



Public Prosecution  
Service of Canada

Service des poursuites  
pénales du Canada

# PPSC Quarterly Financial Report for the Quarter ended June 30, 2019

Office of the Director of Public Prosecutions



This publication presents the Public Prosecution Service of Canada Quarterly Financial Report for the Quarter ended June 30, 2019.

Aussi disponible en français sous le titre : Rapport financier trimestriel pour le trimestre terminé le 30 juin 2019

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ISSN 2561-7044 (HTML Online, English)

ISSN 2561-7052 (HTML Online, French)

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# Quarterly Financial Report for the Quarter ended June 30, 2019

ISSN 2561-7044

## 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*.

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 exercised their statutory duties independently from each other while operating within the same organization. Subsequently, on April 1, 2019, a notice was given in the Canada Gazette, making it official that the OCCE was transferred back to Elections Canada, pursuant to section 401 of *An Act to amend the Canada Elections Act and other Acts*.

Pursuant to the transfer of the OCCE, the ODPP's core responsibility is the provision of prosecution services in an independent, impartial and fair manner. The mandate of the ODPP includes:

- initiating and conducting federal prosecutions;
- intervening in proceedings that raise a question of public interest that may affect the conduct of prosecutions or related investigations;
- issuing guidelines to federal prosecutors;
- advising law enforcement agencies or investigative bodies on general matters relating to prosecutions and on particular investigations that may lead to prosecutions;
- communicating with the media and the public on all matters that involve the initiation and conduct of prosecutions;
- exercising the authority of the Attorney General of Canada in respect of private prosecutions; and
- exercising any other power or carrying out any other duty of function assigned by the Attorney General of Canada that is compatible with the ODPP.

In addition, Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

### 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

The ODPP’s financial structure is mainly composed of voted budgetary authorities namely; Vote 1 Program expenditures and vote-netted revenue (VNR) authority, as well as statutory authorities for contributions to employee benefit plans.

1. Spending Authorities

At the end of the first quarter of 2019-20, the ODPP and OCCE had total net spending authorities of \$204.3 million available for use as detailed in Chart 1 and Appendix A. This amount represents the authorities provided in the 2019-20 Main Estimates, an adjustment to the employment benefits plan to reflect planned requirements, and a partial transfer of OCCE’s voted budgetary authorities to Elections Canada.

The increase of \$22.8 million (13%), compared to total net spending authorities at the same time in fiscal year 2018-19 (\$181.5 million) is mainly due to:

- an increase in funding of \$18.6 million to maintain the program integrity and the delivery of prosecution programs and services at current level;
- an increase of \$3 million in statutory funding for OCCE in support of upcoming elections;
- an increase in employee benefit plan funding of \$1.8 million to reflect planned requirements;
- an increase in funding of \$0.9 million for Remediation Agreement Regime implementation;
- a net increase in funding of \$0.4 million for compliance and enforcement activities under the Canada Elections Act and Referendum Act conducted by the OCCE taking into account the initial transfer of authorities to Elections Canada; and
- an overall decrease of (\$1.9 million) of funding previously allocated for salary increases due to the renegotiation of collective agreements.

Of the total net spending authorities, the remaining OCCE authorities will be transferred to Elections Canada during the first available Supplementary Estimates of 2019-20.

2. Revenues collected during the Quarter Ended June 30, 2019

As of the quarter ended June 30, 2019, the ODPP had collected \$3 million in spendable revenue in comparison to no collections during the same period the previous year, as detailed in Appendix B. The variance in revenue collections was a result of a delay in the approval of updated legal services rates in 2018-19, which had an impact on the timing of invoicing.

