



Parole Board
of Canada

Commission des libérations
conditionnelles du Canada

Quarterly Financial Report for the Quarter ended December 31, 2022



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 Treasury Board. It should be read in conjunction with the [Main Estimates](#). This report has not been subject to an external audit or review.

The Parole Board of Canada (PBC) is an independent administrative tribunal that, as part of the Canadian criminal justice system, makes independent, quality conditional release, record suspension/pardons and expungement decisions, as well as clemency recommendations, in a transparent and accountable manner, while respecting diversity and the rights of offenders and victims.

Further details on the PBC's authority, mandate and program activities can be found in the [Departmental Plan](#) and Part II of the [Main Estimates](#).

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 consistent with the Main Estimates and Supplementary Estimates (as applicable) for the 2022-23 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.

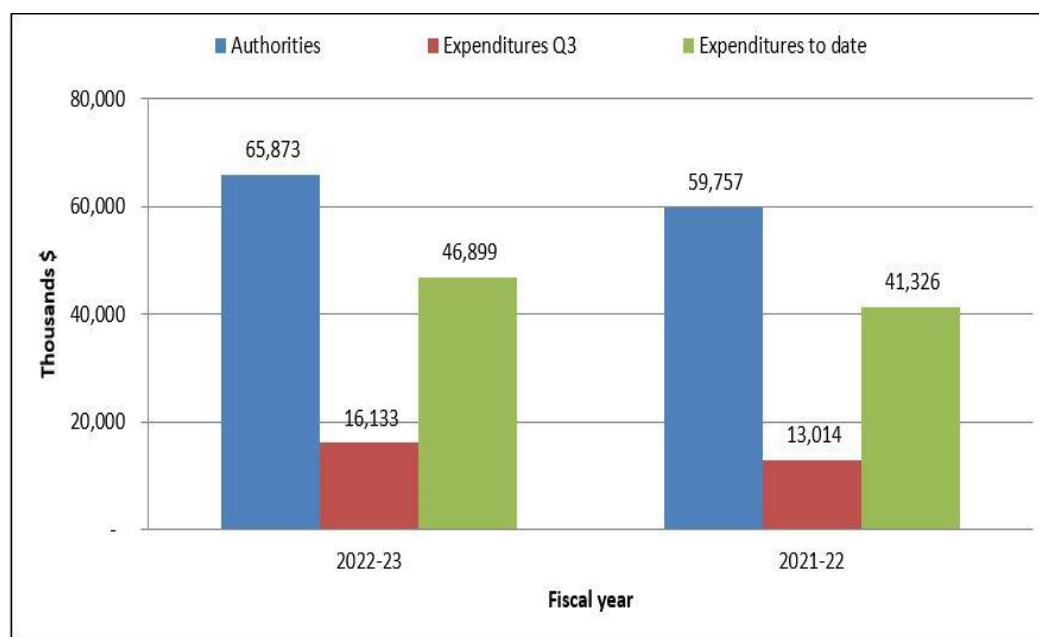
The PBC uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

Highlights of the fiscal quarter and the fiscal year-to-date (YTD) results

Total authorities available for fiscal year 2022-23 are \$73.4 million compared to \$58.0 million as of December 31, 2021. The increase of \$15.4 million, or 27%, is explained by:

- \$12.9 million increase related to Reforming Canada's Pardons Process as announced in [Budget 2021](#). This increase is also to offset a decrease in revenues due to the pardon/record suspension application fee reduction on January 1, 2022 from \$657.77 to \$50.00;
- \$2.8 million increase related to negotiated salary increases;
- \$1.7 million increase to support the core information technology and legal services;
- \$0.4 million increase related to the Operating Budget Carry Forward from previous fiscal year;
- \$1.7 million decrease related to Reprofile of funds for the online application portal and modernization of Pardon and Record Suspension System (PARSS) due to delays in the implementation of the project; and
- \$0.7 million decrease related to various items.

Figure 1 -Third 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.

In 2022-23, the PBC's three corporate risks are:

A. Quality Decision-Making - There is a risk that evidence-based decision-making could be affected by a range of factors including:

- Variations in national consistency that impact processes, practices, and training;
- Loss of critical mass of Board members for effective decision-making;
- The requirement to adapt Board member training based on new trends and changing legal landscape;
- Ability to ensure that decision-making policy approaches adequately respond to the diverse needs of the offender population for conditional release decisions; and
- Effectiveness of information management systems to support decisions.

