



Government of Canada  
Privy Council Office

Gouvernement du Canada  
Bureau du Conseil privé

# **Privy Council Office**

## Quarterly Financial Report

For the quarter ended December 31, 2023

## Quarterly Financial Report for the quarter ended December 31, 2023.

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# Privy Council Office

## Quarterly Financial Report

Statement outlining results, risks and significant changes in operations, personnel and programs  
For the quarter ended December 31, 2023

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### Introduction

This quarterly report 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. This quarterly financial report should be read in conjunction with the Main Estimates and previous Quarterly Financial Reports. For more information on PCO, please visit [PCO's website](#).

This quarterly report has not been subject to an external audit or review but has been shared with the PCO Departmental Audit Committee and it reflects the committee members' comments.

### Mandate

PCO supports the development and implementation of the Government of Canada's policy and legislative agendas, coordinates responses to issues facing the Government and the country and supports the effective operation of Cabinet. PCO is led by the Clerk of the Privy Council, who also serves as Secretary to the Cabinet and the Head of the Public Service.

PCO serves Canada and Canadians by providing advice and support to the Prime Minister, portfolio ministers, and Cabinet.

PCO has three main roles:

1. Provide professional non-partisan advice to the Prime Minister, portfolio ministers, Cabinet and Cabinet committees on matters of national and international importance.
2. Support the smooth functioning of the Cabinet decision-making process and facilitate the implementation of the Government's agenda.
3. Foster a high-performing and accountable Public Service.

## Basis of presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes PCO's spending authorities granted by Parliament and those used by the department, consistent with the 2023-24 Main Estimates and Supplementary Estimates (A) and (B). This quarterly report has been prepared using a special purpose financial reporting framework (expenditure basis) 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.

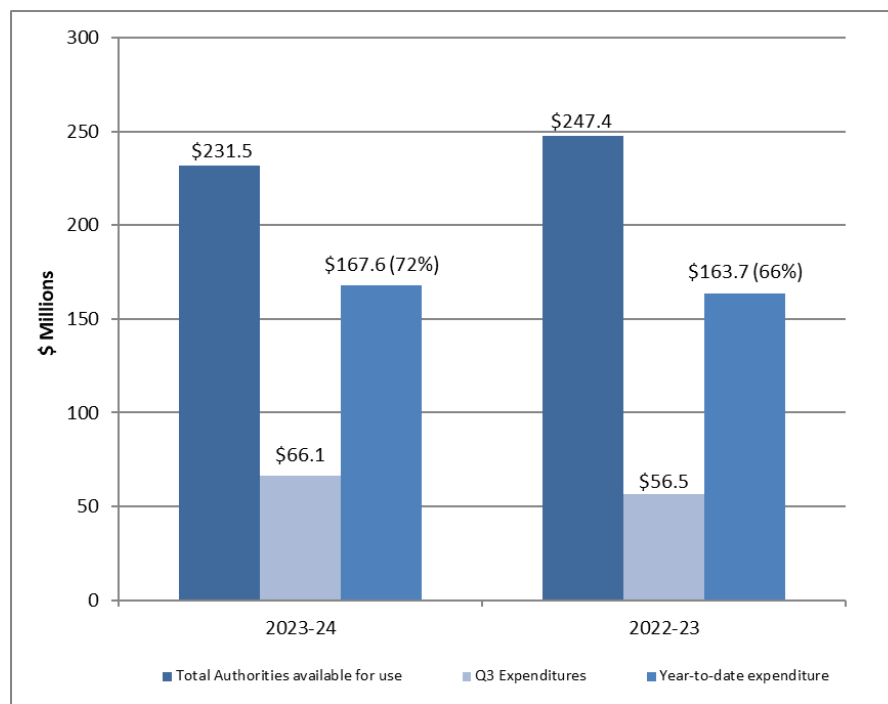
PCO uses the full accrual method of accounting to prepare and present its annual departmental financial statements<sup>1</sup> that are part of the departmental performance reporting process. The spending authorities voted by Parliament remain on an expenditure basis.