3. Expenditures for the Quarter Ended June 30, 2019

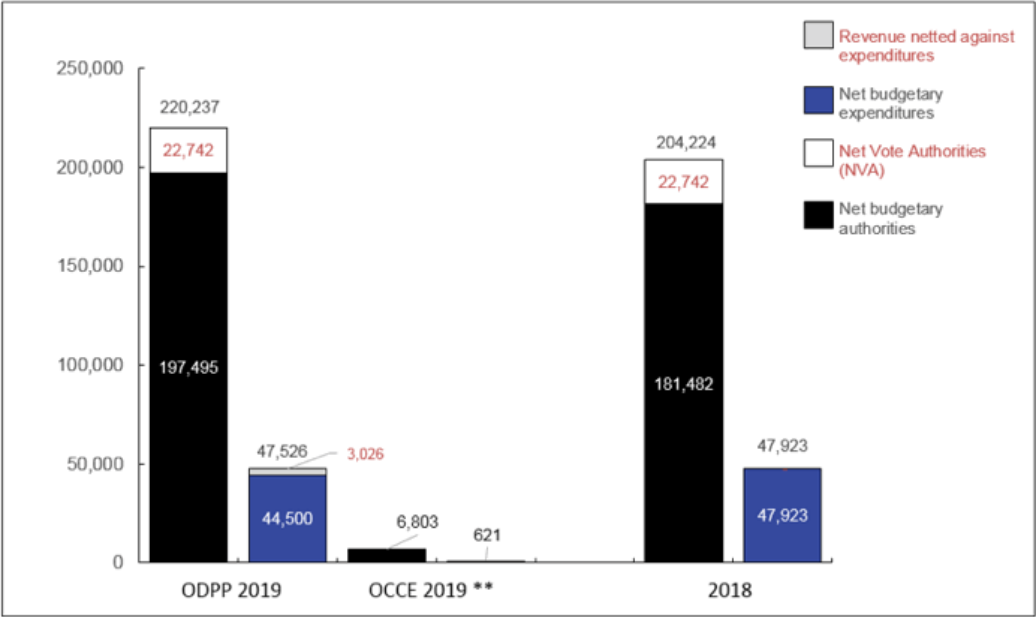
Total year-to-date gross budgetary expenditures increased from \$47.9 million in 2018-19 to \$48.1 million in 2019-20, as detailed in Appendix B. This represents a minimal increase of \$0.2 million in expenditures.

Of the total gross budgetary expenditures, \$0.6 million of OCCE expenditures will be recovered from Elections Canada as detailed in Chart 1 as well as in Appendices A and B.

4. Year-to-date Authorities and Expenditures as at June 30, 2019

At the end of June 2019, the ODPP and OCCE had net expenditures of \$45.1 million (or 22 %) of its total net spending authorities of \$204.3 million as detailed in Appendix B. At the same time last year, the ODPP had net expenditures of \$47.9 million (or 26 %) of its total authorities of total net spending authorities of \$181.5 million.

Chart 1: Comparison of Budgetary Authorities and Expenditures as of June 30, 2019, and June 30, 2018 (in thousands of dollars)



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Text Description

The graph presents the ODPP's year-to-date net budgetary authorities and net budgetary expenditures followed by the OCCE's year-to-date budgetary authorities and budgetary expenditures as of June 30, 2019. The graph then presents for the ODPP and OCCE combined the total year-to-date net budgetary authorities and total net budgetary expenditures as of June 30, 2018. The graph also shows the net vote authorities and the revenues netted against expenditures for the same period.

As of June 30, 2019, the net budgetary authorities of ODPP (excluding OCCE) were \$197,495 thousand and the net budgetary expenditures were \$44,500 thousand. The budgetary authorities of OCCE were \$6,803 thousand and the budgetary expenditures were \$621 thousand, respectively. For the same period in the previous fiscal year, net budgetary authorities and net budgetary expenditures were \$181,482 thousand and \$47,923 thousand, respectively for the ODPP and OCCE combined.

As of June 30, 2019, the net vote authorities of ODPP were \$22,742 thousand and the revenues netted against expenditures were \$3,026 thousand. For the same period in the previous fiscal year, net vote authorities and revenues netted against expenditures were \$22,742 thousand and zero, respectively.

As of June 30, 2019, the total budgetary authorities, combining net budgetary authorities and net vote authorities of ODPP (excluding OCCE) totalled \$220,237 thousand, and the total budgetary expenditures, combining net budgetary expenditures and revenues netted against expenditures totalled \$47,526 thousand. The total budgetary authorities and the total budgetary expenditures for OCCE totalled \$6,803 thousand and \$621 thousand, respectively. For the same period in the previous fiscal year, the total budgetary authorities and the total budgetary expenditures totalled \$204,224 thousand and \$47,923 thousand, respectively for the ODPP and OCCE combined.

Risks and Uncertainties

The ODPP's key corporate risks are identified and assessed through an annual update of the Corporate Risk Profile. This year, there are risks identified that 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. In prior years, this contributed to a risk that the organization might have insufficient resources to meet its prosecutorial obligations. Given the additional ongoing funding that was secured during 2018-19, this risk level has diminished and is deemed to be low. Although the risk is low, the ODPP continues to monitor its business practices to ensure resources are managed in a cost effective manner through caseload and resource planning. In addition, ODPP has built flexibility within its budget management processes to allow for the re-allocation of resources if and when required.

