Government of Canada
Privy Council Office

Gouvernement du Canada
Bureau du Conseil privé

Canada

PRIVY COUNCIL OFFICE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2026



PCO Financial Statements for the year ended March 31, 2026.

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Statement of Management Responsibility Including Internal Control over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2026, and all information contained in these financial statements rests with the management of the Privy Council Office. These financial statements have been prepared by management using the Government of Canada's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Privy Council Office's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the Privy Council Office's Departmental Results Report, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities, and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the Privy Council Office and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an ongoing process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments. A risk-based assessment of the system of ICFR for the year ended March 31, 2026 was completed in accordance with the Treasury Board Policy on Financial Management and the results and action plans are summarized in the annex.

Privy Council Office's system of internal controls is reviewed by the Departmental Audit Committee, which oversees management's responsibilities for maintaining adequate control systems and the quality of financial reporting.

The financial statements of the Privy Council Office have not been audited.

Michael Sabia
Clerk of the Privy Council and Secretary to the Cabinet

Matthew Shea,
Chief Financial Officer

Ottawa, Canada
Date: September 15, 2026

Statement of Financial Position (*Unaudited*)
As at March 31

(*in thousands of dollars*)

	2026	2025
Liabilities		
Accounts payable and accrued liabilities (Note 4)	32,844	33,398
Vacation pay and compensatory leave	15,235	16,593
Employee future benefits (Note 6b)	3,408	4,630
Total net liabilities	**51,487**	**54,621**
Assets		
Financial assets		
Due from Consolidated Revenue Fund	31,398	31,825
Accounts receivable and advances (Note 7)	4,248	4,495
Total net financial assets	**35,646**	**36,320**
Departmental net debt	**15,841**	**18,301**
Non-financial assets		
Prepaid expenses	363	393
Inventory (Note 8)	354	374
Tangible capital assets (Note 9)	24,741	25,532
Total non-financial assets	**25,458**	**26,299**
Departmental net financial position	**9,617**	**7,998**

Contractual obligations (Note 10)

The accompanying notes form an integral part of these financial statements.

Michael Sabia
Clerk of the Privy Council and Secretary to the Cabinet

Matthew Shea,
Chief Financial Officer

Ottawa, Canada
Date: September 15, 2026

Statement of Operations and Departmental Net Financial Position *(Unaudited)*
For the Year Ended March 31

(in thousands of dollars)

	2026 Planned Results	2026 Actual	2025 Actual
Expenses			
Serve the Prime Minister and Cabinet	197,739	137,521	148,184
Internal services	121,271	145,889	152,913
Total expenses	**319,010**	**283,410**	**301,097**
Revenues			
Miscellaneous revenues	7,947	8,608	8,326
Revenues earned on behalf of Government	(23)	(27)	(18)
Total revenues	**7,924**	**8,581**	**8,308**
Net cost of operations	**311,086**	**274,829**	**292,789**
Net cost of operations before government funding and transfers	**311,086**	**274,829**	**292,789**
Government funding and transfers			
Net cash provided by Government of Canada		239,784	251,377
Change in due from Consolidated Revenue Fund		(427)	4,478
Services provided without charge by other government departments (Note 11a)		37,192	34,748
Transfer of overpayments		6	(204)
Other transfers of assets and liabilities (to) / from other government departments		(107)	-
Net cost of operations after government funding and transfers		**(1,619)**	**2,390**
Departmental net financial position – Beginning of year		**7,998**	**10,388**
Departmental net financial position – End of year		**9,617**	**7,998**

Segmented information (Note 12)

The accompanying notes form an integral part of these financial statements.

