



Government of Canada
Privy Council Office

Gouvernement du Canada
Bureau du Conseil privé

Privy Council Office

Quarterly Financial Report

For the quarter ended June 30, 2024

Quarterly Financial Report for the quarter ended June 30, 2024.

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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 June 30, 2024

Table of Contents

- Introduction
- Mandate
- Basis of presentation
- Highlights of fiscal quarter and fiscal year to date results
 - Significant changes to authorities
 - Significant changes to expenditures
- Risks and uncertainties
- Significant changes in relation to operations, personnel and programs
- Approval by senior officials
- Annexes A & B

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 2024-25 Main Estimates and Supplementary Estimates (A). 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.

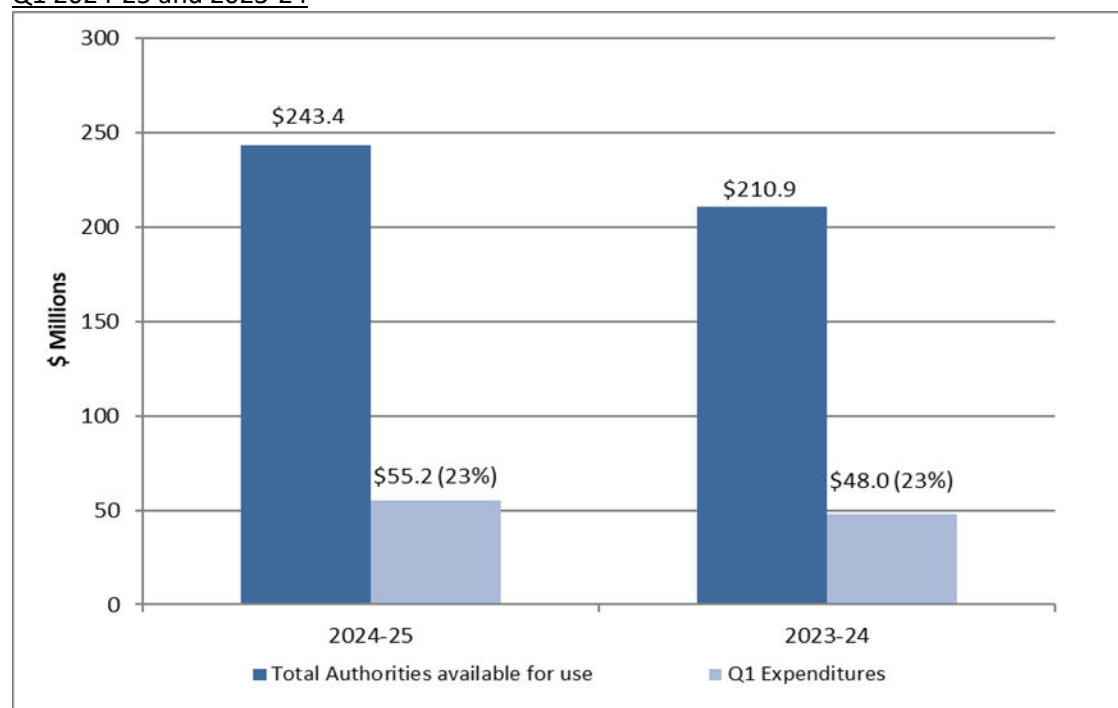
PCO uses the full accrual method of accounting to prepare and present its annual departmental financial statements¹ that are part of the departmental performance reporting process. The spending authorities voted by Parliament remain on an expenditure basis.

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 June 30, 2024.

PCO spent approximately 23% of its authorities available for use at the end of the first quarter of 2024-25, compared to 23% at the end of the same quarter of 2023-24 (see graph 1 below).

Graph 1: Comparison of Total Authorities Available for Use and Total Net Budgetary Expenditures as of Q1 2024-25 and 2023-24

