



Parole Board  
of Canada

Commission des libérations  
conditionnelles du Canada

# Quarterly Financial Report for the Quarter ended June 30, 2017



## **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. Authorities include amounts granted through the Main Estimates and Supplementary Estimates for the 2017-18 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 moneys 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 PBC uses the full accrual method of accounting to prepare and present its annual departmental financial statements, which are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

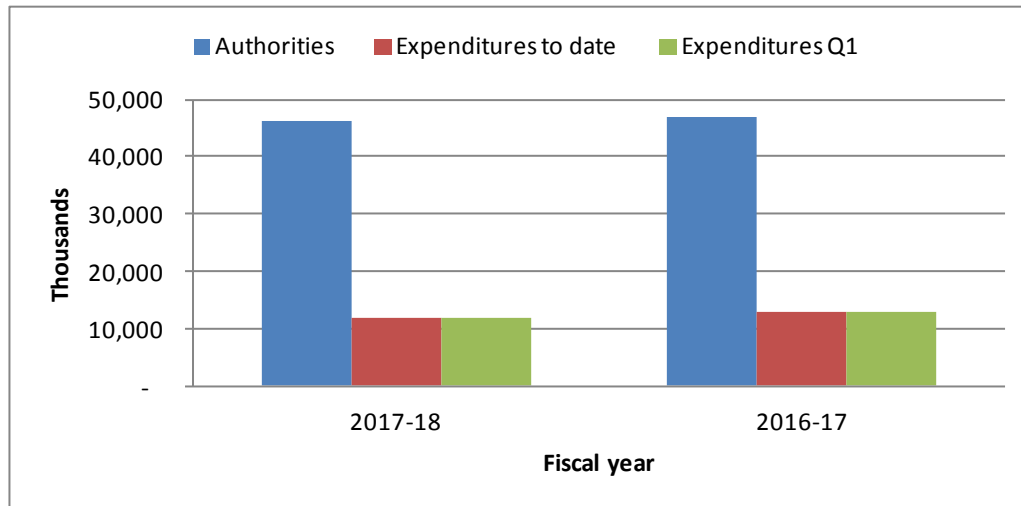
## **Highlights of Fiscal Quarter and Fiscal Year-to-Date Results**

### Significant Changes to Authorities

As at June 30, 2017, total authorities available for the year have decreased by \$0.5M compared to the same quarter of the previous year, from \$46.8M to \$46.3M. The changes are attributable to a decrease of \$0.5 million related to the Employee Benefit Plan (EBP).

As illustrated in Figure 1, the PBC has spent approximately 23% of its authorities at the end of the first quarter, which is lower than last year's rate of 26%. As PBC's most significant expense is salaries, its spending should generally be distributed equally throughout the year. The decrease in overall spending is primarily explained by lower personnel expenditures.

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



### Significant Changes to Gross Budgetary Expenditures

Gross budgetary expenditures decreased by \$1,607K or 12% in 2017-18 compared to 2016-17, and revenue increased in 2017-18 by \$328K, or 47%, compared to 2016-17. Quarterly and year-to-date spending, net of revenue, decreased by \$1,935K or 15% in 2017-18, compared with the same quarter in 2016-17. The following paragraphs provide detail of significant changes.

- Personnel expenditures decreased by \$1,200K, or 10%, in the first quarter of 2017-18. The decrease is explained by a variety of factors: increased vacancies in full time Board member positions in the first quarter of 2017-18, a reduction in the rate charged for employee benefit plans, work on eliminating the Pardons backlog was completed in 2016-17, and work on the E-file project has also reduced compared to the prior year. A portion of the variance may also be explained by overpayments recorded in the first quarter of 2016-17 following the implementation of Phoenix.
- Professional and special services expenditures decreased by \$389K, or 65%, compared with the first quarter last year. This is largely a result of translation costs resulting from a lower volume of translation requests; a decreased in development cost for the Integrated Decision System; as well as a revised process from Department of Justice for invoicing legal costs. In 2016-17, the annual estimated legal costs were paid at the beginning of the year and will now be paid on a monthly basis for 2017-18.
- Expenditures for loans, investments and advances are attributed to overpayments and advances provided to employees due to transitioning to the Phoenix pay system. This amount increased by \$48k or 123% comparing the first quarter of both years. This increase may be explained by overpayments not being fully quantified and recorded in the first quarter of 2016-17, rather than an increase in overpayments in the first quarter of 2017-18.