## Highlights of fiscal quarter and fiscal year to date results

This section highlights the significant items that contributed to the net increase or decrease in authorities available for the year and actual expenditures for the quarter ended December 31, 2023.

PCO spent approximately 72% of its authorities available for use at the end of the third quarter of 2023-24, compared to 66% at the end of the same quarter of 2022-23 (see graph 1 below).

Graph 1: Comparison of Total Authorities Available for Use and Total Net Budgetary Expenditures as of Q3 2023-24 and 2022-23

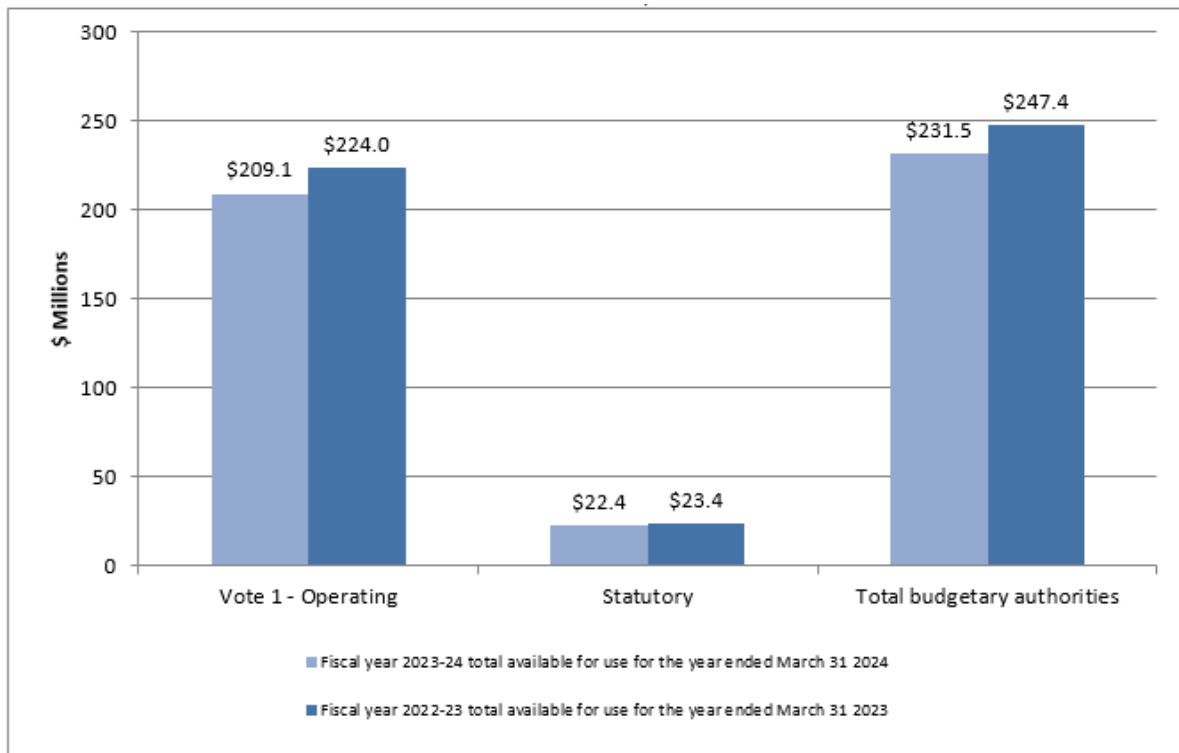


<sup>1</sup> The notes to the annual departmental financial statements include a reconciliation between full accrual results and spending authorities.

### Significant changes to authorities

Further to graph 2 below and Annex A, presented at the end of this document, as at December 31, 2023 PCO has authorities available for use of \$231.5 million in 2023-24 compared to \$247.4 million as of December 31, 2022, for a net decrease of \$15.9 million or 6%. The net decrease in authorities of \$15.9 million is mainly explained by sunset funding for the Joint Public Inquiry into the Nova Scotia April 2020 Tragedy and for the Public Order Emergency Commission. Commissions of Inquiry are independent organizations but are reported under PCO's financial statements. These are partially offset by an increase in funding for compensation adjustments and for employee retroactive payments related to employee pay rate increases, as well as funding to strengthen internal trade.

