



# Quarterly Financial Report

For the quarter ended December 31, 2022.



Aussi disponible en français sous le titre : *Rapport financier trimestriel - Pour le trimestre se terminant le 31 décembre 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.

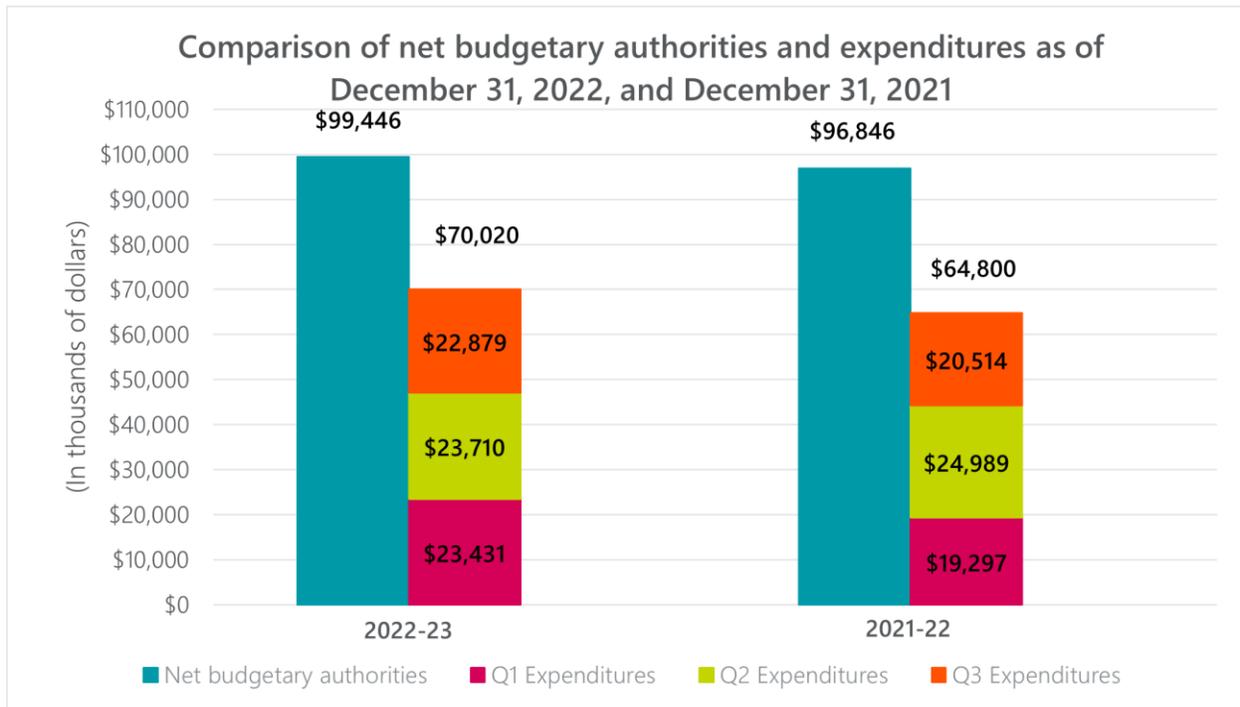
In addition, the agency has the authority to re-spend certain revenues received from other government departments and agencies in a fiscal year to offset expenditures incurred in that same year, for the provision of assessment and counselling products and services.

## 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 December 31, 2022.

The following graph provides a comparison of the net budgetary authorities available for spending and the expenditures for the quarters ended December 31, 2022, and December 31, 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	Q3 expenditures
2022-23	\$99,446	\$23,431	\$23,710	\$22,879
2021-22	\$96,846	\$19,297	\$24,989	\$20,514

## 2.1 Significant changes to authorities

As shown in Section 6: Statement of Authorities, at December 31, 2022, there was an increase of \$2,600,000 in authorities available for use in the current year, as compared to the previous year.

The variance mainly is due to the following:

- a \$1,818,000 increase in funding 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
- a \$181,000 increase in funding to compensate for the Employee Benefit Plan rate increase 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 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 increased from \$20,514,000 in 2021–22 to \$22,879,000 in 2022–23, a variance of \$2,365,000 or 11.53%.

