



Parole Board
of Canada

Commission des libérations
conditionnelles du Canada

Quarterly Financial Report for the Quarter ended June 30, 2020 (Revised)



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

Erratum

Date: April 1, 2021

The following revisions are made to the previously published Quarterly Financial Report to correct the actual amount of authorities available and to include impacts of the COVID-19 pandemic.

In the “Highlights of the fiscal quarter and the fiscal year-to-date (YTD) results” section, the actual total authorities available for fiscal year 2020-21 are \$31.4 million and not \$47.3 million as previously stated. Due to the COVID-19 pandemic, the Parole Board of Canada (PBC) did not receive full supply of the Main Estimates in June as in the previous year. This change in authorities is now reflected in the section and in the “Statement of Authorities” table as the previous figures did not reflect the reduced authorities available for use as a result of limited sessions in Parliament related to COVID-19 pandemic.

In the “Risks and Uncertainties” and “Significant changes in relation to operations, personnel and programs” sections, we added the description of the impacts of the pandemic, similarly to what was added in the report for the quarter ended in September 2020.

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 2020-2021 fiscal year and any respondable 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

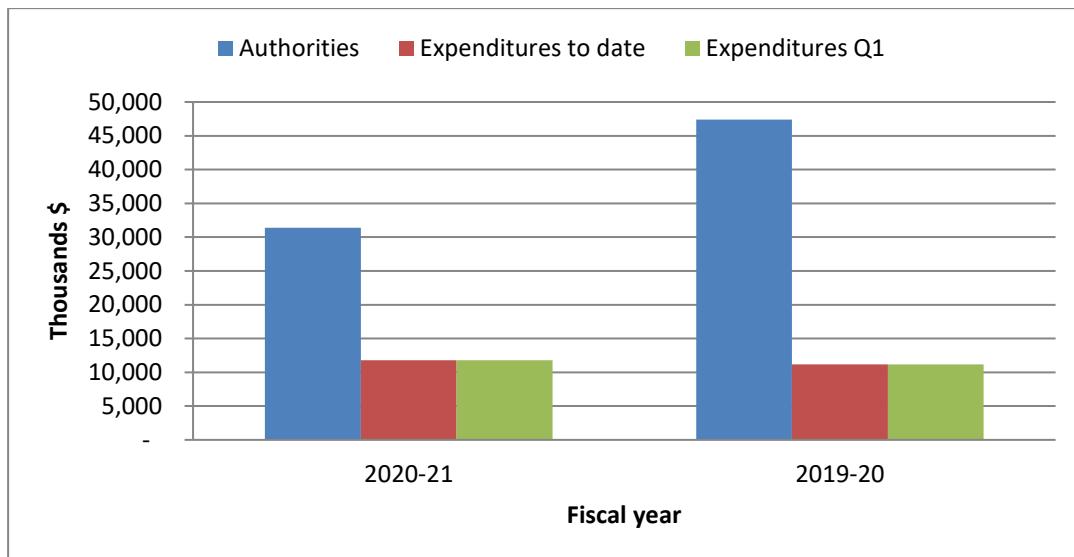
Total authorities available for fiscal year 2020-21 are \$31.4 million compared to \$47.4 million as of June 30, 2019. The decrease of \$16.0 million, or 34%, is explained by:

- A decrease of \$16.0 million in the authorities available for use due to not receiving full supply of the Main Estimates in June as in the previous year. Due to the COVID-19 pandemic and limited sessions in the spring for Parliament to study supply, the Standing Orders of the House of Commons were amended to extend the study period into the Fall. PBC is expected to receive full supply for the 2020-21 Main Estimates in December 2020.

As illustrated in Figure 1, the PBC has spent approximately 37% of its authorities at the end of the first quarter, compared to last year (24%). The variance is due to a lower amount of authorities compared to the previous year.

Overall, expenditures have remained stable compared to the previous year, although personnel expenditures increased due to the rate increase from 20% to 27% of Employee Benefit Plan. This increase was offset by a reduction in revenues and expenditures (travel and professional services) related to COVID-19 pandemic impacts.

Figure 1 - First 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.
- 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.
- The current information technology and information management capacity and operations may not be able to meet the PBC's evolving and growing needs.

The pandemic has temporarily brought a major shift to how we do our work, and that has required some quick thinking from our policy and operations to adapt PBC policies, write instructional guidance to staff and Board members and align our new operational realities as best as possible to legislative imperatives while still keeping Canadians safe.

