

**Quarterly Financial Report
For the Quarter Ended September 30, 2015 (Revised)**

Erratum

Date: December 9, 2015

Location: Budgetary Expenditures by Standard Object, Planned expenditures for the year ending March 31, 2016

Revision: The planned expenditures for the year ending March 31, 2016 are presented.

Rationale for the revision: The planned expenditures were omitted from that table.

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 September 30th, 2015.

2.1 Authorities Analysis

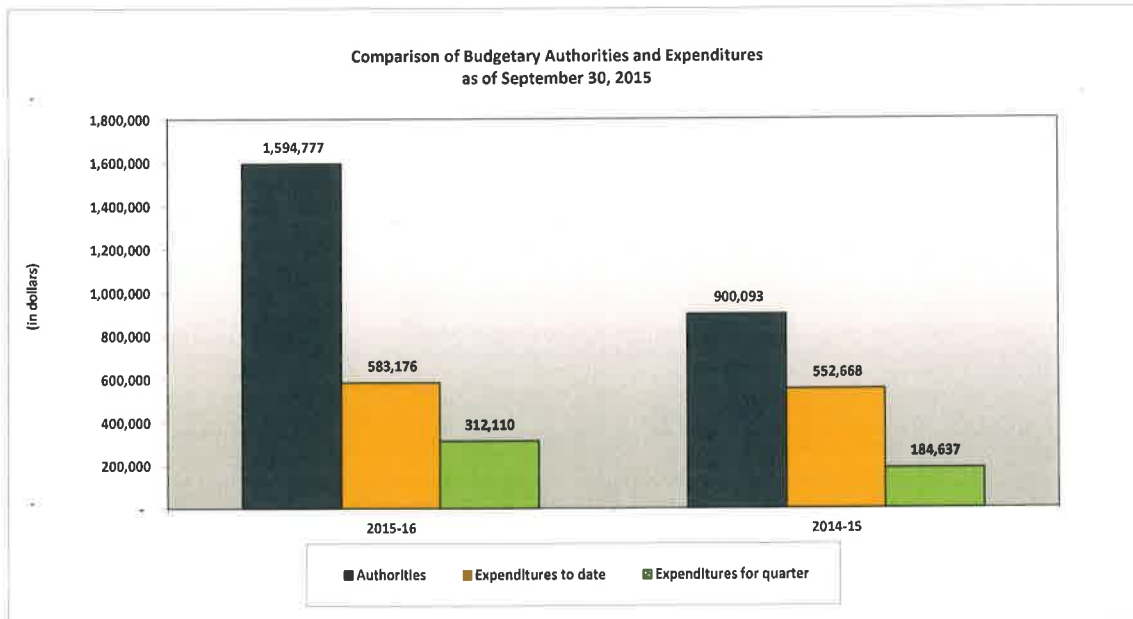
As reflected in the Statement of Authorities, the net budget authorities have increased from \$1,002,957 (fiscal 2014-15) to \$1,594,777 to date in this fiscal year (fiscal 2015-16) for a variance increase of \$591,820. The fiscal year 2015-16 budget authorities include a budget carry forward transfer from the central vote in the amount of \$42,928 as well as a directed 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. Taking into account the additional transfers, the total variance expected by the end of the year 2015-16 will be a decrease of \$107,961. This variance is primarily due to the smaller transfer received in the current fiscal year (fiscal 2015-16).

2.2 Expenditure Analysis

As reflected in the Statement of Authorities, expenditures used in the quarter ending on September 30th have increased from \$184,637 (fiscal 2014-15) to \$312,110 (fiscal 2015-16) for a total variance increase of \$127,473. The increase in expenditures is due to increased spending in salary as well as professional and special services as compared to the 2014-15 fiscal year. The increase in salary expenses was due to vacant positions being filled and earlier compensation to a home department for a secondee. Charges from PWGSC related to accommodation were paid earlier than in 2014-15 using O&M funds.

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 increased from \$184,637 (fiscal 2014-15) to \$312,110 (fiscal 2015-16) for a total variance increase of \$127,473 from the previous year. The increase in expenditures is due to increased spending in salary as well as professional and special services as compared to the 2014-15 fiscal year. The increase in salary expenses was due to vacant positions being filled and earlier compensation to a home department for a secondee. Charges from PWGSC related to accommodation were paid earlier than in 2014-15 using O&M funds.



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.

From 2006-07 to 2011-12, the ERC's base budget was augmented by temporary short-term funding 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. To offset the continuing gap in available funds in subsequent years, a transfer of funds from another organization has been made each year. In 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 M. Walker
Chair
Ottawa, Canada



Jamie Deacon
Executive Director
Chief Financial Officer
Ottawa, Canada

Date Dec. 10/15

Date 10-12-2015

RCMP External Review Committee

Quarterly Financial Report

Statement of Authorities

For the quarter ended September 30, 2015

(in dollars)

	Fiscal year 2015-16		Fiscal year 2014-15		Year to date used at quarter end	
	Total available for use for the year ending 31-Mar-16	Used during the quarter ended 30-Sep-15	Year to date used at quarter end 30-Sep-15	Total available for use for the year ending 31-Mar-15		Used during the quarter ended 30-Sep-14
Vote 1 - Operating expenditures	1,490,043	285,926	530,809	900,093	158,921	501,236
Employee Benefit Plans (EBP)	104,734	26,184	52,367	102,864	25,716	51,432
TOTAL AUTHORITIES	1,594,777	312,110	583,176	1,002,957	184,637	552,668

RCMP External Review Committee

Quarterly Financial Report

Budgetary Expenditures by Standard Object (Revised)

For the quarter ended September 30, 2015

(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-Sep-15	Year to date used at quarter end 30-Sep-15	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
Expenditures:						
Personnel	728,150	218,923	459,463	726,280	138,573	436,101
Transportation and communications	32,000	2,165	6,532	37,138	1,476	2,836
Information	25,000	8,480	8,480	25,000	1,355	12,944
Professional and special services	774,929	71,280	96,157	178,539	38,906	65,207
Rentals	6,698	534	890	6,000	534	890
Repair and maintenance	-	-	-	-	-	-
Utilities, material and supplies	15,000	10,728	11,654	15,000	3,793	6,976
Acquisition of land, buildings and works	-	-	-	-	-	-
Acquisition of machinery and equipment	13,000	-	-	15,000	-	-
Transfer payments	-	-	-	-	-	-
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	-	-	-	-	-	27,714
Total budgetary expenditures	1,594,777	312,110	583,176	1,002,957	184,637	552,668