Financial Statements 2025-26

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Cat. Number PS20-10E-PDF

ISSN 2818-4793

Aussi disponible en français sous le titre : États financiers 2025-2026

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Statement of Management Responsibility Including Internal Control Over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2026, and all information contained in these statements rests with the management of the Royal Canadian Mounted Police External Review Committee (ERC). These financial

statements have been prepared by management using the Government of Canada’s accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the ERC's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada and included in ERC's Departmental Results Report, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the Financial Administration Act and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood and applied throughout the ERC and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an ongoing process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

The financial statements of ERC have not been audited.

Charles Randall Smith
Chairperson
Ottawa, Canada

September 15, 2026

Sonja Mitrovic
Director General, Corporate Services and Chief Financial Officer

Ottawa, Canada

September 15, 2026

Statement of Financial Position (Unaudited)
As at March 31 (in dollars)

	2026	2025
Liabilities		
Accounts payable and accrued liabilities (note 4)	**$ 492,554**	$ 662,292
Vacation pay and compensatory leave	**307,637**	204,277
Employee future benefits (note 5)	**84,015**	83,676
Total liabilities	**884,206**	950,245
Financial assets		
Due from Consolidated Revenue Fund	**492,554**	619,670
Accounts receivable and advances (note 6)	**43,011**	43,016

Total financial assets	**535,565**	662,686
Departmental net debt	**348,641**	287,559
Non-Financial assets		
Tangible capital assets (note 7)	**0**	0
Total non-financial assets	0	0
Departmental net financial position	**$ (348,641)**	$ (287,559)
The accompanying notes form an integral part of these financial statements		

Charles Randall Smith
Chairperson
Ottawa, Canada

September 15, 2026

Sonja Mitrovic
Director General, Corporate Services and Chief Financial Officer

Ottawa, Canada

September 15, 2026

Statement of Operations and Departmental Net Financial Position (Unaudited)
For the year ended March 31 (in dollars)

	2026 Planned Results	2026 Actual	2025 Actual
Expenses			
Independent review of RCMP employment matters	**$ 5,101,723**	**$ 4,394,446**	$ 5,485,851
Internal Services	**2,098,796**	**1,704,723**	1,805,316
Total expenses	**7,200,519**	**6,099,169**	7,291,167
Revenues			
Miscellaneous revenues	**0**	**0**	0
Revenues earned on behalf of government	**0**	**0**	0
Total revenues	**0**	**0**	0
Net results of operations before government funding and transfers	**7,200,519**	**6,099,169**	7,291,167
Government Funding and Transfers			
Net cash provided by Government		**5,574,998**	6,164,703
Change in due from the Consolidated Revenue Fund		**(127,116)**	466,427

Services provided without charge by other government departments (note 8)		**590,205**	610,499
Net results of operations after government funding and transfers		**61,082**	49,538
Departmental net financial position - Beginning of Year		**(287,559)**	238,021
Departmental net financial position - End of Year		**$ (348,641)**	$ (287,559)
Segmented information (note 9)			
The accompanying notes form an integral part of these financial statements.			

Statement of Change in Departmental Net Debt (Unaudited)
For the year ended March 31 (in dollars)

	2026 Actual	**2025 Actual**
Net costs of operations after government funding and transfers	**$ 61,082**	$ 49,538
Net increase (decrease) in departmental net debt	**61,802**	49,538

Departmental net debt - Beginning of Year	**287,559**	238,021
Departmental net debt - End of Year	**$ 348,641**	$ 287,559
The accompanying notes form an integral part of these financial statements.		

Statement of Cash Flows (Unaudited)
For the year ended March 31 (in dollars)

	2026	**2025**
Operating activities		
Net results of operations before government funding and transfers	**$ 6,099,169**	$ 7,291,167
Non-cash items:		
Services provided without charge by other government departments (note 8)	**(590,205)**	(610,499)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances	**(5)**	(102,271)
Decrease (increase) in accounts payable and accrued liabilities	**169,738**	(407,715)
Decrease (increase) in vacation pay and compensatory leave	**(103,360)**	1,602

Decrease (increase) in employee future benefits	**(339)**	(7,581)
Cash used in operating activities	**5,574,998**	6,164,703
Net cash provided by Government of Canada	**$ 5,574,998**	$ 6,164,703
The accompanying notes form an integral part of these financial statements.		