### Significant Changes to Revenues

Revenues recorded increased by \$328K, or 47%, compared with the first quarter of 2016-17, which is explained by an equivalent increase in the volume of record suspension applications accepted in the first quarter of 2017-18. This variance is likely attributed to legislation change dating back to 2012 which imposed an additional five year waiting period for the eligibility criteria for certain applicants. The waiting period has now expired and affected applicants are now eligible to apply.

### **Risks and Uncertainties**

The PBC receives the majority of its funding through annual Parliamentary authorities. As a result, its operations are affected by any changes in funding approved through Parliament. The PBC also collects user fees for processing record suspension applications, and has the authority to spend revenues received during the year on related activities. The volume of applications generally remains consistent from year to year but significant variances may occur in response to legislative or policy changes affecting record suspensions.

### **Significant Changes in Relation to Operations, Personnel, and Programs**

On April 18, 2017, Chantal Lemyre was named as the Chief Financial Officer.

### **Approval by Senior Officials**

Approved by,

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Harvey Cenaiko  
Chairperson

Ottawa, Canada  
August 23, 2017

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Chantal Lemyre, CPA, CGA  
Chief Financial Officer

**Statement of Authorities (unaudited)**

(in thousands of dollars)	<b>Fiscal year 2017-2018</b>		
	Total available for use for the year ending March 31, 2018*	Used during the quarter ended June 30, 2017	Year-to-date used at quarter-end
Vote 1 – Program expenditures	46,323	10,544	10,544
Less revenues netted against expenditures	**5,645	1,019	1,019
<b>Total net Program expenditures</b>	<b>40,678</b>	<b>9,525</b>	<b>9,525</b>
Budgetary statutory authorities – EBP	5,586	1,396	1,396
<b>Total authorities</b>	<b>46,264</b>	<b>10,921</b>	<b>10,921</b>

(in thousands of dollars)	<b>Fiscal year 2016-2017</b>		
	Total available for use for the year ending March 31, 2017*	Used during the quarter ended June 30, 2016	Year-to-date used at quarter-end
Vote 1 – Program expenditures	46,316	12,017	12,017
Less revenues netted against expenditures	**5,645	691	691
<b>Total net Program expenditures</b>	<b>40,671</b>	<b>11,236</b>	<b>11,236</b>
Budgetary statutory authorities – EBP	6,119	1,530	1,530
<b>Total authorities</b>	<b>46,790</b>	<b>12,856</b>	<b>12,856</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 respendable by PBC (\$470).

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

(in thousands of dollars)	Fiscal year 2017-2018		
	Planned expenditures for the year ending March 31, 2018*	Expended during the quarter ended June 30, 2017	Year-to-date used at quarter-end
<b>Expenditures</b>			
Personnel	41,167	11,109	11,109
Transportation and communications	3,960	407	407
Information	374	-	-
Professional and special services	5,362	212	212
Rentals	198	21	21
Repair and maintenance	142	50	50
Utilities, materials and supplies	424	26	26
Acquisition of machinery and equipment	265	5	5
Other subsidies and payments	17	23	23
Loans Investments and Advances	-	87	87
<b>Total gross budgetary expenditures</b>	<b>51,909</b>	<b>11,940</b>	<b>11,940</b>
<b>Less Revenues netted against expenditures:</b>			
User fee revenues netted against expenditures	5,645	1,019	1,019
<b>Total net budgetary expenditures</b>	<b>46,264</b>	<b>10,921</b>	<b>10,921</b>

(in thousands of dollars)	Fiscal year 2016-2017		
	Planned expenditures for the year ending March 31, 2017*	Expended during the quarter ended June 30, 2016	Year-to-date used at quarter-end
<b>Expenditures</b>			
Personnel	41,694	12,309	12,309
Transportation and communications	3,960	476	476
Information	374	14	14
Professional and special services	5,362	601	601
Rentals	198	40	40
Repair and maintenance	142	16	16
Utilities, materials and supplies	424	16	16
Acquisition of machinery and equipment	265	5	5
Other subsidies and payments**	16	31	31
Loans Investments and Advances**	-	39	39
<b>Total gross budgetary expenditures</b>	<b>52,435</b>	<b>13,547</b>	<b>13,547</b>
<b>Less Revenues netted against expenditures:</b>			
User fee revenues netted against expenditures	5,645	691	691
<b>Total net budgetary expenditures</b>	<b>46,790</b>	<b>12,856</b>	<b>12,856</b>

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

\*\* Comparative figures have been reclassified to conform to the current year's presentation.