



Quarterly Financial Report

For the quarter ended June 30, 2022



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1. Introduction

This quarterly financial report should be read in conjunction with the Main Estimates and Supplementary Estimates for fiscal year 2022–23. It has been prepared by management, as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Directive on Accounting Standards, GC 4400 Departmental Quarterly Financial Report. It has been reviewed by the Internal Audit Committee of the Public Service Commission of Canada.

This quarterly report has not been subject to an external audit or review.

1.1 Authority and objectives

The Public Service Commission of Canada (the agency) is an independent agency established under the *Public Service Employment Act* and listed in schedules I.1 and IV of the *Financial Administration Act*.

A summary description of the agency's programs can be found in its [2022–23 Departmental Plan](#).

1.2 Basis of presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the agency's spending authorities granted by Parliament and those used by the agency consistent with the Main Estimates for the 2022–23 fiscal year. This quarterly report has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before 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.

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

1.3 Financial structure

The agency has a financial structure comprised of voted budgetary authorities for program expenditures and statutory authorities for contributions to employee benefit plans.

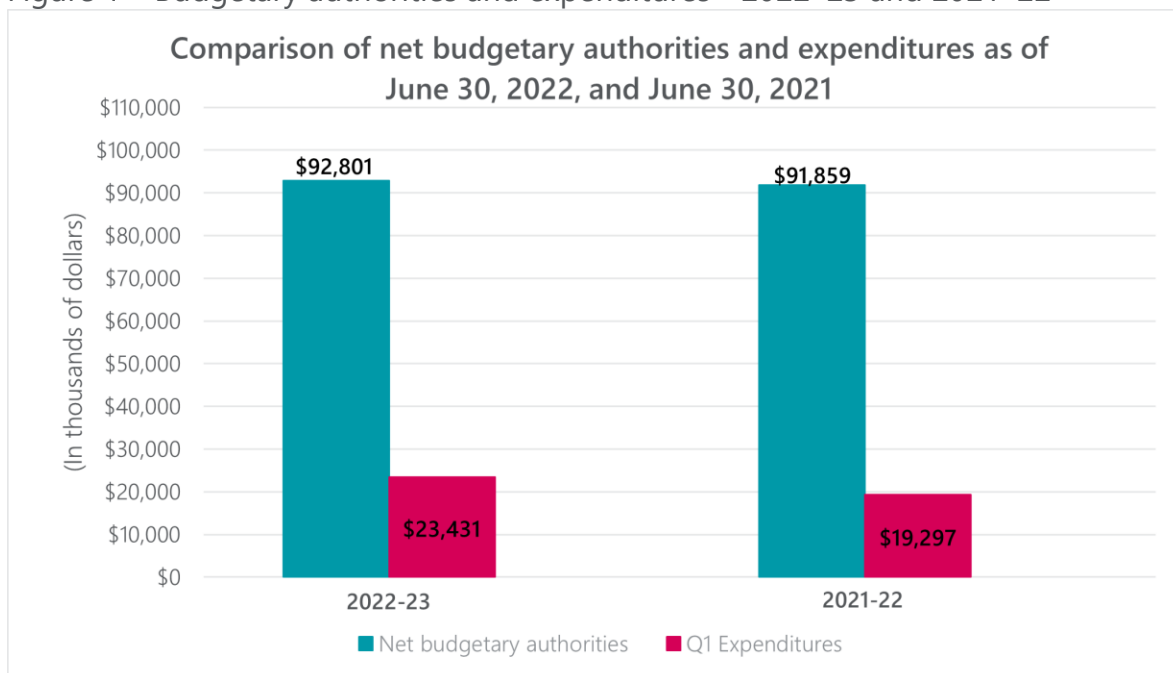
In addition, the agency has the authority to re-spend certain revenues received from other government departments and agencies in a fiscal year to offset expenditures incurred in that same year, for the provision of assessment and counselling products and services.

2. Highlights of fiscal quarter and fiscal year-to-date results

This section highlights the significant items that contributed to the change in resources available for the current year and in the actual expenditures for the quarter ended June 30, 2022.

The following graph provides a comparison of the net budgetary authorities available for spending and the expenditures for the quarters ended June 30, 2022, and June 30, 2021, for the agency's combined Vote 1 – Program Expenditures and Statutory Authorities.

Figure 1 – Budgetary authorities and expenditures - 2022–23 and 2021–22



Text Alternative

Year	Net budgetary authorities	Q1 expenditures
2022-23	\$92,801	\$23,431
2021-22	\$91,859	\$19,297

2.1 Significant changes to authorities

As shown in Section 6: Statement of Authorities, at June 30, 2022, there was an increase of \$942,000 in authorities available for use in the current year, as compared to the previous year.

The variance is due mainly to the following:

- a \$554,000 increase in funding received from the Treasury Board of Canada Secretariat to cover higher current salary rates following the implementation of collective agreements in previous years
- a \$116,000 reduction in funding due to a transfer to Shared Services Canada to support a funding model for government-wide information technology services
- \$181,000 in funding to offset the increase in Employee Benefit Plan rates for Legal Services charged by the Department of Justice
- a \$63,000 increase in funding due to the reversal of the frozen allotment set in the past
- a \$227,000 increase in funding due to adjustments in employer contributions to employee benefit plans
- a \$32,000 increase in funding received from the Treasury Board of Canada Secretariat submission to cover expenses from the Federal Internship Program for Canadians with Disabilities

2.2 Significant variances in net expenditures from prior year

As shown in Section 7: Budgetary expenditures by standard object, total net budgetary expenditures during the quarter increased from \$19,297,000 in 2021–22 to \$23,431,000 in 2022–23; a variance of \$4,134,000 or 21.4%.

