



Financial Statements - For the year ended March 31, 2023

Public Service Commission of Canada



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Statement of Management Responsibility Including Internal Control over Financial Reporting

The Public Service Commission of Canada (PSC) is responsible for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2023, and for all information contained in these financial statements. 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 provide a centralized record of the PSC's financial transactions. Financial information submitted in preparation of the Public Accounts of Canada, and included in the PSC'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 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 the following: careful selection, training, and development of qualified staff; organizational arrangements that provide appropriate divisions of responsibility; communications programs intended to ensure that regulations, policies, standards, and managerial authorities are understood throughout the PSC; and an annual risk-based assessment of the effectiveness of the system of internal control over financial reporting.

The system of internal control over financial reporting is designed to mitigate risks to a reasonable level based on an ongoing process that consists in identifying key risks, assessing the effectiveness of associated key controls, and making any necessary adjustments.

A risk-based assessment of the system of internal control over financial reporting for the year ended March 31, 2023, was completed in accordance with the Treasury Board Policy on Financial Management. The results and action plans are summarized in the annex.

The effectiveness and adequacy of the PSC's system of internal control is reviewed by internal audit staff, who conduct periodic audits of various areas of the PSC's operations. It is also reviewed by the Departmental Audit Committee, which oversees management's responsibilities for maintaining adequate control systems and the quality of financial reporting, and which recommends the Financial Statements to the President of the PSC.

The PSC's financial statements have not been audited.

Stan Lee
Interim President

Farhat Khan, CPA
Chief Financial Officer

Gatineau, Canada
September 15th, 2023

Statement of Financial Position (unaudited)

As of March 31, 2023 (in thousands of dollars)

-	2023	2022
Liabilities		
Accounts payable and accrued liabilities (Note 4)	\$12,240	\$9,398
Vacation pay and compensatory leave	5,238	5,265
Employee future benefits (Note 5)	2,099	2,188
Total liabilities	19,577	16,851
Financial assets		
Due from the Consolidated Revenue Fund	8,052	5,230
Accounts receivable and advances (Note 6)	4,298	5,601
Total financial assets	12,350	10,831
Departmental net debt	7,227	6,020
Non-financial assets		
Tangible capital assets (Note 7)	7,769	8,960
Total non-financial assets	7,769	8,960

-	2023	2022
Departmental net financial position	\$542	\$2,940
Contractual obligations (Note 8)		
Contingent liabilities (Note 9)		
The accompanying notes form an integral part of these Financial Statements.		

Stan Lee

Interim President

Farhat Khan, CPA

Chief Financial Officer

Gatineau, Canada

September 15th, 2023

Statement of Operations and Departmental
Net Financial Position (unaudited)
For the year ended March 31, 2023 (in
thousands of dollars)

-	2023 Planned Results	2023	2022
Expenses			
Public Service Hiring and Non- partisanship	\$88,969	\$85,122	\$76,292
Internal Services	41,050	46,884	38,277
Total expenses	130,019	132,006	114,569
Revenues			
Assessment and counselling services revenues	14,252	9,697	8,836
Miscellaneous revenues	1,192	1,900	1,376
Revenues earned on behalf of Government	(1,178)	(1,895)	(1,372)

-	2023 Planned Results	2023	2022
Total revenues	14,266	9,702	8,840
Net cost of operations before government funding and transfers	115,753	122,304	105,729
Government funding and transfers			
Net cash provided by Government of Canada	-	94,051	85,970
Change in amount due from Consolidated Revenue Fund	-	2,822	896
Services provided without charge by other government departments (Note 10)	-	23,041	22,363
Transfer of assets to other government departments	-	(8)	(193)
Net cost of operations after	-	2,398	(3,307)

-	2023 Planned Results	2023	2022
government funding and transfers			
Departmental net financial position – Beginning of year	-	2,940	(367)
Departmental net financial position – End of year	-	\$542	\$2,940
Segmented information (Note 11) 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, 2023 (in thousands of dollars)

-	2023	2022
Net cost of operations after government funding and transfers	\$2,398	\$(3,307)
Change due to tangible capital assets		
Acquisition of tangible capital assets	596	1,063
Amortization of tangible capital assets	(1,787)	(666)
Total change due to tangible capital assets	(1,191)	397
Net increase (decrease) in departmental net debt	1,207	(2,910)
Departmental net debt - Beginning of year	6,020	8,930
Departmental net debt - End of year	\$7,227	\$6,020
The accompanying notes form an integral part of these financial statements.		

