



# Quarterly Financial Report for the Quarter ended December 31, 2016



## Parole Board of Canada

### 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 Treasury Board Accounting Standard 1.3. This quarterly report should be read in conjunction with the Main Estimates and Supplementary Estimates. It has not been subject to an external audit or review.

### Authority and Objectives

The Parole Board of Canada (PBC or the Board) is an independent administrative tribunal responsible for making decisions about the timing and conditions of release of offenders to the community on various forms of conditional release. The Board also makes record suspension decisions and recommendations for the exercise of clemency through the [Royal Prerogative of Mercy](#) (RPM).

Legislation governing the Board includes the [Corrections and Conditional Release Act](#) (CCRA), the [Criminal Records Act](#) (CRA), and the [Criminal Code](#). The CCRA empowers the Board to make conditional release decisions for federal offenders and offenders in provinces and territories without their own parole boards. Provincial Boards currently exist in Quebec and Ontario. The CRA entitles the Board to order, deny and revoke record suspensions for convictions under federal acts or regulations. The Governor General or the Governor in Council approves the use of the RPM for those convicted of a federal offence, in all jurisdictions, based on investigations by the Board and recommendations from the Minister of Public Safety.

The Board has one strategic outcome: Conditional release and record suspension decisions and decision processes that safeguard Canadian communities. This strategic outcome is the cornerstone of the Board's public accountability and reporting of results.

Further details on the Board's authority, mandate and program activities may be found in the PBC's [Report on Plans and Priorities](#).

### Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Board's spending authorities granted by Parliament and those used by the department, consistent with the Main Estimates and Supplementary Estimates for the 2016-17 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.

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

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

### Significant Changes to Authorities

As at December 31, 2016, total authorities available for the year have increased by \$0.9M compared to the same quarter of the previous year, from \$48.2M to \$49.1M. The major changes are as follows:

#### Quarter 1:

- An increase of \$0.1 million related to funds received for The Canadian Victims Bill of Rights;
- An increase of \$0.1 million related to the Employee Benefit Plan (EBP).

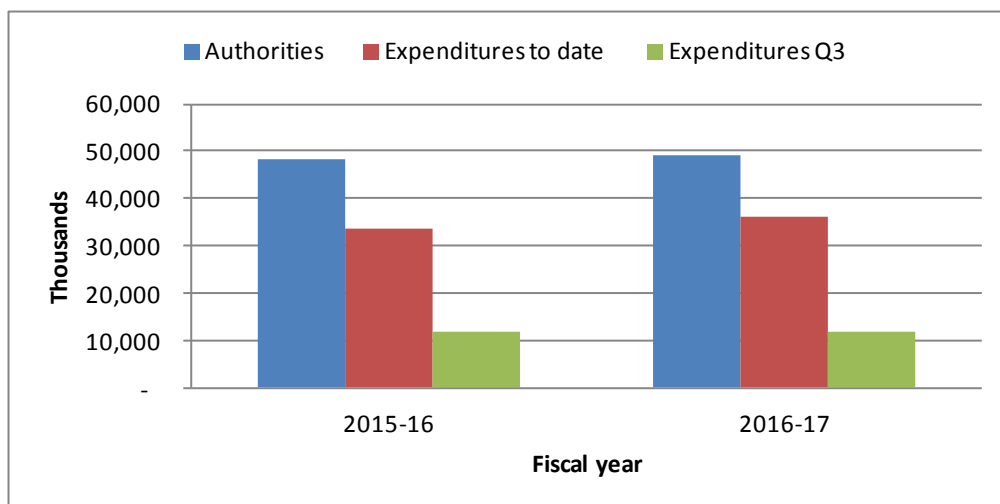
#### Quarter 2:

- A net increase of \$0.4 million in regards to the annual amount of operating budget carried-forward from the previous fiscal year;
- An increase of \$0.1 million related to a reduction for Back Office Transformation which occurred in 2015-16 but not in 2016-17.

#### Quarter 3:

- An increase of \$0.2 million related to a reduction for Back Office Transformation which occurred in 2015-16 but not in 2016-17.

**Figure 1 – Third Quarter Expenditures Compared to Annual Authorities**



### **Significant Changes to Gross Budgetary Expenditures**

Year-to-date (YTD) net spending increased by \$2.4M or 7% in 2016-17, compared with the same quarter in 2015-16. Gross budgetary expenditures increased by \$1.9M or 5% and the revenue decreased by \$490K or 17% in 2016-17 compared to 2015-16. As a percentage of planned expenditures, year-to-date gross spending in the third quarter of 2016-17 increased over that of 2015-16, to 71% compared to 68% (\$38.6M in 2016-17 and \$36.6M in 2015-16).

