



Parole Board
of Canada

Commission des libérations
conditionnelles du Canada

Quarterly Financial Report for the Quarter ended September 30, 2020



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

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, and those used by the department consistent with the Main Estimates and Supplementary Estimates (as applicable) for the 2020-21 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 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.

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 PBC 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 (YTD) results

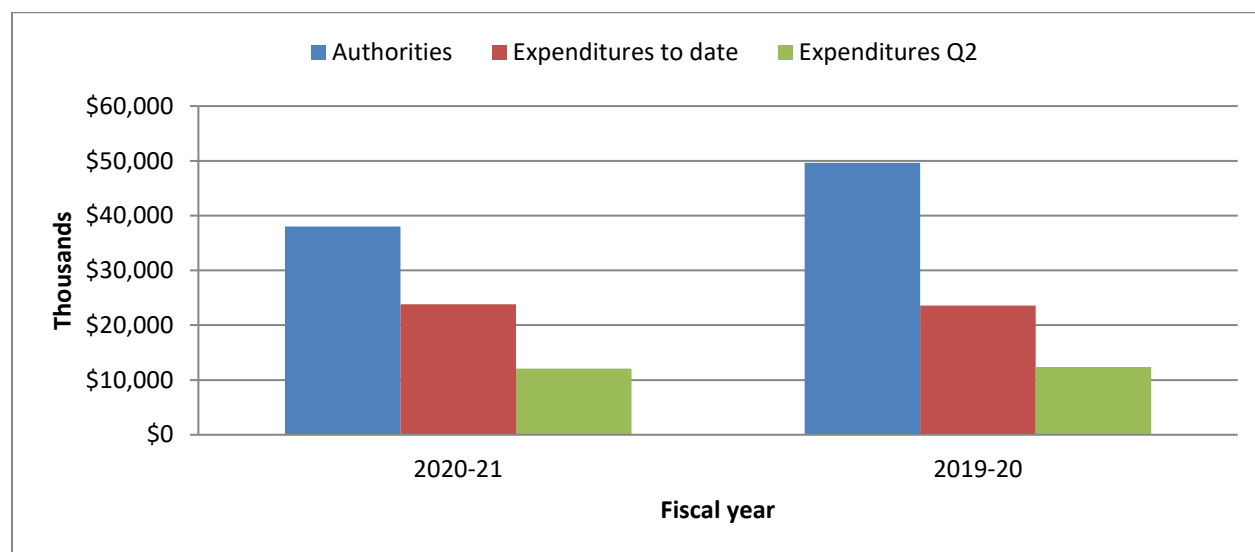
Total authorities available for fiscal year 2020-2021 are \$38.0 million compared to \$49.6 million as of September 30, 2019. The decrease of \$11.6 million, or 23.4%, is explained by:

- A decrease of \$10.5 million in the authorities available for use due to the reduced supply of the Main Estimates. Due to the COVID-19 pandemic and limited sessions in the Spring for Parliament to study supply, the Standing Orders of the House of Commons were amended to extend the study period into the Fall. PBC is expected to receive full supply for the 2020-21 Main Estimates in December 2020;
- A decrease of \$1.1 million in the operating budget carry forward from \$2.2 million in 2020-19 to \$1.1 million in 2020-21.

As illustrated in Figure 1, the PBC has spent approximately 63% of its authorities at the end of the second quarter, compared to 47% last year at the same period.

Overall, the PBC's total net budgetary expenditures remains stable because the decrease of approximately 3% in Travel, Information and Rentals expenditures mainly attributed to the travel restrictions and the impacts of the pandemic is offset by an increase in Acquisitions of Machinery and Equipment and a significant reduction in spendable revenues.

Figure 1 - Second Quarter Expenditures Compared to Annual Authorities



Risks and Uncertainties

The PBC operates in a dynamic and complex environment that requires it to be efficient, adaptive and innovative. It uses integrated risk management, including a Corporate Risk Profile that is updated annually, to identify and respond to challenges and opportunities. The PBC's key risks and uncertainties are:

- Evidence-based decision-making could be affected by a range of factors.
- That key activities and functions could be adversely affected, unless the PBC is able to recruit, stabilize, strengthen competencies and capacity, and retain its workforce, while ensuring a healthy and respectful workplace.
- The current information technology and information management capacity and operations may not be able to meet the PBC's evolving and growing needs.

The pandemic has temporarily brought a major shift to how we do our work, and that has required some quick thinking from our policy and operations to adapt PBC policies, write instructional guidance to staff and Board members and align our new operational realities as best as possible to legislative imperatives while still keeping Canadians safe.

