



Royal Canadian Mounted Police  
Gendarmerie royale  
du Canada

## Royal Canadian Mounted Police

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# Quarterly Financial Report for the Quarter Ended June 30, 2024

Statement outlining results, risks and significant changes in operations, personnel and program

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## List of acronyms and abbreviations

### **CUAS**

countering uncrewed aerial systems

### **DNA**

Deoxyribonucleic acid

### **IM**

Information management

### **IT**

Information technology

### **RCMP**

Royal Canadian Mounted Police

### **VNR**

Vote Netted Revenues

## 1. Introduction

This quarterly financial report (QFR) 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. The report should be read in conjunction with the [Main Estimates](#) for 2024-25. The quarterly report has not been subject to an external audit or review.

### 1.1 Mandate

The Minister of Public Safety is the minister responsible for the Royal Canadian Mounted Police (RCMP). The responsibilities of the RCMP are set out in section 18 of the *Royal Canadian Mounted Police Act*. The RCMP's mandate is multi-faceted, it includes preventing and investigating crime; maintaining peace and order; enforcing laws; contributing to national security; ensuring safety of state officials, visiting dignitaries and foreign missions; and providing vital operational support services to other police and law enforcement agencies within Canada and abroad.

Further information on the mandate, roles, responsibilities and programs of the RCMP can be found in the [Main Estimates](#) (Part II of Estimates) and the Departmental Plan and Departmental Results Report (Part III of Estimates).

## 1.2 Basis of presentation

This quarterly report has been prepared by management using the expenditure basis of accounting. The accompanying Statement of Authorities includes the RCMP's spending authorities granted by Parliament and those used by the department consistent with the Main Estimates. 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 money 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.

The RCMP uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on a cash expenditure basis.

The RCMP is funded through annual appropriations and is, therefore, impacted by any changes in funding approved through Parliament. In addition, it receives a significant portion of funding through vote netted revenue (VNR) from the provision of policing services to provinces, territories, municipalities and first nations communities, as well as from cost sharing agreements with provinces and territories for the provision of DNA analysis by the RCMP. The RCMP also receives VNR authorities for the administration of the RCMP's Pension Plan.

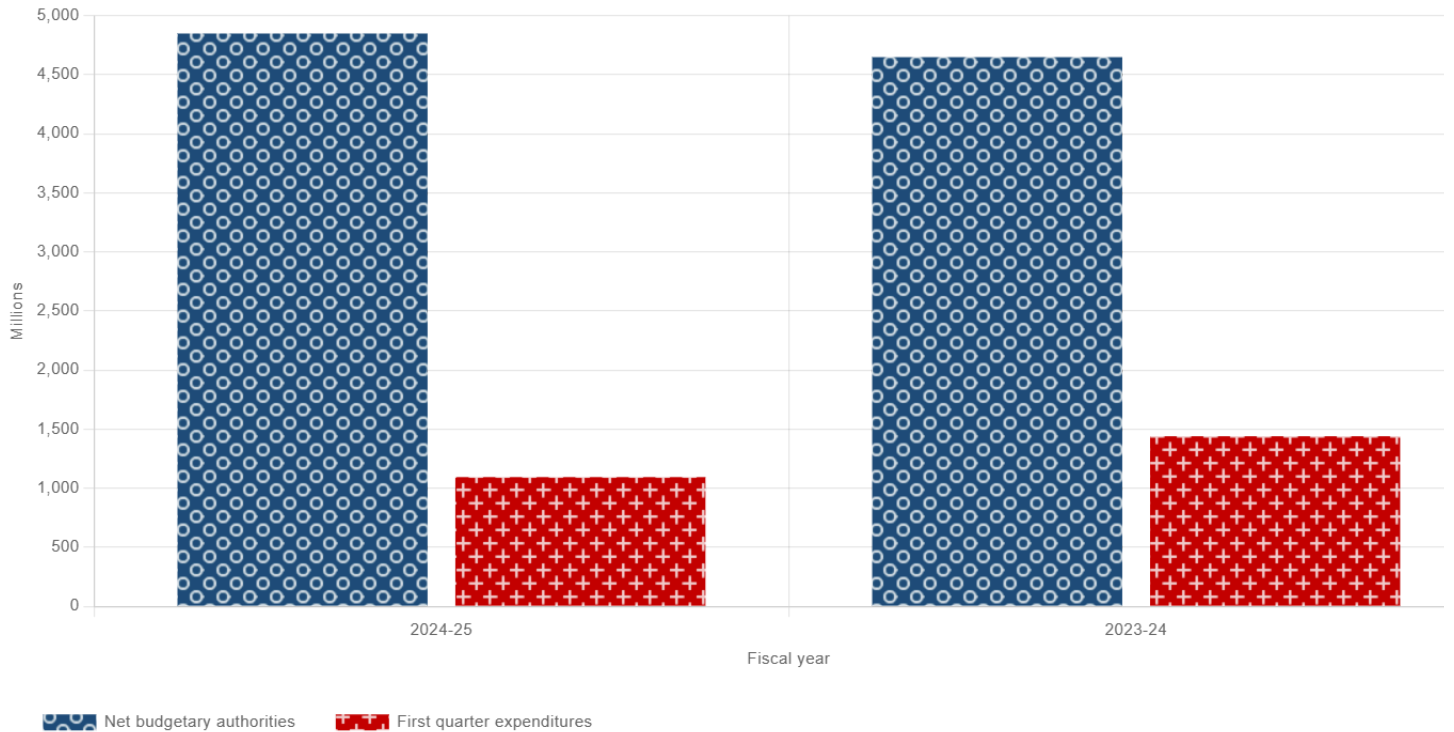
The RCMP's authorities are allocated in a number of discrete envelopes with varying sources of funds. A number of Special Purpose Allotments (SPAs) have been created over the years to manage the various programs and/or initiatives.