Statement of Change in Departmental Net Debt (*Unaudited*)
For the Year Ended March 31

(*in thousands of dollars*)

	2026	2025
	Actual	Actual
Net cost of operations after government funding and transfers	**(1,619)**	**2,390**
Change due to tangible capital assets		
Acquisition of tangible capital assets	2,926	4,217
Amortization of tangible capital assets	(3,830)	(5,252)
Proceeds from disposal of tangible capital assets	3	(6)
Net (loss) or gain on disposal of tangible capital assets including adjustments	(2)	4
Transfer from other government departments	233	-
Transfer to other government departments	(132)	-
Total change due to tangible capital assets	**(802)**	**(1,037)**
Change due to inventory	(20)	99
Change due to prepaid expenses	(30)	(121)
Increase (decrease) in departmental net debt	**(2,471)**	**1,331**
Departmental net debt - Beginning of year	**18,300**	**16,969**
Departmental net debt - End of year	**15,829**	**18,300**

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flow (*Unaudited*)
For the Year Ended March 31
(*in thousands of dollars*)

	2026	2025
Operating activities		
Net cost of operations before government funding and transfers	274,829	292,789
Non-cash items:		
Amortization of tangible capital assets	(3,830)	(5,252)
Adjustments to tangible capital assets	7	-
Gain (loss) on disposal of tangible capital assets	(2)	4
Services provided without charge by other government departments (Note 11a)	(37,192)	(34,748)
Transfer of overpayments	(6)	204
Transfer to/from other government departments	107	-
Variations in Statement of Financial Position:		
Increase / (decrease) in accounts receivable and advances	(248)	(1,009)
Increase / (decrease) in prepaid expenses	(30)	(121)
Increase / (decrease) in inventory	(20)	99
Decrease / (increase) in accounts payable and accrued liabilities	554	(3,246)
Decrease / (increase) in vacation pay and compensatory leave	1,358	(440)
Decrease / (increase) in future employee benefits	1,221	(1,114)
Transfer of liabilities to other government departments	107	-
Cash used in operating activities	**236,855**	**247,166**
Capital investing activities		
Acquisition of tangible capital assets (Note 9)	2,926	4,217
Proceeds from disposal of tangible capital assets	3	(6)
Cash used in capital investing activities	**2,929**	**4,211**
Net cash provided by Government of Canada	**239,784**	**251,377**

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements *(Unaudited)*
For the Year Ended March 31

1. Authority and objectives

Privy Council Office (PCO) is a division of the federal public administration as set out in column 1 of Schedule I.1 of the *Financial Administration Act* and reports to Parliament through the Prime Minister.

PCO reports directly to the Prime Minister and is headed by the Clerk of the Privy Council and Secretary to the Cabinet. The Clerk is also the Head of the Public Service. The mandate of PCO is to serve Canada and Canadians by providing professional, non-partisan advice and support to the Prime Minister, portfolio ministers, Cabinet, and Cabinet committees by ensuring that Canada is safe and secure by promoting a fair, transparent and democratic Government while also supporting the public service leadership and renewal.

Commissions of inquiry established under the *Inquiries Act* are designated as departments under the *Financial Administration Act* and the Prime Minister is designated as the “appropriate Minister” under that same Act. PCO provides administrative and financial management support to commissions of inquiry. There were no active commissions in 2025-26.

To achieve its strategic outcome and deliver results for Canadians, PCO articulates its plans and priorities based on the core programs included below.

Serve the Prime Minister and Cabinet

To provide advice and support to the Prime Minister and Cabinet in defining a new economic and security relationship between Canada and the United States. Enhancing intergovernmental partnerships with provinces, territories, municipalities, and Indigenous communities to advance national priorities, such as streamlining major projects under a "one project, one review" framework. Collaborate with federal departments to promote policies that strengthen communities, workforce development, innovation, housing affordability, and inclusive growth.

Deliver an effective and efficient Cabinet business system by coordinating the planning of Cabinet priorities through the management of the Cabinet forward agenda and operating the Government’s official submission and distribution centre for Cabinet material. Advance the Government's agenda and core services and deliver advice and support around the efficient and effective organization of government.

Ensure Canada's safety and democratic integrity by coordinating national security advice, protecting elections from interference, and supporting transparent, secure government operations by promoting fairness in diverse Governor-in-Council appointments and by implementing robust security controls.

Advance renewal efforts that promote healthy, productive and innovative workplaces for an efficient, skilled, high-performing and accountable public service.

