



Quarterly Financial Report for the Quarter ended December 31, 2015



Parole Board of Canada

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 Treasury Board Accounting Standard 1.3. This quarterly report should be read in conjunction with the Main Estimates and Supplementary Estimates. It has not been subject to an external audit or review.

Authority and Objectives

The Parole Board of Canada (PBC or the Board) is an independent administrative tribunal responsible for making decisions about the timing and conditions of release of offenders to the community on various forms of conditional release. The Board also makes record suspension decisions and recommendations for the exercise of clemency through the [Royal Prerogative of Mercy](#) (RPM).

Legislation governing the Board includes the [Corrections and Conditional Release Act](#) (CCRA), the [Criminal Records Act](#) (CRA), and the [Criminal Code](#). The CCRA empowers the Board to make conditional release decisions for federal offenders and offenders in provinces and territories without their own parole boards. Provincial Boards currently exist in Quebec and Ontario. The CRA entitles the Board to order, deny and revoke record suspensions for convictions under federal acts or regulations. The Governor General or the Governor in Council approves the use of the RPM for those convicted of a federal offence, in all jurisdictions, based on investigations by the Board and recommendations from the Minister of Public Safety.

The Board has one strategic outcome: Conditional release and record suspension decisions and decision processes that safeguard Canadian communities. This strategic outcome is the cornerstone of the Board's public accountability and reporting of results.

Further details on the Board's authority, mandate and program activities may be found in the PBC's [Report on Plans and Priorities](#).

Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Board's spending authorities granted by Parliament and those used by the department, consistent with the Main Estimates and Supplementary Estimates for the 2015-2016 fiscal year. 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.

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 Board 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 December 31, 2015, total authorities available for the year have decreased by \$1.0M from \$49.2M to \$48.2M compared to the same quarter of the previous year. The major changes are as follows:

Quarter 1:

- A decrease of \$1.4M due to the net results of reprofiling funds between various fiscal years for the department's Medium to Long Term Accommodation Plan for Program Delivery;
- An increase of \$0.7M for additional workload related to Escorted Temporary Absences;
- An increase of \$0.1M related to the Employee Benefit Plan;
- An increase of \$0.1M due to the compensation for collective agreement.

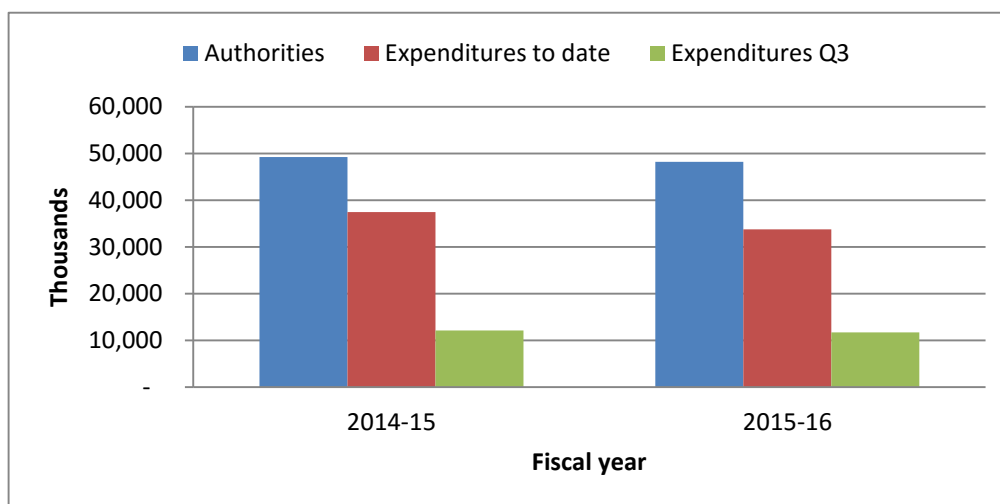
Quarter 2:

- A decrease of \$0.1M in regards to the annual amount of operating budget carried-forward from the previous fiscal year.
- A decrease of \$0.1M for Back office Transformation

Quarter 3:

- An additional decrease of \$0.1M for Back office transformation

Figure 1 – Third Quarter Expenditures Compared to Annual Authorities



Significant Changes to Gross Budgetary Expenditures

Year-to-date net spending decreased by \$3,682K or 10% in 2015-16, compared with the same quarter in 2014-15. Gross budgetary expenditures decreased by \$3,565K or 9% and the revenue increased by \$117K or 4% in 2015-16 compared to 2014-15. As a percentage of planned expenditures, year-to-date gross spending in the third quarter of 2014-15 decreased compared to that of 2014-15, from 73% compared to 68% (\$36.6M in 2015-16 and \$40.2M in 2014-15).

