



Parole Board
of Canada

Commission des libérations
conditionnelles du Canada

Quarterly Financial Report for the Quarter ended September 30, 2022



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 Treasury Board. It should be read in conjunction with the [Main Estimates](#). This report has not been subject to an external audit or review.

The Parole Board of Canada (PBC) is an independent administrative tribunal that, as part of the Canadian criminal justice system, makes independent, quality conditional release, record suspension/pardons and expungement decisions, as well as clemency recommendations, in a transparent and accountable manner, while respecting diversity and the rights of offenders and victims.

Further details on the PBC's authority, mandate and program activities can be found in the [Departmental Plan](#) and Part II of the [Main Estimates](#).

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 2022-23 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.

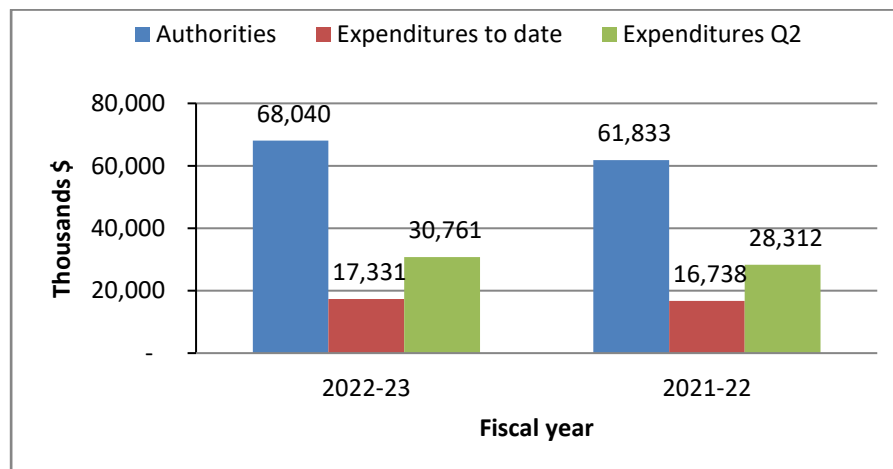
Highlights of the fiscal quarter and the fiscal year-to-date (YTD) results

Total authorities available for fiscal year 2022-23 are \$66.6 million compared to \$57.7 million as of September 30, 2021. The increase of \$8.9 million, or 15%, is explained by:

- \$12.9 million increase related to Reforming Canada’s Pardons Process as announced in [Budget 2021](#);
- \$1.7 million increase to support the core information technology and legal services;
- \$0.4 million increase related to the Operating Budget Carry Forward from previous fiscal year;
- \$3.9 million decrease related to the sunseting of the two years of funding for workload capacity for the Conditional Release Decisions core responsibility;
- \$1.7 million decrease related to Reprofilling of funds for the online application portal and modernization of Pardon and Record Suspension System (PARSS) due to delays in the implementation of the project; and
- \$0.6 million decrease related to Employee Benefit Plan.

Overall, expenditures for the second quarter have remained stable compared to the previous year. The overall increase in expenditures was offset in part by a decrease in revenues due to the pardon/record suspension application fee reduction on January 1, 2022 from \$ 657.77 to \$50.00.

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.

In 2022-23, the PBC's three corporate risks are:

A. Quality Decision-Making - There is a risk that evidence-based decision-making could be affected by a range of factors including:

- Variations in national consistency that impact processes, practices, and training;
- Loss of critical mass of Board members for effective decision-making;
- The requirement to adapt Board member training based on new trends and changing legal landscape;
- Ability to ensure that decision-making policy approaches adequately respond to the diverse needs of the offender population for conditional release decisions; and
- Effectiveness of information management systems to support decisions.

B. Human Capital (Board members and Employees) - There is a risk that key activities and functions could be adversely affected, unless the PBC is able to recruit and retain staff, strengthen competencies and capacity, while ensuring an inclusive and diverse workplace that is competitive among public sector partners and adaptable in the context of an emerging hybrid work environment. Board members (Governor-in-Council (GIC) appointments) are appointed to the PBC for a three or five year term following an open, transparent and merit based process from diverse backgrounds to ensure satisfactory vacancy management. Board members participate in a rigorous orientation and training program that continues throughout their tenure. The absence of an evolving and adaptable training program could present a risk for decision-making.

