



Quarterly Financial Report

For the quarter ended September 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.

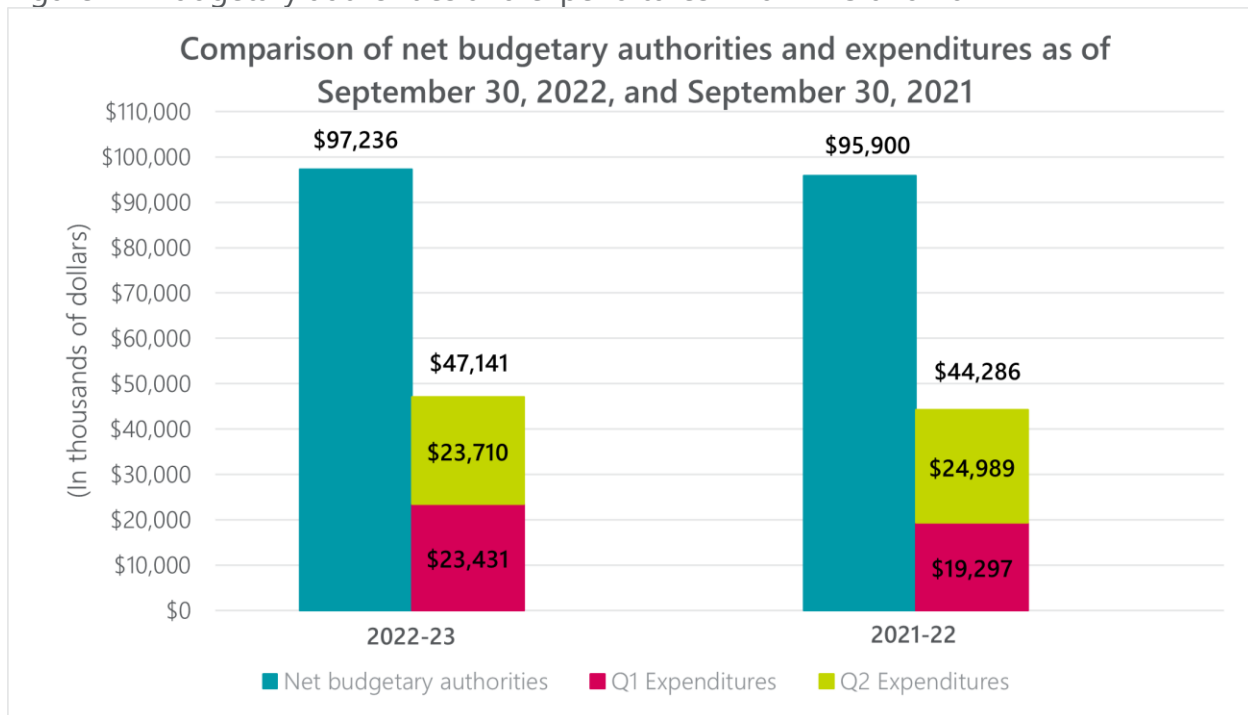
In addition, the agency has the authority to re-spend certain revenues received from other government departments and agencies in a fiscal year to offset expenditures incurred in that same year, for the provision of assessment and counselling products and services.

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 September 30, 2022.

The following graph provides a comparison of the net budgetary authorities available for spending and the expenditures for the quarters ended September 30, 2022, and September 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	Q2 expenditures
2022-23	\$97,236	\$23,431	\$23,710
2021-22	\$95,900	\$19,297	\$24,989

2.1 Significant changes to authorities

As shown in Section 6: Statement of Authorities, at September 30, 2022, there was an increase of \$1,336,000 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 \$33,000 increase in funding received from the Treasury Board of Canada Secretariat submission to cover expenses from the Federal Internship Program for Canadians with Disabilities
- a \$394,000 increase in the year-end operating budget carry-forward

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 decreased from \$24,989,000 in 2021–22 to \$23,710,000 in 2022–23; a variance of \$1,279,000 or 5.1%.

