



# Quarterly Financial Report

For the quarter ended June 30, 2023



Aussi disponible en français sous le titre : *Rapport financier trimestriel - Pour le trimestre se terminant le 30 juin 2023*

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For more information, contact

Public Service Commission of Canada  
22 Eddy Street  
Gatineau (Quebec) K1A 0M7

Email: [cfp.infocom.psc@cfp-psc.gc.ca](mailto:cfp.infocom.psc@cfp-psc.gc.ca)

Website of publisher: <https://www.canada.ca/en/public-service-commission.html>

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Cat. No. SC12-4E-PDF (Electronic PDF, English)  
ISSN 2819-4101

Cat. No. SC12-4F-PDF (Electronic PDF, French)  
ISSN 2819-411X

# 1. Introduction

This quarterly financial report should be read in conjunction with the Main Estimates and Supplementary Estimates for fiscal year 2023–24. 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 [2023–24 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 2023–24 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

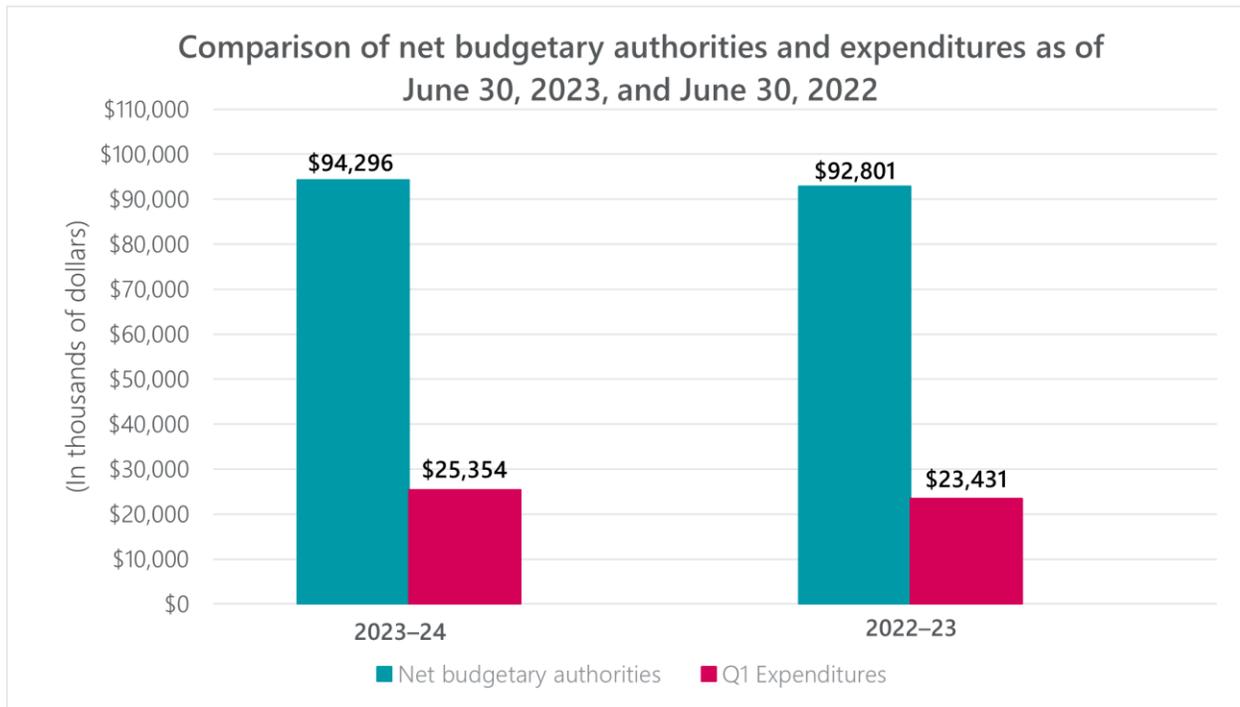
The agency has a financial structure comprised of voted budgetary authorities for program expenditures and statutory authorities for contributions to employee benefit plans.

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, 2023.

The following graph provides a comparison of the net budgetary authorities available for spending and the expenditures for the quarters ended June 30, 2023, and June 30, 2022, for the agency's combined Vote 1 – Program Expenditures and Statutory Authorities.

