

## Quarterly Financial Report For the Quarter Ended September 30, 2014

### A. Introduction

This quarterly financial report should be read in conjunction with the Main Estimates (and as applicable - Supplementary Estimates and previous interim reports for the current year). It 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. The RCMP External Review Committee (ERC) was not affected by the *Canada's Economic Action Plan 2012* exercise.

#### 1.1 Mandate and Program

Under the *Royal Canadian Mounted Police (RCMP) Act*, the RCMP Commissioner refers all appeals of formal discipline and all discharge and demotion appeals to the ERC unless the member of the RCMP requests that the matter not be referred. In addition, pursuant to section 33 of the *RCMP Act*, the RCMP Commissioner refers certain types of grievances to the ERC in accordance with regulations made by the Governor in Council. Section 36 of the *RCMP Regulations* specifies the grievances which the RCMP Commissioner is obliged to refer to the ERC, namely grievances respecting:

- the Force's interpretation and application of government policies that apply to government departments and that have been made to apply to members;
- the stoppage of pay and allowances of members made pursuant to subsection 22(3) of the *RCMP Act*;
- the Force's interpretation and application of the *Isolated Posts Directive*;
- the Force's interpretation and application of the *RCMP Relocation Directive*; and
- administrative discharge on the grounds of physical or mental disability, abandonment of post, or irregular appointment.

The ERC is also responsible for outreach and information dissemination. The ERC ensures that its findings and recommendations in each case are clearly explained for the parties and the RCMP Commissioner. Summaries of the findings and recommendations in each case, as well as articles of interest on the role of the ERC, relevant legal principles and information on related issues are distributed widely, through its website and quarterly newsletter.

#### 1.2 Basis of Presentation

This quarterly report has been prepared by the ERC using an expenditure basis of accounting. The accompanying Statement of Authorities includes the ERC spending authorities granted by Parliament and those used by the ERC consistent with the Main Estimates and Supplementary Estimates (as applicable) for the 2014-15 fiscal year. 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 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 ERC uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

## B. Highlights of fiscal quarter and fiscal year to date (YTD) results

This section highlights the significant items that contributed to amounts available for use and expenditure used for the quarter ended September 30th, 2014.

### 2.1 Authorities Analysis

As reflected in the Statement of Authorities, the net budget authorities have decreased from \$1,644,413 (fiscal 2013-14) to \$1,002,957 to date in this fiscal year (fiscal 2014-15) for a variance decrease of \$641,456. The fiscal year 2014-15 budget authorities include a budget carry forward transfer from the central vote in the amount of \$41,539. It does not however include a transfer of \$710,000 from RCMP appropriations in support of Public Safety Canada's transitional measures to support the ERC's operations following the signing of the new RCMP policing service agreements. The ERC is expected to receive this transfer through Supplementary Estimates B in the Fall. Taking into account this additional amount, the total variance increase expected by the end of the year will be \$68,544.

