



Parole Board
of Canada

Commission des libérations
conditionnelles du Canada

Quarterly Financial Report for the Quarter ended June 30, 2018



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 report should be read in conjunction with the Main Estimates and Supplementary Estimates.

A summary description of the Parole Board of Canada (PBC), raison d'être and core responsibilities can be found in [Part II of the Main Estimates](#).

This Quarterly Report has not been subject to an external audit or review.

Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the PBC's spending authorities granted by Parliament and those used by the department. Authorities include amounts granted through the Main Estimates and Supplementary Estimates for the 2018-19 fiscal year and any spendable revenue earned and available for use to quarter end. 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 PBC 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.

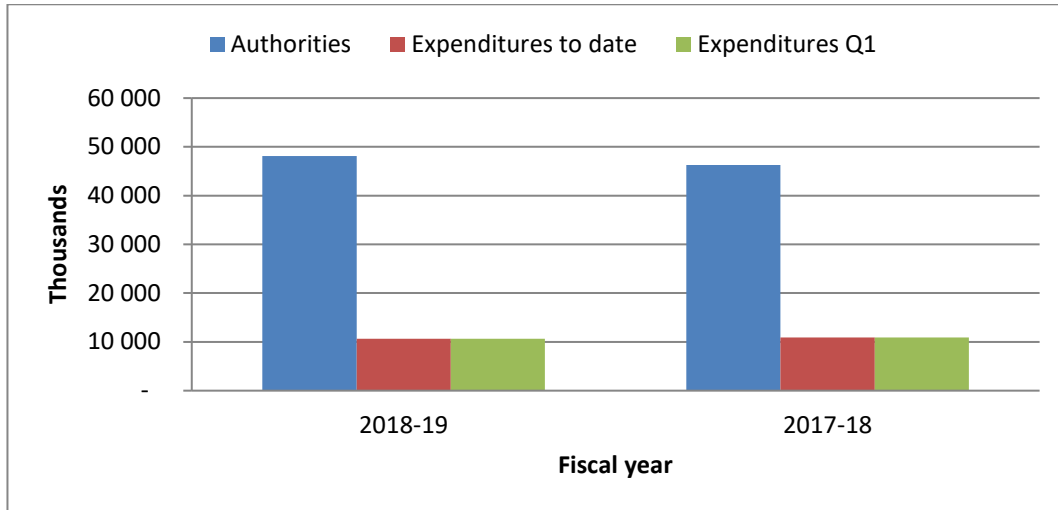
Highlights of Fiscal Quarter and Fiscal Year-to-Date Results

Significant Changes to Authorities

As at June 30, 2018, total authorities available for the year have increased by \$1.8M compared to the same quarter of the previous year, from \$46.3M to \$48.1M. This increase is attributable to higher compensation for collective agreements.

As illustrated in Figure 1, the PBC has spent approximately 22% of its authorities at the end of the first quarter, which is lower than last year's rate of 23%. As PBC's most significant expense is salaries, its spending should generally be distributed equally throughout the year.

Figure 1 - First Quarter Expenditures Compared to Annual Authorities



Significant Changes to Gross Budgetary Expenditures

There were no significant changes in total gross budgetary expenditures in the first quarter of 2018-19, when compared with the same quarter in 2017-18. There was a decrease of only \$20K or 0.2%. Within category of expenditures, an increase in personnel expenditures by \$172K, or 2%, is primarily attributed to decreased vacancies in the first quarter of 2018-19. This increase in personnel expenditures is offset by reductions in professional and special services in the quarter (\$95K or 45%) and other categories of expenditures, and are primarily attributed to timing differences of when the costs are incurred in the year.

Significant Changes to Revenues

Revenues recorded increased by \$226K, or 22%, compared with the first quarter of 2017-18, which is explained by an equivalent increase in the volume of record suspension applications accepted in the first quarter of 2018-19. Legislative changes dating back to 2012 imposed an additional 5 year waiting period for the eligibility criteria for certain applicants. This waiting period has now been reached by many applicants who are now eligible to apply. In addition, as a result of recent court decisions in British Columbia and Ontario, applications from applicants who reside in one of those two provinces whose last convictions occurred no later than March 12, 2012, have their requests processed as pardon applications under the applicable version of the *Criminal Records Act*.

