



# Quarterly Financial Report for the Quarter ended September 30, 2019



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

### **Introduction**

This quarterly report 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 Directive on Accounting Standards, GC 4400 Departmental Quarterly Financial Report. This quarterly report should be read in conjunction with the Main Estimates and Supplementary Estimates.

A summary description of the Parole Board of Canada (PBC), raison d'être and core responsibilities can be found in [Part II of the Main Estimates](#).

This Quarterly Report has not been subject to an external audit or review.

### **Basis of Presentation**

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the PBC's spending authorities granted by Parliament and those used by the department, consistent with the Main Estimates and Supplementary Estimates (as applicable) for the 2019-20 fiscal year and any spendable revenue earned and available for use to quarter end. 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.

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 PBC 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 an expenditure basis.

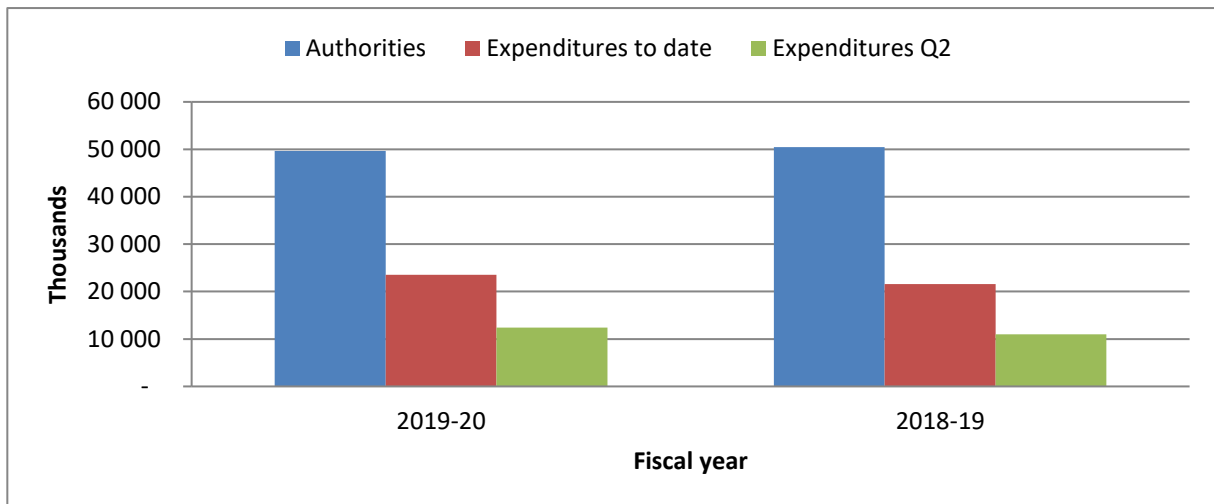
### **Highlights of the fiscal quarter and the fiscal year-to-date (YTD) results**

When compared to the same quarter of the previous year, year-to-date PBC's authorities for the second quarter have decreased from \$50.5 million to \$49.6 million (by \$0.9 million). This variance is explained by funding received last year from the Treasury Board to cover higher salary rates and retroactive salary payments following the implementation of new collective agreement and a reduction of the carry forward.

As illustrated in Figure 1, the PBC has spent approximately 47% of its authorities at the end of the second quarter, which is greater than last year (43%).

Total gross budgetary expenditures are comparable to the previous year.

**Figure 1 - Second Quarter Expenditures Compared to Annual Authorities**



### Risks and Uncertainties

The PBC operates in a dynamic and complex environment that requires it to be efficient, adaptive and innovative. It uses integrated risk management, including a Corporate Risk Profile that is updated annually, to identify and respond to challenges and opportunities.

The PBC's key risks and uncertainties are:

- The current information technology and information management capacity and operations may not be able to meet the PBC's evolving and growing needs.
- That evidence-based decision-making could be affected by a range of factors.
- That key activities and functions could be adversely affected, unless the PBC is able to recruit, stabilize, strengthen competencies and capacity, and retain its workforce, while ensuring a healthy and respectful workplace.