Graph 2: Variance in Authorities as at December 31, 2023



### Significant changes to quarter expenditures

The third quarter expenditures totaled \$66.1 million for a net increase of \$9.7 million (17%) when compared to \$56.5 million spent during the same period in 2022-23. Table 1 below presents budgetary expenditures by standard object.

**Table 1**

<b>Variations to Expenditures by Standard Object</b>	<b>Fiscal year 2023-24 Expended during the quarter ended December 31, 2023</b>	<b>Fiscal year 2022-23 Expended during the quarter ended December 31, 2022</b>	<b>Variance \$</b>	<b>Variance %</b>
(in thousands of dollars)				
Personnel	52,936	41,562	11,374	27%
Transportation and communications	1,558	1,335	223	17%
Information	887	1,401	(514)	(37%)
Professional and special services	8,411	12,400	(3,989)	(32%)
Rentals	533	204	329	161%
Repair and maintenance	250	157	93	59%
Utilities, materials and supplies	220	45	175	389%
Acquisition of machinery and equipment	2,701	3,200	(499)	(16%)
Transfer payments	(9)	739	(748)	(101%)
Other subsidies and payments	(52)	66	(118)	(179%)
<b>Total gross budgetary expenditures *</b>	<b>67,436</b>	<b>61,109</b>	<b>6,327</b>	<b>10%</b>
Less revenues netted against expenditures	(1,288)	(4,617)	3,329	(72%)
<b>Total net budgetary expenditures</b>	<b>66,148</b>	<b>56,492</b>	<b>9,656</b>	<b>17%</b>

*\* Details may not add to totals due to rounding*

**Personnel:**

The overall increase of \$11.4 million in personnel spending is mainly due to compensation adjustments and employee retroactive and one-time allowance payments related to pay rate increases. Other significant increases are due to the timing of salary recoveries from other government departments.

**Professional and special services:**

The decrease of \$4.0 million in professional and special services is mainly attributed to reduced legal expenses stemming from the completion of the Public Order Emergency Commission.

**Transfer Payments**

Transfer payments decreased by \$0.7 million as the Joint Public Inquiry into the Nova Scotia April 2020 Tragedy completed its core activities in May 2023. The negative amount is due to timing of recoveries of shared costs from the Province of Nova Scotia.

**Revenues netted against expenditures:**

The decrease of \$3.3M for vote netted revenue is mainly due to lower cost recovered in the third quarter of 2023-24 for internal services such as financial management, human resources and information technology services for the Secure Communications for National Leadership initiative provided to other departments, compared to the same period in 2022-23.

**Significant changes to year-to-date expenditures**

The year-to-date expenditures totaled \$167.6 million for a net increase of \$3.9 million (2%) when compared to \$163.7 million spent during the same period in 2022-23. Table 2 below presents budgetary expenditures by standard object.

Table 2

<b>Variations to Expenditures by Standard Object</b> (in thousands of dollars)	<b>YTD Expenditures as of December 31, 2023</b>	<b>YTD Expenditures as of December 31, 2022</b>	<b>Variance \$</b>	<b>Variance %</b>
Personnel	138,676	120,958	17,718	15%
Transportation and communications	4,193	4,063	130	3%
Information	2,778	4,003	(1,225)	(31%)
Professional and special services	18,862	25,663	(6,801)	(27%)
Rentals	2,764	4,979	(2,215)	(44%)
Repair and maintenance	532	277	255	92%
Utilities, materials and supplies	667	248	419	169%
Acquisition of machinery and equipment	4,276	5,387	(1,111)	(21%)
Transfer payments	33	1,984	(1,951)	(98%)
Other subsidies and payments	491	831	(340)	(41%)
<b>Total gross budgetary expenditures *</b>	<b>173,273</b>	<b>168,393</b>	<b>4,880</b>	<b>3%</b>
Less revenues netted against expenditures	(5,665)	(4,673)	(991)	21%
<b>Total net budgetary expenditures</b>	<b>167,608</b>	<b>163,720</b>	<b>3,889</b>	<b>2%</b>