Significant changes in relation to operations, personnel and programs

In March 2020, the World Health Organization declared a global pandemic following the outbreak of COVID-19. For the protection of personnel and that of communities' right across the country, efforts were made to take all public health precautions to prevent the further spread of COVID-19. As a result of COVID-19, the following significant changes occurred in relation to operations, personnel and programs:

- In line with the Government of Canada's Chief Human Resources Officer's recommendation and to ensure the PBC is adhering to federal and provincial public safety requirements, employees were asked to work from home as of March 16, 2020 until further notice.
- While offices remain open, most employees are working from home whenever and wherever possible to comply with the health measures for physical distancing to keep employees and Canadians safe. At the PBC, a maximum of 30% of employees are allowed to work from their desk within PBC's office space.

Additionally a significant change worth of mention is in 2017, the *Service Fees Act* came into force and replaced the *User Fees Act*. It imposed new requirements on Departments' charging user fees, which include a requirement to increase fees on an annual basis according to the Consumer Price Index (CPI). The first annual CPI increases were due to start in 2019-20, on an anniversary date selected by the program. The PBC has selected March 31, 2020 as the implementation date to

increase the user fee for record suspensions to \$644.88 from \$631.00.

Approval by Senior Officials

Approved by,

Jennifer Oades
Chairperson

Ottawa, Canada

Anik Lapointe CPA CGA
Chief Financial Officer

Statement of Authorities (*unaudited*)

	Fiscal year 2020-21 (in thousands of dollars)		
	Total available for use for the year ending March 31, 2021 ¹	Used during the quarter ended September 30, 2020	Year-to-date used at quarter-end
Vote 1 – Program expenditures	35,233	10,992	21,400
Vote-netted revenues ²	(2,663)	(280)	(280)
Net program expenditures	32,570	10,712	21,119
Budgetary statutory authority – Contributions to employee benefit plan	5,444	1,361	2,722
Total Budgetary authorities	38,014	12,073	23,842

	Fiscal year 2019-20 (in thousands of dollars)		
	Total available for use for the year ending March 31, 2020 ¹	Used during the quarter ended September 30, 2019	Year-to-date used at quarter-end
Vote 1 – Program expenditures	49,663	12,055	24,261
Vote-netted revenues ³	(5,645)	(1,073)	(2,095)
Net program expenditures	44,018	10,981	22,166
Budgetary statutory authority – Contributions to employee benefit plan	5,613	1,403	2,806
Total Budgetary authorities	49,631	12,385	23,569

¹ Includes only Authorities available for use and granted by Parliament at quarter-end.

² The amount of revenues netted against expenditures reported in the Main Estimates is based on an estimated amount of 11,663 accepted applications multiplied by the portion of the \$644.88 user fee that is responsible by PBC (\$484).

³ 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 \$631.00 user fee that is responsible by PBC (\$470).

Departmental budgetary expenditures by Standard Object (*unaudited*)

	Fiscal year 2020-21 (in thousands of dollars)		
	Planned expenditures for the year ending March 31, 2021	Expended during the quarter ended September 30, 2020	Year-to-date used at quarter-end
Expenditures			
Personnel	34,700	11,235	22,765
Transportation and communications	976	138	230
Information	28	4	4
Professional and special services	3,550	721	792
Rentals	248	26	54
Repair and maintenance	89	6	9
Utilities, materials and supplies	201	36	43
Acquisition of land, building and works	174	-	-
Acquisition of machinery and equipment	703	180	198
Other subsidies and payments	9	7	27
Total gross budgetary expenditures	40,677	12,353	24,122
Less Revenues netted against expenditures:			
Vote-netted revenues	2,663	280	280
Total net budgetary expenditures	38,014	12,073	23,842

	Fiscal year 2019-20 (in thousands of dollars)		
	Planned expenditures for the year ending March 31, 2020	Expended during the quarter ended September 30, 2019	Year-to-date used at quarter-end
Expenditures			
Personnel	49,315	11,567	22,929
Transportation and communications	2,945	810	1,353
Information	97	46	50
Professional and special services	1,582	773	1,002
Rentals	243	130	151
Repair and maintenance	61	7	12
Utilities, materials and supplies	176	31	55
Acquisition of land, building and works	40	9	9
Acquisition of machinery and equipment	741	74	80
Other subsidies and payments	76	11	23
Total gross budgetary expenditures	55,276	13,458	25,664
Less Revenues netted against expenditures:			
Vote-netted revenues	5,645	1,073	2,095
Total net budgetary expenditures	49,631	12,385	23,569