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

The PBC is forecasting a decrease in the number of Record Suspension applications received and accepted. This means a decrease in revenues that might create a deficit or a financial pressure.

## **Approval by Senior Officials**

Approved by,

Original signed by

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Jennifer Oades  
Chairperson

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Anik Lapointe, CPA, CGA  
Chief Financial Officer

Ottawa, Canada  
November 25, 2019

**Statement of Authorities (unaudited)**

	<b>Fiscal year 2019-20</b> (in thousands of dollars)		
	Total available for use for the year ending March 31, 2020*	Used during the quarter ended September 30, 2019	Year-to-date used at quarter-end
Vote 1 – Program expenditures	49,663	12,055	22,858
Vote-netted revenues**	(5,645)	(1,073)	(2,095)
<b>Net program expenditures</b>	<b>44,018</b>	<b>10,982</b>	<b>20,763</b>
Budgetary statutory authority – Contributions to employee benefit plan	5,613	1,403	2,806
<b>Total Budgetary authorities</b>	<b>49,631</b>	<b>12,385</b>	<b>23,569</b>

	<b>Fiscal year 2018-19</b> (in thousands of dollars)		
	Total available for use for the year ending March 31, 2019*	Used during the quarter ended September 30, 2018	Year-to-date used at quarter-end
Vote 1 – Program expenditures	50,419	10,607	21,109
Vote-netted revenues	**(5,645)	(1,050)	(2,295)
<b>Net program expenditures</b>	<b>44,774</b>	<b>9,557</b>	<b>18,814</b>
Budgetary statutory authority – Contributions to employee benefit plan	5,679	1,419	2,839
<b>Total Budgetary authorities</b>	<b>50,453</b>	<b>10,976</b>	<b>21,653</b>

\*Includes only Authorities available for use and granted by Parliament at quarter-end.

\*\*The amount of revenues netted against expenditures reported in the Main Estimates is based on an estimated amount of 12,000 accepted applications multiplied by the portion of the \$631 user fee that is responsible by PBC (\$470).

**Departmental budgetary expenditures by Standard Object (unaudited)**

	<b>Fiscal year 2019-20</b> (in thousands of dollars)		
	Planned expenditures for the year ending March 31, 2020	Expended during the quarter ended September 30, 2019	Year-to-date used at quarter-end
<b>Expenditures</b>			
Personnel	49,315	11,567	22,929
Transportation and communications	2,945	810	1,353
Information	97	46	50
Professional and special services	1,582	773	1,002
Rentals	243	130	151
Repair and maintenance	61	7	12
Utilities, materials and supplies	176	31	55
Acquisition of Land, Buildings & Works	40	9	9
Acquisition of machinery and equipment	741	74	80
Other subsidies and payments	76	11	23
<b>Total gross budgetary expenditures</b>	<b>55,276</b>	<b>13,458</b>	<b>25,664</b>
<b>Less Revenues netted against expenditures:</b>			
Vote-netted revenues	5,645	1,073	2,095
<b>Total net budgetary expenditures</b>	<b>49,631</b>	<b>12,385</b>	<b>23,569</b>

	<b>Fiscal year 2018-19</b> (in thousands of dollars)		
	Planned expenditures for the year ending March 31, 2019*	Expended during the quarter ended September 30, 2018	Year-to-date used at quarter-end
<b>Expenditures</b>			
Personnel	47,739	10,844	22,125
Transportation and communications	3,116	665	1,082
Information	121	5	9
Professional and special services	4,206	349	466
Rentals	159	44	74
Repair and maintenance	90	15	28
Utilities, materials and supplies	289	36	41
Acquisition of Land, Buildings & Works			
Acquisition of machinery and equipment	373	38	44
Other subsidies and payments	4	29	79
<b>Total gross budgetary expenditures</b>	<b>56,098</b>	<b>12,026</b>	<b>23,948</b>
<b>Less Revenues netted against expenditures:</b>			
Vote-netted revenues	5,645	1,050	2,295
<b>Total net budgetary expenditures</b>	<b>50,453</b>	<b>10,976</b>	<b>21,653</b>

\*Includes only Authorities available for use and granted by Parliament at quarter-end.