\* Details may not add to totals due to rounding

#### **Personnel:**

The overall increase of \$17.7 million in personnel spending is mainly due to compensation adjustments and employee retroactive and one-time allowance payments related to pay rate increases. Other significant increases are due to the timing of salary recoveries from other government departments, additional staff to enhance departmental capacity, as well as the creation of a dedicated secretariat for emergency preparedness in support of the Minister of Emergency Preparedness.

#### **Information**

The decrease of \$1.2 million in information is mainly attributed to reduced communication professional services expenses stemming from the completion of the Joint Public Inquiry into the Nova Scotia April 2020 Tragedy and to the Public Order Emergency Commission.

#### **Professional and special services:**

The decrease of \$6.8 million in professional and special services is mainly attributed to reduced legal expenses stemming from the completion of the Joint Public Inquiry into the Nova Scotia April 2020 Tragedy and to the Public Order Emergency Commission. This was partially offset by an increase in legal services for the Independent Special Rapporteur.

#### **Rentals**

The decrease of \$2.2 million in rentals is mainly due to a reduction in the rental of video communications equipment related to the Joint Public Inquiry into the Nova Scotia April 2020 Tragedy and a reduction in the rental of office buildings related to the Public Order Emergency Commission, as core activities were completed in May and March 2023, respectively.

**Acquisition of machinery and equipment:**

The decrease of \$1.1 million is mainly related to reduced purchases of computer equipment in 2023-24 compared to 2022-23.

**Transfer payments:**

Transfer payments decreased by \$2.0 million as the Joint Public Inquiry into the Nova Scotia April 2020 Tragedy completed its core activities in May 2023.

**Risks and uncertainties**

The principal financial risks to PCO lie in the need to reallocate departmental resources to deal with issues that may emerge unexpectedly given the increasing horizontality, complexity and scope of the work done at PCO. As part of its coordinating role, PCO must be able to address emerging issues on short notice, and either manage the necessary expenditures within its own spending authorities, or cash manage until increased spending authorities are approved.

PCO has identified other key risks that could have an impact on the achievement of its mandate and its financial situation. These risks revolve around areas such as cybersecurity, information management and data security, and the recruitment and retention of employees.

The department will continue to effectively manage its existing and emerging risks through cooperation, engagement and sharing of expertise and best practices with other federal departments and agencies, provincial and territorial governments, as well as community partners, the private sector, international counterparts, and its Department Audit Committee.

As a central agency, PCO has a leadership role in public service culture. By leveraging our position, PCO will be able to capitalize on opportunities, while responding to and mitigating potential adverse impacts on the Government's capacity to protect and advance Canada's domestic and international interests.

**Significant changes in relation to operations, personnel and programs**

In October 2023, Jeffery Hutchinson took on the role of Deputy Secretary to the Cabinet (Public Inquiry into Foreign Interference), reporting through the National Security and Intelligence Advisor.

There have not been any significant changes in relation to operations and programs during the quarter.

**Approval by senior officials:**

John Hannaford  
Clerk of the Privy Council and Secretary to  
the Cabinet

Matthew Shea  
Assistant Secretary to the Cabinet, Ministerial  
Services and Corporate Affairs and Chief  
Financial Officer

*Ottawa, Canada  
Thursday February 29, 2024*



Privy Council Office  
 Quarterly Financial Report  
 For the quarter ended December 31, 2023  
 STATEMENT OF AUTHORITIES (unaudited) (note 2)

