

Quarterly Financial Report For the Quarter Ended December 31, 2016

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 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 December 31st, 2016.

2.1 Authorities Analysis

As reflected in the Statement of Authorities, the net budget authorities have increased from \$1,594,777 (fiscal 2015-16) to \$1,597,268 to date in this fiscal year (fiscal 2016-17) for a variance increase of \$2,491. The fiscal year 2016-17 budget authorities includes a transfer of \$600,001 from RCMP appropriations in support of operations. The ERC received this transfer in the Main Estimates through the Annual Reference Level Update. It also includes a budget carry forward transfer from the central vote in the amount of \$42,406. The total variance increase expected by the end of the year will be \$2,491.

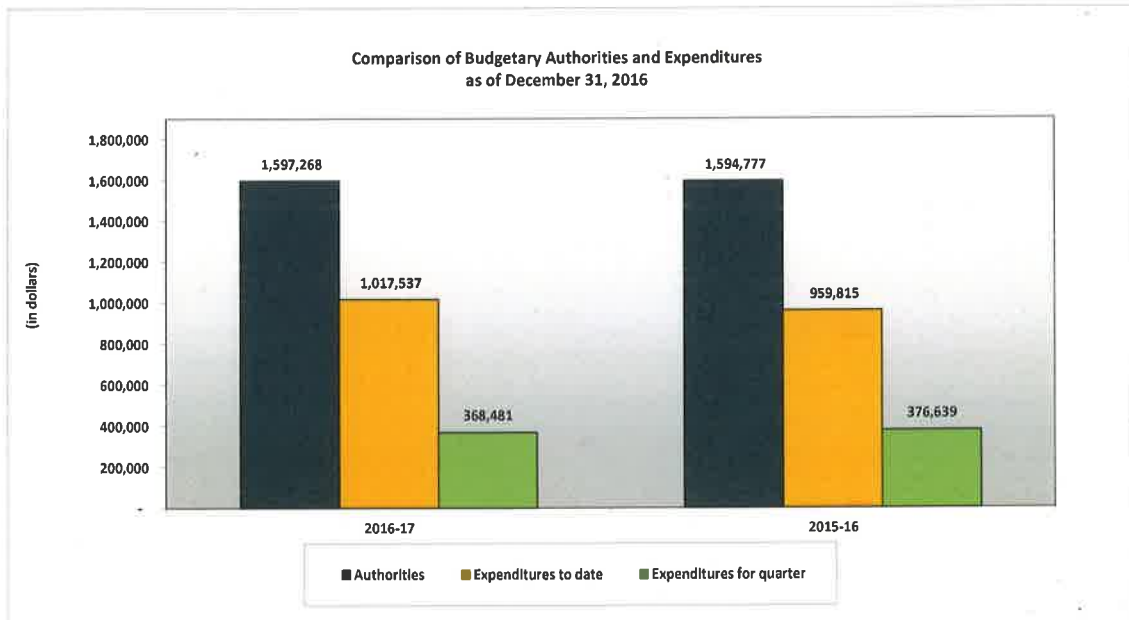
2.2 Expenditure Analysis

As reflected in the Statement of Authorities, expenditures used in the quarter ending on December 31st, have decreased from \$376,639 (fiscal 2015-16) to \$368,482 (fiscal 2016-17) for a total variance decrease of \$8,157 or 2.2%. Since this decrease in expenditures is not material, it will not affect the decisions of the financial statement user.

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 decreased from \$376,639 (fiscal 2015-16) to \$368,481 (fiscal 2016-17) for a total variance decrease of \$8,158 or 2.2%.

The decrease in expenditures is mainly related to a decrease in salary costs. Since this decrease in expenditures is not material, it will not affect the decisions of the financial statement user.



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).



Elizabeth M. Walker
Chair
Ottawa, Canada

Date

16.02.17



Jamie Deacon
Executive Director
Chief Financial Officer
Ottawa, Canada

Date

16-2-2017

RCMP External Review Committee

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Statement of Authorities

For the quarter ended December 31, 2016

(in dollars)

	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 31-Dec-16	Total available for use for the year ending 31-Mar-16	Used during the quarter ended 31-Dec-15	
Vote 1 - Operating expenditures	1,490,040	341,674	1,490,043	350,456	881,265
Employee Benefit Plans (EBP)	107,228	26,807	104,734	26,183	78,550
TOTAL AUTHORITIES	1,597,268	368,481	1,594,777	376,639	959,815

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Budgetary Expenditures by Standard Object
For the quarter ended December 31, 2016

(in dollars)

	Fiscal year 2016-17		Fiscal year 2016-17		Fiscal year 2015-16		Year to date used at quarter end 31-Dec-15
	Planned expenditures for the year ending 31-Mar-17	Expended during the quarter ended 31-Dec-16	Expended during the quarter ended 31-Dec-16	Year to date used at quarter end 31-Dec-16	Planned expenditures for the year ending 31-Mar-16	Expended during the quarter ended 31-Dec-15	
Expenditures:							
Personnel	1,124,084	288,080	817,508	763,267	728,150	303,804	763,267
Transportation and communications	35,000	2,122	5,392	9,133	32,000	2,601	9,133
Information	30,000	3,281	18,606	11,239	25,000	2,759	11,239
Professional and special services	344,184	69,362	163,735	155,365	774,929	59,208	155,365
Rentals	12,000	1,073	2,141	1,963	6,698	1,073	1,963
Repair and maintenance	2,000	-	-	-	-	-	-
Utilities, material and supplies	25,000	4,563	10,155	18,848	15,000	7,194	18,848
Acquisition of land, buildings and works	-	-	-	-	-	-	-
Acquisition of machinery and equipment	25,000	-	-	-	13,000	-	-
Transfer payments	-	-	-	-	-	-	-
Public debt charges	-	-	-	-	-	-	-
Other subsidies and payments	-	-	-	-	-	-	-
Total budgetary expenditures	1,597,268	368,481	1,017,537	959,815	1,594,777	376,639	959,815