



Public Prosecution
Service of Canada

Service des poursuites
pénales du Canada

PPSC Quarterly Financial Report for the Quarter ended December 31, 2021

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, 2021.

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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.

The ODPP has one core responsibility which 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 carry out any other duty or 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 refer 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* for the 2021-22 fiscal year. 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.

Similar to many other entities worldwide, the global COVID-19 pandemic has had an impact on the ODPP quarterly results. The impact on the remainder of the fiscal year is uncertain with potential factors for increased risk being discussed further in section D and E of this report.

1. Spending Authorities

At the end of the third quarter of 2021-22, the ODPP had total net spending authorities of \$213.9 million available for use as detailed in Chart 1 and Appendix A. This amount represents the authorities provided in the 2021-22 *Main and Supplementary Estimates*, as well as the operating budget carry forward from the last fiscal year.

The increase of \$2.9 million (1.4 %), compared to total net spending authorities at the same time in fiscal year 2020-21 (\$211.0 million) is mainly due to:

- an increase of \$3.5 million in salary funding following ratifications of collective agreements and compensation related to Phoenix damages;

- an increase of \$1.9 million in operating budget carry forward from the last fiscal year;
- a decrease of \$1.6 million in funding for the Legal Case Management System (Amicus, formerly LCMS); and
- a decrease of \$0.9 million fund provided to maintain program integrity and the delivery of prosecution programs and services at current level.

2. Revenues collected during the Quarter Ended December 31, 2021

Revenues collected during the quarter are similar to revenues collected for the same period the previous year. During the quarter ended December 31, 2021, the ODPP had collected \$3.7 million in responsible revenue in comparison to \$4.4 million in 2020-21, as detailed in Appendix B.

3. Expenditures for the Quarter Ended December 31, 2021

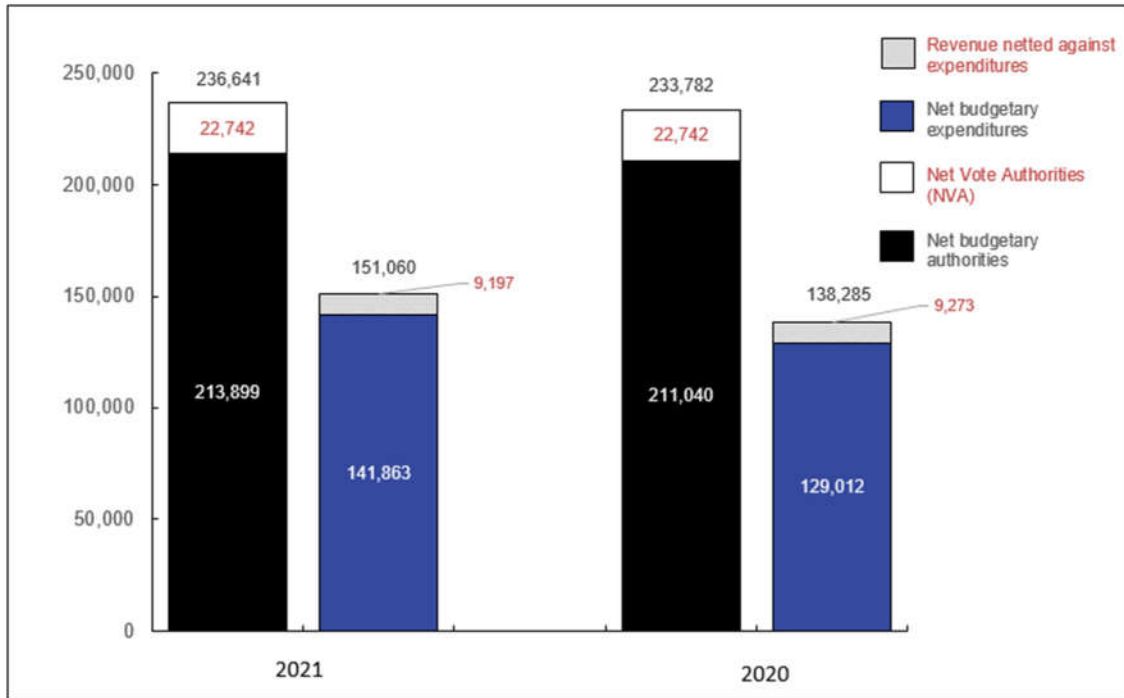
During the third quarter of 2021-22, the gross budgetary expenditures increased from \$51.0 million in 2020-21 to \$52.7 million in 2021-22, as detailed in Appendix B. The increase of \$1.7 million (or 3.3%) in spending, consists of variances associated with the following:

- Personnel: an increase of \$2.1 million in salary expenditures mainly due to the ratification of collective agreements;
- Rentals: an increase of \$1.9 million mainly due to timing of payments for the rental of residential dwellings;
- Other subsidies and payments: a decrease of \$3.1 million primarily the result of timing differences of transactions; and
- Other standard objects: an increase of \$0.8 million related to minor variances in other types of expenditures.