Statement of Cash Flows (unaudited)

For the Year Ended March 31, 2023 (in thousands of dollars)

-	2023	2022
Operating activities		
Net cost of operations before government funding and transfers	\$122,304	\$105,729
Non-cash items:		
Amortization of tangible capital assets	(1,787)	(666)
Services provided without charge by other government departments (Note 10)	(23,041)	(22,363)
Transfer of assets to other government departments	8	193
Variations in Statement of Financial Position:		
Decrease (increase) in accounts receivable and advances	(1,303)	1,349
Increase (decrease) in accounts payable and accrued liabilities	(2,842)	(1,160)
Decrease (increase) in vacation pay and compensatory leave	27	1,368
Decrease (increase) in employee future benefits	89	457
Cash used in operating activities	93,455	84,907

-	2023	2022
Capital investment activities		
Acquisition of tangible capital assets	596	1,063
Cash used in capital investment activities	596	1,063
Net cash provided by Government of Canada	\$94,051	\$85,970
The accompanying notes form an integral part of these financial statements.		

Notes to the Financial Statements

(unaudited)

For the year ended March 31, 2023

1. Authority and objectives

The Public Service Commission of Canada (PSC) is an independent agency established under the *Public Service Employment Act* and listed in schedules 1.1 and IV of the *Financial Administration Act*.

The PSC promotes and safeguards a merit-based, representative and non-partisan public service that delivers results for all Canadians.

Through policy direction and guidance, the PSC supports departments and agencies in the hiring of qualified individuals into and within the public service, helping to shape a workforce that reflects Canada's diversity. It delivers recruitment programs and assessment services that support the strategic recruitment priorities of the Government of Canada and the renewal of the public service. It does so by leveraging modern tools to reduce barriers for Canadians who seek to access public service jobs.

The PSC oversees public service hiring, ensuring the integrity of the hiring process. It provides guidance to employees regarding their legal rights and responsibilities related to political activities and renders decisions on political candidacy. The PSC ensures that employees' rights to participate in political activities are respected, while also protecting the non-partisan nature of the public service.

Internal Services

Internal services are groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal services refer to the activities and resources of the 10 distinct service categories that support program delivery in the organization, regardless of the internal services delivery model in a department. The 10 service categories: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Management Services; and Acquisition Management Services.

2. Summary of significant accounting policies

These financial statements are prepared using the PSC'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 PSC is funded by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the PSC 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 2022–23 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 2022–23 Departmental Plan.

b. Net cash provided by the Government

The PSC operates within the Consolidated Revenue Fund, which is administered by the Receiver General for Canada. All cash received by the PSC is deposited to the Consolidated Revenue Fund and all cash disbursements made by the PSC are paid from the Consolidated Revenue Fund. 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 the Consolidated Revenue Fund

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

d. Revenues

Revenues are recognized in the period the event giving rise to the revenues occurred. Revenues that are non-respendable are not available to discharge the PSC's liabilities. While the Deputy Head 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 considered to be earned on behalf of the Government of Canada and are therefore presented as a reduction of the entity's gross revenues.

e. Expenses

Expenses are recorded on an accrual basis. 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, information technology services, 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 multi-employer pension plan administered by the Government. The PSC's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. The PSC'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 employees voluntarily leaving was discontinued 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. Accounts receivable

Accounts receivable are stated at the lower of cost and net recoverable value. When necessary, an allowance for valuation is recorded to reduce the carrying value of accounts receivable to an amount that approximates the net recoverable value.

h. Contingent liabilities

Contingent liabilities are potential liabilities that may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, a provision is accrued and an expense recorded to other expenses. If the likelihood cannot be determined or an amount cannot be reasonably estimated, the contingency is disclosed in the Notes to the Financial Statements.

i. Tangible capital assets

The costs of acquiring land, buildings, equipment and other capital property are capitalized as tangible capital assets and are amortized to expense over the estimated useful lives of the assets, as described in [Note 7](#). All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. Amounts included in assets under construction are transferred to the appropriate class of asset upon completion, and then amortized.

j. Measurement uncertainty

To prepare these financial statements, management must 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 as at March 31. The estimates are based on facts and circumstances, historical experience, and 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.