The following paragraphs provide detail of significant changes, focusing on occurrences in the third quarter:

- Transport and Communications decreased by \$59K or 11% from \$538K in the third quarter of 2014-15 to \$479K compared to the corresponding period in 2015-16. A significant portion of this decrease is due to expenditures related to installation of IT cabling and transfer of phone lines in regards to renovations activities at National Office, which took place in 2014-15. There is also a reduction in travel expenditures related to training offered to regional employees on the Integrated Decision System which took place in National office in 2014-15.
- Professional and special services decreased by \$246K or 28% in the third quarter of 2015-16 compared to the same period in the previous year. This is largely a result of translation costs resulting from a lower volume of translation requests, reduced development cost for the Integrated Decision System, as well as a timing difference in invoicing between fiscal years related to legal costs.
- Rentals decreased by \$71K or 71% from \$100K in the third quarter of 2014-15 to \$29K in the corresponding period in 2015-16. In 2014-15 the Board leased additional space for temporary staff to work on the Pardon backlog. This lease ended in third quarter of 2014-15; accordingly there is a significant reduction in rental expenses.
- Repairs and maintenance decreased by \$156K or 86% from \$182K in the third quarter of 2014-15 to \$26K in the corresponding period in 2015-16. This decrease is related to expenditures for the Board's renovation costs at National Office, which were finalized in 2014-15.

Significant Changes to Revenues Collected

The number of record suspension applications accepted in the third quarter of 2015-16 was 2,074, which is 3% more than the same quarter in 2014-15. This resulted in a corresponding 2% or \$23K increase in revenues collected in the third quarter of 2015-16 compared to 2014-15.

Risks and Uncertainties

The PBC receives its funding through annual Parliamentary authorities. As a result, its operations are affected by any changes in funding approved through Parliament. The Board collects user fees for processing record suspension applications, and has the authority to spend revenues received during the year on activities related to processing applications for record suspensions. If lower than expected volume persists, this will have an impact on the Board's net financial situation.

Significant Changes in Relation to Operations, Personnel and Programs

On October 5th, 2015 Jennifer McNaughtan was named Director, Public Affairs.

Approval by Senior Officials

Approved by,

Harvey Cenaiko
Chairperson

Cathy Gaudet, CPA, CA
Chief Financial Officer

Ottawa, Canada
February 2016

Statement of Authorities (unaudited)

(In thousands of dollars)	Fiscal year 2015-2016			Fiscal year 2014-2015		
	Total available for use for the year ending March 31, 2016*	Used during the quarter ended December 31, 2015	Year to date used at quarter-end	Total available for use for the year ending March 31, 2015*	Used during the quarter ended December 31, 2014	Year to date used at quarter-end
Vote 1 – Program expenditures	47,963	11,192	32,226	49,072	11,646	35,883
Less revenues netted against expenditures	5,645	967	2,858	5,645	944	2,741
Total net Program expenditures	42,318	10,225	29,368	43,427	10,702	33,142
Budgetary statutory authorities - EBP	5,894	1,473	4,420	5,771	1,443	4,328
Total authorities	48,212	11,698	33,788	49,198	12,145	37,470

Departmental Budgetary Expenditures by Standard Object (unaudited)

(In thousands of dollars)	Fiscal year 2015-2016			Fiscal year 2014-2015		
	Planned expenditures for the year ending March 31, 2016*	Expended during the quarter ended December 31, 2015	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2015*	Expended during the quarter ended December 31, 2014	Year to date used at quarter-end
Expenditures						
Personnel	42,955	11,329	33,224	42,396	11,232	34,304
Transportation and communications	4,585	479	1,385	3,752	538	1,701
Information	339	17	43	235	35	84
Professional and special services	4,384	638	1,589	4,644	884	1,934
Rentals	249	29	82	313	100	272
Repair and maintenance	107	26	44	1,465	182	234
Utilities, materials and supplies	471	55	126	509	47	127
Acquisition of machinery and equipment	765	58	105	1,531	40	208
Other subsidies and payments	2	34	48	(1)	31	1,347
Total gross budgetary expenditures	53,857	12,665	36,646	54,844	13,089	40,211
Total revenues netted against expenditures	5,645	967	2,858	5,645	944	2,741
Total net budgetary expenditures	48,212	11,698	33,788	49,198	12,145	37,470

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