*(In thousands of dollars)*

	Fiscal year 2023-2024			Fiscal year 2022-2023		
	Total available for use for the year ending March 31, 2024 (note 1)	Used during the quarter ended December 31, 2023	Year-to-date used at quarter-end	Total available for use for the year ending March 31, 2023 (note 1)	Used during the quarter ended December 31, 2022	Year-to-date used at quarter-end
<b>Vote 1 - Net operating expenditures</b>	<b>209,139</b>	<b>60,568</b>	<b>150,906</b>	<b>224,007</b>	<b>51,348</b>	<b>148,289</b>
<b>Budgetary statutory authorities</b>						
Contributions to employee benefits plans	22,008	5,477	16,430	23,051	5,026	15,079
Prime Minister - Salary and motor car allowance	194	49	147	190	48	144
Leader of the Government in the House of Commons - Salary and car allowance	95	22	62	93	23	69
President of the King's Privy Council for Canada and the Minister of Emergency Preparedness - Salary and motor car allowance		-	32	93	23	69
President of the King's Privy Council for Canada and Minister of Emergency Preparedness and Minister responsible for the Pacific Economic Development Agency of Canada - Salary and motor car allowance	95	32	32	-	-	-
Minister of Intergovernmental Affairs, Infrastructure and Communities - Salary and motor car allowance	-	-	-	-	23	69
<b>Total budgetary authorities</b>	<b>231,530</b>	<b>66,148</b>	<b>167,608</b>	<b>247,433</b>	<b>56,492</b>	<b>163,720</b>
<b>TOTAL AUTHORITIES</b>	<b>231,530</b>	<b>66,148</b>	<b>167,608</b>	<b>247,433</b>	<b>56,492</b>	<b>163,720</b>

Note 1: Includes only Authorities available for use and granted by Parliament at quarter-end for each respective fiscal year (Including Frozen Allotments).

Note 2: Details may not add to totals due to rounding.

Privy Council Office  
Quarterly Financial Report  
For the quarter ended December 31, 2023  
Departmental budgetary expenditures by Standard Object (unaudited) (note 2)

*(In thousands of dollars)*

	Fiscal year 2023-2024			Fiscal year 2022-2023		
	Planned expenditures for the year ending March 31, 2024 (note 1)	Expended during the quarter ended December 31, 2023	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2023 (note 1)	Expended during the quarter ended December 31, 2022	Year-to-date used at quarter-end
<b>Budgetary expenditures</b>						
Personnel	186,544	52,936	138,676	181,024	41,562	120,958
Transportation and communications	5,083	1,558	4,193	4,365	1,335	4,063
Information	4,159	887	2,778	5,305	1,401	4,003
Professional and special services	23,849	8,411	18,862	32,504	12,400	25,663
Rentals	6,143	533	2,764	6,947	204	4,979
Repair and maintenance	2,042	250	532	3,135	157	277
Utilities, materials and supplies	447	220	667	556	45	248
Acquisition of machinery and equipment	11,762	2,701	4,276	13,018	3,200	5,387
Transfer payments	-	(9)	33	2,393	739	1,984
Other subsidies and payments	3	(52)	491	3,630	66	831
<b>Total gross budgetary expenditures</b>	<b>240,033</b>	<b>67,436</b>	<b>173,273</b>	<b>252,877</b>	<b>61,109</b>	<b>168,393</b>
<b>Less revenues netted against expenditures</b>						
Revenues	(8,502)	(1,288)	(5,665)	(5,444)	(4,617)	(4,673)
<b>Total revenues netted against expenditures</b>	<b>(8,502)</b>	<b>(1,288)</b>	<b>(5,665)</b>	<b>(5,444)</b>	<b>(4,617)</b>	<b>(4,673)</b>
<b>TOTAL BUDGETARY EXPENDITURES</b>	<b>231,530</b>	<b>66,148</b>	<b>167,608</b>	<b>247,433</b>	<b>56,492</b>	<b>163,720</b>

Note 1: Includes only Authorities available for use and granted by Parliament at quarter-end for each respective fiscal year (Including Frozen Allotments).

Note 2: Details may not add to totals due to rounding.