## 2. Highlights of the fiscal quarter and fiscal year-to-date results

The following section provides financial results and explanations for the quarter ended June 30, 2024 as compared to the quarter ended June 30, 2023. The following graph illustrates the net budgetary authorities, the year-to-date expenditures, and expenditures for the quarter ended June 30, 2024, along with comparative figures for the quarter ended June 30, 2023. It reflects the department's combined Vote 1 - Operating, Vote 5 - Capital, Vote 10 - Grants and contributions, and the new Vote 15 - Payments in respect of disability and health benefits for members of the Royal Canadian Mounted Police as well as statutory elements.

### Chart 1: Highlights of the first quarter and the fiscal year-to-

date



	2024-25	2023-24
<b>Net budgetary authorities</b>	\$4,848.6 million	\$4,648.6 million
<b>First quarter expenditures</b>	\$1,094.4 million	\$1,440.1 million

### 2.1 Significant changes to authorities

For the period ending June 30, 2024, the RCMP has \$4,848.6 million in total authorities. This amount includes 2024-25 Main Estimates of \$4,847.8 million and proceeds from the disposal of Crown assets of \$0.8 million.

As illustrated in the table below, total authorities as at June 30, 2024 increased by \$200.0 million compared to the first quarter of fiscal 2023-24.

**Table 1: Cumulative variance in authorities in 2024-25 in comparison to 2023-24 <sup>1</sup>**

Based on the end of the first quarter (June) (in thousands of dollars)	Total authorities		Year over year variance	
	2024-25	2023-24	Authorities	Percentage
<b>Gross operating expenditures</b>	5,076,194	5,157,082	(80,888)	(2%)
<b>Less: Vote netted revenues</b>	2,062,523	2,026,937	35,586	2%
<b>Vote 1 - Net operating expenditures</b>	3,013,671	3,130,145	(116,473)	(4%)
<b>Vote 5 - Capital expenditures</b>	262,585	284,091	(21,506)	(8%)
<b>Vote 10 - Grants and contributions</b>	24,845	660,740	(635,895)	(96%)
<b>Vote 15 - Health and disability</b>	952,070	0	952,070	100%
<b>Total voted authorities</b>	4,253,171	4,074,976	178,196	4%
<b>Total budgetary authorities</b>	4,848,605	4,648,582	200,024	4%

Based on the end of the first quarter (June) (in thousands of dollars)	Total authorities		Year over year variance	
	2024-25	2023-24	Authorities	Percentage
<b>Pensions and other employee benefits - Members of the Force</b>	513,252	483,366	29,886	6%
<b>Contributions to employee benefit plans (public servants employees)</b>	76,333	84,830	(8,497)	27%
<b>Pensions under the <i>Royal Canadian Mounted Police Pension Continuation Act</i></b>	5,000	5,000	0	0%
<b>Proceeds from the disposal of Crown assets under the <i>Surplus Crown Assets Act</i></b>	849	410	439	204%
<b>Statutory authorities</b>	595,434	573,606	21,828	4%
<b>Total budgetary authorities</b>	4,848,605	4,648,582	200,024	4%

1 Totals may not add due to rounding.

## Explanation of changes in voted and statutory authorities

### Vote 1 - Gross operating expenditures

The organization's Vote 1 decreased by \$80.9 million compared to the first quarter of 2023-24, mainly due to:

- A decrease of \$202.8 million related to a transfer of Members' health and disability benefits funding from Vote 1 to the new Vote 15, Health and Disability.
- A decrease of \$24.1 million related to the RCMP's commitment as part of the Budget 2023 Refocusing Government Spending Initiative.

