

## Quarterly Financial Report For the Quarter Ended June 30, 2015

### 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.

#### 1.1 Mandate and Program

The Royal Canadian Mounted Police External Review Committee (ERC) is an independent and impartial administrative tribunal that contributes to fair and equitable labour relations within the Royal Canadian Mounted Police (RCMP). To this end, the ERC conducts an independent review of certain grievances and appeals relating to certain conduct measures and of written decisions involving harassment complaints, revocations of appointments, discharges and demotions and ordered stoppages of pay and allowances, all as referred to it pursuant to the *Royal Canadian Mounted Police Act* and the *Royal Canadian Mounted Police Regulations*. Upon completing its review of a case file, the ERC presents findings and recommendations to the Commissioner of the RCMP for a final decision. Its findings and recommendations in each case are clearly explained for the parties and the RCMP Commissioner. The Commissioner is not bound to follow the recommendations of the ERC but the Commissioner must provide reasons in writing when the recommendations of the ERC are not followed.

The ERC also undertakes outreach and information dissemination, with summaries of findings and recommendations and articles of interest on the role of the ERC, relevant legal principles and related issues distributed widely through its website and quarterly *Communiqués*.

#### 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 2015-16 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 June 30th, 2015.

### 2.1 Authorities Analysis

As reflected in the Statement of Authorities, the net budget authorities have increased from \$961,418 (fiscal 2014-15) to \$1,552,849 to date in this fiscal year (fiscal 2015-16) for a variance increase of \$591,431. The fiscal year 2015-16 budget authority includes a transfer of \$600,001 from RCMP appropriations in support of operations and transitional measures pending full assessment of the impact of the *Enhancing Royal Canadian Mounted Police Accountability Act*. The ERC received this transfer through Supplementary Estimates A in June 2015, as compared to last year's transfer received in the third quarter (December) through Supplementary Estimates B. This accounts for the large difference in authorities between the two years in this quarter. The ERC also anticipates a budget carry forward transfer from the central vote in the amount of \$42,982. Taking into account these additional amounts, the total variance decrease expected by the end of the year will be \$160,109.