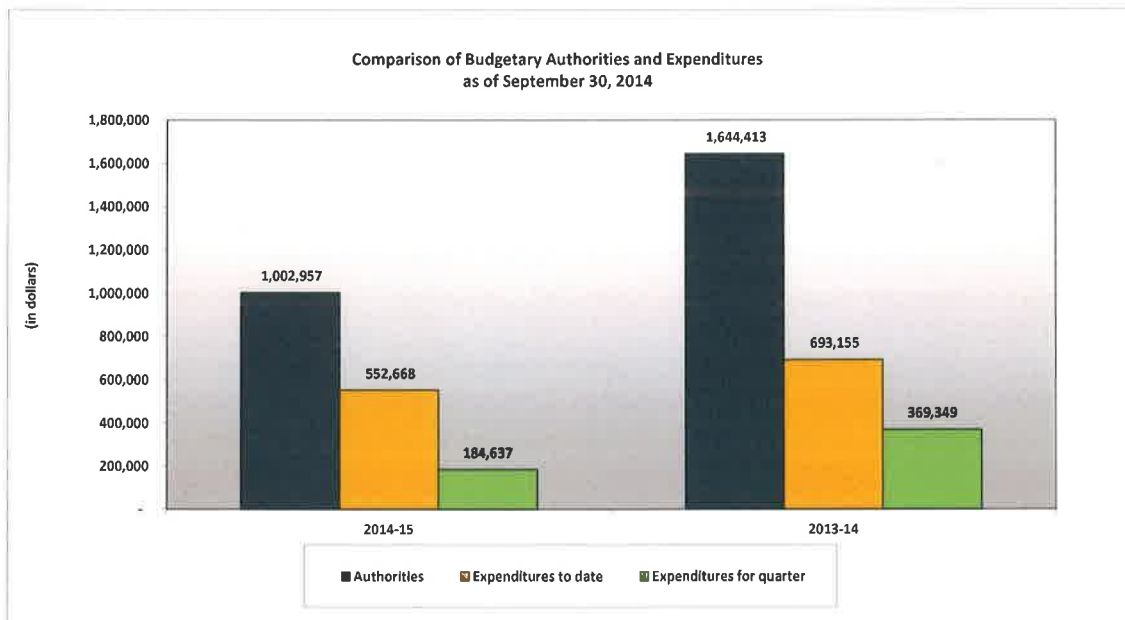
### 2.2 Expenditure Analysis

As reflected in the Statement of Authorities, expenditures used in the quarter ending on September 30th have decreased from \$369,349 (fiscal 2013-14) to \$184,637 (fiscal 2014-15) for a total variance decrease of \$184,712. The decrease in expenditures is mainly due to reduced salary expenditures and the impacts of receiving a transfer of \$710,000 in the Fall through Supplementary Estimates B, as opposed to receiving it in the Spring, as happened last fiscal year.

### 2.3 Budgetary Expenditures by Standard Object

As reflected in the Budgetary Expenditures by Standard Object, expenditures used during the quarter ended September 30th have decreased from \$369,349 (fiscal 2013-14) to \$184,637 (fiscal 2014-15) for a total variance decrease of \$184,712 from the previous year.

The decrease in expenditures is mainly in salaries and professional and special services as a result of receiving the transfer of \$710,000 mentioned above in the Fall through Supplementary Estimates B.



### C. Risks and Uncertainties

This ERC Quarterly Financial Report reflects the results of the current fiscal period in relation to the Main Estimates for which full supply was released on June 20, 2014.

The ERC was not specifically included in the Budget 2012 saving measures and therefore there have not been any significant changes in relation to operations, personnel and programs over the last year as a direct result.

In previous years, the ERC's base budget was augmented by a series of temporary short-term funding, specifically from the Treasury Board's Management Reserve, to allow the ERC to meet the obligations of its mandate and to ensure the accountability of its operations. The terms of these temporary appropriations expired at the end of fiscal year 2011-12. To offset this decrease to its base budget for 2014-15, as was done in previous years, a transfer from the RCMP is to be made through Supplementary Estimates B, in the amount of \$710,000 from its appropriations in support of Public Safety Canada's transitional measures to support the ERC's operations following the signing of the new RCMP policing service agreements.



**Elizabeth M. Walker**  
Chair  
Ottawa, Canada

Date October 23, 2014



**Jamie Deacon**  
Executive Director  
Chief Financial Officer  
Ottawa, Canada

Date October 22, 2014

**RCMP External Review Committee**

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**Statement of Authorities**

**For the quarter ended September 30, 2014**

(in dollars)

	Fiscal year 2014-15			Fiscal year 2013-14		
	Total available for use for the year ending	Used during the quarter ended	Year to date used at quarter end	Total available for use for the year ending	Used during the quarter ended	Year to date used at quarter end
	31-Mar-15	30-Sep-14	30-Sep-14	31-Mar-14	30-Sep-13	30-Sep-13
Vote 1 - Operating expenditures	900,093	158,921	501,236	1,540,774	343,440	641,336
Employee Benefit Plans (EBP)	102,864	25,716	51,432	103,639	25,909	51,819
<b>TOTAL AUTHORITIES</b>	<b>1,002,957</b>	<b>184,637</b>	<b>552,668</b>	<b>1,644,413</b>	<b>369,349</b>	<b>693,155</b>

RCMP External Review Committee

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Budgetary Expenditures by Standard Object

For the quarter ended September 30, 2014

(in dollars)

	Fiscal year 2014-15		Fiscal year 2014-15		Fiscal year 2013-14	
	Planned expenditures for the year ending 31-Mar-15	Expended during the quarter ended 30-Sep-14	Year to date used at quarter end 30-Sep-14	Planned expenditures for the year ending 31-Mar-14	Expended during the quarter ended 30-Sep-13	Year to date used at quarter end 30-Sep-13
<b>Expenditures:</b>						
Personnel	726,280	138,573	436,101	699,267	281,520	544,659
Transportation and communications	37,138	1,476	2,836	25,000	2,275	5,173
Information	25,000	1,355	12,944	22,000	14,550	16,960
Professional and special services	178,539	38,906	65,207	860,146	68,055	119,927
Rentals	6,000	534	890	5,000	534	890
Repair and maintenance	-	-	-	-	-	-
Utilities, material and supplies	15,000	3,793	6,976	18,000	2,415	5,270
Acquisition of land, buildings and works	-	-	-	-	-	-
Acquisition of machinery and equipment	15,000	-	-	15,000	-	276
Transfer payments	-	-	-	-	-	-
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	-	-	27,714	-	-	-
<b>Total budgetary expenditures</b>	<b>1,002,957</b>	<b>184,637</b>	<b>552,668</b>	<b>1,644,413</b>	<b>369,349</b>	<b>693,155</b>