The variance is due mainly to the following:

- an increase of \$2,944,000 in personnel, resulting from:
  - a \$1,228,000 increase for the Employee Benefit Plan, superannuation, the Quebec Pension Plan, death benefits and employment insurance payments
  - a \$1,244,000 increase in spending due to an increased number of indeterminate, casual and acting employees
  - a \$472,000 increase in payments to and recoveries from other government departments for employee transfers and memoranda of understanding
- an increase of \$427,000 in spending for operation and maintenance due to:
  - an increase of \$372,000 in professional and special services, mainly due to an increase in training and consulting
  - an increase of \$22,000 in utilities, materials and supplies, mainly due to an increase in printing

- an increase of \$41,000 in transportation and telecommunications, mainly resulting from an increase in travel and relocation
- a decrease of \$8,000 of various expenses
- an increase of \$1,006,000 in revenues netted against expenditures, due to:
  - an increase in prices of various services 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

### 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 the departmental plan, the agency has begun implementing changes to its enabling legislation, the *Public Service Employment Act*, and 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

Following the retirement of the previous Chief Financial Officer, the agency appointed a new Chief Financial Officer in December 2022.

## 5. Approved by senior officials

Approved by:

Stan Lee  
Interim President

Farhat Khan, CPA  
Chief Financial Officer

Gatineau, Canada  
February 28, 2023

## 6. Statement of authorities (unaudited)

Fiscal year 2022–23 (in thousands of dollars)

-	Total available for use for the year ending March 31, 2023 <sup>1</sup>	Used during the quarter ended December 31, 2022	Year-to-date used at quarter-end
Vote 1 – Program Expenditures	87,521	19,898	61,071
Statutory – Refund of Previous Year Revenue	0	0	6
Statutory – Employer Contributions to Employee Benefit Plans	11,925	2,981	8,943
<b>Total Budgetary Authorities</b>	<b>99,446</b>	<b>22,879</b>	<b>70,020</b>

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

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## 6. Statement of authorities (unaudited)

### (continued)

Fiscal year 2021–22 (in thousands of dollars)

	Total available for use for the year ending March 31, 2022 <sup>2</sup>	Used during the quarter ended December 31, 2021	Year-to-date used at quarter-end
Vote 1 – Program Expenditures	85,147	18,564	57,001
Statutory – Refund of Previous Year Revenue	0	0	0
Statutory – Employer Contributions to Employee Benefit Plans	11,699	1,950	7,799
<b>Total Budgetary Authorities</b>	<b>96,846</b>	<b>20,514</b>	<b>64,800</b>

<sup>2</sup> Includes only authorities available for use and granted by Parliament at quarter-end.  
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## 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 December 31, 2022	Year-to-date used at quarter-end
Personnel	95,843	22,660	67,112
Transportation and telecommunications	339	47	87
Information	242	44	92
Professional and special services	14,502	1,950	4,661
Rentals	1,513	125	1,132
Repair and maintenance	63	15	23
Utilities, materials and supplies	153	67	182
Acquisition of machinery and equipment	891	555	1,304

-	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended December 31, 2022	Year-to-date used at quarter-end
Other subsidies and payments	152	84	410
<b>Total gross budgetary expenditures</b>	113,698	25,547	75,003
Less: Revenues netted against expenditures	(14,252)	(2,668)	(4,983)
<b>Total net budgetary expenditures</b>	99,446	22,879	70,020



## 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 December 31, 2021	Year-to-date used at quarter-end
Personnel	91,934	19,716	61,926
Transportation and telecommunications	673	6	18
Information	208	37	135
Professional and special services	15,015	1,578	3,811
Rentals	1,428	141	1,132
Repair and maintenance	99	5	10
Utilities, materials and supplies	179	45	112
Acquisition of machinery and equipment	1,383	552	609

	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended December 31, 2021	Year-to-date used at quarter-end
Other subsidies and payments	179	96	216
<b>Total gross budgetary expenditures</b>	111,098	22,176	67,969
Less: Revenues netted against expenditures	(14,252)	(1,662)	(3,169)
<b>Total net budgetary expenditures</b>	96,846	20,514	64,800

