



Quarterly Financial Report for the Quarter ended December 31, 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, 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.

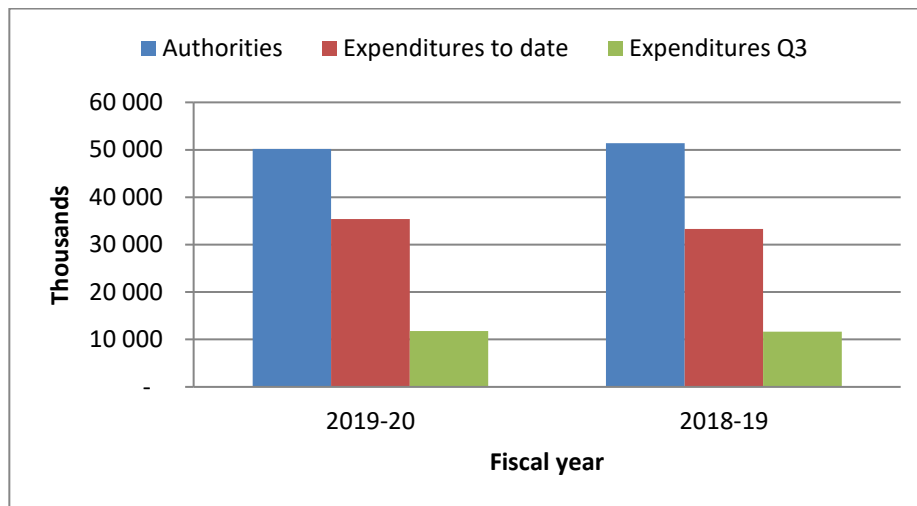
Highlights of the fiscal quarter and the fiscal year-to-date (YTD) results

When compared to the same quarter of the previous fiscal year, year-to-date PBC's authorities for the third quarter have decreased by \$1.2 million from \$51.4 million to \$50.2 million. This variance is explained by additional funding received last fiscal year from the Treasury Board to cover higher salary rates and retroactive salary payments following the implementation of new collective agreement and by a reduction this year in the amount of Operating Budget Carry Forward.

As illustrated in Figure 1, the PBC has spent approximately 70% of its authorities at the end of the third quarter, which is greater than last fiscal year (65%).

Total gross budgetary expenditures are comparable to the previous year.

Figure 1 – Third 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:

- Evidence-based decision-making could be affected by a range of factors.
- The current information technology and information management capacity and operations may not be able to meet the PBC's evolving and growing needs.
- 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. Additional funds were requested in Supplementary Estimates to cover this pressure and to implement Bill C-93 - *An Act to provide no-cost, expedited record suspensions for simple possession of cannabis*.

Approval by Senior Officials

Approved by,

Jennifer Oades
Chairperson

Anik Lapointe CPA CGA
Chief Financial Officer

Ottawa, Canada
February 21, 2020

Statement of Authorities (unaudited)

| | Fiscal year 2019-20 (in thousands of dollars) | | |
|--|---|---|----------------------------------|
| | Total available for use for the year ending March 31, 2020* | Used during the quarter ended December 31, 2019 | Year-to-date used at quarter-end |
| Vote 1 – Program expenditures | 50,207 | 11,599 | 34,456 |
| Vote-netted revenues** | (5,645) | (1,200) | (3,295) |
| Net program expenditures | 44,562 | 10,399 | 31,161 |
| Budgetary statutory authority – Contributions to employee benefit plan | 5,613 | 1,403 | 4,210 |
| Total Budgetary authorities | 50,175 | 11,802 | 35,371 |

| | Fiscal year 2018-19 (in thousands of dollars) | | |
|--|---|---|----------------------------------|
| | Total available for use for the year ending March 31, 2019* | Used during the quarter ended December 31, 2018 | Year-to-date used at quarter-end |
| Vote 1 – Program expenditures | 51,331 | 11,617 | 32,724 |
| Vote-netted revenues | **(5,645) | (1,390) | (3,686) |
| Net program expenditures | 45,686 | 10,227 | 29,038 |
| Budgetary statutory authority – Contributions to employee benefit plan | 5,679 | 1,419 | 4,259 |
| Total Budgetary authorities | 51,365 | 11,646 | 33,297 |

*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)

| | Fiscal year 2019-20 (in thousands of dollars) | | |
|---|---|---|-------------------------------------|
| | Planned expenditures for the year ending March 31, 2020 | Used during the quarter ended December 31, 2019 | Year-to-date used at quarter-end |
| Expenditures | | | |
| Personnel | 49,475 | 11,566 | 34,495 |
| Transportation and communications | 2,856 | 560 | 1,913 |
| Information | 98 | 3 | 53 |
| Professional and special services | 1,996 | 593 | 1,595 |
| Rentals | 286 | 44 | 195 |
| Repair and maintenance | 51 | 13 | 26 |
| Utilities, materials and supplies | 179 | 48 | 103 |
| Acquisition of Land, Buildings & Works | 33 | 19 | 28 |
| Acquisition of machinery and equipment | 752 | 164 | 243 |
| Other subsidies and payments | 94 | (8) | 15 |
| Total gross budgetary expenditures | 55,820 | 13,002 | 38,666 |
| Less Revenues netted against expenditures: | | | |
| Vote-netted revenues | 5,645 | 1,200 | 3,295 |
| Total net budgetary expenditures | 50,175 | 11,802 | 35,371 |

| | Fiscal year 2018-19 (in thousands of dollars) | | |
|---|--|---|-------------------------------------|
| | Planned expenditures for the year ending March 31, 2019* | Used during the quarter ended December 31, 2018 | Year-to-date used at quarter-end |
| Expenditures | | | |
| Personnel | 48,458 | 11,411 | 33,536 |
| Transportation and communications | 3,173 | 630 | 1,712 |
| Information | 100 | 2 | 11 |
| Professional and special services | 3,616 | 838 | 1,304 |
| Rentals | 172 | 31 | 105 |
| Repair and maintenance | 81 | 16 | 44 |
| Utilities, materials and supplies | 270 | 58 | 99 |
| Acquisition of Land, Buildings & Works | 514 | | |
| Acquisition of machinery and equipment | 621 | 75 | 119 |
| Other subsidies and payments | 5 | (25) | 53 |
| Total gross budgetary expenditures | 57,010 | 13,036 | 36,983 |
| Less Revenues netted against expenditures: | | | |
| Vote-netted revenues | 5,645 | 1,390 | 3,686 |
| Total net budgetary expenditures | 51,365 | 11,646 | 33,297 |

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