



Public Prosecution
Service of Canada

Service des poursuites
pénales du Canada

PPSC Quarterly Financial Report for the Quarter ended September 30, 2018

Office of the Director of Public Prosecutions



This publication presents the Public Prosecution Service of Canada Quarterly Financial Report for the Quarter ended September 30, 2018.

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For more information, contact:

Public Prosecution Service of Canada
160 Elgin Street, 12th Floor
Ottawa ON Canada K2P 2C4
info@ppsc.gc.ca

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Quarterly Financial Report For the Quarter ended September 30, 2018

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

A. 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. It has not been subject to an external audit or review. This quarterly report should be read in conjunction with the *Main Estimates and Supplementary Estimates*.

The Office of the Director of Public Prosecutions (ODPP) was created on December 12, 2006, with the coming into force of the *Director of Public Prosecutions Act*. The ODPP is an independent prosecution service mandated to prosecute offences that are under the jurisdiction of the Attorney General of Canada.

On October 1, 2014, pursuant to amendments to the *Canada Elections Act*, the Office of the Commissioner of Canada Elections (OCCE) was transferred from Elections Canada to the ODPP. The Commissioner of Canada Elections and the Director of Public Prosecutions exercise their statutory duties independently from each other while operating within the same organization.

The ODPP has two core responsibilities. The first is that prosecution services are provided in an independent, impartial and fair manner. The mandate of the ODPP includes:

- providing legal advice to federal investigative agencies and government departments on the criminal law implications of investigations and prosecutions;
- initiating and conducting federal prosecutions; and
- intervening in matters that raise questions of public interest that may affect the conduct of prosecutions or related investigations.

The second core responsibility is in respect of the work of the OCCE. It provides that compliance and enforcement activities under the *Canada Elections Act* and *Referendum Act* are conducted by the OCCE in an independent, impartial, and fair manner. Activities related to this mandate include:

- using non-punitive and informal corrective measures in response to certain situations of non-compliance and of formal measures for others, such as compliance agreements, injunctions, and applications for the judicial deregistration of a registered party; and
- taking enforcement measures to respond to situations of non-compliance, including deciding which matters will be referred to the ODPP for possible prosecution and what charges will be recommended.

Internal services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization.

B. Basis of Presentation

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

C. Highlights of Fiscal Quarter and Fiscal Year-to-date Results

1. Spending Authorities

At the end of the second quarter of 2018-19, the ODPP had total spending authorities of \$186.7 million available for use as detailed in Chart 1 and Appendix A. This amount represents the 2018-19 Main Estimates and the operating budget carry forward from the last fiscal year. The decrease of \$3.5 million (2%) compared to total spending authorities at the same time in fiscal year 2017-18 (190.2 million) is mainly due to a decrease in funding for professional services (collection of outstanding federal fines) offset by an increase in anticipated salary adjustments (collective agreement), and an increase in repair and maintenance for real property projects.

