

## Quarterly Financial Report For the Quarter Ended December 31, 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 December 31st, 2015.

### 2.1 Authorities Analysis

As reflected in the Statement of Authorities, the net budget authorities have decreased from \$1,702,739 (fiscal 2014-15) to \$1,594,777 to date in this fiscal year (fiscal 2015-16) for a variance decrease of \$107,962. The fiscal year 2015-16 budget authorities include a budget carry forward transfer from the central vote in the amount of \$42,928. It also 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. The total variance expected by the end of the year 2015-16 will be a decrease of \$107,962. This variance is primarily due to a smaller transfer received in the current fiscal year (fiscal year 2015-16) compared to 2014-15.

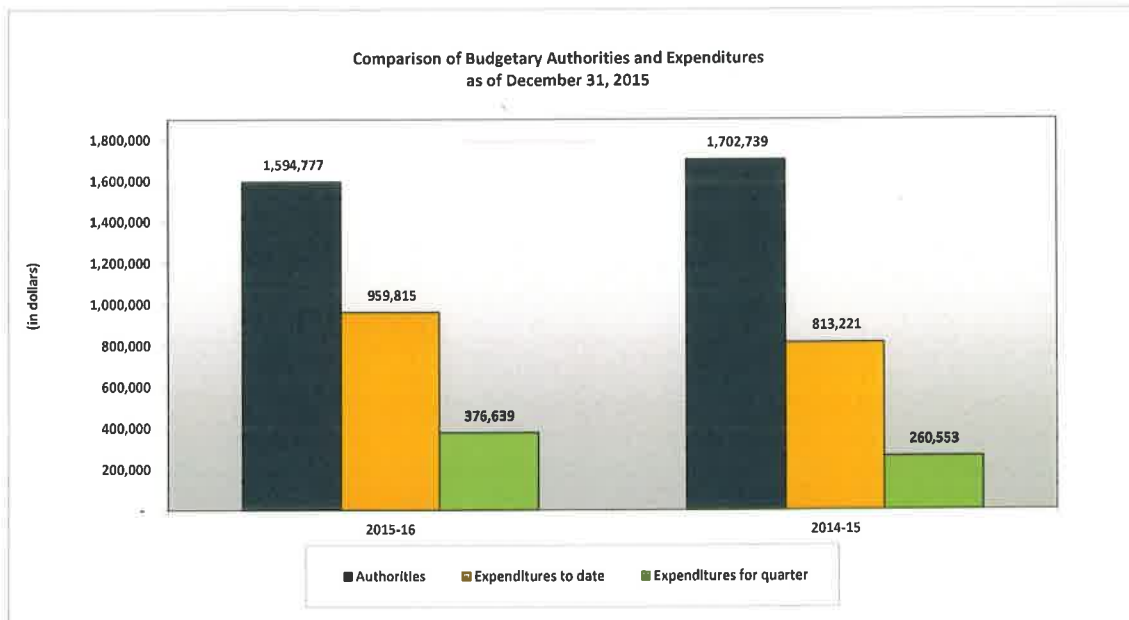
### 2.2 Expenditure Analysis

As reflected in the Statement of Authorities, expenditures used in the quarter ending on December 31st, have increased from \$260,553 (fiscal 2014-15) to \$376,639 (fiscal 2015-16) for a total variance increase of \$116,086. The increase in expenditures is mainly due to increased salary expenditures in 2015-16. This increase is due to regularized salary expenditures in 2015-16 and a small increase in professional service costs.

### 2.3 Budgetary Expenditures by Standard Object

As reflected in the Budgetary Expenditures by Standard Object, expenditures used during the quarter ended December 31st have increased from \$260,553 (fiscal 2014-15) to \$376,639 (fiscal 2015-16) for a total variance increase of \$116,086 for the quarter compared to the previous year.

The increase in expenditures is mainly in salaries plus a small increase in translation costs.



### 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 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

Date

le 9 fév. 2016



Jamie Deacon  
Executive Director  
Chief Financial Officer  
Ottawa, Canada

Date

09-02-2016

**RCMP External Review Committee**

**Quarterly Financial Report**

**Statement of Authorities**

**For the quarter ended December 31, 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 31-Dec-15	Total available for use for the year ending 31-Mar-15	Used during the quarter ended 31-Dec-14	
Vote 1 - Operating expenditures	1,490,043	350,456	1,599,875	234,837	736,073
Employee Benefit Plans (EBP)	104,734	26,183	102,864	25,716	77,148
<b>TOTAL AUTHORITIES</b>	<b>1,594,777</b>	<b>376,639</b>	<b>1,702,739</b>	<b>260,553</b>	<b>813,221</b>

RCMP External Review Committee

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Budgetary Expenditures by Standard Object  
For the quarter ended December 31, 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 31-Dec-15	Planned expenditures for the year ending 31-Mar-15	Expended during the quarter ended 31-Dec-14	Year to date used at quarter end 31-Dec-14
<b>Expenditures:</b>					
Personnel	728,150	303,804	1,066,281	202,710	638,811
Transportation and communications	32,000	2,601	37,138	2,911	5,747
Information	25,000	2,759	25,000	405	13,349
Professional and special services	774,929	59,208	538,320	48,453	113,660
Rentals	6,698	1,073	6,000	534	1,424
Repair and maintenance	-	-	-	-	-
Utilities, material and supplies	15,000	7,194	15,000	5,540	12,516
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>1,594,777</b>	<b>376,639</b>	<b>1,702,739</b>	<b>260,553</b>	<b>813,221</b>