

Quarterly Financial Report For the Quarter Ended September 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 September 30, 2017.

2.1 Authorities Analysis

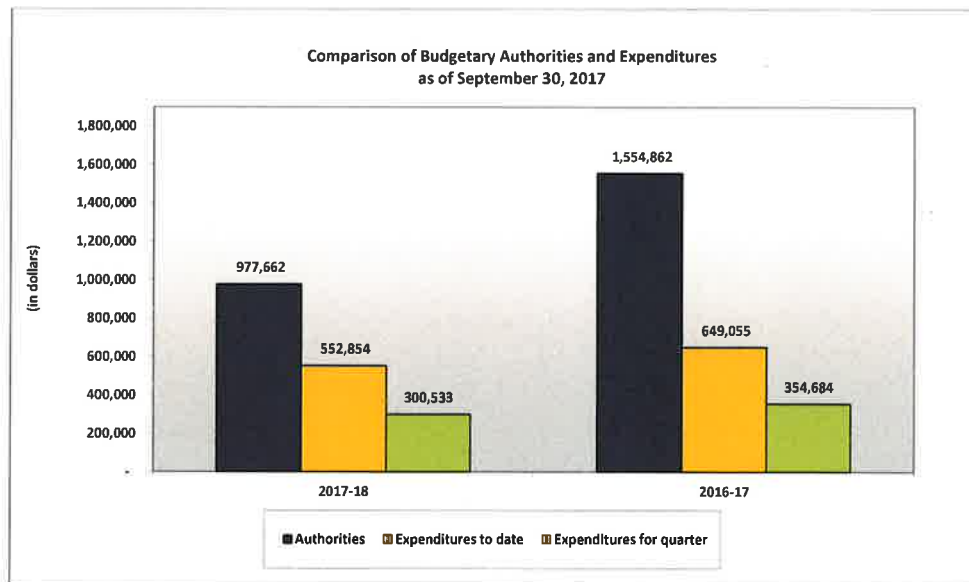
As reflected in the Statement of Authorities, the net budget authorities for year ending March 31, 2018 have decreased from \$1,554,862 (fiscal 2016-17) to \$977,662 to date for a variance decrease of \$577,200. The decrease is mainly due to the absence of a transfer of \$600,000 from RCMP appropriations in support of ERC operations, which the ERC had received in the Main Estimates in 2016-17. The ERC has received a budget carry forward transfer from the central vote from 2016-17 in the amount of \$32,152.

2.2 Expenditure Analysis

As reflected in the Statement of Authorities, expenditures used in the quarter ending on September 30, 2017 have decreased from \$354,684 (fiscal 2016-17) to \$300,533 for a total variance decrease of \$54,151 or 15.3%. The decrease in expenditures is mainly related to a decrease in salary expenditures.

2.3 Budgetary Expenditures by Standard Object

As reflected in the Budgetary Expenditures by Standard Object, expenditures used during the quarter ending on September 30, 2017 have decreased from \$354,684 (fiscal 2016-17) to \$300,533 for a total variance decrease of \$54,151 or 15.3%. The decrease in expenditures is mainly related to a decrease in salary expenditures.



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.

In the next quarter, the ERC will increase its voted appropriations for fiscal year 2017-18 by \$835,946 through the Supplementary Estimates (B) exercise. These funds are part of the \$8.1M in additional funding for the ERC over the next several years that was announced by the Minister of Public Safety on October 5, 2017. The additional funding will be reflected through the Annual Reference Level Update starting fiscal year 2018-19 through fiscal year 2020-21.

original signed by

Elizabeth M. Walker

Chair
Ottawa, Canada

Date November 2, 2017

original signed by

Jamie Deacon

Executive Director
Chief Financial Officer
Ottawa, Canada

Date October 31, 2017

RCMP External Review Committee

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Statement of Authorities

For the quarter ended September 30, 2017
(in dollars)

	Fiscal year 2017-18			Fiscal year 2016-17		
	Total available for use for the year ending	Used during the quarter ended	Year to date used at quarter end	Total available for use for the year ending	Used during the quarter ended	Year to date used at quarter end
	31-Mar-18	30-Sep-17	30-Sep-17	31-Mar-17	30-Sep-16	30-Sep-16
Vote 1 - Operating expenditures	879,786	276,064	503,916	1,447,634	327,877	595,441
Employee Benefit Plans (EBP)	97,876	24,469	48,938	107,228	26,807	53,614
TOTAL AUTHORITIES	977,662	300,533	552,854	1,554,862	354,684	649,055

RCMP External Review Committee

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Budgetary Expenditures by Standard Object

For the quarter ended September 30, 2017

(in dollars)

	Fiscal year 2017-18			Fiscal year 2016-17		
	Planned expenditures for the year ending 31-Mar-18	Expended during the quarter ended 30-Sep-17	Year to date used at quarter end 30-Sep-17	Planned expenditures for the year ending 31-Mar-17	Expended during the quarter ended 30-Sep-16	Year to date used at quarter end 30-Sep-16
Expenditures:						
Personnel	721,292	251,513	475,934	730,644	276,880	529,428
Transportation and communications	20,000	1,648	6,247	35,000	1,713	3,269
Information	20,000	9,668	9,668	30,000	15,325	15,325
Professional and special services	170,370	35,002	55,540	695,218	58,109	94,373
Rentals	4,000	432	1,730	12,000	534	1,068
Repair and maintenance	2,000	-	-	2,000	-	-
Utilities, material and supplies	25,000	2,270	3,487	25,000	1,738	5,207
Acquisition of land, buildings and works	-	-	-	-	-	-
Acquisition of machinery and equipment	15,000	-	248	25,000	385	385
Transfer payments	-	-	-	-	-	-
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	-	-	-	-	-	-
Total budgetary expenditures	977,662	300,533	552,854	1,554,862	354,684	649,055