2. Expenditures for the Quarter ended September 30, 2018

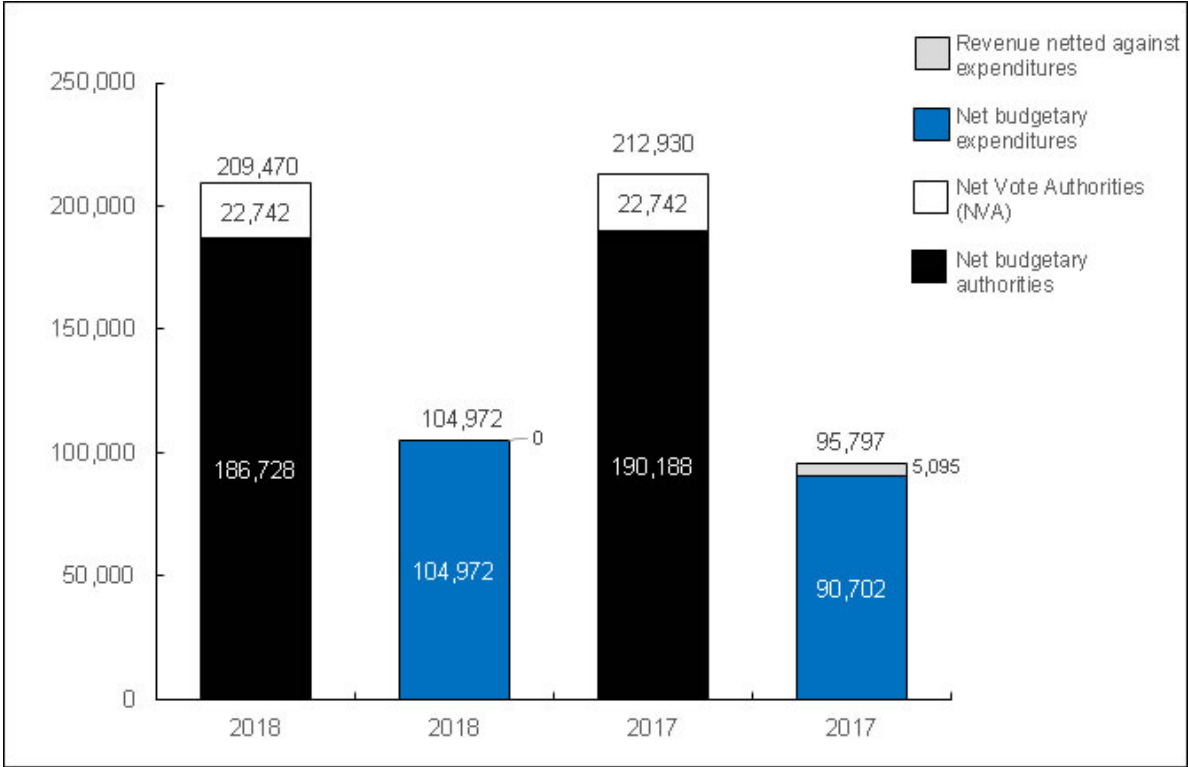
During the second quarter of 2018-19, the ODPP spent \$57 million compared to \$48 million for the same period in 2017-18, as detailed in Appendix B. The increase of \$9 million (or 19%) is mainly due to an increase in salary expenditures as well as an increase in other subsidies and payments (more specifically because of the timing of payment in line with the service arrangement with Justice and other interdepartmental transactions). The increase is combined with a slower collection of revenues compared to the last year due to timing of invoicing and is offset by a decrease in professional services expenditures due to the timing of payments.

3. Year-to-date Authorities and Expenditures as at September 30, 2018

At the end of September 2018, the ODPP had spent \$105 million (or 56%) of its total authorities of \$186.7 million as detailed in Appendix B. At the same time last year, the ODPP had spent 48% of its total authorities.

Chart 1: Comparison of Budgetary Authorities and Expenditures as of September 30, 2018,

and September 30, 2017 (in thousands of dollars)



Text Description

The chart presents the ODPP's year-to-date net budgetary authorities and net budgetary expenditures as of September 30 for the fiscal years 2018-19 and 2017-18. The chart also shows the net vote authorities and the revenues netted against expenditures for the same period.

As of September 30, 2018, the net budgetary authorities were \$186.7 million and the net budgetary expenditures were \$105 million. For the same period in the previous fiscal year, net budgetary authorities and net budgetary expenditures were \$190.2 million and \$90.7 million, respectively.

As of September 30, 2018, the net vote authorities were \$22.7 million and the revenues netted against expenditures were \$0. For the same period in the previous fiscal year, net vote authorities and revenues netted against expenditures were \$22.7 million and \$5.1 million, respectively.

As of September 30, 2018, the total budgetary authorities, combining net budgetary authorities and net vote authorities totalled \$209.5 million, and the total budgetary expenditures, combining net budgetary expenditures and revenues netted against expenditures totalled \$105 million. For the same period in the previous fiscal year, the total budgetary authorities and the total budgetary expenditures totalled \$212.9 million and \$95.8 million, respectively.