Notes to the Financial Statements (Unaudited) For the year ended March 31, 2026

1. Authority and objectives

The Royal Canadian Mounted Police External Review Committee (ERC) is an independent and impartial body to review appeal case files involving regular and civilian members of the RCMP. The ERC issues findings and recommendations to the Commissioner of the RCMP for final decisions.

As a micro-organization, the ERC has one Core responsibility: **Independent review of RCMP employment matters** that focuses on independent and impartial case reviews, findings, and recommendations for final decisions in appeals of internal RCMP decisions in harassment complaints, conduct cases, discharges or demotions, and stoppages of pay and allowances. To deliver on this responsibility, ERC has one program: Appeal Case Reviews.

In addition, the ERC has **Internal Services** that focus on providing services within the organization, reporting on corporate obligations, and supporting the delivery of its program.

2. Summary of significant accounting policies

These financial statements have been prepared using ERC's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

(a) Parliamentary authorities

The ERC is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the ERC do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Departmental Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the "Expenses" and "Revenues" sections of the Statement of Operations and Departmental Net Financial Position are the amounts reported in the Future-oriented Statement of Operations included in the 2025-2026 Departmental Plan. Planned results are not presented in the "Government funding and transfers" section of the Statement of Operations and Departmental Net Financial Position and in the Statement of Change in Departmental Net Debt because these amounts were not included in the 2025-2026 Departmental Plan.

(b) Net cash provided by Government

The ERC operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the ERC is deposited to the CRF, and all cash disbursements made by the ERC are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government.

(c) Amounts due from or to the CRF

Amounts due from or to the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that the ERC is entitled to draw from the CRF without further authorities to discharge its liabilities.

(d) Revenues and deferred revenues

Revenues are comprised of revenues earned from non-tax sources. They include exchange transactions where goods or services are provided for consideration where a performance obligation exists, and non-exchange transactions where no performance obligations exist to provide a good or service. These transactions can be recurring or non-recurring in nature. Recurring transactions are viewed as ongoing, routine activities that form part of the normal course of operations and can be used to indicate if they can be reasonably expected to be earned again in future years.

Deferred revenue consists of amounts received in advance of the delivery of goods and rendering of services that will be recognized as revenue in a subsequent fiscal year as it is earned. Other revenues are recognized in the period the event giving rise to the revenues occurred.

Revenues that are non-respendable are not available to discharge the department’s liabilities. While the Departmental Deputy Head is expected to maintain accounting control, he or she has no authority regarding the disposition of non-respendable revenues. As a result, non-respendable revenues are earned on behalf of the Government of Canada and are therefore presented as a reduction of the entity’s gross revenues. Revenues earned on behalf of Government consist of the sale of services and gains on the sale of assets. These are recognized when earned.

(e) Expenses

Transfer payments are recorded as an expense in the year the transfer is authorized, and all eligibility criteria have been met by the recipient. Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment. Services provided without charge by other government departments for accommodation, employer contributions to the health and dental insurance plans, legal services and workers' compensation are recorded as operating expenses at their carrying value.

(f) Employee future benefits

(i) Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government. The ERC's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. The ERC’s responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan’s sponsor.

(ii) Severance benefits: The accumulation of severance benefits for voluntary departures ceased for applicable employee groups. The remaining obligation for employees who did not withdraw benefits is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Non-financial assets

The costs of acquiring land, buildings, equipment, and other capital property are capitalized as tangible capital assets and, except for land, are amortized to expense over the estimated useful lives of the assets, as described in Note 9. All tangible capital assets and leasehold improvements having an initial cost of $10,000 or more are recorded at their acquisition cost. Tangible capital assets do not include immovable assets located on reserves as defined in the Indian Act , works of art, museum collection and Crown land to which no acquisition cost is attributable and intangible assets.

Inventories are valued at cost and are comprised of spare parts and supplies held for future program delivery and are not primarily intended for resale. Inventories that no longer have service potential are valued at the lower of cost or net realizable value.

(h) Transactions involving foreign currencies

Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using the rate of exchange in effect at March 31. The Government has elected to recognize gains and losses resulting from foreign currency translation, including those arising

prior to settlement or derecognition of the financial instrument, directly on the Statement of Operations and Departmental Net Financial Position according to the activities to which they relate.

(i) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets, liabilities, revenues and expenses reported in the financial statements and accompanying notes at March 31. The estimates are based on facts and circumstances, historical experience, general economic conditions and reflect the Government's best estimate of the related amount at the end of the reporting period. The most significant items where estimates are used are contingent liabilities, the liability for employee future benefits and the useful life of tangible capital assets.