Internal Services

Internal Services are the services that are provided within a department so that it can meet its corporate obligations and deliver its programs. There are 10 categories of internal services:

- management and oversight services
- communications services
- legal services
- human resources management services
- financial management services
- information management services
- information technology services
- real property management services
- materiel management services
- acquisition management services

Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

2. Summary of significant accounting policies

These financial statements are prepared using the department's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

(a) Parliamentary authorities

The Privy Council Office is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the Privy Council Office do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Departmental Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament.

Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the "Expenses" and "Revenues" sections of the Statement of Operations and Departmental Net Financial Position are the amounts reported in the Future-oriented Statement of Operations included in the 2025-2026 Departmental Plan. Planned results are not presented in the "Government funding and transfers" section of the Statement of Operations and Departmental Net Financial Position and in the Statement of Change in Departmental Net Debt because these amounts were not included in the 2025-2026 Departmental Plan.

(b) Net cash provided by Government

The Privy Council Office operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Privy Council Office is deposited to the CRF, and all cash disbursements made by the Privy Council Office are paid from the CRF. The net cash provided by the Government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government.

(c) Amounts due from or to the CRF

Amounts due from or to the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that the Privy Council Office is entitled to draw from the CRF without further authorities to discharge its liabilities.

(d) Revenues

Revenues are comprised of revenues earned from non-tax sources. They include exchange transactions where goods or services are provided for consideration where a performance obligation exists, and non-exchange transactions where no performance obligations exist to provide a good or service. These transactions can be recurring or non-recurring in nature. Recurring transactions are viewed as ongoing, routine activities that form part of the normal course of operations and can be used to indicate if they can be reasonably expected to be earned again in future years.

Revenues that are non-respendable are not available to discharge the department's liabilities. While the Clerk of the Privy Council and Secretary to the Cabinet is expected to maintain accounting control, he or she has no authority regarding the disposition of non-respendable revenues. As a result, non-respendable revenues are earned on behalf of the Government of Canada and are therefore presented as a reduction of the entity's gross revenues. Revenues earned on behalf of Government consist of the sale of services and gains on the sale of assets. These are recognized when earned.

(e) Expenses

Transfer payments are recorded as an expense in the year the transfer is authorized, and all eligibility criteria have been met by the recipient. Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment. Services provided without charge by other government departments for accommodation, employer contributions to the health and dental insurance plans, legal services and workers' compensation are recorded as operating expenses at their carrying value.

(f) Employee future benefits

i. **Pension benefits**

Eligible employees participate in the Public Service Pension Plan, a multiemployer pension plan administered by the Government. The Privy Council Office’s contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. The Privy Council Office’s responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan’s sponsor.

ii. **Severance benefits**

The accumulation of severance benefits for voluntary departures ceased for applicable employee groups. The remaining obligation for employees who did not withdraw benefits is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Financial instruments

A contract establishing a financial instrument creates, at its inception, rights, and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The Privy Council Office recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of accounts receivable, accounts payable and accrued liabilities.

All financial assets and liabilities are recorded at cost or amortized cost. Any associated transaction costs are added to the carrying value upon initial recognition.

Accounts receivable are initially recorded at cost and, where necessary, an allowance for valuation is recorded to reduce the carrying value of accounts receivable to amounts that approximate their net recoverable value.

(h) Non-financial assets

The costs of acquiring land, buildings, equipment, and other capital property are capitalized as tangible capital assets and, except for land, are amortized to expense over the estimated useful lives of the assets, as described in Note 9. All tangible capital assets and leasehold improvements having an initial cost of $10,000 or more are recorded at their acquisition cost. Tangible capital assets do not include immovable assets

located on reserves as defined in the *Indian Act*, works of art, museum collection and Crown land to which no acquisition cost is attributable, and intangible assets.

Inventories are valued at cost and are comprised of spare parts and supplies held for future program delivery and are not primarily intended for resale. Inventories that no longer have service potential are valued at the lower of cost or net realizable value.

(i) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets, liabilities, revenues and expenses reported in the financial statements and accompanying notes at March 31. The estimates are based on facts and circumstances, historical experience, general economic conditions and reflect the Government's best estimate of the related amount at the end of the reporting period. The most significant items where estimates are used are contingent liabilities, the liability for employee future benefits and the useful life of tangible capital assets.