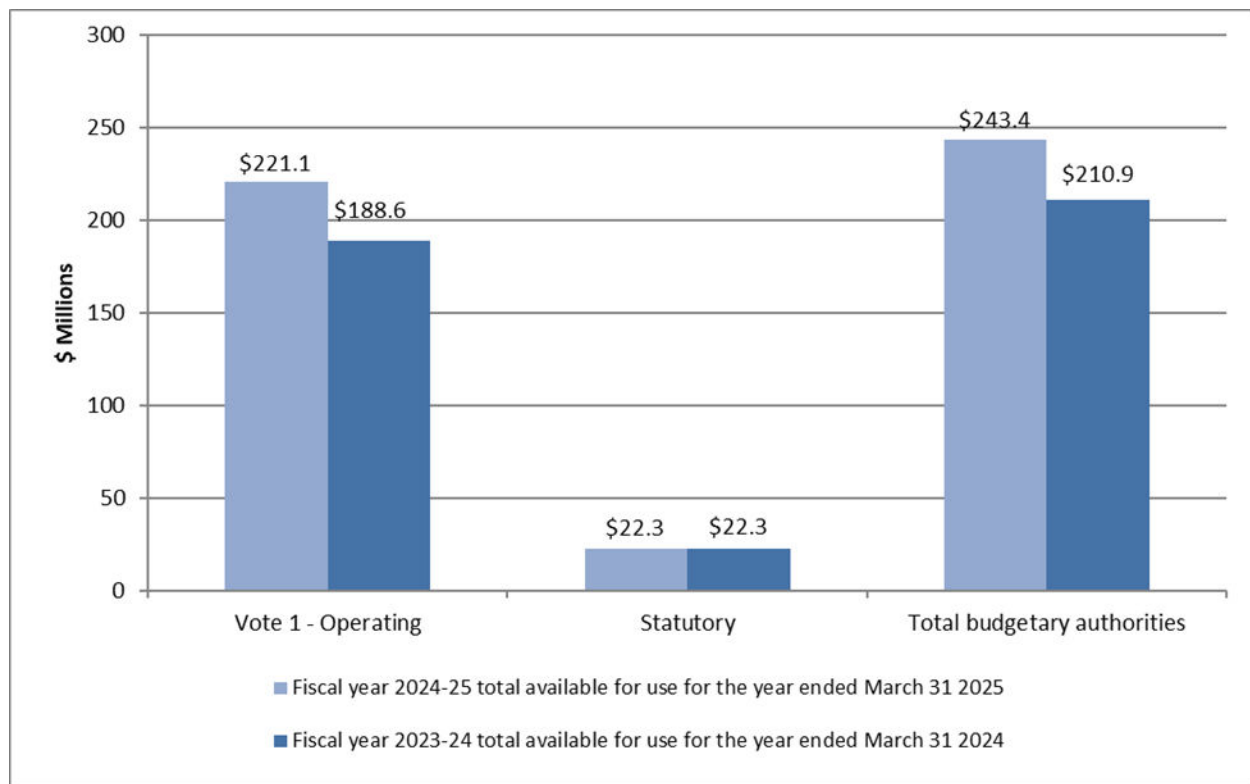


¹ The notes to the annual departmental financial statements include a reconciliation between full accrual results and spending authorities.

Significant changes to authorities

Further to graph 2 below and Annex A, presented at the end of this document, as at June 30, 2024, PCO has authorities available for use of \$243.4 million in 2024-25 compared to \$210.9 million as of June 30, 2023, for a net increase of \$32.4 million or 15%. The net increase in authorities of \$32.4 million is mainly explained by funding related to the Public Inquiry into Foreign Interference in Federal Electoral Processes and Democratic Institutions and an increase in funding for compensation adjustments. This is partially offset by the sunset funding for the Public Order Emergency Commission and the reduction of funding announced in Budget 2023. Commissions of Inquiry are independent organizations but are reported under PCO's financial statements.

Graph 2: Variance in Authorities as at June 30, 2024



Significant changes to quarter expenditures

Year-to-date net expenditures recorded to the end of the first quarter increased by \$7.2 million, or 15%, from the same period of the previous year (from \$48.0 million for 2023-24 to \$55.2 million for 2024-25). Table 1 below presents budgetary expenditures by standard object.

Table 1

Material Variances to Expenditures by Standard Object (in thousands of dollars)	Fiscal year 2024-25 Expended during the quarter ended 30-June-2024	Fiscal year 2023-24 Expended during the quarter ended 30-June-2023	Variance \$	Variance %
Personnel	46,159	40,176	5,983	15%
Transportation and communications	1,712	1,117	595	53%
Information	1,162	1,059	103	10%
Professional and special services	5,726	5,088	638	13%
Rentals	1,950	1,596	354	22%
Repair and maintenance	87	80	7	9%
Utilities, materials and supplies	78	74	4	5%
Acquisition of machinery and equipment	943	808	135	17%
Transfer payments	279	42	237	564%
Other subsidies and payments	300	342	(42)	(12%)
Total gross budgetary expenditures	58,397	50,380	8,017	16%
Less revenues netted against expenditures	(3,151)	(2,330)	(821)	35%
Total net budgetary expenditures *	55,246	48,049	7,197	15%

* Details may not add to totals due to rounding

Personnel:

The overall increase of \$6.0 million in personnel spending is mainly due to compensation adjustments related to pay rate increases and the establishment of the Public Inquiry into Foreign Interference in Federal Electoral Processes and Democratic Institutions on September 7, 2024.