3. Parliamentary authorities

The PSC 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 PSC 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)

-	2023	2022
Net cost of operations before government funding and transfers	\$122,304	\$105,729
Adjustments for items affecting net cost of operations but not affecting authorities:	-	-
Services provided without charge by other government departments	(23,041)	(22,363)
Amortization of tangible capital assets	(1,787)	(666)
Miscellaneous revenues	11	5
Decrease (increase) in employee future benefits	89	457
Decrease (increase) in vacation pay and compensatory leave	27	1,368
Refunds of program expenditures	(77)	37
Other	201	99
Total items affecting net cost of operations but not affecting authorities	(24,577)	(21,063)
Adjustments for items not affecting net cost of operations but affecting authorities:	-	-
Acquisitions of tangible capital assets	596	1,063

	2023	2022
-		
Salary overpayments	526	308
Employee advances	25	13
Total items not affecting net cost of operations but affecting authorities	1,147	1,384
Current year authorities used	\$98,874	\$86,050

(b) Authorities provided and used (in thousands of dollars)

	2023	2022
Authorities provided		
Vote 1 – Program expenditures (Operating)	\$88,962	\$85,218
Statutory amounts	11,892	10,332
Total authorities provided	100,854	95,550
Lapsed: Operating	(1,980)	(9,500)
Current year authorities used	\$98,874	\$86,050

4. Accounts payable and accrued liabilities

The following table shows details of the PSC's accounts payable and accrued liabilities:

(in thousands of dollars)

-	2023	2022
Accounts payable – Other government departments and agencies	\$1,912	\$387
Accounts payable – External parties	9,814	8,297
Total accounts payable	11,726	8,684
Accrued liabilities	514	714
Total accounts payable and accrued liabilities	\$12,240	\$9,398

5. Employee future benefits

Pension benefits

The PSC's employees participate in the Public Service Pension Plan. The Plan 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 % per year of pensionable service, times the average of the best 5 consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plan benefits and indexed to inflation.

Both the employees and the PSC contribute to the cost of the Plan. Because the *Public Service Superannuation Act* was amended following the implementation of provisions related to Economic Action Plan 2012, employee contributors have been divided into 2 groups: Group 1 consists of existing plan members as of December 31, 2012, and Group 2 consists of members joining the Plan as of January 1, 2013. Each group has a specific contribution rate.

The 2022–23 expense amounts to \$7,765,000 (\$6,980,000 in 2021–22). For Group 1 members, the expense represents approximately 1.02 times (1.01 times in 2021–22) the employee contributions, and for Group 2 members, approximately 1.00 times (1.00 times in 2021–22) the employee contributions.

The PSC'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.

Severance benefits

Severance benefits provided to the PSC'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 employees voluntarily leaving has been gradually discontinued 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 leaving the public service. By March 31, 2023, 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)

-	2023	2022
Accrued benefit obligation – Beginning of year	\$2,188	\$2,645
Expense for the year	81	(92)
Benefits paid during the year	(170)	(365)
Accrued benefit obligation – End of year	\$2,099	\$2,188

6. Accounts receivable and advances

The following table shows details of the PSC's accounts receivable and advances balances:

(in thousands of dollars)

-	2023	2022
Receivables – Other government departments and agencies	\$1,307	\$2,583
Receivables – External parties	2,769	2,813
Employee advances	222	205
Accounts receivable	\$4,298	\$5,601

7. Tangible capital assets

Tangible capital assets are amortized on a straight-line basis over the estimated useful life of the asset as follows:

Asset class	Amortization period
Office equipment	3 to 15 years
Informatics hardware and infrastructure	4 to 5 years
Computer software	3 to 5 years
Furniture and fixtures	10 years
Vehicles	6 years
Leasehold improvements	10 years
Assets under construction	Once in service, in accordance with asset type

(in thousands of dollars)

-	Cost					Accumulated Amortization					Net Book Value	
	Openi ng Balan ce	Acquisit ions	Dispos als, Write- offs	Other Transacti ons	Closi ng Bala nce	Openi ng Balan ce	Amortiza tion	Dispos als, Write- offs	Other Transacti ons	Closi ng Bala nce	202 3	202 2
Office equipme nt	45	-	-	-	45	45	-	-	-	45	-	-
Computer software	32,02 0	-	-	7,203	39,22 3	30,81 4	1,723	-	-	32,53 7	6,6 86	1,2 06
Furniture and fixtures	28	-	-	-	28	18	2	-	-	20	8	10
Vehicles	24	-	-	-	24	20	-	-	-	20	4	4

