

Quarterly Financial Report For the Quarter Ended June 30, 2017

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 Commissioner of the RCMP. 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 2017-18 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 30, 2017.

2.1 Authorities Analysis

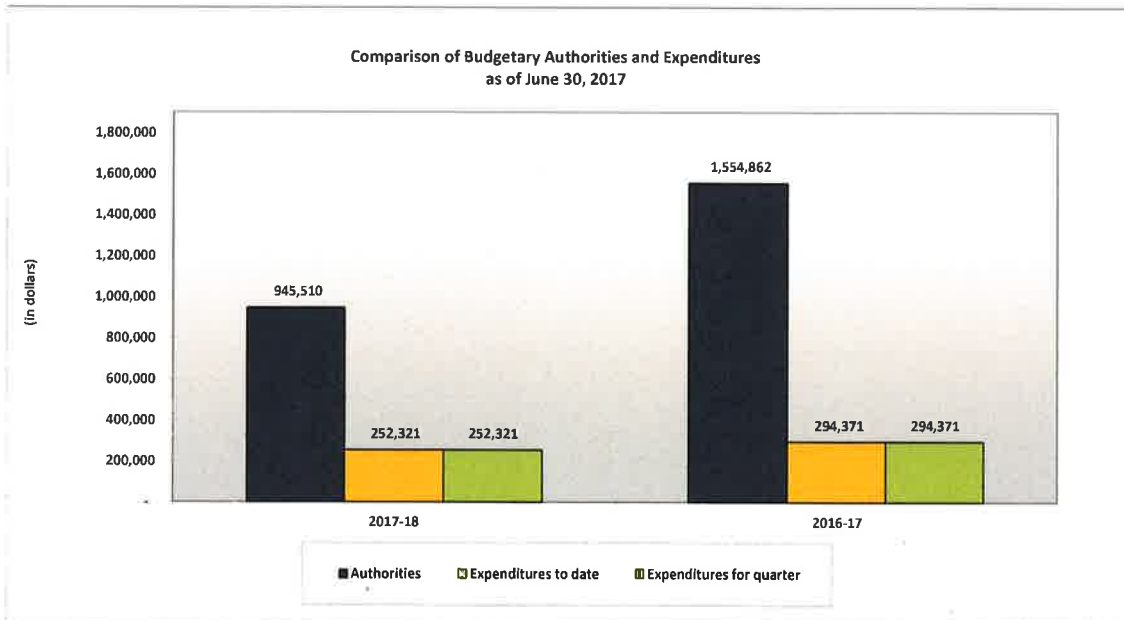
As reflected in the Statement of Authorities, the net budget authorities have decreased from \$1,554,862 (fiscal 2016-17) to \$945,510 to date in this fiscal year (fiscal 2017-18) for a variance decrease of \$609,352. The decrease is mainly due to the absence of a transfer of \$600,001 from RCMP appropriations in support of operations, which the ERC had received in the Main Estimates in the past two years. The ERC anticipates a budget carry forward transfer from the central vote in the amount of \$32,152.

2.2 Expenditure Analysis

As reflected in the Statement of Authorities, expenditures used in the quarter ending on June 30, have decreased from \$294,371 (fiscal 2016-17) to \$252,321 (fiscal 2017-18) for a total variance decrease of \$42,050 or 14%. The decrease in expenditures is mainly related to a decrease in salary costs.

2.3 Budgetary Expenditures by Standard Object

As reflected in the Budgetary Expenditures by Standard Object, expenditures used during the quarter ended June 30 have decreased from \$294,371 (fiscal 2016-17) to \$252,321 (fiscal 2017-18) for a total variance decrease of \$42,050 or 14%. The decrease in expenditures is mainly related to a decrease in salary 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 23, 2017.

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. The availability of supplementary funding for fiscal year 2017-18 has not been confirmed.

original signed by

Elizabeth M. Walker

Chair

Ottawa, Canada

Date July 20, 2017

original signed by

Jamie Deacon

Executive Director

Chief Financial Officer

Ottawa, Canada

Date July 20, 2017

RCMP External Review Committee

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Statement of Authorities

For the quarter ended June 30, 2017

(in dollars)

	Fiscal year 2017-18		Fiscal year 2016-17		Year to date used at quarter end
	Total available for use for the year ending	Used during the quarter ended	Total available for use for the year ending	Used during the quarter ended	
	31-Mar-18	30-Jun-17	31-Mar-17	30-Jun-16	30-Jun-16
Vote 1 - Operating expenditures	847,634	227,852	1,447,634	267,564	267,564
Employee Benefit Plans (EBP)	107,228	24,469	107,228	26,807	26,807
TOTAL AUTHORITIES	954,862	252,321	1,554,862	294,371	294,371

RCMP External Review Committee

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Budgetary Expenditures by Standard Object

For the quarter ended June 30, 2017

(in dollars)

	Fiscal year 2017-18		Fiscal year 2017-17		Fiscal year 2016-17	
	Planned expenditures for the year ending 31-Mar-18	Expended during the quarter ended 30-Jun-17	Year to date used at quarter end 30-Jun-17	Planned expenditures for the year ending 31-Mar-17	Expended during the quarter ended 30-Jun-16	Year to date used at quarter end 30-Jun-16
Expenditures:						
Personnel	721,292	224,421	224,421	730,644	252,548	252,548
Transportation and communications	20,000	4,599	4,599	35,000	1,556	1,556
Information	20,000	-	-	30,000	-	-
Professional and special services	138,218	20,538	20,538	695,218	36,264	36,264
Rentals	4,000	1,298	1,298	12,000	534	534
Repair and maintenance	2,000	-	-	2,000	-	-
Utilities, material and supplies	25,000	1,217	1,217	25,000	3,469	3,469
Acquisition of land, buildings and works	-	-	-	-	-	-
Acquisition of machinery and equipment	15,000	248	248	25,000	-	-
Transfer payments	-	-	-	-	-	-
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	-	-	-	-	-	-
Total budgetary expenditures	945,510	252,321	252,321	1,554,862	294,371	294,371