The above decreases were partially netted by:

- An increase of \$72.3 million in compensation adjustments for public service employees and members of the RCMP.
- An increase of \$35.6 million in Vote Netted Revenues (VNR) as a result of increases related to collective bargaining, and anticipated revenue increases for the Canadian Police College and Biological Casework Analysis Agreements.
- A net increase of \$38.1 million related to following projects and initiatives:
  - Decrease of \$21.3 million for aviation safety and security modernisation initiatives.
  - Increase of \$13.1 million for Service Excellence: Disability Benefits Adjudication and Case Management for Veterans and RCMP Members.
  - Increase of \$6.4 million for the renewal of the Canadian drugs and substances strategy.
  - Increase of \$5.6 million for the Firearms Compensation Program web portal and case management system.

- Increase of \$5.3 million in support of the RCMP countering uncrewed aerial systems (CUAS) program.
- Increase of \$5.3 million in support of strengthening Canada's sanctions capacity and leadership (*Special Economic Measures Act*)
- Net Increase of \$23.7 million for various previously approved and new initiatives.

### **Vote netted revenues**

The organization's VNR authority increased by \$35.6 million compared to the first quarter of 2023-24 as a result of increases related to collective bargaining, and for anticipated revenue increases for the Canadian Police College and Biological Casework Analysis Agreements.

### **Vote 5 - Gross capital expenditures**

The organization's Vote 5 decrease of \$21.5 million, compared to first quarter of 2023-24, is mainly due to:

- A decrease of \$20.8 million for real property and movable assets, as a result of a one-time reprofile to address supply chain delays in 2023-24.
- A decrease of \$4.5 million to stabilize and strengthen Royal Canadian Mounted Police core operations.
- A decrease of \$3.7 million to implement the National Cybercrime solution IM/IT project.
- A net decrease of \$4.3 million for other previously approved initiatives.

The above decreases were partially offset by:

- An increase of \$10.5 million in support of the Ontario, Quebec and National Capital Region radio renewal initiative.
- An increase of \$1.3 million in support of the RCMP countering uncrewed aerial systems (CUAS) program.

### **Vote 10 - Grants and Contributions**

The organization's Vote 10 decreased by \$635.9 million, compared to first quarter of 2023-24, due to:

- A decrease of \$636.2 million for the transfer of the former grant to compensate members of the Royal Canadian Mounted Police for injuries received in the performance of duty from Vote 10 to the new Vote 15 - Health and Disability.
- An increase of \$0.3 million for the Firearms Contribution Program.

### **Vote 15 - Payments in respect of disability and health benefits for members of the Royal Canadian Mounted Police**

As of 2024-25, a new Vote was created to capture all expenditures related to Members' health and disability benefits in a single Vote and improve the transparency of policing costs. It is important to note that there is no

change in the level of service or service delivery model with respect to these expenditures.

Vote 15 authorities were established at \$952.1 million as of the first quarter of 2024-25, compared to no authorities in the previous fiscal years due to:

- An increase of \$749.3 million from the former grant to compensate members of the Royal Canadian Mounted Police for injuries received in the performance of duty Vote 10.
- An increase of \$202.8 million for RCMP Member Occupational Health and Supplemental Health Benefits, previously included as part of Vote 1.

### Statutory authorities

The organization's statutory authority increased by \$21.8 million compared to the first quarter of 2023-24, mainly due to:

- An increase of \$8.7 million in Public Service Employees and Members of the RCMP Employee Benefits Plan, related to new and previously approved initiatives.
- An increase of \$18.2 million related to Compensation adjustments for public service employees and members of the RCMP Employee Benefits Plan.
- An increase of \$0.4 million related to the Proceeds from the Disposal of Crown Assets under the *Surplus Crown Assets Act*.
- A decrease of \$5.5 million as a result of changes in the attribution of RCMP members and Public Service Employees Benefits costs, as well as updates to their respective rates.