-	Cost					Accumulated Amortization					Net Book Value	
	Openi ng Balan ce	Acquisit ions	Dispos als, Write- offs	Other Transacti ons	Closi ng Balan ce	Openi ng Balan ce	Amortiza tion	Dispos als, Write- offs	Other Transacti ons	Closi ng Balan ce	202 3	202 2
Leasehold improve ments (LI)	793	-	-	-	793	364	62	-	-	426	367	429
Assets under developm ent (AUD) - software	7,189	596	-	(7,203)	582	-	-	-	-	-	582	7,1 89
AUD - LI	122	-	-	-	122	-	-	-	-	-	122	122
Total	40,22 1	596	-	-	40,81 7	31,261	1,787	-	-	33,0 48	7,7 69	8,9 60



8. Contractual obligations

The nature of the PSC's activities may result in some significant multi-year obligations whereby the PSC will be required to make future payments when the services are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)

	2024	2025	2026	2027	2028 and thereafter	Total
Service contracts	\$314	\$14	-	-	-	\$328

9. Contingent liabilities

Contingent liabilities arise in the normal course of operations, and their ultimate disposition is unknown. Contingent liabilities are potential liabilities that may become actual liabilities when one or more future events not wholly within the government's control occur or fail to occur.

The PSC discloses the probability of a claim for which the outcome of the liability existence is high and for which an amount is not estimable has not been accrued as of March 31, 2023.

10. Related party transactions

The PSC is related as a result of common ownership to all government departments, agencies, and Crown corporations. Related parties also include individuals who are 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 PSC enters into transactions with these entities in the normal course of business and on normal trade terms.

a) Common services provided without charge by other government departments

During the year, the PSC received services without charge from certain common service organizations, related to accommodation, the employer's contribution to the health and dental insurance plans, legal services, workers' compensation coverage, and information

technology services. These services provided without charge have been recorded at the carrying value in the PSC's Statement of Operations and Departmental Net Financial Position as follows:

(in thousands of dollars)

	2023	2022
Accommodation	\$9,830	\$9,535
Employer's contribution to the health and dental insurance plans	7,278	6,772
Information technology services	5,211	5,352
Legal services	716	698
Workers' compensation	6	6
Total	\$23,041	\$22,363

The Government has centralized some of its administrative activities for efficiency and cost-effectiveness purposes and for economical 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 PSC's Statement of Operations and Departmental Net Financial Position.

b) Other transactions with other government departments and agencies

(in thousands of dollars)

-	2023	2022
Expenses	\$24,685	\$17,913
Revenues	\$9,623	\$8,820

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

Expenses disclosed in (b) include other information technology services and legal services that are specific to the needs of the PSC and are received with charge from common service organizations. The cost of these services has been recorded in the PSC's Statement of Operations and Departmental Net Financial Position.

11. Segmented information

Presentation by segment is based on the PSC's Departmental Results Framework. The presentation by segment is based on the same accounting policies as described in Note 2 – Summary of significant accounting policies.

Revenues from assessment and counselling services are derived from the provision of services and products developed by the PSC to help public-sector managers select and develop competent employees. These services and products are provided by the PSC's Personnel Psychology Centre and the PSC's 5 regional offices. The PSC has the authority to re-spend these revenues to offset expenditures incurred in the same year for the provision of assessment and counselling services and products.

The following table presents the expenses incurred and revenues generated for the core responsibilities and their related program inventory, by major object of expense and by major type of revenue. The segment results for the period are as follows:

(in thousands of dollars)

-	Public Service Hiring and Non-partisanship	Internal Services	2023 Total	2022 Total
Salaries and employee benefits	\$67,292	\$33,907	\$101,199	\$88,375
Professional and special services	7,886	7,295	15,181	12,674
Accommodation	6,337	3,492	9,829	9,536
Transportation and telecommunications	72	78	150	57
Amortization of tangible capital assets	10	1,776	1,786	666
Informatics, office equipment, furniture and fixtures	584	1,411	1,995	1,213
Repair and maintenance	-	94	94	35
Rentals	504	780	1,284	1,473
Printing and publications services	66	171	237	356
Utilities, materials and supplies and other payments	2,371	(2,120)	251	184
Total expenses	85,122	46,884	132,006	114,569

-	Public Service Hiring and Non-partisanship	Internal Services	2023 Total	2022 Total
Assessment and counselling services revenues	9,697	-	9,697	8,836
Miscellaneous revenues	1,900	-	1,900	1,376
Revenues earned on behalf of Government	(1,895)	-	(1,895)	(1,372)
Total revenues	9,702	-	9,702	8,840
Net cost of operations before government funding and transfers	\$75,420	\$46,884	\$122,304	\$105,729