Risks and Uncertainties

The PBC receives the majority of its funding through annual Parliamentary authorities. As a result, its operations are affected by any changes in funding approved through Parliament. The

PBC also collects user fees for processing record suspension/pardon applications, and has the authority to spend revenues received during the year on related activities. Significant variances in the volume of applications and the revenue collected may occur in response to legislative or policy changes affecting this program.

Significant Changes in Relation to Operations, Personnel, and Programs

Jennifer Oades was appointed Chairperson of the PBC on January 31, 2018.

On January 3, 2018, Sylvie Blanchet was appointed Executive Vice-Chairperson.

Daryl Churney was appointed Executive Director General on April 3, 2018.

Approval by Senior Officials

Approved by,

Jennifer Oades
Chairperson

Chantal Lemyre, CPA, CGA
Chief Financial Officer

Ottawa, Canada
August 8, 2018

Statement of Authorities (unaudited)

(in thousands of dollars)	Fiscal year 2018-19		
	Total available for use for the year ending March 31, 2019*	Used during the quarter ended June 30, 2018	Year-to-date used at quarter-end
Vote 1 – Program expenditures	48,103	10,500	10,500
Less revenues netted against expenditures	**5,645	1,245	1,245
Total net Program expenditures	42,458	9,255	9,255
Budgetary statutory authorities – EBP	5,678	1,420	1,420
Total authorities	48,137	10,675	10,675

(in thousands of dollars)	Fiscal year 2017-18		
	Total available for use for the year ending March 31, 2018*	Used during the quarter ended June 30, 2016	Year-to-date used at quarter-end
Vote 1 – Program expenditures	46,323	10,544	10,544
Less revenues netted against expenditures	**5,645	1,019	1,019
Total net Program expenditures	40,678	9,525	9,525
Budgetary statutory authorities – EBP	5,586	1,396	1,396
Total authorities	46,264	10,921	10,921

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

**The amount of revenues netted against expenditures reported in the Main Estimates, is based on an estimated amount of 12,000 accepted applications multiplied by the portion of the \$631 user fee that is respendable by PBC (\$470).

Departmental budgetary expenditures by Standard Object (unaudited)

(in thousands of dollars)	Fiscal year 2018-19		
	Planned expenditures for the year ending March 31, 2019*	Expended during the quarter ended June 30, 2018	Year-to-date used at quarter-end
Expenditures			
Personnel	43,039	11,281	11,281
Transportation and communications	3,000	416	416
Information	323	3	3
Professional and special services	5,790	117	117
Rentals	221	29	29
Repair and maintenance	300	13	13
Utilities, materials and supplies	343	5	5
Acquisition of machinery and equipment	731	6	6
Other subsidies and payments	35	50	50
Loans Investments and Advances	-	-	-
Total gross budgetary expenditures	53,782	11,920	11,920
User fee revenues netted against expenditures	5,645	1,245	1,245
Total net budgetary expenditures	48,137	10,675	10,675

(in thousands of dollars)	Fiscal year 2017-18		
	Planned expenditures for the year ending March 31, 2018*	Expended during the quarter ended June 30, 2017	Year-to-date used at quarter-end
Expenditures			
Personnel	41,167	11,109	11,109
Transportation and communications	3,960	407	407
Information	374	-	-
Professional and special services	5,362	212	212
Rentals	198	21	21
Repair and maintenance	142	50	50
Utilities, materials and supplies	424	26	26
Acquisition of machinery and equipment	265	5	5
Other subsidies and payments	17	23	23
Loans Investments and Advances	-	87	87
Total gross budgetary expenditures	51,909	11,940	11,940
Less Revenues netted against expenditures:			
User fee revenues netted against expenditures	5,645	1,019	1,019
Total net budgetary expenditures	46,264	10,921	10,921

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