### Explanation of significant variances from previous year expenditures

As illustrated in table 2 below, the total year-to-date net expenditures for the period ended June 30, 2024 have decreased by approximately \$346 million (or 24%) compared to previous year. As observed in table 3, RCMP's gross budgetary expenditures decreased by \$31 million (or 2%) compared to the same period. The decreases in gross budgetary expenditures were largely offset by increased revenue collections (\$315 million) for the first quarter which is attributable to both the timing of collections and increased costs being invoiced to Contract Policing partners as compared to the prior year.

**Table 2: Year to date expenditure at quarter end (in thousands of dollars) <sup>1</sup>**

Year to date expenditures as at June 30, 2024	2024-25	2023-24	Variance	Percentage
<b>Vote 1 - Net Operating expenditures</b>	842,897	1,107,209	(264,312)	(24%)
<b>Total expenditures</b>	1,094,371	1,440,066	(345,695)	(24%)

Year to date expenditures as at June 30, 2024	2024-25	2023-24	Variance	Percentage
<b>Vote 5 - Capital expenditures</b>	49,144	41,966	7,178	17%
<b>Vote 10 - Grants and contributions</b>	778	145,810	(145,032)	(99%)
<b>Vote 15 - Health and disability</b>	47,892	0	47,892	100%
<b>Budgetary statutory expenditures</b>	153,660	145,081	8,579	6%
<b>Total expenditures</b>	1,094,371	1,440,066	(345,695)	(24%)

1 Totals may not add due to rounding.

The decrease in net budgetary expenditures (\$345.7 million) is mainly due to the timing of revenue collections from Contract Policing partners (\$314.8 million), which were due for collection in June 2024 as opposed to July 2023, as well as the timing of payments issued to Veterans Affairs Canada for Members Injured in the Line of Duty (\$145.0 million), which occurred in July 2024 as opposed to June 2023. These decreases were partially offset by increases in salary costs due to higher personnel and associated employee benefit plan costs, as a result of full time equivalents growth coupled with the ratification of new collective bargaining agreements (\$74.6 million). Additionally, increases related to the timing of expenditures and phases related to various projects, and the increase in acquisition of vehicles in comparison to the previous year also contributed to offsetting the year-over-year decrease.

After excluding the observed reduction in Vote 10 – Grants and Contributions resulting from the creation of the new Vote 15 – Health and Disability, the RCMP continues to experience increases in overall expenditures related to newly approved initiatives.

Lastly, multiple standard objects have significant increases in year-over-year costs primarily related to the rise in the price of goods and services.

**Table 3: Year to date expenditures by standard object at quarter end (in thousands of dollars) <sup>1 2</sup>**

Standard objects	2024-25	2023-24	Variance	Percentage
<b>Personnel</b>	1,107,610	1,033,008	74,602	7%
<b>Transportation and communications</b>	78,752	66,900	11,852	18%
<b>Information</b>	1,221	844	377	45%
<b>Professional and special services</b>	160,862	147,281	13,581	9%
<b>Rentals</b>	25,709	27,854	(2,145)	(8%)
<b>Repair and maintenance</b>	22,530	18,058	4,472	25%
<b>Utilities, materials and supplies</b>	40,987	37,798	3,189	8%
<b>Acquisition of land, buildings and works</b>	9,575	10,480	(905)	(9%)
<b>Acquisition of machinery and equipment</b>	48,828	43,343	5,485	13%
<b>Total net budgetary expenditures</b>	1,094,371	1,440,066	(345,695)	(24%)

Standard objects	2024-25	2023-24	Variance	Percentage
Transfer payments	1,362	146,520	(145,158)	(99%)
Public debt charges	128	137	(9)	(7%)
Other subsidies and payments	18,224	14,431	3,793	26%
Total gross budgetary expenditures	1,515,788	1,546,654	(30,866)	-2%
Less: Revenues and other reductions	421,417	106,588	314,829	295%
Total net budgetary expenditures	1,094,371	1,440,066	(345,695)	(24%)

- 1 Totals may not add due to rounding.
- 2 There is not a direct correlation between total expenditure and revenue trends as expenditures reflect total RCMP, whereas revenues are related primarily to contract policing activities.