The ODPP's mandate is a demanding one and its success is highly dependent on the health and well-being of its workforce. There is a risk that sustaining the demanding workload and high-paced environment could affect the well-being of employees. To address

this risk PPSC promotes a healthy, inclusive, and respectful workplace enabling the well-being of its employees. The Mental Health and Wellness Steering Committee worked collaboratively with employees, management, and bargaining agents to develop a Mental Health Strategy with three areas of focus: organizational culture, psychological support, and civility and respect. Moreover, the PPSC established a working group to review its Code of Conduct, placing a greater emphasis on the importance of people management and addressing civility and psychological health in the workplace.

There is also a risk to reporting given that ODPP’s current legal case management system, iCase, is dated and no longer meets the organization’s data entry and reporting requirements. To mitigate this risk, ODPP has an ongoing project to customize and extend the legal case management system developed by Justice Canada to align with the ODPP’s strategic objectives and support the delivery of quality prosecution services. The ODPP’s programs and operations will be better served by the implementation of this new legal case management system (LCMS). LCMS will be dynamic and technology-forward to complement a confident and high-performing workforce that embraces innovation and efficiency. During 2019-20, the focus of the LCMS project will be on software development and testing.

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

OCCE was transferred back to Elections Canada as of April 1, 2019, pursuant to section 401 of An Act to amend the Canada Elections Act and other Acts. The remaining authorities available for use by the OCCE will be transferred to Elections Canada during the first available Supplementary Estimates of 2019-20. In addition, OCCE expenditures will be recovered from Elections Canada.

Approval by Senior Officials

Approved by:

**Kathleen Roussel**  
Director of Public Prosecutions and  
Deputy Attorney General of Canada

**Mélanie Lamoureux, CPA, CMA**  
Chief Financial Officer

Ottawa, Canada

Date

Appendix A

Statement of Authorities (unaudited)

|                                     | Fiscal year 2019-2020                                     |       |         |   |      |                                  | Fiscal year 2018-2019                                     |   |                                  |
|-------------------------------------|---|-------|---------|---|------|----------------------------------|---|---|----------------------------------|
| (in thousands of dollars)           | Total available for use for the year ending Mar. 31, 2020 |       |         | Used during the quarter ended June 30, 2019 |      | Year to date used at quarter-end | Total available for use for the year ending Mar. 31, 2019 | Used during the quarter ended June 30, 2018 | Year to date used at quarter-end |
|                                     | ODPP  | OCCE  | Total   | ODPP  | OCCE |                                  |   |   |                                  |
| Vote 1 - Net Operating expenditures | 177,934   | 2,026 | 179,960 | 42,903                                      | 621  | 43,524                           | 162,191   | 42,938                                      | 42,938                           |

| Budgetary Statutory Authorities:             |                |              |                |               |            |               |                |               |               |
|--|----------------|--------------|----------------|---------------|------------|---------------|----------------|---------------|---------------|
| Contributions to employee benefit plans      | 19,561         | 413          | 19,974         | 1,597         | 0          | 1,597         | 17,928         | 4,482         | 4,482         |
| Electoral expenditures <span>**</span>       | 0              | 4,364        | 4,364          | 0             | 0          | 0             | 1,363          | 503           | 503           |
| <b>Total Budgetary statutory authorities</b> | <b>19,561</b>  | <b>4,777</b> | <b>24,338</b>  | <b>1,597</b>  | <b>0</b>   | <b>1,597</b>  | <b>19,291</b>  | <b>4,985</b>  | <b>4,985</b>  |
| <b>Total Budgetary Authorities</b>           | <b>197,495</b> | <b>6,803</b> | <b>204,298</b> | <b>44,500</b> | <b>621</b> | <b>45,121</b> | <b>181,482</b> | <b>47,923</b> | <b>47,923</b> |
| Non-budgetary Authorities                    | 0              | 0            | 0              | 0             | 0          | 0             | 0              | 0             | 0             |
| <b>Total Authorities</b>                     | <b>197,495</b> | <b>6,803</b> | <b>204,298</b> | <b>44,500</b> | <b>621</b> | <b>45,121</b> | <b>181,482</b> | <b>47,923</b> | <b>47,923</b> |

- \* Includes only authorities available for use and granted by Parliament at quarter-end.
- \*\* OCCE was transferred back to Elections Canada as of April 1, 2019, pursuant to section 401 of An Act to amend the Canada Elections Act and other Acts. The remaining authorities available for use by the OCCE will be transferred to Elections Canada during the first available Supplementary Estimates of 2019-20.
- \*\*\* Salary expenditures to be recovered from Elections Canada.