D. Risks and Uncertainties

The ODPP's key corporate risks are identified and assessed through an annual update of the Corporate Risk Profile. This year, a number of key risks could have financial impacts should they materialize. Strategies have been put in place to mitigate them.

The ODPP does not determine the number or types of cases referred to it for prosecution, nor does it control all of the levers of the criminal justice system. This contributed to a risk that the organization may have insufficient funding to meet its prosecutorial obligations. In order to mitigate this risk, the ODPP continued to monitor its business practices and worked collaboratively with investigative agencies to ensure resources were managed in a cost effective manner through caseload and resource planning. Subsequent to 2017-18 year-end ODPP strengthened this strategy by implementing additional financial controls and measures, including more frequent monitoring, and renewed discussions with Central Agencies to explore options to augment available funds in alignment with the ODPP's mandate.

The funding pressures from the Public Services and Procurement Canada (PSPC) with respect to mandated relocations and/or renovations and the implementation of workplace 2.0 have a significant impact on the budget of the ODPP. The ODPP has developed a Strategic Real Property Plan from 2017 to 2021 that is continually reviewed to realign the funding levels of each project based on urgency.

E. Significant Changes in Relations to Operations, Personnel and Programs

No significant changes were noted during the second quarter of fiscal year 2018-19.

Approval by Senior Officials

Approved by:

Kathleen Roussel

Director of Public Prosecutions and
Deputy Attorney General of Canada

Ottawa, Canada

Date

Mélanie Lamoureux, CPA, CMA

Chief Financial Officer

Appendix A

Statement of Authorities (unaudited)

	Fiscal year 2018-2019				Fiscal year 2017-2018		
(in thousands of dollars)	Total available for use for the year ending Mar. 31, 2019 <div><div>*</div><div>-</div></div>	Used during the quarter ended Sept. 30, 2018	Year to date used at quarter-end		Total available for use for the year ending Mar. 31, 2018	Used during the quarter ended Sept. 30, 2017	Year to date used at quarter-end
Vote 1 - Net Operating expenditures	167,437	51,925	94,863		170,418	42,570	80,374
Budgetary Statutory Authorities:							
Contributions to employee benefit plans	17,928	4,482	8,964		18,216	4,554	9,108
Electoral expenditures	1,363	642	1,145		1,554	840	1,220
Total Budgetary statutory authorities	19,291	5,124	10,109		19,770	5,394	10,328
Total Budgetary Authorities	186,728	57,049	104,972		190,188	47,964	90,702
Non-budgetary Authorities	0	0	0		0	0	0
Total Authorities	186,728	57,049	104,972		190,188	47,964	90,702

*

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

Appendix B

Departmental budgetary expenditures by Standard Object (unaudited)

	Fiscal year 2018-19				Fiscal year 2017-18		
	Planned	Expended	Year to		Planned	Expended	Year to

(in thousands of dollars)	expenditures for the year ending Mar. 31, 2019	during the quarter ended Sept. 30, 2018	date used at quarter-end		expenditures for the year ending Mar. 31, 2018	during the quarter ended Sept. 30, 2017	date used at quarter-end
Expenditures:							
Personnel	136,311	41,618	73,425		134,739	34,811	64,194
Transportation and communications	7,174	1,272	2,365		7,864	1,528	2,553
Information	597	96	181		576	131	225
Professional, special & other services	53,104	10,146	23,782		60,147	13,750	26,110
Rentals	1,748	711	885		2,395	491	789
Repair and maintenance	5,754	469	648		1,898	36	86
Utilities, materials and supplies	1,432	341	636		1,568	267	563
Acquisition of machinery and equipment	558	369	481		712	234	297
Other subsidies and payments	2,792	2,027	2,569		3,031	128	980
Total gross budgetary expenditures	209,470	57,049	104,972		212,930	51,376	95,797
Less Revenues netted against expenditures:							
Legal services	(22,742)	-	-		(22,742)	(3,412)	(5,095)
Total net budgetary expenditures	186,728	57,049	104,972		190,188	47,964	90,702