## Expenditure analysis by standard object

### Personnel

The increase in expenditures by \$74.6 million (or 7%) is attributed to a year-over-year increase in full time equivalents due to newly approved initiatives and higher pay expenditures for Regular Members and Public Servants from the ratification of various collective agreements. This has led to a year-over-year increase to personnel expenditures, including the associated employee benefits plan expenditures and prior year retroactive pay, through the first quarter of the fiscal year 2024-25 in comparison to 2023-24.

### Transport and communications

The increase in expenditures by \$11.8 million (or 18%) is mainly related to increased relocation expenditures and increased telecommunication services expenditures within Contract and Indigenous Policing as well as an increase in travel costs.

### Information

The increase in expenditures by \$0.4 million (or 45%) is mainly attributed to the printing services for firearms communications and an increase in advertising and publication services due to increased efforts in recruiting.

### Purchased repair and maintenance

The increase in expenditures by \$4.5 million (or 25%) is mainly due to the various life cycle costs for assets, vehicle repairs and IT maintenance.

### Acquisition machinery and equipment

The increase in expenditures by \$5.5 million (or 13%) is mainly due to the timing of the acquisition of vehicles and software, as well as radio and firearms equipment, in comparison to the previous fiscal year, partially offset by decreases in computer equipment acquisitions.

### Transfer payments

The decrease in expenditures by \$145 million (or 99%) is attributable to the new Vote 15 - Health and Disability where funding in support of Members injured in the line of Duty moved from Vote 10 - Grants and Contribution to the new vote.

### Revenues and other reductions

The increase in vote netted revenues by \$314.8 million (or 295%) is attributable to the timing of collections and increased amounts invoiced to contract partners and at the Canadian Police College when compared to the prior year.

## 3. Risks and uncertainties

The RCMP has recently completed an environmental scan as part of its work to toward the [2025-28 Corporate Risk Profile](#). In the meantime, the five risks that have been identified with a high-risk rating from the [2021-24 Corporate Risk Profile](#) continue to help guide funding decisions are as follows:

1. **Recruitment, Retention and Modernized Skillsets** - the Risk that the RCMP will be unable to adequately attract and retain diverse groups of employees with the appropriate skills, attributes, characteristics and mindset to police the crimes of the future; and
2. **Expanding Commitments** - Risk that the RCMP's commitments continue to expand without sufficient resources, impeding its ability to deliver on priorities and core services.
3. **IT Infrastructure and Systems** - the Risk that the RCMP's IT infrastructure, systems and applications will become increasingly inadequate to support the administrative and operational requirements of the organization.
4. **Technology** - Risk that the RCMP may not have the technology to sufficiently combat the changing nature of crime.
5. **Employee wellness** - Maximize opportunities to promote and optimize employee wellness as well as support employees who experience stress, trauma or serious injury as a result of the nature of policing work and the environments in which they operate.

Other risks noted in the Corporate Risk Profile are: Strategic Decision-Making; Transformation Resistance; and, Intelligence and Information Sharing.

Additionally, the operational nature of the RCMP is impacted by inflationary increases to cost of goods and services, and due to the size of the organization these types of increases have significant impacts on expenditures.

Quarterly monitoring of all identified corporate risks and their mitigations is ongoing.

## 4. Significant changes in relation to operations, personnel and programs

In April 2024, Jasmin Breton became the Chief Human Resources Officer replacing interim Chief Human Resources Officer, Rob O'Reilly.

## Annex A: Statement of Authorities (unaudited)

Table 4: Statement of Authorities (unaudited) (in thousands of dollars)

	Fiscal year 2024-25			Fiscal year 2023-24		
	Total available for use for the year ending March 31, 2025 <sup>1</sup>	Used during the quarter ended June 30, 2024	Year to date used at quarter-end	Total available for use for the year ending March 31, 2024 <sup>1</sup>	Used during the quarter ended June 30, 2023	Year-to-date used at quarter-end
<b>Gross operating expenditures</b>	5,076,194	1,264,321	1,264,321	5,157,082	1,213,798	1,213,798
<b>Less: vote netted revenues</b>	2,062,523	421,424	421,424	2,026,937	106,589	106,589
<b>Vote 1 - Net operating expenditures</b>	3,013,671	842,897	842,897	3,130,145	1,107,209	1,107,209
<b>Vote 5 - Capital expenditures</b>	262,585	49,144	49,144	284,091	41,966	41,966
<b>Vote 10 - Grants and contributions</b>	24,845	778	778	660,740	145,810	145,810
<b>Vote 15 - Payments in respect of disability and health benefits for members of the Royal Canadian Mounted Police</b>	952,070	47,892	47,892	0	0	0
<b>Voted authorities</b>	4,253,171	940,711	940,711	4,074,976	1,294,985	1,294,985
<b>Pensions and other employee benefits - Members of the Force</b>	513,252	133,433	133,433	483,366	123,095	123,095
<b>Contributions to employee benefit plans (public servants)</b>	76,333	19,083	19,083	84,830	20,883	20,883
<b>Total budgetary authorities</b>	4,848,605	1,094,371	1,094,371	4,648,582	1,440,066	1,440,066

