



## Quarterly Financial Report

For the quarter ended December 31, 2022

# Statement outlining results, risks and significant changes in operations, personnel, and program

## Introduction

This quarterly financial report has been prepared by management as required by [Section 65.1 of the Financial Administration Act \(FAA\)](#) and in the form and manner prescribed by the Treasury Board in accordance with the special purpose financial reporting framework described in the [Directive on Accounting Standards, GC 4400 Departmental Quarterly Financial Reports](#). It should be read in conjunction with the [Main Estimates](#) and [Supplementary Estimates](#). This quarterly report has not been subject to an external audit or review.

A summary description of the Canada Energy Regulator (CER)'s core responsibilities can be found in [Part II of the Main Estimates](#).

The CER receives its funding through annual Parliamentary authorities. Nearly all expenditures are subsequently recovered from the companies regulated by the CER and the funds are deposited to the Consolidated Revenue Fund of the Government of Canada.

## Basis of Presentation

The quarterly financial report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the CER's spending authorities granted by Parliament, and those used by the CER, consistent with the Main Estimates and Supplementary 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 moneys 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.

When Parliament is dissolved for the purposes of a general election, section 30 of the Financial Administration Act authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.



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The CER 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.

### Highlights of the Fiscal Quarter and the Fiscal Year to Date Results

This section highlights any significant items that affected the year-to-date results and/or contributed to the net change in resources available for the year and actual expenditures. It should be read in conjunction with the [Statement of Budgetary Authorities](#) and the [Departmental Budgetary Expenditures by Standard Object](#), which can be found at the end of this report.

#### Budgetary authorities analysis

As reflected in the [Statement of Budgetary Authorities](#) and the [Departmental Budgetary Expenditures by Standard Object](#), the department's total authority available for use in the fiscal year ending March 31, 2023 is \$107.68 million, as compared to \$110.86 million in the fiscal year ending March 31, 2022. The decrease of \$3.18 million is due to:

- an increase of \$0.83 million related to funding for regulatory renewal activities including Indigenous engagement and net-zero modelling;
- an increase of \$0.66 million related to the employee benefit plan;
- a decrease of \$1.01 million related to the Operating Budget Carry Forward;
- a decrease of \$3.01 million related to a Budget 2020 initiative to improve the CER's ability to interpret and make data available digitally to Canadians; and
- a net decrease of \$0.65 million related to compensation allocations as a result of adjustments made to terms and conditions of service or employment in the federal public administration.

#### Expenditures analysis

As reflected in the [Departmental Budgetary Expenditures by Standard Object](#), the department's authority used in the quarter ended December 31, 2022, is \$78.85 million, as compared to \$77.76 million as at the quarter ended December 31, 2021. The increase of \$1.09 million is due to:

- a decrease of \$0.76 million mainly related to a Budget 2020 initiative to improve the CER's ability to interpret and make data available digitally to Canadians;



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- a decrease of \$0.69 million related to compensation adjustments to reflect changes to terms and conditions of service or employment in the federal public administration;
- a decrease of \$0.50 million related to employee benefit plan costs; and
- an increase of \$3.04 million related to funding for regulatory renewal activities including Indigenous engagement and net-zero modelling.

## Risks and Uncertainties

The CER's work is shaped by emerging energy trends and by the proactive consideration of safety, environmental, societal, and economic trends that may influence both the volume of adjudicative matters that come before the CER in any given year, and our ability to carry out responsibilities that represent the ever-changing interests and concerns of Canadians. Due to the nature of its mandate, the CER's expenditures are influenced by planned and unplanned events (internal and external) that create uncertainty in expenditure and resource pressures.

The CER has an Enterprise Risk Management (ERM) Framework, which is a holistic approach to identify, assess, prepare for, and manage organization-wide strategic risks. By providing a framework to identify enterprise level risk events, ERM enables the CER's Board of Directors and senior management to strategically manage events that might stand in the way of organizational success and to identify mitigations to these risks.

## Significant Changes in Relation to Operations, Personnel and Programs

Effective December 1, 2022, Tracy Sletto was appointed as the Chief Financial Officer (CFO).

**The original version was approved by,**

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Gitane De Silva  
Chief Executive Officer

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Stanley Dania  
Deputy Chief Financial Officer

Calgary, Canada

24 February 2023



## Quarterly Financial Report

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**STATEMENT OF AUTHORITIES  
(unaudited)***(in thousands of dollars)*

	<b>Fiscal year 2022-2023</b>			<b>Fiscal year 2021-2022</b>		
	Total available for use for the year ending March 31, 2023*	Used during the quarter ended December 31, 2022	Year to date used at quarter-end	Total available for use for the year ending March 31, 2022*	Used during the quarter ended December 31, 2021	Year to date used at quarter-end
Vote 1 - Program Expenditures	96,869	25,221	71,266	100,088	23,288	69,680
Statutory Authority	10,808	2,527	7,581	10,771	2,693	8,079
<b>Total Budgetary authorities</b>	<b>107,677</b>	<b>27,748</b>	<b>78,847</b>	<b>110,859</b>	<b>25,981</b>	<b>77,759</b>
<b>Non-budgetary authorities</b>						
<b>Total authorities</b>	<b>107,677</b>	<b>27,748</b>	<b>78,847</b>	<b>110,859</b>	<b>25,981</b>	<b>77,759</b>

More information is available in the attached table.

*\* Includes only Authorities available for use and granted by Parliament at quarter-end.*



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**DEPARTMENTAL BUDGETARY EXPENDITURES BY STANDARD OBJECT (unaudited)**

<i>(in thousands of dollars)</i>	Fiscal year 2022-2023			Fiscal year 2021-2022		
	Planned expenditures for the year ending March 31, 2023*	Expended during the quarter ended December 31, 2022	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2022*	Expended during the quarter ended December 31, 2021	Year to date used at quarter-end
<b>Expenditures:</b>						
Personnel	84,568	23,483	65,966	86,014	20,877	63,752
Transportation and communications	2,745	606	1,477	3,326	306	830
Information	286	11	49	428	11	142
Professional and special services	14,324	2,863	9,024	15,342	4,199	10,845
Rentals	582	305	701	572	50	462
Repair and maintenance	1,081	169	722	1,138	227	699
Utilities, materials, and supplies	445	76	212	604	61	150
Acquisition of land, building and works	264	-	-	132	5	308
Acquisition of machinery and equipment	1,018	70	121	939	97	186
Transfer payments	2,364	157	552	2,364	124	242
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	-	8	23	-	24	143
Total gross budgetary expenditures	<b>107,677</b>	<b>27,748</b>	<b>78,847</b>	<b>110,859</b>	<b>25,981</b>	<b>77,759</b>
Less						
Total Revenues netted against expenditures	-	-	-	-	-	-
Total net budgetary expenditures	<b>107,677</b>	<b>27,748</b>	<b>78,847</b>	<b>110,859</b>	<b>25,981</b>	<b>77,759</b>

\* Includes only Authorities available for use and granted by Parliament at quarter-end.