**Figure 1 – Budgetary authorities and expenditures - 2023–24 and 2022–23****Alternative Text**

Year	Net budgetary authorities	Q1 expenditures
2023-24	\$94,296	\$25,354
2022-23	\$92,801	\$23,431

## 2.1 Significant changes to authorities

As shown in Section 6: Statement of Authorities, at June 30, 2023, there was an increase of \$1,496,000 in authorities available for use in the current year, as compared to the previous year.

The variance mainly is due to the following:

- a \$460,000 increase in funding from the Treasury Board of Canada Secretariat to cover higher salary rates following the implementation of collective agreements in previous years
- a \$331,000 increase in funding due to adjustments in employer contributions to employee benefit plans

- a \$705,000 increase in funding from the Treasury Board of Canada Secretariat submission to cover expenses from the *Public Service Employment Act* initiative

## 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 \$23,431,000 in 2022–23 to \$25,354,000 in 2023–24, a variance of \$1,923,000 or 8.2%.

The variance is due mainly to the following:

- an increase of \$1,703,000 in personnel, mainly resulting from:
  - a \$982,000 increase in spending, due to an increased number of indeterminate, casual and acting employees as a result of more hiring to support the implementation of the amendments to the *Public Service Employment Act*, as well as staffing and fulfillment of previously challenging-to-fill vacancies within the organization
  - a \$527,000 increase in payments to and recoveries from other government departments for employee transfers and memoranda of understanding
  - a \$194,000 increase for the Employee Benefit Plan, superannuation, the Quebec Pension Plan, death benefits and employment insurance payments
- a steady spending for operation and maintenance expenditures
- a decrease of \$217,000 in revenues netted against expenditures, due to:
  - late invoicing of revenues
  - fewer services requested by the other departments

## 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. 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 risks can be found in its [2023–24 Departmental Plan](#), which also includes a link to the operating context.

Changes to the agency's enabling legislation, the *Public Service Employment Act*, are being implemented as they come into force, and the agency has developed tools to guide departments and agencies to address biases and barriers that disadvantage members of equity-seeking groups in the hiring process. The 2 remaining amendments came into effect on July 1, 2023. 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

There were no significant changes to programs or activities in the agency during the first quarter, which ended on June 30, 2023.

## 5. Approved by senior officials

Approved by:

Farhat Khan, CPA, CMA

Chief Financial Officer and Vice President Corporate Affairs Sector

on behalf of

Stan Lee

Interim President

Gatineau, Canada

August 29, 2023

## 6. Statement of authorities (unaudited)

Fiscal year 2023–24 (in thousands of dollars)			
	<b>Total available for use for the year ending March 31, 2024<sup>1</sup></b>	<b>Used during the quarter ended June 30, 2023</b>	<b>Year-to-date used at quarter-end</b>
Vote 1 – Program Expenditures	82,040	22,290	22,290
Statutory – Refund of Previous Year Revenue	0	0	0
Statutory – Employer Contributions to Employee Benefit Plans	12,256	3,064	3,064
<b>Total Budgetary Authorities</b>	94,296	25,354	25,354

<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 2022–23 (in thousands of dollars)			
-	Total available for use for the year ending March 31, 2023 <sup>2</sup>	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
<b>Total Budgetary Authorities</b>	92,801	23,431	23,431

<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 2023–24 (in thousands of dollars)			
-	<b>Planned expenditures for the year ending March 31, 2024</b>	<b>Expended during the quarter ended June 30, 2023</b>	<b>Year-to-date used at quarter-end</b>
Personnel	91,712	23,555	23,555
Transportation and telecommunications	108	43	43
Information	217	18	18
Professional and special services	13,686	686	686
Rentals	1,358	1,113	1,113
Repair and maintenance	60	3	3
Utilities, materials and supplies	118	30	30
Acquisition of machinery and equipment	1,171	121	121
Other subsidies and payments	118	117	117



Fiscal year 2023–24 (in thousands of dollars)			
<b>Total gross budgetary expenditures</b>	108,548	25,686	25,686
Less: Revenues netted against expenditures	(14,252)	(332)	(332)
<b>Total net budgetary expenditures</b>	94,296	25,354	25,354

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

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



Fiscal year 2022–23 (in thousands of dollars)			
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
<b>Total gross budgetary expenditures</b>	107,053	23,980	23,980
Less: Revenues netted against expenditures	(14,252)	(549)	(549)
<b>Total net budgetary expenditures</b>	92,801	23,431	23,431