	Fiscal year 2024-25			Fiscal year 2023-24		
	Total available for use for the year ending March 31, 2025 <sup>1</sup>	Used during the quarter ended June 30, 2024	Year to date used at quarter-end	Total available for use for the year ending March 31, 2024 <sup>1</sup>	Used during the quarter ended June 30, 2023	Year-to-date used at quarter-end
Pensions under the <i>Royal Canadian Mounted Police Pension Continuation Act</i>	5,000	583	583	5,000	710	710
Refunds of amounts credited to revenues in previous years	0	7	7	0	1	1
Proceeds from the disposal of Crown assets under the <i>Surplus Crown Assets Act</i>	849	554	554	410	392	392
Court awards	0	0	0	0	0	0
Statutory authorities	595,434	153,660	153,660	573,606	145,081	145,081
<b>Total budgetary authorities</b>	<b>4,848,605</b>	<b>1,094,371</b>	<b>1,094,371</b>	<b>4,648,582</b>	<b>1,440,066</b>	<b>1,440,066</b>

<sup>1</sup> Includes only authorities available for use and granted by Parliament at quarter-end as well as a statutory authority for proceeds from the disposal of Crown assets.

## Annex B: Budgetary expenditures by standard object (unaudited)

Table 5: Departmental budgetary expenditures by standard object (unaudited) (in thousands of dollars)

	Fiscal year 2024-25			Fiscal year 2023-24		
	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended June 30, 2024	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2024	Expended during the quarter ended June 30, 2023	Year-to-date used at quarter-end
<b>Expenditures</b>						
<b>Personnel</b>	5,136,531	1,107,610	1,107,610	4,239,915	1,033,008	1,033,008
<b>Transportation and communications</b>	214,652	78,752	78,752	229,243	66,900	66,900
<b>Information</b>	3,809	1,221	1,221	3,926	844	844
<b>Professional and special services</b>	588,034	160,862	160,862	556,640	147,281	147,281
<b>Rentals</b>	147,759	25,709	25,709	150,849	27,854	27,854
<b>Repair and maintenance</b>	108,999	22,530	22,530	112,421	18,058	18,058
<b>Utilities, materials and supplies</b>	161,490	40,987	40,987	166,609	37,798	37,798
<b>Total net budgetary expenditures</b>	<b>4,848,605</b>	<b>1,094,371</b>	<b>1,094,371</b>	<b>4,648,582</b>	<b>1,440,066</b>	<b>1,440,066</b>

	Fiscal year 2024-25			Fiscal year 2023-24		
	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended June 30, 2024	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2024	Expended during the quarter ended June 30, 2023	Year-to-date used at quarter-end
<b>Acquisition of land, buildings and works</b>	94,613	9,575	9,575	99,887	10,480	10,480
<b>Acquisition of machinery and equipment</b>	280,824	48,828	48,828	294,497	43,343	43,343
<b>Transfer payments</b>	29,845	1,362	1,362	665,740	146,520	146,520
<b>Public debt charges</b>	1,316	128	128	932	137	137
<b>Other subsidies and payments</b>	143,256	18,224	18,224	154,860	14,431	14,431
<b>Total gross budgetary expenditures</b>	6,911,128	1,515,788	1,515,788	6,675,519	1,546,654	1,546,654
<b>Less revenues netted against expenditures</b>	0	0	0	0	0	0
<b>Vote netted revenues</b>	2,062,523	421,417	421,417	2,026,937	106,588	106,588
<b>Total revenues netted against expenditures</b>	2,062,523	421,417	421,417	2,026,937	106,588	106,588
<b>Total net budgetary expenditures</b>	4,848,605	1,094,371	1,094,371	4,648,582	1,440,066	1,440,066

**Date modified:**

2024-08-30