C. Information Technology (IT) - There is a risk that the PBC's IT capacity and operations will not meet the PBC's current and evolving needs and support business continuity functions given the aging nature of the PBC's IT infrastructure and government enterprise systems, the increasing public expectation for efficient and accessible means to communicate with government, and the need to balance IT program integrity needs with other corporate integrity pressure points and central agency requirements.

Significant changes in relation to operations, personnel and programs

As of January 1, 2022, the fee to apply for a record suspension was reduced to \$50.00 from \$657.77. The significantly lower fee will improve access to record suspensions, especially for people with lower incomes. Additional information is provided here; [Record suspensions - Canada.ca](#). There are some uncertainties related to the volume of applications following the Pardons reform. Some additional personnel expenditures are planned for the first two years to address the anticipated increase in applications. The PBC will monitor application intake and apply risk mitigation strategies as necessary. As well, work is underway to create an online application portal and modernize the Pardon and Record Suspension System (PARSS). Additional time is required to explore enhancements and as such, request to reprofile the funding to future years might be made.

The Covid-19 pandemic continues to add some minimal pressure on our operations. The PBC's travel plans to the institutions are slowly increasing and returning to a new normal. Our offices have now fully re-opened, and the PBC continues to reinforce the need to adapt and upgrade the IT infrastructure to support implementing a permanent hybrid remote/office working arrangement.

Approval by Senior Officials

Approved by:

Jennifer Oades
Chairperson

Ottawa, Canada

Eric Bouchard
A/Chief Financial Officer

Statement of Authorities (unaudited)

	Fiscal year 2022-23 (in thousands of dollars)		
	Total available for use for the year ending March 31, 2023 ¹	Used during the quarter ended September 30, 2022	Year-to-date used at quarter-end
Vote 1 – Program expenditures	60,613	15,772	27,609
Vote-netted revenues	(938)	(167)	(300)
Net program expenditures	59,675	15,605	27,309
Budgetary statutory authority – Contributions to employee benefit plan	6,905	1,726	3,452
Total Budgetary authorities	66,580	17,331	30,761

	Fiscal year 2021-22 (in thousands of dollars)		
	Total available for use for the year ending March 31, 2022 ¹	Used during the quarter ended September 30, 2021	Year-to-date used at quarter-end
Vote 1 – Program expenditures	57,330	15,999	27,031
Vote-netted revenues	(5,645)	(773)	(1,743)
Net program expenditures	51,685	15,226	25,288
Budgetary statutory authority – Contributions to employee benefit plan	6,047	1,512	3,024
Total Budgetary authorities	57,732	16,738	28,312

¹ Includes only Authorities available for use and granted by Parliament at quarter-end.

Departmental budgetary expenditures by Standard Object (unaudited)

	Fiscal year 2022-23 (in thousands of dollars)		
	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended September 30, 2022	Year-to-date used at quarter-end
Expenditures			
Personnel	54,641	13,027	25,601
Transportation and communications	2,032	265	543
Information	124	13	109
Professional and special services	10,514	3,932	4,366
Rentals	310	40	191
Repair and maintenance	81	5	12
Utilities, materials and supplies	198	24	38
Acquisition of land, buildings and works	125	-	-
Acquisition of machinery and equipment	947	186	190
Other subsidies and payments	6	6	11
Total gross budgetary expenditures	68,978	17,498	31,061
Less Revenues netted against expenditures:			
Vote-netted revenues	938	167	300
Total net budgetary expenditures	68,040	17,331	30,761

	Fiscal year 2021-22 (in thousands of dollars)		
	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended September 30, 2021	Year-to-date used at quarter-end
Expenditures			
Personnel	51,673	15,297	25,702
Transportation and communications	1,372	344	537
Information	23	2	2
Professional and special services	9,650	1,640	3,401
Rentals	403	71	208
Repair and maintenance	42	1	5
Utilities, materials and supplies	164	29	41
Acquisition of land, buildings and works	355	-	-
Acquisition of machinery and equipment	600	114	141
Other subsidies and payments	11	13	18
Total gross budgetary expenditures	64,293	17,511	30,055
Less Revenues netted against expenditures:			
Vote-netted revenues	2,460	773	1,743
Total net budgetary expenditures	61,833	16,738	28,312