The variance is due mainly to the following:

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- an increase of \$3,821,000 in personnel costs, mainly due to:
 - earlier (first quarter) Employee Benefit Plan invoicing and payments, including for superannuation, the Quebec pension plan, death benefits and employment insurance, in the amount of \$2,981,000 in 2022–23 compared to nil for the first quarter of 2021–22
 - in the past, the agency received invoices starting in the second quarter
 - \$630,000 more in spending for students, casual and acting employees
 - \$512,000 less in spending for indeterminate and term employees in 2022–23 compared to 2021–22
 - increase in accrual for payments to other government departments: \$1,432,00 in 2022–23 compared to \$ 303,000 in 2021–22, due to more employees transferring in from other departments
- an increase of \$524,000 in spending for operation and maintenance due to:
 - an increase of \$550,000 in acquisition of machinery and equipment, mainly due to an application software purchase
 - an increase of \$191,000 in professional and special services, mainly due to an increase in training and consulting
 - a decrease of \$364,000 in rentals for licences due to earlier invoicing in 2021–22 compared to 2022–23
 - an increase of \$141,000 in other subsidies and payments, mainly due to a higher amount in salary overpayments mainly due to a lower recovery of amount in salary overpayments
 - an increase of \$11,000 in transportation and telecommunications, mainly resulting from an increase in travel relocation
- an increase of \$211,000 in revenues netted against expenditures, due mainly to:
 - a higher demand for e-testing and test administration services and coaching caused by postponed language testing and extended eligibility during the pandemic
 - the agency adapted to the virtual work environment caused by the pandemic, and made its invoicing processes more efficient

3. Risks and uncertainties

The agency is evolving in a dynamic and complex environment that requires it to be effective, adaptive and innovative to support staffing in federal departments and agencies across Canada. As part of its departmental planning and reporting cycle, the

agency undertakes an annual review of its organizational risks, as well as quarterly monitoring of mitigation strategies, activities and changes that are likely to have an impact on its expected results. This monitoring includes strategic oversight of the changes in external risk factors and internal vulnerabilities that may have an impact on the agency's results.

The agency's operational context, key risks as well as mitigation strategies can be found in its [2022–23 Departmental Plan](#).

Since the release of this departmental plan, changes to the agency's enabling legislation, the *Public Service Employment Act*, are being implemented, and the agency has developed tools to guide departments and agencies on the resulting impacts to the hiring process. The agency will continue to work with departments and agencies, looking beyond the 4 employment equity groups and geographic and official language representation, at a wider range of socio-demographic and intersecting identity factors, to remove or reduce barriers and biases in the staffing system.

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

In early June 2022, the President retired, and Privy Council Office has not yet appointed a new deputy head. Until the appointment of a new President, the Chief Financial Officer will sign all finance-related documents.

5. Approved by senior officials

Approved by:

Philip Morton, CPA, CGA
Chief Financial Officer

Gatineau, Canada
August 29 , 2022

6. Statement of authorities (unaudited)

Fiscal year 2022–23 (in thousands of dollars)			
-	Total available for use for the year ending March 31, 2023¹	Used during the quarter ended June 30, 2022	Year-to-date used at quarter-end
Vote 1 – Program Expenditures	80,876	20,444	20,444
Statutory – Refund of Previous Year Revenue	0	6	6
Statutory – Employer Contributions to Employee Benefit Plans	11,925	2,981	2,981
Total Budgetary Authorities	92,801	23,431	23,431

6. Statement of authorities (unaudited) (continued)

Fiscal year 2021–22 (in thousands of dollars)			
-	Total available for use for the year	Used during the quarter	Year-to-date used at quarter-end

¹ Includes only authorities available for use and granted by Parliament at quarter-end.

Fiscal year 2021–22 (in thousands of dollars)			
	ending March 31, 2022²	ended June 30, 2021	
Vote 1 – Program Expenditures	80,160	19,297	19,297
Statutory – Refund of Previous Year Revenue	0	0	0
Statutory - Spending of proceeds from the disposal of surplus Crown assets	0	0	0
Statutory – Employer Contributions to Employee Benefit Plans	11,699	0	0
Total Budgetary Authorities	91,859	19,297	19,297

7. Budgetary expenditures by standard object (unaudited)

Fiscal year 2022–23 (in thousands of dollars)			
-	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended June 30, 2022	Year-to-date used at quarter-end

² Includes only authorities available for use and granted by Parliament at quarter-end.

Fiscal year 2022–23 (in thousands of dollars)			
Personnel	90,241	21,852	21,852
Transportation and telecommunications	320	12	12
Information	228	24	24
Professional and special services	13,654	821	821
Rentals	1,424	493	493
Repair and maintenance	60	4	4
Utilities, materials and supplies	144	26	26
Acquisition of machinery and equipment	838	562	562
Other subsidies and payments	144	186	186
Total gross budgetary expenditures	107,053	23,980	23,980
Less: Revenues netted against expenditures	(14,252)	(549)	(549)
Total net budgetary expenditures	92,801	23,431	23,431



7. Budgetary expenditures by standard object (unaudited) (continued)

Fiscal year 2021–22 (in thousands of dollars)			
	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended June 30, 2021	Year-to-date used at quarter-end
Personnel	87,310	18,031	18,031
Transportation and telecommunications	996	1	1
Information	180	35	35
Professional and special services	12,330	630	630
Rentals	1,440	858	858
Repair and maintenance	2	1	1
Utilities, materials and supplies	1,876	22	22
Acquisition of machinery and equipment	101	12	12
Other subsidies and payments	1,876	45	45



Fiscal year 2021–22 (in thousands of dollars)			
Total gross budgetary expenditures	106,111	19,635	19,635
Less: Revenues netted against expenditures	(14,252)	(338)	(338)
Total net budgetary expenditures	91,859	19,297	19,297