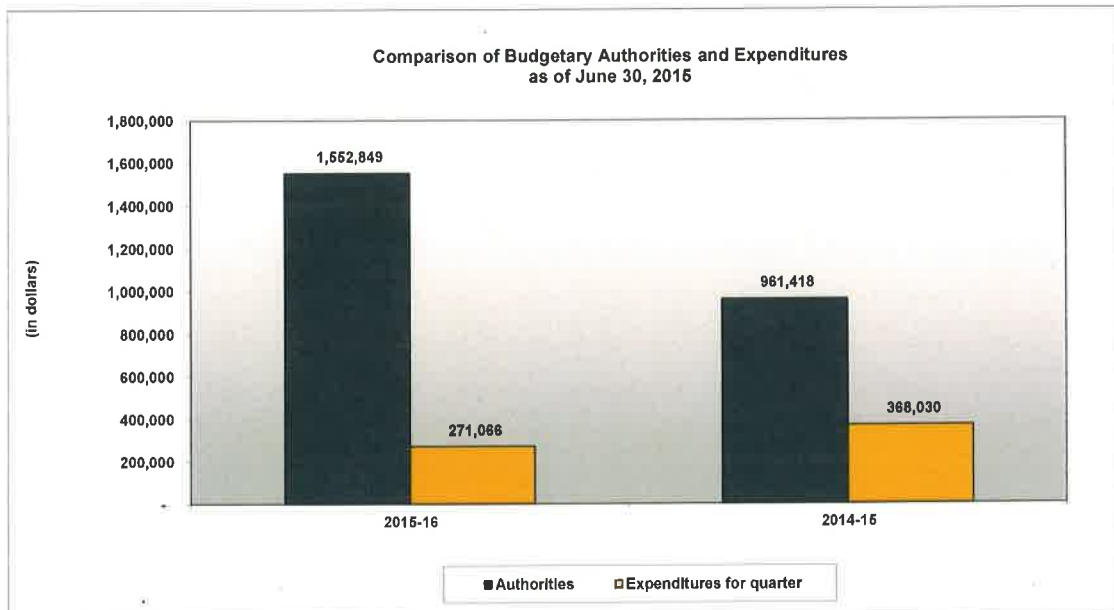
### 2.2 Expenditure Analysis

As reflected in the Statement of Authorities, expenditures used at quarter end June 30th have decreased from \$368,030 (fiscal 2014-15) to \$271,606 (fiscal 2015-16) for a total variance decrease of \$96,424 from the previous year. This decrease is due to a one-time transition payment of \$27,714 for implementing salary payment in arrears by the Government of Canada during the 2014-15 fiscal year which was not required in 2015-16 as well as a decrease in personnel spending.

### 2.3 Budgetary Expenditures by Standard Object

As reflected in the ERC Budgetary Expenditures by Standard Object, expenditures used during the quarter ended June 30th have decreased from \$368,030 (fiscal 2014-15) to \$271,066 (fiscal 2015-16) for a total variance decrease of \$96,424 from the previous year.

This decrease is due to a one-time transition payment of \$27,714 for implementing salary payment in arrears by the Government of Canada during the 2014-15 fiscal year which was not required in 2015-16 as well as a decrease in personnel spending.



### C. Risks and Uncertainties

This ERC Quarterly Financial Report reflects the results of the current fiscal period in relation to the Main Estimates (and Supplementary Estimates A) for which full supply was released on June 19, 2015.

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 2015-16, the amount of \$600,001 was transferred from RCMP appropriations through Supplementary Estimates A (in support of operations and transitional measures pending full assessment of the impact of the *Enhancing Royal Canadian Mounted Police Accountability Act*).



**Elizabeth Walker**  
Chair  
Ottawa, Canada

Date

July 30, 2015



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

Date

30.07.2015

**RCMP External Review Committee**

**Quarterly Financial Report**

**Statement of Authorities**

**For the quarter ended June 30, 2015**

**(in dollars)**

	Fiscal year 2015-16		Fiscal year 2014-15			
	Total available for use for the year ending 31-Mar-16	Used during the quarter ended 30-Jun-15	Year to date used at quarter end 30-Jun-15	Total available for use for the year ending 31-Mar-15	Used during the quarter ended 30-Jun-14	Year to date used at quarter end 30-Jun-14
Vote 1 - Operating expenditures	1,448,115	244,883	244,883	858,554	342,314	342,314
Employee Benefit Plans (EBP)	104,734	26,183	26,183	102,864	25,716	25,716
<b>TOTAL AUTHORITIES</b>	<b>1,552,849</b>	<b>271,066</b>	<b>271,066</b>	<b>961,418</b>	<b>368,030</b>	<b>368,030</b>

RCMP External Review Committee

**Quarterly Financial Report**  
**Budgetary Expenditures by Standard Object**  
**For the quarter ended June 30, 2014**

(in dollars)

	Fiscal year 2015-16		Fiscal year 2014-15	
	Planned expenditures for the year ending 31-Mar-16	Expended during the quarter ended 30-Jun-15	Planned expenditures for the year ending 31-Mar-15	Expended during the quarter ended 30-Jun-14
		Year to date used at quarter end 30-Jun-15		Year to date used at quarter end 30-Jun-14
<b>Expenditures:</b>				
Personnel	728,150	240,540	726,280	297,527
Transportation and communications	32,000	4,367	37,138	1,360
Information	25,000	-	25,000	11,589
Professional and special services	733,001	24,877	137,000	26,301
Rentals	6,698	356	6,000	356
Repair and maintenance	-	-	-	-
Utilities, material and supplies	15,000	926	15,000	3,183
Acquisition of land, buildings and works	-	-	-	-
Acquisition of machinery and equipment	13,000	-	15,000	-
Transfer payments	-	-	-	-
Public debt charges	-	-	-	-
Other subsidies and payments	-	-	-	-
<b>Total budgetary expenditures</b>	<b>1,552,849</b>	<b>271,066</b>	<b>961,418</b>	<b>368,030</b>