



Public Prosecution
Service of Canada

Service des poursuites
pénales du Canada

PPSC Quarterly Financial Report for the Quarter ended December 31, 2018

Office of the Director of Public Prosecutions



This publication presents the Public Prosecution Service of Canada Quarterly Financial Report for the Quarter ended December 31, 2018.

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Quarterly Financial Report For the Quarter ended December 31, 2018

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

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 third quarter of 2018-19, the ODPP had total net spending authorities of \$195.6 million available for use as detailed in Chart 1 and Appendix A. This amount represents the 2018-19 Main Estimates and Supplementary Estimates A, the operating budget carry forward from the last fiscal year, funding for renewed collective agreements, payroll allocations to cover expenditures such as parental benefits and an increase in funding for upholding the integrity of Canada Elections. The increase of \$3.9 million (2%) compared to total net spending authorities at the same time in fiscal year 2017-18 (\$191.7 million) is mainly due to an increase in salary authorities (collective agreement pay increases and new funding to uphold the integrity of Canada Elections), an increase in repair and maintenance for real property projects, offset by a decrease in funding for professional services (collection of outstanding federal fines).

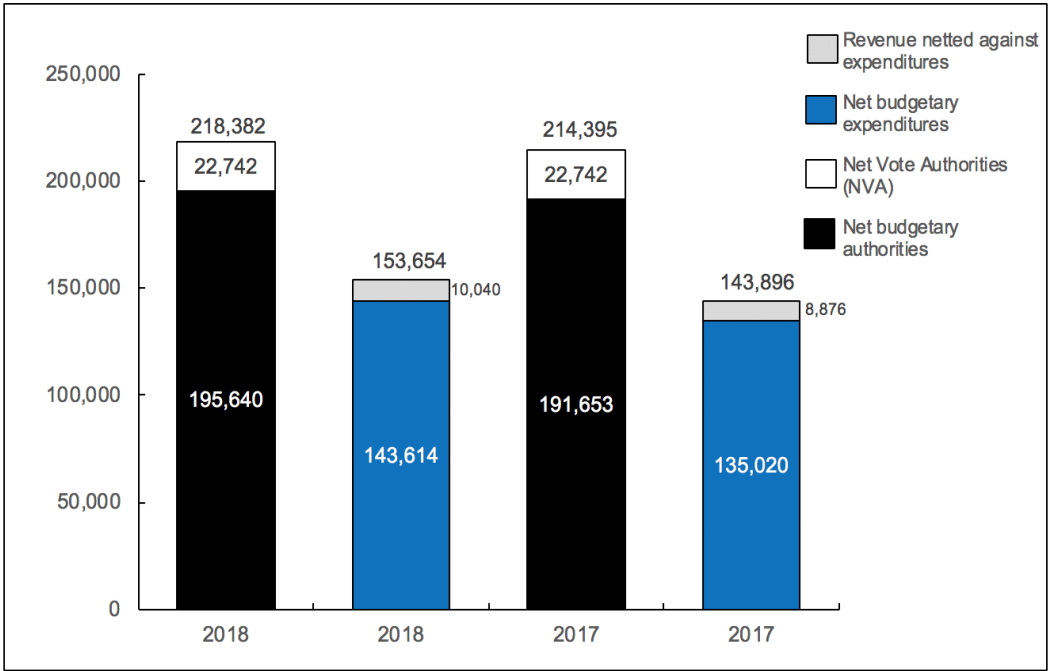
2. Expenditures for the Quarter ended December 31, 2018

During the third quarter of 2018-19, the ODPP had net expenditures of \$38.6 million compared to \$44.3 million for the same period in 2017-18, as detailed in Appendix B. The decrease of \$5.7 million (or 13%) is mainly due to an increase of \$6.3 in the collection of respendable revenues compared to the prior year, which is due to timing of invoicing as a result of a delay in the approval of updated legal service rates. The increase in revenues was offset by a small, \$0.6 million increase in expenditures. The change in the breakdown of expenditures is primarily the result of the timing of invoices from Other Government Departments (OGD), which will be allocated to specific expenditures prior to year-end.

3. Year-to-date Authorities and Expenditures as at December 31, 2018

At the end of December 2018, the ODPP had net expenditures of \$143.6 million (or 73%) of its total net spending authorities of \$195.6 million as detailed in Appendix B. At the same time last year, the ODPP had net expenditures of \$135.0 million (or 70%) of its total authorities of total net spending authorities of \$191.7 million. The increase of \$8.6 million is mainly due to an increase of \$7.9 million in salary expenditures, primarily from collective agreement pay increases.

