



Quarterly Financial Report
For the quarter ended September 30, 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 fiscal year ending March 31, 2023. 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.

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.



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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 \$102.14 million, as compared to \$110.39 million in the fiscal year ending March 31, 2022. The decrease of \$8.25 million is due to:

- a decrease of \$3.01 million mainly related to a Budget 2020 initiative to improve the CER's ability to interpret and make data available digitally to Canadians;
- a decrease of \$1.76 million related to Budget 2017 Indigenous Advisory and Monitoring Committees;
- a decrease of \$1.04 million related to a Budget 2018 initiative to transition to new impact assessment and regulatory processes;
- a decrease of \$1.01 million related to Operating Budget Carry Forward;
- an increase of \$0.66 million related to the employee benefit plan; and
- a net decrease of \$2.09 million related to compensation allocations as a result of adjustments made to terms and conditions of service or employment in the federal public administration.



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Expenditures analysis

As reflected in the [Departmental Budgetary Expenditures by Standard Object](#), the department's authority used in the quarter ended September 30, 2022, is \$51.10 million, as compared to \$51.78 million as at the quarter ended September 30, 2021. The decrease of \$0.68 million is due to:

- a decrease of \$0.49 million related to Budget 2017 Indigenous Advisory and Monitoring Committees;
- a decrease of \$0.39 million mainly related to a Budget 2020 initiative to improve the CER's ability to interpret and make data available digitally to Canadians;
- a decrease of \$0.33 million related to employee benefit plan costs;
- an increase of \$0.13 million related to compensation adjustments to reflect changes to terms and conditions of service or employment in the federal public administration; and
- an increase of \$0.40 million related to a Budget 2018 initiative to transition to new impact assessment and regulatory processes.

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.

In 2021, the CER implemented an Enterprise Risk Management (ERM) Framework as the next step in maturing the organization's processes for managing risks in the context of the current governance model and new Strategic Plan. ERM is a holistic approach to identify, assess, prepare for, and manage organization-wide strategic risks. Through 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.



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Significant Changes in Relation to Operations, Personnel and Programs

Effective August 28, 2022, the Governor-in-Council (GIC), on the recommendation of the Minister of Natural Resources, has:

- designated Mark Watton as Lead Commissioner of the Canada Energy Regulator for a term of six years;
- reappointed Trena Grimoldby as a full-time Commissioner of the Canada Energy Regulator for a term of two years; and,
- reappointed Stephania Luciuk as a full-time Commissioner of the Canada Energy Regulator for a term of four years.

Approval by Senior Officials

The original version was approved by,

The original version was approved by,

Gitane De Silva
Chief Executive Officer

Ed Jansen
Acting Chief Financial Officer

Calgary, Canada
28 November 2022



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STATEMENT OF AUTHORITIES
(unaudited)

(in thousands of dollars)

	Fiscal year 2022-2023			Fiscal year 2021-2022		
	Total available for use for the year ending March 31, 2023*	Used during the quarter ended September 30, 2022	Year to date used at quarter-end	Total available for use for the year ending March 31, 2022*	Used during the quarter ended September 30, 2021	Year to date used at quarter-end
Vote 1 - Program Expenditures	92,036	24,441	46,045	99,623	24,550	46,392
Statutory Authority	10,107	2,527	5,054	10,771	2,693	5,386
Total Budgetary authorities	102,143	26,968	51,099	110,394	27,243	51,778
Non-budgetary authorities						
Total authorities	102,143	26,968	51,099	110,394	27,243	51,778

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)

(in thousands of dollars)

	Fiscal year 2022-2023			Fiscal year 2021-2022		
	Planned expenditures for the year ending March 31, 2023*	Expended during the quarter ended September 30, 2022	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2022*	Expended during the quarter ended September 30, 2021	Year to date used at quarter-end
Expenditures:						
Personnel	79,363	21,648	42,483	85,549	21,910	42,875
Transportation and communications	2,580	505	871	3,326	279	524
Information	286	11	38	428	101	131
Professional and special services	14,160	3,752	6,161	15,342	4,052	6,646
Rentals	582	350	396	572	204	412
Repair and maintenance	1,081	441	553	1,138	168	472
Utilities, materials, and supplies	445	96	136	604	73	89
Acquisition of land, building and works	264	-	-	132	303	303
Acquisition of machinery and equipment	1,018	38	51	939	59	89
Transfer payments	2,364	117	395	2,364	50	118
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	-	10	15	-	44	119
Total gross budgetary expenditures	102,143	26,968	51,099	110,394	27,243	51,778
Less						
Total Revenues netted against expenditures	-	-	-	-	-	-
Total net budgetary expenditures	102,143	26,968	51,099	110,394	27,243	51,778

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