Actual results could significantly differ from those estimated. Management’s estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

(j) Related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except for the following:

i. Services provided on a recovery basis are recognized as revenues and expenses on a gross basis and measured at the exchange amount.

ii. Certain services received on a without charge basis are recorded for departmental financial statement purposes at the carrying amount.

Notes to the Financial Statements *(Unaudited)*
For the Year Ended March 31

3. Parliamentary authorities

The Privy Council Office receives most of its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, the Privy Council Office has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year authorities used

(*in thousands of dollars*)	2026	2025
Net cost of operations before government funding and transfers	274,829	292,789
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(3,830)	(5,252)
Gain (loss) on disposal of tangible capital assets	(2)	4
Services provided without charge by other government departments	(37,192)	(34,748)
Decrease / (increase) in vacation pay and compensatory leave	1,358	(440)
Decrease / (increase) in employee future benefits	1,221	(1,114)
Bad debt expense	-	(2)
Decrease / (increase) in accrued liabilities not charged to authorities	4,718	(4,718)
Refund of prior years' expenditures	1,109	883
Respendable Revenues	216	-
Other	3	-
Total items affecting net cost of operations but not affecting authorities	(32,399)	(45,387)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets	2,926	4,217
Proceeds from disposal of tangible capital assets	-	(6)
(Gain) loss on foreign exchange	(21)	(4)
Increase / (decrease) in inventory	(20)	99
Increase / (decrease) in prepaid expenses	(30)	(121)
Accounts receivable and advances	278	157

Total items not affecting net cost of operations but affecting authorities	3,133	4,342
Current year authorities used	**245,563**	**251,744**

(b) Authorities provided and used

(*in thousands of dollars*)

	2026	2025
Authorities provided:		
Vote 1 – Operating expenditures	270,002	238,435
Statutory amounts	24,727	24,515
Less:		
Authorities available for future years	(4)	(13)
Lapsed: Operating	(49,162)	(11,193)
Current year authorities used	**245,563**	**251,744**

4. Accounts payable and accrued liabilities

The following table presents details of PCO's accounts payable and accrued liabilities.

(*in thousands of dollars*)	2026	2025
Accounts payable - Other government departments and agencies	3,024	4,523
Accounts payable - External parties	28,877	28,068
Total accounts payable	31,901	32,591
Accrued liabilities	943	807
Total accounts payable and accrued liabilities	**32,844**	**33,398**

In Budget 2025, the Government announced savings measures to be implemented by departments by 2028-29. As a result, the Privy Council Office has included at March 31, 2026, an obligation for termination benefits for an amount of $2,960,182 ($0 in 2024-25) as part of total accounts payable and accrued liabilities to reflect the estimated workforce adjustments costs.

5. Revenues

The Privy Council Office has the following major types of revenues; miscellaneous revenues, and revenues earned on behalf of the Government. Miscellaneous revenues include services of a non-regulatory nature, the sale of goods and information products and services to other government departments. These are recorded when performance obligations are satisfied.

Disaggregate revenues

(*in thousands of dollars*)	**2026**	**2025**
Revenues		
Miscellaneous		
Services of a non-regulatory nature (exchange)	225	175
Sales of goods and information products (exchange)	869	832
Services to other government departments (exchange)	7,487	7,301
Other fees and charges (exchange and non-exchange)	27	18
Total miscellaneous	8,608	8,326
Revenues earned on behalf of the Government (exchange and non-exchange)	(27)	(18)
Total Revenues	**8,581**	**8,308**

6. Employee future benefits

a) Pension benefits

The Privy Council Office's employees participate in the Public Service Pension Plan (the "Plan"), which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

Both the employees and employer (the Privy Council Office) contribute to the cost of the Plan. Due to the amendment of the *Public Service Superannuation Act* following the implementation of provisions related to Economic Action Plan 2012, employee contributors have been divided into two groups - Group 1 related to existing plan members as of December 31, 2012, and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2025-26 expense amounts to $22,097,607 ($22,056,905 in 2024-25). For Group 1 members, the expense represents approximately 1.02 times (1.02 times in 2024-25) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2024-25) the employee contributions.