Chart 1: Comparison of Budgetary Authorities and Expenditures as of December 31, 2018, and December 31, 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 December 31 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 December 31, 2018, the net budgetary authorities were \$195,640 thousand and the net budgetary expenditures were \$143,614 thousand. For the same period in the previous fiscal year, net budgetary authorities and net budgetary expenditures were \$191,653 thousand and \$135,020 thousand, respectively.

As of December 31, 2018, the net vote authorities were \$22,742 thousand and the revenues netted against expenditures were \$10,040 thousand. For the same period in the previous fiscal year, net vote authorities and revenues netted against expenditures were \$22,742 thousand and \$8,876 thousand, respectively.

As of December 31, 2018, the total budgetary authorities, combining net budgetary authorities and net vote authorities totalled \$218,382 thousand, and the total budgetary expenditures, combining net budgetary expenditures and revenues netted against expenditures totalled \$153,654 thousand. For the same period in the previous fiscal year, the total budgetary authorities and the total budgetary expenditures totalled \$214,395 thousand and \$143,896 thousand, 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 the 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. These discussions led to the ODPP securing short-term program integrity funding for 2018-19 and 2019-20 while the ODPP continues working to secure additional permanent funding to address on-going financial challenges.

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 also 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 third 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 December 31, 2018 | Year to date used at quarter-end | | Total available for use for the year ending Mar. 31, 2018 | Used during the quarter ended December 31, 2017 | Year to date used at quarter-end |
| | | | | | | | |

| | | | | | | | |
|---|---------|--------|---------|--|---------|--------|---------|
| Vote 1 - Net Operating expenditures | 176,235 | 34,888 | 129,751 | | 171,883 | 38,848 | 119,222 |
| Budgetary Statutory Authorities: | | | | | | | |
| Contributions to employee benefit plans | 18,042 | 2,988 | 11,952 | | 18,216 | 4,554 | 13,662 |
| Electoral expenditures | 1,363 | 765 | 1,910 | | 1,554 | 916 | 2,136 |
| Total Budgetary statutory authorities | 19,405 | 3,753 | 13,862 | | 19,770 | 5,470 | 15,798 |
| Total Budgetary Authorities | 195,640 | 38,641 | 143,613 | | 191,653 | 44,318 | 135,020 |
| Non-budgetary Authorities | 0 | 0 | 0 | | 0 | 0 | 0 |
| Total Authorities | 195,640 | 38,641 | 143,613 | | 191,653 | 44,318 | 135,020 |



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 | | |
|--|--|---|----------------------------------|--|--|---|----------------------------------|
| (in thousands of dollars) | Planned expenditures for the year ending Mar. 31, 2019 | Expended during the quarter ended December 31, 2018 | Year to date used at quarter-end | | Planned expenditures for the year ending Mar. 31, 2018 | Expended during the quarter ended December 31, 2017 | Year to date used at quarter-end |
| Expenditures: | | | | | | | |
| Personnel | 145,140 | 29,249 | 102,674 | | 136,204 | 30,534 | 94,728 |
| Transportation and communications | 7,174 | 1,357 | 3,722 | | 7,864 | 1,472 | 4,026 |
| Information | 597 | 84 | 265 | | 576 | 153 | 377 |
| Professional, special & other services | 53,078 | 14,545 | 38,327 | | 60,147 | 15,236 | 41,347 |
| | | | | | | | |

| | | | | | | | |
|---|----------------|---------------|----------------|--|----------------|---------------|----------------|
| Rentals | 1,748 | 532 | 1,417 | | 2,395 | 636 | 1,425 |
| Repair and maintenance | 5,754 | 43 | 691 | | 1,898 | 310 | 395 |
| Utilities, materials and supplies | 1,432 | 313 | 949 | | 1,568 | 368 | 931 |
| Acquisition of machinery and equipment | 558 | 130 | 612 | | 712 | 233 | 530 |
| Other subsidies and payments | 2,901 | 2,428 | 4,997 | | 3,031 | (843) | 137 |
| Total gross budgetary expenditures | 218,382 | 48,681 | 153,654 | | 214,395 | 48,099 | 143,896 |
| Less Revenues netted against expenditures: | | | | | | | |
| Legal services | (22,742) | (10,040) | (10,040) | | (22,742) | (3,781) | (8,876) |
| Total net budgetary expenditures | 195,640 | 38,641 | 143,614 | | 191,653 | 44,318 | 135,020 |

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