## Appendix B

### Departmental budgetary expenditures by Standard Object (unaudited)

| Fiscal year 2019-2020                  |   |                      |         |   |                       |                                  | Fiscal year 2018-2019                                 |   |                                  |
|--|---|----------------------|---------|---|-----------------------|----------------------------------|---|---|----------------------------------|
| (in thousands of dollars)              | Planned expenditures for the year ending Mar. 31, 2020 <span>*</span> |                      |         | Expended during the quarter ended June 30, 2019 |                       | Year to date used at quarter-end | Planned expenditures for the year ending Mar 31, 2019 | Expended during the quarter ended June 30, 2018 | Year to date used at quarter-end |
|  | ODPP  | OCCE <span>**</span> | Total   | ODPP  | OCCE <span>***</span> |                                  |   |   |                                  |
| <b>Expenditures:</b>                   |   |                      |         |   |                       |                                  |   |   |                                  |
| Personnel                              | 142,117   | 4,214                | 146,331 | 30,694  | 621                   | 31,315                           | 136,311   | 31,807  | 31,807                           |
| Transportation and communications      | 7,534   | 90                   | 7,624   | 1,006   | 0                     | 1,006                            | 6,659   | 1,093   | 1,093                            |
| Information                            | 896   | 15                   | 911     | 55  | 0                     | 55                               | 554   | 85  | 85                               |
| Professional, special & other services | 56,132  | 2,328                | 58,460  | 11,743  | 0                     | 11,743                           | 49,296  | 13,635  | 13,635                           |
| Rentals                                | 2,084   | 16                   | 2,100   | 374   | 0                     | 374                              | 1,623   | 174   | 174                              |

|   |                |              |                |               |            |               |                |               |               |
|---|----------------|--------------|----------------|---------------|------------|---------------|----------------|---------------|---------------|
| Repair and maintenance                            | 1,822          | 0            | 1,822          | 18            | 0          | 18            | 5,342          | 179           | 179           |
| Utilities, materials and supplies                 | 1,570          | 90           | 1,660          | 331           | 0          | 331           | 1,329          | 295           | 295           |
| Acquisition of machinery and equipment            | 882            | 50           | 932            | 112           | 0          | 112           | 518            | 112           | 112           |
| Other subsidies and payments                      | 7,200          | 0            | 7,200          | 3,193         | 0          | 3,193         | 2,592          | 543           | 543           |
| <b>Total gross budgetary expenditures</b>         | <b>220,237</b> | <b>6,803</b> | <b>227,040</b> | <b>47,526</b> | <b>621</b> | <b>48,147</b> | <b>204,224</b> | <b>47,923</b> | <b>47,923</b> |
| <b>Less Revenues netted against expenditures:</b> |                |              |                |               |            |               |                |               |               |
| Legal services                                    | (22,742)       | 0            | (22,742)       | (3,026)       | 0          | (3,026)       | (22,742)       | 0             | 0             |
| <b>Total net budgetary expenditures</b>           | <b>197,495</b> | <b>6,803</b> | <b>204,298</b> | <b>44,500</b> | <b>621</b> | <b>45,121</b> | <b>181,482</b> | <b>47,923</b> | <b>47,923</b> |

- \*

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

OCCE was transferred back to Elections Canada as of April 1, 2019, pursuant to section 401 of An Act to amend the Canada Elections Act and other Acts. The remaining authorities available for use by the OCCE will be transferred to Elections Canada during the first available Supplementary Estimates of 2019-20.
- \*\*\*

Salary expenditures to be recovered from Elections Canada.

Footnotes

- \*\*

OCCE was transferred back to Elections Canada as of April 1, 2019, pursuant to section 401 of An Act to amend the Canada Elections Act and other Acts. The remaining authorities available for use by the OCCE will be transferred to Elections Canada during the first available Supplementary Estimates of 2019-20. The expenditures will be recovered from Elections Canada.