B. Human Capital (Board members and Employees) - There is a risk that key activities and functions could be adversely affected, unless the PBC is able to recruit and retain staff, strengthen competencies and capacity, while ensuring an inclusive and diverse workplace that is competitive among public sector partners and adaptable in the context of an emerging hybrid work environment. Board members (Governor-in-Council (GIC) appointments) are appointed to the PBC for a three or five year term following an open, transparent and merit based process from diverse backgrounds to ensure satisfactory vacancy management. Board members participate in a rigorous orientation and training program that continues throughout their tenure. The absence of an evolving and adaptable training program could present a risk for decision-making.

C. Information Technology (IT) - There is a risk that the PBC's IT capacity and operations will not meet the PBC's current and evolving needs and support business continuity functions given the aging nature of the PBC's IT infrastructure and government enterprise systems, the increasing public expectation for efficient and accessible means to communicate with government, and the need to balance IT program integrity needs with other corporate integrity pressure points and central agency requirements.

Significant changes in relation to operations, personnel and programs

As of January 1, 2022, the fee to apply for a record suspension was reduced to \$50.00 from \$657.77. The significantly lower fee will improve access to record suspensions, especially for people with lower incomes. Additional information is provided here: [Record suspensions - Canada.ca](https://www.pbc.gc.ca/record-suspensions). There are some uncertainties related to the volume of applications following the Pardons reform. Some additional personnel expenditures were planned for the first two years to address the anticipated increase in applications which did not materialize. The PBC will monitor application intake and apply risk mitigation strategies as necessary. As well, work is underway to create an online application portal and modernize the Pardon and Record Suspension System (PARSS). Additional time is required to explore enhancements and as such, a request to reprofile the funding to future years was made and approved.

The COVID-19 pandemic continues to add some minimal pressure on our operations. The PBC's travel plans to the institutions are slowly increasing and returning to a new normal. Our offices have now fully re-opened, and the PBC continues to reinforce the need to adapt and upgrade the IT infrastructure to support implementing a permanent hybrid remote/office working arrangement.

Approval by Senior Officials

Approved by:

Original signed by

Jennifer Oades
Chairperson

Ottawa, Canada

Original signed by

Anik Lapointe CPA
Chief Financial Officer

Statement of Authorities (*unaudited*)

	Fiscal year 2022-23 (in thousands of dollars)		
	Total available for use for the year ending March 31, 2023 ¹	Used during the quarter ended December 31, 2022	Year-to-date used at quarter-end
Vote 1 – Program expenditures	66,736	14,571	42,179
Vote-netted revenues	(938)	(167)	(463)
Net program expenditures	65,798	14,404	41,716
Budgetary statutory authority – Contributions to employee benefit plan	7,580	1,731	5,183
Total Budgetary authorities	73,378	16,135	46,899

	Fiscal year 2021-22 (in thousands of dollars)		
	Total available for use for the year ending March 31, 2022 ¹	Used during the quarter ended December 31, 2021	Year-to-date used at quarter-end
Vote 1 – Program expenditures	54,740	12,454	40,997
Vote-netted revenues	(2,784)	(952)	(2,695)
Net program expenditures	51,956	11,502	38,302
Budgetary statutory authority – Contributions to employee benefit plan	6,047	1,512	3,024
Total Budgetary authorities	58,003	13,014	41,326

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

Departmental budgetary expenditures by Standard Object (*unaudited*)

	Fiscal year 2022-23 (in thousands of dollars)		
	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended December 31, 2022	Year-to-date used at quarter-end
Expenditures			
Personnel	53,782	14,884	40,485
Transportation and communications	2,038	434	977
Information	154	2	111
Professional and special services	9,315	630	4,997
Rentals	332	56	247
Repair and maintenance	59	5	17
Utilities, materials and supplies	186	36	74
Acquisition of land, buildings and works	125	-	-
Acquisition of machinery and equipment	823	194	384
Other subsidies and payments	(3)	59	70
Total gross budgetary expenditures	66,811	16,300	47,362
Less Revenues netted against expenditures:			
Vote-netted revenues	938	167	463
Total net budgetary expenditures	65,873	16,133	46,899

	Fiscal year 2021-22 (in thousands of dollars)		
	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended December 31, 2021	Year-to-date used at quarter-end
Expenditures			
Personnel	50,581	12,852	38,554
Transportation and communications	1,187	190	727
Information	46	1	3
Professional and special services	8,709	779	4,180
Rentals	396	5	213
Repair and maintenance	44	4	9
Utilities, materials and supplies	192	22	63
Acquisition of land, buildings and works	355	1	1
Acquisition of machinery and equipment	1,020	128	269
Other subsidies and payments	11	(16)	2
Total gross budgetary expenditures	62,541	13,966	44,021
Less Revenues netted against expenditures:			
Vote-netted revenues	2,784	952	2,695
Total net budgetary expenditures	59,757	13,014	41,326