Transportation and communications

The increase of \$0.6 million in transportation and communications relates mainly to travel costs for the Public Inquiry into Foreign Interference in Federal Electoral Processes and Democratic Institutions established on September 7, 2024

Revenues netted against expenditures:

The increase of \$0.8 million for revenues netted against expenditures is mainly due to more recoveries in the first quarter of 2024-25 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 2023-24.

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 threats to security (cybersecurity/insider/physical), information management, increasing horizontality, complexity and scope of work, 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.

Significant changes in relation to operations, personnel and programs

In April 2024, Paul Halucha, Deputy Secretary to the Cabinet (Clean Growth), was concurrently appointed Deputy Minister of Public Lands and Housing.

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 August 29, 2024

Privy Council Office
Quarterly Financial Report
For the quarter ended June 30, 2024
STATEMENT OF AUTHORITIES (unaudited) (note 2)

	Fiscal year 2024-2025			Fiscal year 2023-2024		
	Total available for use for the year ending March 31, 2025 (note 1)	Used during the quarter ended June 30, 2024	Year-to-date used at quarter-end	Total available for use for the year ending March 31, 2024 (note 1)	Used during the quarter ended June 30, 2023	Year-to-date used at quarter-end
<i>(In thousands of dollars)</i>						
Vote 1 - Net operating expenditures	221,058	49,648	49,648	188,648	42,453	42,453
Budgetary statutory authorities						
Contributions to employee benefits plans	21,891	5,473	5,473	21,906	5,477	5,477
Prime Minister - Salary and motor car allowance	205	51	51	194	49	49
Leader of the Government in the House of Commons - Salary and motor car allowance	99	49	49	95	24	24
President of the King's Privy Council for Canada and the Minister of Emergency Preparedness - Salary and motor car allowance	-	-	-	95	24	24
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	99	25	25	-	-	-
Minister of Intergovernmental Affairs, Infrastructure and Communities - Salary and motor car allowance	-	-	-	-	24	24
Total budgetary authorities	243,351	55,246	55,246	210,937	48,049	48,049
TOTAL AUTHORITIES	243,351	55,246	55,246	210,937	48,049	48,049

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 June 30, 2024
Departmental budgetary expenditures by Standard Object (unaudited) (note 2)

(In thousands of dollars)

	Fiscal year 2024-2025			Fiscal year 2023-2024		
	Planned expenditures for the year ending March 31, 2025 (note 1)	Expended during the quarter ended June 30, 2024	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2024 (note 1)	Expended during the quarter ended June 30, 2023	Year-to-date used at quarter-end
Budgetary expenditures						
Personnel	180,924	46,159	46,159	166,409	40,176	40,176
Transportation and communications	5,285	1,712	1,712	4,997	1,117	1,117
Information	5,217	1,162	1,162	4,133	1,059	1,059
Professional and special services	41,195	5,726	5,726	23,687	5,088	5,088
Rentals	5,721	1,950	1,950	6,104	1,596	1,596
Repair and maintenance	1,787	87	87	2,029	80	80
Utilities, materials and supplies	569	78	78	444	74	74
Acquisition of machinery and equipment	8,997	943	943	11,637	808	808
Transfer payments	2,248	279	279	-	42	42
Other subsidies and payments	34	300	300	-	342	342
Total gross budgetary expenditures	251,979	58,397	58,397	219,440	50,380	50,380
Less revenues netted against expenditures						
Revenues (note 3)	(8,628)	(3,151)	(3,151)	(8,502)	(2,330)	(2,330)
Total revenues netted against expenditures	(8,628)	(3,151)	(3,151)	(8,502)	(2,330)	(2,330)
TOTAL NET BUDGETARY EXPENDITURES	243,351	55,246	55,246	210,937	48,049	48,049

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.

Note 3: PCO's revenues are sourced from the provision of intelligence analysis training and the provision of internal support services to other departments.