

Quarterly Financial Report For the Quarter Ended September 30, 2016

A. Introduction

This quarterly financial report should be read in conjunction with the Main Estimates (and as applicable - Supplementary Estimates). 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 RCMP 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 2016-17 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, 2016.

2.1 Authorities Analysis

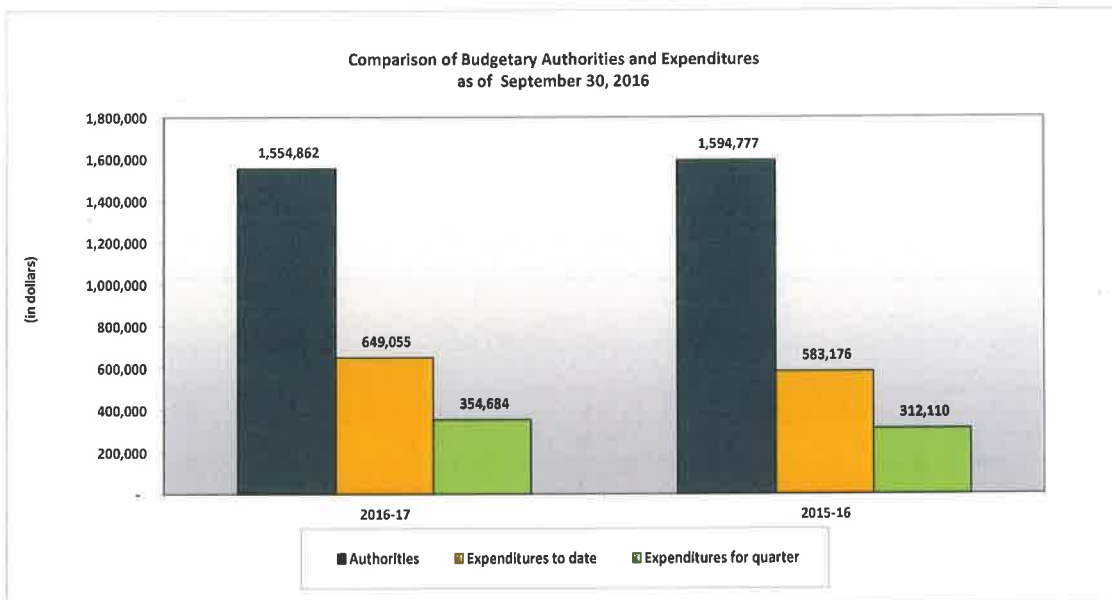
As reflected in the Statement of Authorities, the total budget authorities have decreased from \$1,594,777 (fiscal 2015-16) to \$1,554,862 to date in this fiscal year (fiscal 2016-17) for a variance decrease of \$39,915. The fiscal year 2016-17 budget authority includes a transfer of \$600,001 from RCMP 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 in the Main Estimates through the Annual Reference Level Update. The ERC also anticipates a budget carry forward transfer from the central vote in the amount of \$42,406. Taking into account this additional carry forward amount, the total variance increase expected by the end of the year will be \$2,491.

2.2 Expenditure Analysis

As reflected in the Statement of Authorities, expenditures used at quarter end September 30th have increased from \$312,110 (fiscal 2015-16) to \$354,684 (fiscal 2016-17) for a total variance increase of \$42,574 from the previous year. This increase is mainly due to an increase in salary expenditures and a small increase in information services costs.

2.3 Budgetary Expenditures by Standard Object

As reflected in the ERC Budgetary Expenditures by Standard Object, expenditures used during the quarter ended September 30th have increased from \$312,110 (fiscal 2015-16) to \$354,684 (fiscal 2016-17) for a total variance increase of \$42,574 from the previous year. This increase in expenditures is mainly in salaries plus a small increase in information services costs.



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 23, 2016.

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 2016-17, the amount of \$600,001 was transferred from RCMP appropriations in the Main Estimates through the Annual Reference Level Update (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

14.10.2016



Jamie Deacon
Executive Director
Chief Financial Officer
Ottawa, Canada

Date

14.10.2016

RCMP External Review Committee

Quarterly Financial Report

Statement of Authorities

For the quarter ended September 30, 2016

(in dollars)

	Fiscal year 2016-17		Fiscal year 2016-17		Fiscal year 2015-16		Year to date used at quarter end	
	Total available for use for the year ending	31-Mar-17	Used during the quarter ended	30-Sep-16	Total available for use for the year ending	31-Mar-16		Used during the quarter ended
Vote 1 - Program expenditures	1,447,634		327,877	595,441	1,490,043		285,926	530,809
Employee Benefit Plans (EBP)	107,228		26,807	53,614	104,734		26,184	52,367
TOTAL AUTHORITIES	1,554,862		354,684	649,055	1,594,777		312,110	583,176

Quarterly Financial Report

**Budgetary Expenditures by Standard Object
For the quarter ended September 30, 2016**

(in dollars)

	Fiscal year 2016-17		Fiscal year 2015-16		Year to date used at quarter end Sept. 30, 2015
	Planned expenditures for the year ending March 31, 2017	Expended during the quarter ended Sept. 30, 2016	Planned expenditures for the year ending March 31, 2016	Expended during the quarter ended Sept. 30, 2015	
Expenditures:					
Personnel	730,644	276,880	728,150	218,923	459,463
Transportation and communications	35,000	1,713	32,000	2,165	6,532
Information	30,000	15,325	25,000	8,480	8,480
Professional and special services	695,218	58,109	774,929	71,280	96,157
Rentals	12,000	534	6,698	534	890
Repair and maintenance	2,000	-	-	-	-
Utilities, material and supplies	25,000	1,738	15,000	10,728	11,654
Acquisition of land, buildings and works	-	-	-	-	-
Acquisition of machinery and equipment	25,000	385	13,000	-	-
Transfer payments	-	-	-	-	-
Public debt charges	-	-	-	-	-
Other subsidies and payments	-	-	-	-	-
Total budgetary expenditures	1,554,862	354,684	1,594,777	312,110	583,476