wage increases due to collective agreements of participating members 	107,263	107,263

Standard object	Changes to voted and statutory expenditures	Variance between 2024–25 year-to-date and 2023–24 year-to-date expenditures (April 1 to June 30) (\$ thousands)	Variance between 2024–25 Q1 and 2023–24 Q1 expenditures (April 1 to June 30) (\$ thousands)
Other	Miscellaneous expenditures	-17,973	-17,973
Subtotal Vote 20		89,290	89,290
Statutory expenditures			
1 Personnel	Public Service and Procurement Canada charges TBS for the employer’s share of contributions to the Public Service Pension Plan, the Canada Pension Plan, the Québec Pension Plan, the Employment Insurance Plan, and the Supplementary Death Benefit Plan. TBS then recovers these payments from other government departments and agencies. The increase in statutory expenditures is mainly due to the timing of the Public Service and Procurement Canada charges and recoveries from other government departments and agencies in relation to the employer’s share of contributions to employee benefit plans. The net effect on TBS’s financial statements will be zero by year-end.	89,827	89,827
Subtotal statutory expenditures		89,827	89,827
Total expenditures		207,099	207,099

3. Risks and uncertainties

TBS manages various risks and uncertainties while providing oversight and leadership in relation to its 4 core responsibilities to help federal departments and agencies fulfill government priorities and achieve results for Canadians.

Financial management

There is a financial risk associated with the department's ability to secure adequate funding to achieve its expected results. This risk arises due to the multitude of competing departmental and enterprise priorities and the current financial climate, characterized by spending reductions. Regular financial forecasting exercises and strong governance will guide resource prioritization and evaluate the need for reallocation of additional funding to support critical initiatives.

Organizational transformation and change management

There exists a financial risk associated with TBS's capacity to execute change initiatives, as success relies on the collaboration, support and funding from other government departments. To address the risk, TBS will continue to foster community involvement, draw upon established best practices, focus on cross-training skilled employees to maximize flexibility and use existing policies and governance to make sound decisions on prioritizing, planning and implementing change initiatives.

Professional services

There exists a possibility that TBS does not achieve value for money in its contracted professional services. Given increased visibility, the government recently updated contract management policies. It is imperative to ensure that new measures are fully implemented to yield optimal value where all contracts are efficiently administered, transparent and adhere to all procurement policies and guidelines. To mitigate, it is essential to maintain comprehensive and robust documentation throughout the procurement life cycle, practice stringent oversight and appropriate governance, and ensure alignment of deliverables with procurement requirements. Furthermore, TBS will continue with its development tools and checklists, and enhanced training on roles and responsibilities around procurement.

Information technology

There is a financial risk associated with information technology system management, including existing technical debt and encompassing maintenance, upgrades, replacements as well as cybersecurity protection. To mitigate the risk, TBS will continue to employ robust tools and processes to address critical IT issues, as well as swiftly identify and counteract potential cyber threats. Additionally, the department will leverage existing financial planning processes and governance structures to prioritize critical information technology needs, including long-term investments for IT system updates.

4. Significant changes in relation to operations, personnel and programs

► In this section

This section highlights significant changes in operations, personnel and programs during the first quarter of the fiscal year.

4.1 Operations and programs

On April 16, 2024, the Minister of Finance tabled Budget 2024, which announced increased funding to TBS over a 5-year span intended to:

- maintain the Access to Information and Privacy regime
- improve public service human resources and pay systems, including continuing work on a potential next generation pay solution
- support the Office of Public Service Accessibility, and improve recruitment and assessment processes for persons with disabilities
- support the implementation of *An Act for the Substantive Equality of Canada's Official Languages*
- implement a whole-of-government cyber security strategy to help ensure that the government is best equipped to combat cyber threats, and quickly and effectively resolve any vulnerabilities across digital government services

4.2 Personnel

Mallika Nanduri Bhatt, Assistant Secretary, Priority and Planning Sector, Treasury Board of Canada Secretariat, was appointed Assistant Deputy Minister, Federal-Provincial Relations and Social Policy Branch, Department of Finance Canada, effective April 5, 2024. Brian Gear was appointed Acting Assistant Secretary, Priority and Planning Sector.

On April 12, 2024, the Prime Minister appointed Annie Boudreau, Assistant Secretary, Expenditure Management Sector, Treasury Board of Canada Secretariat, as the Comptroller General of Canada, effective April 15, 2024. Antoine Brunelle-Côté was appointed Assistant Secretary, Expenditure Management Sector, effective June 6, 2024.

On May 24, 2024, the Prime Minister appointed:

- Catherine Blewett, Secretary of the Treasury Board, as Senior Official, Privy Council Office, effective June 3, 2024
- Bill Matthews, Deputy Minister of National Defence, as Secretary of the Treasury Board, effective June 3, 2024

Michael DeJong was appointed Assistant Secretary, Regulatory Affairs, effective June 24, 2024. Tina Green, the former Assistant Secretary, Regulatory Affairs retired on June 27, 2024.