The Privy Council Office's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the Consolidated Financial Statements of the Government of Canada, as the Plan's sponsor.

b) Severance benefits

Severance benefits provided to PCO's employees were previously based on an employee's eligibility, years of service and salary at termination of employment. However, since 2011 the accumulation of severance benefits for voluntary departures progressively ceased for substantially all employees. Employees subject to these changes were given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service. By March 31, 2026, substantially all settlements for immediate cash out were completed. Severance benefits are unfunded and, consequently, the outstanding obligation will be paid from future authorities.

The changes in the obligations during the year were as follows:

(*in thousands of dollars*)	**2026**	**2025**
Accrued benefit obligation - Beginning of year	**4,630**	**3,515**
Expense for the year	7,059	8,739
Benefits paid during the year	(8,281)	(7,624)
Accrued benefit obligation - End of year	**3,408**	**4,630**

7. Accounts receivable and advances

The following table presents details of PCO's accounts receivable and advances balances:

(*in thousands of dollars*)	**2026**	**2025**
Receivables - Other government departments and agencies	1,618	1,916
Receivables - External parties	2,421	2,357
Employee advances	244	257
Subtotal	4,283	4,530
Allowance for doubtful accounts on receivables from external parties	(35)	(35)
Net accounts receivable	**4,248**	**4,495**

The following table provides an aging analysis of accounts receivable from external parties and the associated valuation allowances used to reflect their net recoverable value.

(*in thousands of dollars*)	**2026**	**2025**
Accounts receivable from external parties		
Not past due	1,496	1,674
Number of days past due		
1 to 30	37	6
31 to 60	659	380
61 to 90	5	118
91 to 365	136	76
Over 365	88	103
Sub-Total	2,421	2,357
Less: Valuation allowance	(35)	(35)
Total	**2,386**	**2,322**

8. Inventory

(*in thousands of dollars*)	**2026**	**2025**
Office equipment and furniture	354	374
Total inventory	**354**	**374**

Notes to the Financial Statements *(Unaudited)*
For the Year Ended March 31

9. Tangible capital assets

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization Period
Machinery and equipment	3 to 30 years
Informatics hardware	3 to 10 years
Informatics software	2 to 10 years
Other equipment	3 to 30 years
Motor vehicles	2 to 35 years
Leasehold improvements	Over the useful life of the improvement or the lease term, whichever is shorter
Assets under construction	Once in service, in accordance with asset class

Assets under construction are recorded in the applicable asset class in the year they are put into service and are not amortized until they are put into service.

	Cost					Accumulated Amortization					Net Book Value	
Capital Asset Class	Opening Balance	Acquisitions	Adjustments (1)	Disposal and Write-Offs	Closing Balance	Opening Balance	Amortization	Adjustments (1)	Disposals and Write-Offs	Closing Balance	2026	2025
	(in thousands of dollars)											
Machinery and equipment	60	-	-	-	60	60	-	-	-	60	-	-
Informatics hardware	7,376	-	-	325	7,051	5,991	494	-	325	6,160	891	1,385
Informatics software	19,346	-	327	60	19,613	16,222	1,117	-	60	17,279	2,334	3,124
Other equipment	19,488	12	11	206	19,305	15,769	806	3	204	16,374	2,931	3,719
Motor vehicles	688	136	156	-	980	595	53	49	-	697	283	93
Leasehold improvements	20,715	-	223	-	20,938	5,890	1,360	-	-	7,250	13,688	14,824
Assets under construction - software	356	866	(327)	-	895	-	-	-	-	-	895	356
Assets under construction - other	2,031	1,912	(224)	-	3,719	-	-	-	-	-	3,719	2,031
Total	**70,060**	**2,926**	**166**	**591**	**72,561**	**44,527**	**3,830**	**52**	**589**	**47,820**	**24,741**	**25,532**

(1) Adjustments include assets under construction that were transferred to the other categories upon completion of the assets.

