

Quarterly Financial Report For the Quarter Ended December 31, 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

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 December 31, 2017.

2.1 Authorities Analysis

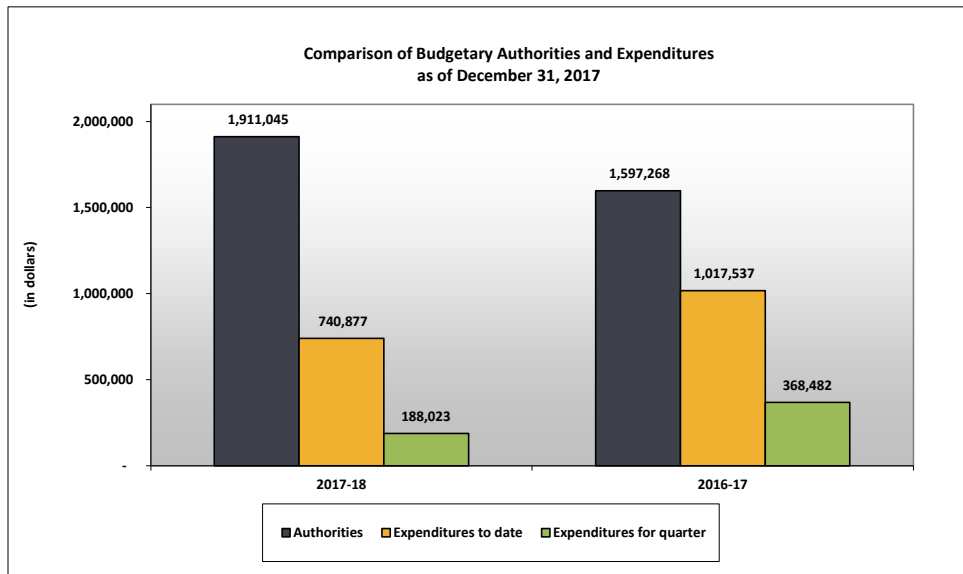
As reflected in the Statement of Authorities, the net budget authorities for year ending March 31, 2018 have increased from \$1,597,268 (fiscal 2016-17) to \$1,911,045 to date for a variance increase of \$313,777. The increase is due to funding in the amount of \$835,946 received as part of the Supplementary 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 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 December 31, 2017 have decreased from \$368,482 (fiscal 2016-17) to \$188,023 for a total variance decrease of \$180,459 or 48.9%. 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 December 31, 2017, have decreased from \$368,482 (fiscal 2016-17) to \$188,023 for a total variance decrease of \$180,459 or 48.9%. 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.

This quarter, the ERC increased 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.

Elizabeth Walker

Chairperson
Ottawa, Canada

Date

Jamie Deacon

Executive Director
Chief Financial Officer
Ottawa, Canada

Date

RCMP External Review Committee

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Statement of Authorities

For the quarter ended December 31, 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	31-Dec-17	31-Dec-17	31-Mar-17	31-Dec-16	31-Dec-16
Vote 1 - Operating expenditures	1,721,980	163,554	667,470	1,490,040	341,675	937,116
Employee Benefit Plans (EBP)	189,065	24,469	73,407	107,228	26,807	80,421
TOTAL AUTHORITIES	1,911,045	188,023	740,877	1,597,268	368,482	1,017,537

RCMP External Review Committee

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Budgetary Expenditures by Standard Object

For the quarter ended December 31, 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 31-Dec-17	Year to date used at quarter end 31-Dec-17	Planned expenditures for the year ending 13-Mar-17	Expended during the quarter ended 31-Dec-16	Year to date used at quarter end 31-Dec-16
Expenditures:						
Personnel	1,275,675	172,446	648,380	1,124,084	288,080	817,508
Transportation and communications	20,000	2,321	8,568	35,000	2,123	5,392
Information	20,000	-	9,668	30,000	3,281	18,606
Professional and special services	548,064	10,417	65,957	344,184	69,362	163,735
Rentals	4,000	432	2,162	12,000	1,073	2,141
Repair and maintenance	2,000	-	-	2,000	-	-
Utilities, material and supplies	25,000	2,212	5,699	25,000	4,553	9,760
Acquisition of land, buildings and works	-	-	-	-	-	-
Acquisition of machinery and equipment	16,306	194	442	25,000	10	395
Transfer payments	-	-	-	-	-	-
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	-	-	-	-	-	-
Total budgetary expenditures	1,911,045	188,023	740,877	1,597,268	368,482	1,017,537