The following paragraphs provide detail of significant changes, focusing on occurrences in the third quarter:

- Personnel expenditures increased by \$85K or 1% in the third quarter of 2016-17 (\$709K or 2% increase year-to-date). This increase is largely due to a shortage in full time board members resulting in an increased utilization of part-time at a greater per diem salary cost.
- Transport and Communications increased by \$56K or 12% in the third quarter of 2016-17. This increase is due to the replenishment of the postage machine that occurred in this quarter of 2016-17 which did not occur in the same quarter of 2015-16.
- Information decreased by \$6K or 35% compared to the third quarter of 2015-16. This decrease is due mainly to reduced cost of printing due to implementation of E-File and the Integrated Decision System.
- Professional and special services decreased by \$245K or 38% in the third quarter of 2016-17 compared to the same period in the previous fiscal year. This is mainly due to the timing differences in recurring payments of legal fees and systems maintenance expenses. Payments were made in the third quarter of 2015-16 but were not made in the third quarter of 2016-17. Legal fees were paid in advance starting in 2016-17 and on a year-to-date basis, expenditures in this area are relatively stable in 2016-17.
- Repair and maintenance increased by \$289K compared with the third quarter of last year. This increase is related to expenditures for the Board's Edmonton Office relocation and for the Kingston Office renovation.
- Loans Investments and Advances is a new amount this year due to salary advances and or overpayments made because of various problems related to transition to the new pay system Phoenix. It increased by \$155K in the third quarter to a total of \$223K year-to-date for 2016-17.

### **Significant Changes to Revenues Collected**

The number of record suspension applications accepted in the third quarter of 2016-17 was 1,969, which is 5% less than the same quarter in 2015-16. This resulted in a corresponding 5% or \$42K decrease in revenues collected in the third quarter of 2016-17 compared to 2015-16.

## **Risks and Uncertainties**

The PBC receives its funding through annual Parliamentary authorities. As a result, its operations are affected by any changes in funding approved through Parliament. The Board collects user fees for processing record suspension applications, and has the authority to spend revenues received during the year on activities related to processing applications for record suspensions. If lower than expected volume persists, this will have an impact on the Board's net financial situation.

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

No significant changes in this quarter.

## **Approval by Senior Officials**

Approved by,

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Harvey Cenaiko  
Chairperson

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Cathy Gaudet, CPA, CA  
Chief Financial Officer

Ottawa, Canada  
February 22, 2017

**Statement of Authorities (unaudited)**

(In thousands of dollars)	Fiscal year 2016-2017			Fiscal year 2015-2016		
	Total available for use for the year ending March 31, 2017*	Used during the quarter ended December 31, 2016	Year to date used at quarter-end	Total available for use for the year ending March 31, 2016*	Used during the quarter ended December 31, 2015	Year to date used at quarter-end
Vote 1 – Program expenditures	48,599	11,422	34,001	47,963	11,192	32,226
Less revenues netted against expenditures	5,645	925	2,368	5,645	967	2,858
<b>Total net Program expenditures</b>	<b>42,954</b>	<b>10,497</b>	<b>31,633</b>	<b>42,318</b>	<b>10,225</b>	<b>29,368</b>
Budgetary statutory authorities - EBP	6,119	1,530	4,589	5,894	1,473	4,420
<b>Total authorities</b>	<b>49,073</b>	<b>12,027</b>	<b>36,222</b>	<b>48,212</b>	<b>11,698</b>	<b>33,788</b>

**Departmental Budgetary Expenditures by Standard Object (unaudited)**

(In thousands of dollars)	Fiscal year 2016-2017			Fiscal year 2015-2016		
	Planned expenditures for the year ending March 31, 2017*	Expended during the quarter ended December 31, 2016	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2016*	Expended during the quarter ended December 31, 2015	Year to date used at quarter-end
<b>Expenditures</b>						
Personnel	43,977	11,414	33,933	42,955	11,329	33,224
Transportation and communications	3,960	535	1,521	4,585	479	1,385
Information	374	11	38	339	17	43
Professional and special services	5,362	393	1,639	4,384	638	1,589
Rentals	198	29	96	249	29	82
Repair and maintenance	142	315	950	107	26	44
Utilities, materials and supplies	424	29	74	471	55	126
Acquisition of machinery and equipment	265	41	62	765	58	105
Other subsidies and payments	16	30	54	2	34	48
Loans Investments and Advances	-	155	223	-	-	-
<b>Total gross budgetary expenditures</b>	<b>54,718</b>	<b>12,952</b>	<b>38,590</b>	<b>53,857</b>	<b>12,665</b>	<b>36,646</b>
<b>Total revenues netted against expenditures</b>	<b>5,645</b>	<b>925</b>	<b>2,368</b>	<b>5,645</b>	<b>967</b>	<b>2,858</b>
<b>Total net budgetary expenditures</b>	<b>49,073</b>	<b>12,027</b>	<b>36,222</b>	<b>48,212</b>	<b>11,698</b>	<b>33,788</b>

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