Notes to the Financial Statements *(Unaudited)*
For the Year Ended March 31

10. Contractual obligations

The nature of the Privy Council Office's activities may result in some large multi-year contracts and obligations whereby the Privy Council Office will be obligated to make future payments in order to carry out its transfer payment programs or when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(*in thousands of dollars*)	**Transfer payments**	**Obligations related to external parties**	**Other obligations with related parties**	**Total**
2027	-	12,980	34,812	47,792
2028	-	1,578	2,375	3,953
2029	-	910	2,179	3,089
2030	-	314	1,705	2,019
2031 and subsequent	-	1	11	12
Total	**-**	**15,783**	**41,082**	**56,865**

11. Related party transactions

The Privy Council Office is related as a result of common ownership to all government departments, agencies, and Crown corporations. Related parties also include individuals who are members of key management personnel or close family members of those individuals, and entities controlled by, or under shared control of, a member of key management personnel or a close family member of that individual. The Privy Council Office enters into transactions with these entities in the normal course of business and on normal trade terms.

During the year, the Privy Council Office has an agreement with the National Security and Intelligence Review Agency, the National Security and Intelligence Committee of Parliamentarians, the Leaders' Debate Commission and with the Office of the Intelligence Commissioner for the provision of finance, administration and other services which is included in the revenues of section b) of this note. During the year, PCO received common services which were obtained without charge from other government departments as disclosed below:

(a) Common services provided without charge by other government departments

During the year, PCO received services without charge from certain common service organizations, related to accommodation, legal services, the employer's contribution to the health and dental insurance plans and workers' compensation coverage. These services provided without charge have been recorded at the carrying value in PCO's Statement of Operations and Departmental Net Financial Position as follows:

(*in thousands of dollars*)	**2026**	**2025**
Accommodation	19,220	19,604
Employer’s contribution to the health and dental insurance plans	16,486	13,869
Legal services	1,485	1,274
Worker’s compensation	1	1
Total	**37,192**	**34,748**

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Services and Procurement Canada are not included in the PCO's Statement of Operations and Departmental Net Financial Position. The costs of information technology infrastructure services provided by Shared Services Canada, following the transfer of responsibilities in November 2011 are also not included in the PCO's Statement of Operations and Departmental Net Financial Position.

(b) Other transactions with other government departments and agencies

(*in thousands of dollars*)	**2026**	**2025**
Expenses	42,629	43,856
Revenues	8,298	8,059

Expenses and revenues disclosed in (b) exclude common services provided without charge, which are already disclosed in (a).

12. Segmented information

Presentation by segment is based on the Privy Council Office's core responsibility. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in note 2. The following table presents the expenses incurred and revenues generated for the main core responsibilities, by major object of expense and by major type of revenue. The segment results for the period are as follows:

(*in thousands of dollars*)	**Serve the Prime Minister and Cabinet**	**Internal Services**	**2026**	**2025**
Expenses				
Salaries and employee benefits	122,255	85,651	207,906	207,825
Professional and special services	3,359	24,025	27,384	37,098
Accommodation	61	19,220	19,281	19,831
Transportation and communications	2,584	3,938	6,522	7,775
Information	7,190	238	7,428	4,646
Acquisition of machinery and equipment	590	5,349	5,939	8,311
Repair and maintenance	41	2,374	2,415	3,084
Amortization of tangible capital assets	146	3,684	3,830	5,252
Rentals	868	4,312	5,180	6,026
Utilities, materials and supplies	97	602	699	720
Transfer payments	-	-	-	1,224
Other	330	(3,504)	(3,174)	(695)
Total Expenses	137,521	145,889	283,410	301,097
Revenues				
Miscellaneous revenues	868	7,740	8,608	8,326
Revenues earned on behalf of Government	-	(27)	(27)	(18)
Total Revenues	868	7,713	8,581	8,308
Net cost from continuing operations	**136,653**	**138,176**	**274,829**	**292,789**

Annex to the Statement of Management Responsibility Including Internal Control over Financial Reporting of the Privy Council Office for Fiscal Year 2025-2026 (unaudited)

1. Introduction

This document provides summary information on measures taken by the Privy Council Office (PCO) to maintain an effective system of internal control over financial reporting (ICFR) as well as information on internal control management, assessment results and related action plans.