Significant changes in relation to operations, personnel and programs

In March 2020, the World Health Organization declared a global pandemic following the outbreak of COVID-19. For the protection of personnel and that of communities' right across the country, efforts were made to take all public health precautions to prevent the further spread of COVID-19. As a result of COVID-19, the following significant changes occurred in relation to operations, personnel and programs:

- In line with the Government of Canada's Chief Human Resources Officer's recommendation and to ensure the PBC is adhering to federal and provincial public safety requirements, employees were asked to work from home as of March 16, 2020 until further notice.
- While offices remain open, most employees were working from home whenever and wherever possible to comply with the health measures for physical distancing to keep employees and Canadians safe. At the PBC, a maximum of 30% of employees are allowed to work from their desk within PBC's office space.

Additionally, a significant change worthy of mention is in 2017; the *Service Fees Act* came into force and replaced the *User Fees Act*. It imposed new requirements on Departments' charging user fees, which include a requirement to increase fees on an annual basis according to the Consumer Price Index (CPI). The first annual CPI increases were due to start in 2019-20, on an anniversary date selected by the program. The PBC selected March 31, 2020 as the implementation date to increase the user fee for record suspensions to \$644.88 from \$631.00.

Approval by Senior Officials

Approved by,

Jennifer Oades
Chairperson

Ottawa, Canada

Anik Lapointe CPA CGA
Chief Financial Officer

Statement of Authorities (*unaudited*)

	Fiscal year 2020-21 (in thousands of dollars)		
	Total available for use for the year ending March 31, 2021 ¹	Used during the quarter ended June 30, 2020	Year-to-date used at quarter-end
Vote 1 – Program expenditures	29,711	10,408	10,408
Vote-netted revenues ²	(3,747)	0	0
Net program expenditures	25,964	10,408	10,408
Budgetary statutory authority – Contributions to employee benefit plan	5,444	1,361	1,361
Total Budgetary authorities	31,408	11,769	11,769

	Fiscal year 2019-20 (in thousands of dollars)		
	Total available for use for the year ending March 31, 2020 ¹	Used during the quarter ended June 30, 2019	Year-to-date used at quarter-end
Vote 1 – Program expenditures	47,422	10,804	10,804
Vote-netted revenues ³	(5,645)	(1,022)	(1,022)
Net program expenditures	41,777	9,782	9,782
Budgetary statutory authority – Contributions to employee benefit plan	5,613	1,403	1,403
Total Budgetary authorities	47,390	11,185	11,185

¹ Includes only Authorities available for use and granted by Parliament at quarter-end. PBC is expecting full Authorities in coming months.

² The amount of revenues netted against expenditures reported in the Main Estimates is based on an estimated amount of 11,663 accepted applications multiplied by the portion of the \$644.88 user fee that is respondable by PBC (\$484).

³ 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 \$631.00 user fee that is respondable by PBC (\$470).

Departmental budgetary expenditures by Standard Object (*unaudited*)

	Fiscal year 2020-21 (in thousands of dollars)		
	Planned expenditures for the year ending March 31, 2021	Expended during the quarter ended June 30, 2020	Year-to-date used at quarter-end
Expenditures			
Personnel	28,030	11,530	11,530
Transportation and communications	1,948	91	91
Information	62	1	1
Professional and special services	4,089	71	71
Rentals	145	27	27
Repair and maintenance	413	3	3
Utilities, materials and supplies	174	7	7
Acquisition of machinery and equipment	289	18	18
Other subsidies and payments	5	20	20
Total gross budgetary expenditures	35,155	11,769	11,769
Less Revenues netted against expenditures:			
Vote-netted revenues	3,745	0	0
Total net budgetary expenditures	31,408	11,769	11,769

	Fiscal year 2019-20 (in thousands of dollars)		
	Planned expenditures for the year ending March 31, 2020	Expended during the quarter ended June 30, 2019	Year-to-date used at quarter-end
Expenditures			
Personnel	42,297	11,362	11,362
Transportation and communications	3,000	543	543
Information	223	4	4
Professional and special services	5,036	229	229
Rentals	200	23	23
Repair and maintenance	1,023	5	5
Utilities, materials and supplies	287	24	24
Acquisition of machinery and equipment	948	5	5
Other subsidies and payments	21	12	12
Total gross budgetary expenditures	53,035	12,207	12,207
Less Revenues netted against expenditures:			
Vote-netted revenues	5,645	1,022	1,022
Total net budgetary expenditures	47,390	11,185	11,185