4. Year-to-date Authorities and Expenditures as at December 31, 2021

At the end of December 2021, the ODPP had net expenditures of \$141.9 million (or 66.3 %) of its total net spending authorities of \$213.9 million as detailed in Appendix B. At the same time last year, the ODPP had net expenditures of \$129.0 million (or 61.1 %) of its total net spending authorities of \$211.0 million.

Chart 1: Comparison of Budgetary Authorities and Expenditures as of December 31, 2021 and December 31, 2020 (in thousands of dollars)



D. Risks and Uncertainties

The ODPP’s key corporate risks are identified and assessed through an update of the Corporate Risk Profile on a two-year cycle. In addition to the risk identified as having a potential financial impact, the ODPP has also recognized potential factors for increased risk caused by the COVID-19 pandemic. 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 reality combined with the uncertainty of the impact of COVID-19 on the capacity of law enforcement agencies or investigative bodies contributes to a risk that the organization might experience declining revenues, which could affect the resources needed to meet its prosecutorial obligations. To address this risk, the ODPP is making key investments in its digital platform to ensure that its prosecution practice continues to progress towards a dynamic and digital environment, allowing the organization to provide services and fulfill its mandate as effectively and efficiently as possible. 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, the ODPP has built flexibility within its budget management processes to allow for the adjustment of resources in the event that there is a requirement.

Given the nature of ODPP’s core mandate, employees are required to receive and handle a high volume of records from investigators that contain sensitive information. This, in turn, increases the risk that sensitive information could be inadvertently disclosed or lost, resulting in a potential privacy breach, a threat to the security and safety of individuals, and/or the public questioning the ability of the organization to adequately protect the information under its control. In addition, employees and agents (private sector prosecutors) could be exposed to incidents of threat and intimidation due to the nature of their work for the ODPP. Both the security of information and the safety of staff risks will be mitigated by developing and implementing a long-term security awareness strategy aimed at improving the departmental security posture in the areas of physical security, information security and personnel security.

The current state of the ODPP national programs (Agent Affairs Program and National Fine Recovery Program) could negatively impact the ODPP’s ability to manage funds. To mitigate this risk, the ODPP will strengthen the financial accountabilities of the programs and related policies, procedures and delegations. The ODPP has and will continue to develop new approaches to create efficiencies in its processes and operations. In some instances, implementation of new approaches have already occurred.

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

Departmental processes and procedures have been developed to adjust to the new workplace landscape. New and revised controls have been put in place since fiscal year 2020-21 due to the implementation of the ODPP’s Electronic Authentication and Authorization Directive and the impact of COVID-19.

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 2021-22			Fiscal year 2020-21		
	Total available for use for the year ending March 31, 2022*	Used during the quarter ended December 31, 2021	Year-to-date used at quarter-end	Total available for use for the year ending March 31, 2021*	Used during the quarter ended December 31, 2020	Year-to-date used at quarter-end
(in thousands of dollars)						
Vote 1 - Net Operating expenditures	194,311	44,206	127,172	191,789	41,855	114,574
Budgetary Statutory Authorities:						
Contributions to employee benefit plans	19,588	4,897	14,691	19,251	4,813	14,438
Total Budgetary statutory authorities	19,588	4,897	14,691	19,251	4,813	14,438
Total Budgetary Authorities	213,899	49,103	141,863	211,040	46,668	129,012
Non-budgetary Authorities	0	0	0	0	0	0
Total Authorities	213,899	49,103	141,863	211,040	46,668	129,012

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

APPENDIX B

Departmental budgetary expenditures by Standard Object (Unaudited)

	Fiscal year 2021-22			Fiscal year 2020-21		
	Planned expenditures for the year ending March 31, 2022*	Expended during the quarter ended December 31, 2021	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2021*	Expended during the quarter ended December 31, 2020	Year-to-date used at quarter-end
<i>(in thousands of dollars)</i>						
Expenditures:						
Personnel	154,164	38,096	113,869	156,871	35,991	106,165
Transportation and communications	7,961	1,441	2,779	7,255	844	1,877
Information	573	99	207	584	57	138
Professional, special & other services	60,215	11,104	26,521	56,440	10,530	23,174
Rentals	2,263	2,000	2,246	2,044	79	173
Repair and maintenance	4,127	74	394	4,103	25	43
Utilities, materials and supplies	1,668	286	1,100	1,362	603	1,103
Acquisition of machinery and equipmen	2,384	468	1,050	1,436	578	1,112
Other subsidies and payments	3,286	(792)	2,894	3,687	2,335	4,500
Total gross budgetary	236,641	52,776	151,060	233,782	51,042	138,285
Less Revenues netted against						
Legal services	(22,742)	(3,673)	(9,197)	(22,742)	(4,374)	(9,273)
Total net budgetary expenditures	213,899	49,103	141,863	211,040	46,668	129,012

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