5. Approval by senior officials

Approved by:

Bill Matthews, Secretary

Karen Cahill, Chief Financial Officer

Ottawa, Canada

Date:

6. Appendix

Statement of Authorities (unaudited) (in dollars)

	Fiscal year 2024–25			Fiscal year 2023–24		
	Total available for use for the year ending March 31, 2025 *	Used during the quarter ended June 30, 2024	Year-to-date used at quarter-end	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
Vote 1 – Program Expenditures	350,619,592	111,340,355	111,340,355	316,034,340	83,358,457	83,358,457
Vote 20 – Public Service Insurance	3,843,672,789	931,792,577	931,792,577	3,412,149,682	842,502,859	842,502,859
Statutory authorities						
A111 – President of the Treasury Board salary and motor car allowance	98,600	24,700	24,700	94,700	23,700	23,700

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

	Fiscal year 2024-25			Fiscal year 2023-24		
	Total available for use for the year ending March 31, 2025 [*]	Used during the quarter ended June 30, 2024	Year-to-date used at quarter-end	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
A140 – Contributions to employee benefit plans	34,290,599	8,454,194	8,454,194	34,656,544	8,664,136	8,664,136
A145 – Unallocated employer contributions made under the <i>Public Service Superannuation Act</i> and other retirement acts and the <i>Employment Insurance Act</i> (EI)	0	-46,727,354	-46,727,354	0	-136,762,405	-136,762,405
Total statutory authorities	34,389,199	-38,248,460	-38,248,460	34,751,244	-128,074,569	-128,074,569
Total authorities	4,228,681,580	1,004,884,472	1,004,884,472	3,762,935,266	797,786,747	797,786,747
[*] Includes only authorities available for use and granted by Parliament at quarter-end.						

Departmental budgetary expenditures by standard object (unaudited) (in dollars)

	Fiscal year 2024-25			Fiscal year 2023-24		
	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended June 30, 2024	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2024	Expended during the quarter ended June 30, 2023	Year-to-date used at quarter-end
Expenditures						

^{*} Government-wide expenses include Vote 20 and statutory authorities (A145 – Unallocated employer contributions made under the *Public Service Superannuation Act* and other retirement acts and the *Employment Insurance Act* (EI); A681 – Payments under the *Public Service Pension Adjustment Act*; and A683 – Payments for the pay equity settlement pursuant to section 30 of the *Crown Liability and Proceedings Act*)

	Fiscal year 2024–25			Fiscal year 2023–24		
	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended June 30, 2024	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2024	Expended during the quarter ended June 30, 2023	Year-to-date used at quarter-end
1 Personnel	5,108,355,622	1,201,474,487	1,201,474,487	4,599,376,334	1,000,514,854	1,000,514,854
2 Transportation and communications	3,084,503	276,412	276,412	4,640,271	280,593	280,593
3 Information	1,877,280	167,324	167,324	2,249,788	170,750	170,750
4 Professional and special services	181,375,531	18,017,910	18,017,910	145,532,670	25,140,257	25,140,257
5 Rentals	24,893,870	28,770,303	28,770,303	19,761,425	28,259,726	28,259,726
6 Repair and maintenance	2,919,420	580	580	4,039,670	20,132	20,132
7 Utilities, materials and supplies	787,243	61,304	61,304	1,299,905	108,646	108,646
9 Acquisition of machinery and equipment	11,819,281	248,952	248,952	516,465	591,057	591,057
10 Transfer payments	1,148,310	350,000	350,000	981,690	325,000	325,000
12 Other subsidies and payments	-6,392,047	-242,460	-242,460	7,240,199	513,054	513,054
Total gross budgetary expenditures	5,329,869,013	1,249,124,812	1,249,124,812	4,785,638,417	1,055,924,069	1,055,924,069
Less revenues netted against expenditures						
Vote-Netted Revenues (VNR): Centrally managed items	-992,926,565	-243,575,615	-243,575,615	-930,552,283	-234,491,833	-234,491,833
Vote-Netted Revenues (VNR): Program expenditures	-108,260,868	-664,725	-664,725	-92,150,868	-23,645,489	-23,645,489

* Government-wide expenses include Vote 20 and statutory authorities (A145 – Unallocated employer contributions made under the *Public Service Superannuation Act* and other retirement acts and the *Employment Insurance Act* (EI); A681 – Payments under the *Public Service Pension Adjustment Act*; and A683 – Payments for the pay equity settlement pursuant to section 30 of the *Crown Liability and Proceedings Act*)

	Fiscal year 2024–25			Fiscal year 2023–24		
	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended June 30, 2024	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2024	Expended during the quarter ended June 30, 2023	Year-to-date used at quarter-end
Total revenues netted against expenditures	-1,101,187,433	-244,240,340	-244,240,340	-1,022,703,151	-258,137,322	-258,137,322
Total net budgetary expenditures	4,228,681,580	1,004,884,472	1,004,884,472	3,762,935,266	797,786,747	797,786,747
Government-wide expenses included above [±]						
1 Personnel	4,831,345,958	1,122,471,673	1,122,471,673	4,340,468,475	925,173,253	925,173,253
2 Transportation and communications	0	4,067	4,067	0	21,808	21,808
3 Information	0	0	0	0	16	16
4 Professional and special services	5,260,714	4,027,375	4,027,375	2,241,075	13,103,854	13,103,854
5 Rentals	0	0	0	0	0	0
7 Utilities, materials and supplies	0	0	0	0	38	38
9 Acquisition of machinery and equipment	0	0	0	0	16	16
10 Transfer payments	500,000	350,000	350,000	500,000	325,000	325,000
12 Other subsidies and payments	0	1,787,723	1,787,723	0	1,608,302	1,608,302
Total	4,837,106,672	1,128,640,838	1,128,640,838	4,343,209,550	940,232,287	940,232,287
<p>[±] Government-wide expenses include Vote 20 and statutory authorities (A145 – Unallocated employer contributions made under the <i>Public Service Superannuation Act</i> and other retirement acts and the <i>Employment Insurance Act</i> (EI); A681 – Payments under the <i>Public Service Pension Adjustment Act</i>; and A683 – Payments for the pay equity settlement pursuant to section 30 of the <i>Crown Liability and Proceedings Act</i>)</p>						

Date modified:

2024-08-29