Actual results could significantly differ from those estimated. Management’s estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

(j) Related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except for the following:

i. Services provided on a recovery basis are recognized as revenues and expenses on a gross basis and measured at the exchange amount.

ii. Certain services received on a without charge basis are recorded for departmental financial statement purposes at the carrying amount.

3. Parliamentary authorities

The ERC receives most of its funding through annual Parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through Parliamentary authorities in prior, current or future years. Accordingly, the ERC has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year authorities used:

	2026	**2025**
		(in dollars)
Net cost of operations before government funding and transfers	**$ 6,099,169**	$7,291,167
Adjustments for items affecting net cost of operations but not affecting authorities:		
Services provided without charge by other government departments	**(590,205)**	(610,499)
Adjustments to previous years' payables at year-end	**9,371**	0

Increase/(decrease) in vacation pay and compensatory leave	**(103,360)**	1,602
Increase/(decrease) in employee future benefits	**(339)**	(7,581)
Refund of prior years' expenditures	**3,938**	438
	(680,594)	(616,040)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Salary overpayments charged to the Appropriation	**2,392**	13,372
	2,392	13,372
Current year authorities used	**$ 5,420,967**	$ 6,688,499

(b) Authorities provided and used:

	2026	**2025**
		(in dollars)
Authorities provided:		
Vote 1 – Program expenditures	**$ 6,381,762**	$ 6,577,508
Contributions to employee benefits plan	**583,081**	679,906
	6,964,843	7,257,414
Less:		

Lapsed: Operating	**(1,543,876)**	(568,915)
Current year authorities used	**$ 5,420,967**	$ 6,688,499

4. Accounts payable and accrued liabilities

The following table presents details of ERC's accounts payable and accrued liabilities:

	2026	**2025**
		(in dollars)
Accounts payable to other government departments and agencies	**($ 56,820)**	$ 142,144
Accounts payable to external parties	**25,130**	8,189
Total accounts pyable	**(31,690)**	150,333
Accrued liabilities	**524,244**	511,959
Total accounts payable and accrued liabilities	**$ 492,554**	$ 662,292

5. Employee future benefits

(a) Pension benefits

The ERC’s employees participate in the Public Service Pension Plan (the "Plan"), which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plan benefits and they are indexed to inflation. Both the employees and the ERC contribute to the cost of the Plan. Due to the amendment of the Public Service Superannuation Act following the implementation of provisions related to Economic Action Plan 2012, employee contributors have been divided into two groups - Group 1 related to existing plan members as of December 31, 2012, and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2025-2026 expense amounts to $369,673 ($436,092 in 2024-2025). For Group 1 members, the expense represents approximately 1.01 times (1.02 times in 2024-2025) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2024-2025) the employee contributions.

The ERC's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits

Severance benefits provided to the ERC’s employees were previously based on an employee’s eligibility, years of service and salary at termination of employment. However, since 2011 the accumulation of severance benefits for voluntary departures progressively ceased for substantially all employees. Employees subject to these changes were given the option to be paid the full or partial value of benefits earned to date or collect the full

or remaining value of benefits upon departure from the public service. By March 31, 2026 all settlements for immediate cash out were completed. Severance benefits are unfunded and, consequently, the outstanding obligation will be paid from future authorities. The changes in the obligations during the year were as follows:

	2026	**2025**
		(in dollars)
Accrued benefit obligation - Beginning of year	**$ 83,676**	$ 76,095
Expense for the year	**339**	7,581
Benefits paid during the year	**0**	0
Accrued benefit obligation - End of year	**$ 84,015**	$ 83,676

6. Accounts receivable and advances

The following table presents details of ERC's accounts receivable and advances balances:

	2026	**2025**
		(in dollars)
Receivables – Other government departments and agencies	**$ 547**	$394
Receivables – External parties	**42,464**	42,927

Employee advances	**0**	0
Subtotal	**43,011**	43,321
Allowance for doubtful accounts on receivables from external parties	**0**	0
Net accounts receivable	**$ 43,011**	$ 43,321

The following table provides an aging analysis of accounts receivable from external parties and the associated valuation allowances used to reflect their net recoverable value.