Detailed information on PCO's authority, mandate, and core responsibilities can be found in the Departmental Plans for the 2026-2027 fiscal year and Departmental Results Report for the 2024-2025 fiscal year.

https://www.canada.ca/en/privy-council/corporate/transparency/planned-spending/departmental-plans/2026-2027.html

https://www.canada.ca/en/privy-council/corporate/transparency/reporting-spending/departmental-results-reports/2024-2025/report.html

2. Departmental system of internal control over financial reporting

2.1 Internal Control Management

PCO has a well-established governance and accountability structure to support departmental assessment efforts and oversight of its overall system of internal control. A departmental internal control management framework, is in place and comprises:

- organizational accountability structures as they relate to internal control management to support sound financial management, including the roles and responsibilities of senior departmental managers for control management in their areas of responsibility;
- values and ethics;
- ongoing communication and training on the legislative and policy requirements for sound financial management and control; and
- monitoring and regular updates on internal control management, as well as provision of related assessment results and action plans to the deputy head and senior departmental management and, as applicable, the Departmental Audit Committee.

The Departmental Audit Committee is an independent advisory committee to the deputy head. It is responsible to provide advice to the deputy head on the adequacy and functioning of the department's risk management, control and governance frameworks and processes.

2.2 Service arrangements relevant to financial statements

PCO relies on other departments for processing certain transactions that are recorded in its financial statements as follows:

Common service arrangements:

- Public Services and Procurement Canada administers the payment of salaries, the procurement of goods and services, and provides accommodation services;
- Shared Services Canada provides information technology (IT) infrastructure services;
- Department of Justice Canada provides legal services; and
- Treasury Board of Canada Secretariat (TBS) provides information on public service insurance and centrally administers payment of the employer's share of contributions toward statutory employee benefit plans.

Readers of this annex may refer to the annexes of the above-noted departments for a greater understanding of the systems of internal control over financial reporting related to these specific services.

Specific Arrangements:

- TBS provides PCO with a SAP financial system platform to capture and report all financial transactions.

Internal controls at the ongoing monitoring stage

3. Departmental assessments results during fiscal year 2025 to 2026

The following table summarizes the status of the ongoing monitoring activities according to the previous fiscal year's rotational plan.

Progress during the 2025 to 2026 fiscal year

Previous year's rotational on-going monitoring plan for current year	Status
Payroll	Completed as planned and no remedial actions required
Information technology general controls	Completed as planned and no remedial actions required
Financial close and reporting	Completed as planned and no remedial actions required

New or significantly amended key controls - In the current fiscal year, there were no significantly amended key controls in existing processes that required a reassessment.

On-going monitoring program - As part of its rotational ongoing monitoring plan, the department completed its reassessment of entity-level controls and the financial controls within the business processes of:

- Payroll;
- Information technology general controls;
- Financial close and reporting

Based on the monitoring procedures performed, key controls were designed appropriately and operating as intended.

4. Departmental action plan for the next fiscal year and subsequent fiscal years

PCO's rotational ongoing monitoring plan over the next three fiscal years is shown in the following table. The ongoing monitoring plan is based on:

- an annual validation of high-risk processes and controls; and
- related adjustments to the ongoing monitoring plan as required.

Rotational On-going Monitoring Plan for Internal Control over Financial Reporting			
Key Control Areas	**Operating Effectiveness Testing Rotation**		
	Fiscal Year 2026-2027	**Fiscal Year 2027-2028**	**Fiscal Year 2028-2029**
Entity Level Controls	X		
Information technology general controls[1]			X
Capital assets and inventory (including procurement)	X		
Payroll			X
Operating expenses and procurement (Contracting)		X	
Delegation of authority		X	
Liabilities		X	
Accounts receivable, revenue, cash and deposits	X		
Financial close and reporting			X
Investment Planning[2]			X
Budgeting and Resource Allocation[3]			
Costing[3]			

1. ITGCs related to Central Agency Cluster Shared Systems (CAC-SS) are out of scope for the PCO's ongoing monitoring plan. The SAP system is audited annually by the Office of the Comptroller General based on client needs and service arrangements.
2. Monitoring is on a five-year cycle and was last performed in 2023-24 with the next review scheduled for 2028-29.
3. Monitoring is on a five-year cycle and was last performed in 2024-25 with the next review scheduled for 2029-30.