The variance is due mainly to the following:

- a decrease of \$1,579,000 in personnel, mainly resulting from:
 - a \$2,632,000 decrease for the Employee Benefit Plan and superannuation, the Quebec pension plan, death benefits and employment insurance, due to payments completed during first quarter in 2022–23 compared to 2021–22, when payments started during the second quarter
 - \$310,000 more spending for indeterminate employees and summer students, and less spending for term employees
 - \$182,000 less spending in 2022–23 for damages due to Phoenix late claims for one-time payments completed in 2021–22
 - \$925,000 more accrual for payments to other government departments in 2022–23 (\$1,405,00) compared to 2021–22 (\$480,000) due to more employees that transferred in from other departments
- an increase of \$897,000 in spending for operation and maintenance due to:
 - an increase of \$142,000 in acquisition of machinery and equipment, mainly due to the purchase of client computer equipment
 - an increase of \$286,000 in professional and special services, mainly due to an increase in training and consulting

- an increase of \$383,000 in rentals due to invoicing of licence and maintenance fees for client software
- an increase of \$65,000 in other subsidies and payments, mainly due to a higher amount in salary overpayments
- an increase of \$17,000 in transportation and telecommunications, mainly resulting from an increase in [travel and relocation](#)
- an increase of \$597,000 in revenues netted against expenditures, due mainly to:
 - an increase in prices of various products offered by the agency
 - 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

Upon the President's retirement, the Privy Council Office has appointed an acting deputy head who assumed all the responsibilities until the appointment of a permanent deputy head.

5. Approved by senior officials

Approved by:

Stan Lee
Interim President

Eva Jacobs, CPA, CGA
Acting Chief Financial Officer

Gatineau, Canada
November 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 September 30, 2022	Year-to-date used at quarter-end
Vote 1 – Program Expenditures	85,311	20,729	41,173

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

Fiscal year 2022–23 (in thousands of dollars)			
Statutory – Refund of Previous Year Revenue	0	0	6
Statutory – Employer Contributions to Employee Benefit Plans	11,925	2,981	5,962
Total Budgetary Authorities	97,236	23,710	47,141

6. Statement of authorities (unaudited) (continued)

Fiscal year 2021–22 (in thousands of dollars)			
	Total available for use for the year ending March 31, 2022²	Used during the quarter ended September 30, 2021	Year-to-date used at quarter-end
Vote 1 – Program Expenditures	84,201	19,140	38,437
Statutory – Refund of Previous Year Revenue	0	0	0

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

Fiscal year 2021–22 (in thousands of dollars)			
Statutory - Spending of proceeds from the disposal of surplus Crown assets	0	0	0
Statutory – Employer Contributions to Employee Benefit Plans	11,699	5,849	5,849
Total Budgetary Authorities	95,900	24,989	44,286

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 September 30, 2022	Year-to-date used at quarter-end
Personnel	93,980	22,600	44,452
Transportation and telecommunications	333	28	40
Information	237	22	47



Fiscal year 2022–23 (in thousands of dollars)			
Professional and special services	14,220	1,889	2,710
Rentals	1,483	516	1,009
Repair and maintenance	62	4	8
Utilities, materials and supplies	150	90	116
Acquisition of machinery and equipment	873	187	749
Other subsidies and payments	150	140	326
Total gross budgetary expenditures	111,488	25,476	49,457
Less: Revenues netted against expenditures	(14,252)	(1,766)	(2,316)
Total net budgetary expenditures	97,236	23,710	47,141



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 September 30, 2021	Year-to-date used at quarter-end
Personnel	91,151	24,179	42,210
Transportation and telecommunications	667	11	12
Information	206	63	98
Professional and special services	14,887	1,603	2,233
Rentals	1,415	133	991
Repair and maintenance	98	4	5
Utilities, materials and supplies	178	45	67
Acquisition of machinery and equipment	1,371	45	57



Fiscal year 2021–22 (in thousands of dollars)			
Other subsidies and payments	179	75	120
Total gross budgetary expenditures	110,152	26,158	45,793
Less: Revenues netted against expenditures	(14,252)	(1,169)	(1,507)
Total net budgetary expenditures	95,900	24,989	44,286