	2026	**2025**
Accounts receivable from external parties		(in dollars)
Not past due	**$ 42,463**	$ 42,927
Number of days pas due:		
1 to 30	**0**	0
31 to 60	**0**	0
61 to 90	**0**	0
91 to 365	**0**	0
over 365	**0**	0
Sub-total	**42,463**	42,927
Less: Valuation allowance	**0**	0
Total	**$ 42,463**	$ 42,927

7. Tangible capital assets

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

All tangible capital assets and leasehold improvements having an initial cost of $10,000 or more are recorded at their acquisition cost. CRCC does not possess intangible capital assets such as, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on Indian Reserves and museum collections.

Asset Class	**Amortization Period**
Other equipment including furniture	5 years
Leasehold improvements	Over the useful life of the improvement or the lease term, whichever is shorter

Assets under construction are recorded in the applicable asset class in the year they are put into service and are not amortized until they are put into service.

	Cost				**A**
Capital asset class	**Opening balance**	**Acquisitions**	**Disposals & write-offs**	**Closing balance**	**Opening balance**

Other equipment including furniture	$42,382	0	0	$ 42,382	$ 42,382
Leasehold improvements	$172,232	0	0	$ 172,232	$ 172,232
Total	**$ 214,614**	**$ 0**	**$ 0**	**$ 214,614**	**$ 214,614**

8. Related party transactions

The ERC is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. Related parties also include individuals who are members of key management personnel or close family members of those individuals, and entities controlled by, or under shared control of, a member of key management personnel or a close family member of that individual.

The ERC enters into transactions with these entities in the normal course of business and on normal trade terms. In addition, the ERC has agreements with Correctional Services Canada and with Royal Canadian Mounted Police related to the provision of human resources and finance system services. During the year, the ERC received common services which were obtained without charge from other Government departments as disclosed below:

a) Common services provided without charge by other government departments

During the year, the ERC received services without charge from certain common service organizations related to accommodation, legal services, the employer's contribution to the health and dental insurance plans and workers' compensation coverage. These services provided without charge have been recorded in the ERC's Statement of Operations and Departmental Net Financial Position as follows:

	2026	**2025**
		(in dollars)
Accommodations	**$ 179,169**	$ 179,322
Employer's contribution to the health and dental insurance plans	**411,036**	431,177
Total	**$ 590,205**	$ 610,499

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common services organization so that one department performs services for all other departments and agencies without charge. The costs of these services, such as payroll and cheque issuance services provided by Public Services and Procurement Canada and audit services provided by the Office of the Auditor General are not included in the ERC's Statement of Operations and Departmental Net Financial Position.

(b) Other transactions with related parties

	2026	2025
		(in dollars)
Accounts receivable	**547**	394
Accounts payable	**(56,820)**	142,144
Expenses	**482,015**	380,525

Expenses and revenues disclosed in (b) exclude common services provided without charges, which are already disclosed in (a).

9. Segmented information

Presentation by segment is based on ERC's core responsibility. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in note 2. The following table presents the expenses incurred and revenue generated for the main core responsibilities, by major object of expenses and by major type of revenues. The segment results for the period are as follows:

				(in dollars)
			2026	2025
Expenses	**Independent review of RCMP employment matters**	**Internal Services**	**Total**	Total

Operating expenses				
Salaries and employee benefits	$ 3,928,416	$ 1,260,280	**$ 5,188,696**	$ 6,072,685
Professional and special services	250,689	108,870	**359,559**	659,310
Accommodation	136,494	42,675	**179,169**	179,322
Equipment rentals	3,050	2,160	**5,210**	8,781
Information	25,646	0	**25,646**	31,348
Travel and relocation	9,392	1,862	**11,254**	12,605
Equipment	639	29,364	**30,003**	29,531
Repairs	0	7,997	**7,997**	1,957
Utilities, material and supplies	35,531	1,346	**36,877**	39,609
Communication	2,583	280	**2,863**	5,740
Claim against the Crown	2,000	0	**2,000**	0
Miscellaneous	5	249,890	**249,895**	250,279
Total expenses	**$ 4,394,445**	**$ 1,704,724**	**$ 6,099,169**	**$ 7,291,167**

Revenues				
Miscellaneous revenues	0	0	0	0
Revenue earned on behalf of government	0	0	0	0
Total revenues	**$ 0**	**$ 0**	**$ 0**	**$ 0**
Net cost of operations before government funding and transfers	**$ 4,394,445**	**$1,704,724**	**$ 6,099,169**	**$7,291,167**

Date modified: 2026-11-06