

Quarterly Financial Report For the Quarter Ended September 30, 2018

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 ERC is an independent administrative tribunal (a distinct organization, separate from the RCMP). It reviews appeals made by RCMP members of certain decisions affecting them that are made by RCMP managers including appeals of decisions:

- to dismiss or to demote an RCMP member, or to impose a financial penalty of more than one day's pay, for contravention of the RCMP *Code of Conduct*;
- in a harassment complaint investigation;
- to discharge or to demote a member for being absent from duty; and,
- to stop a member's pay and allowances when the member has been suspended from duty.

Based on its review of a file referred to it by the RCMP, the ERC provides findings and recommendations for a final decision in the matter to the Commissioner of the RCMP. The Commissioner (or a delegate) is the final decision maker and is not required to follow the findings or recommendations of the ERC; but if she does not, the *RCMP Act* requires the Commissioner to include the reasons for not following the recommendations of the ERC in the final decision.

The ERC is the only independent review mechanism available to RCMP members for these matters (which must be referred to the ERC pursuant to the *RCMP Act* and *RCMP Regulations*); other than review by the Federal Court, which a party could apply for after a final decision is made by the Commissioner.

The ERC engages in a number of outreach and communications activities which support the administration of its appeal file reviews and which contribute to awareness and understanding of workplace issues within the Force. This includes presentations or discussions with RCMP managers and workplace representatives, the regular publication of the ERC [Communiqué](#) and its distribution within the Force as well as occasional [articles](#) or discussion papers on topics of interest related to the work of the ERC.

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 2018-19 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, 2018.

2.1 Authorities Analysis

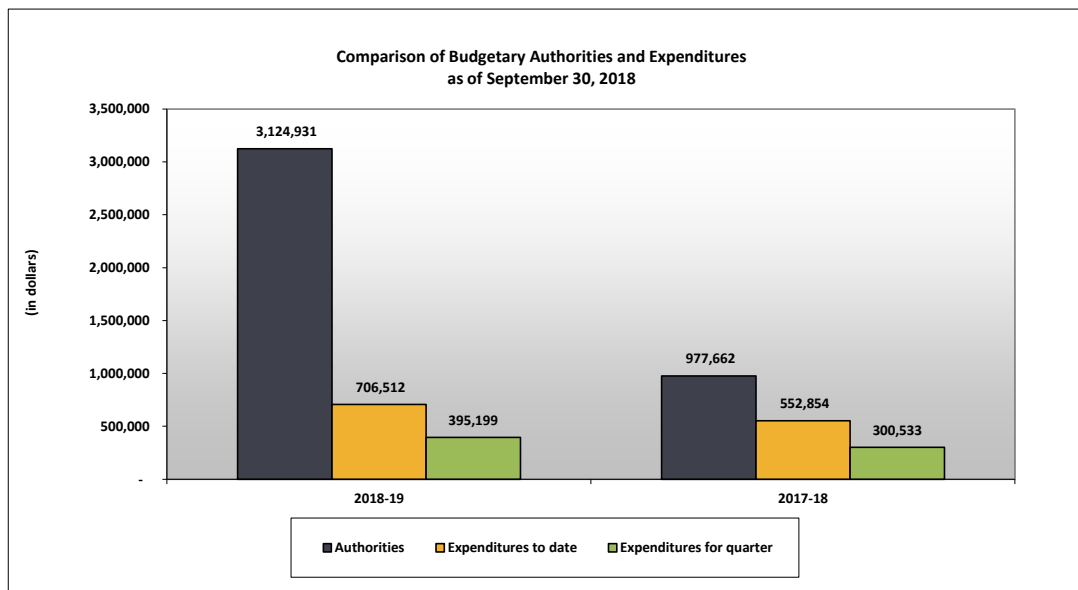
As reflected in the Statement of Authorities, the net budget authorities for year ending March 31, 2019 have increased from \$977,662 (fiscal 2017-18) to \$3,124,931 to date for a variance increase of \$2,147,269. The increase is part of the \$8.1M in additional funding for the ERC over the next several years that was announced by the Minister of Public Safety on October 5, 2017. The ERC anticipates a budget carry forward transfer from the central vote in the amount of \$42,382 and an anticipated Supplementary Estimates (A) amount of \$236,162.

2.2 Expenditure Analysis

As reflected in the Statement of Authorities, expenditures used in the quarter ending on September 30, 2018, have increased from \$300,533 (fiscal 2017-18) to \$395,199 for a total variance increase of \$94,666 or 23.9%. The increase in expenditures is mainly related to an increase 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, 2018, have increased from \$300,533 (fiscal 2017-18) to \$395,199 for a total variance increase of \$94,666 or 23.9%. The increase in expenditures is mainly related to an increase 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 21, 2018.

The ERC increased its voted appropriations for fiscal year 2018-19 by \$ \$2,147,269 through the Main Estimates 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 is reflected through the Annual Reference Level Update starting fiscal year 2018-19 through fiscal year 2020-21.

David Paradiso
Interim Chairperson
Ottawa, Canada

Jamie Deacon
Executive Director
Chief Financial Officer
Ottawa, Canada

Date

Date

RCMP External Review Committee

Quarterly Financial Report

Statement of Authorities

For the quarter ended September 30, 2018

(in dollars)

	Fiscal year 2018-19			Fiscal year 2017-18		
	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-19	30-Sep-18	30-Sep-18	31-Mar-18	30-Sep-17	30-Sep-17
Vote 1 - Operating expenditures	2,872,348	332,054	580,221	879,786	276,064	503,916
Employee Benefit Plans (EBP)	252,583	63,145	126,291	97,876	24,469	48,938
TOTAL AUTHORITIES	3,124,931	395,199	706,512	977,662	300,533	552,854

RCMP External Review Committee

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Budgetary Expenditures by Standard Object
 For the quarter ended September 30, 2018
 (in dollars)

	Fiscal year 2018-19			Fiscal year 2017-18		
	Planned expenditures for the year ending 31-Mar-19	Expended during the quarter ended 30-Sep-18	Year to date used at quarter end 30-Sep-18	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
Expenditures:						
Personnel	1,914,313	308,283	576,885	721,292	251,513	475,934
Transportation and communications	46,783	12,856	14,913	20,000	1,648	6,247
Information	10,797	3,297	5,307	20,000	9,668	9,668
Professional and special services	1,119,145	59,073	94,435	170,370	35,002	55,540
Rentals	5,268	432	720	4,000	432	1,730
Repair and maintenance	-	-	-	2,000	-	-
Utilities, material and supplies	28,625	11,258	14,253	25,000	2,270	3,487
Acquisition of land, buildings and works	-	-	-	-	-	-
Acquisition of machinery and equipment	-	-	-	15,000	-	248
Transfer payments	-	-	-	-	-	-
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	-	-	-	-	-	-
Total budgetary expenditures	3,124,931	395,199	706,512	977,662	300,533	552,854