

Quarterly Financial Report For the Quarter Ended December 31, 2014

A. Introduction

This quarterly financial report should be read in conjunction with the Main Estimates (and as applicable - Supplementary Estimates and previous interim reports for the current year). It 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. It has not been subject to an external audit or review. The RCMP External Review Committee (ERC) was not affected by the *Canada's Economic Action Plan 2012* exercise.

1.1 Mandate and Program

The Royal Canadian Mounted Police External Review Committee (ERC) is an independent and impartial administrative tribunal that contributes to fair and equitable labour relations within the Royal Canadian Mounted Police (RCMP). To this end, the ERC conducts an independent review of certain grievances and appeals relating to certain conduct measures and of written decisions involving harassment complaints, revocations of appointments, discharges and demotions and ordered stoppages of pay and allowances, all as referred to it pursuant to the *Royal Canadian Mounted Police Act* and the *Royal Canadian Mounted Police Regulations*. Upon completing its review of a case file, the ERC presents findings and recommendations to the Commissioner of the RCMP for a final decision. Its findings and recommendations in each case are clearly explained for the parties and the RCMP Commissioner. The Commissioner is not bound to follow the recommendations of the ERC but the Commissioner must provide reasons in writing when the recommendations of the ERC are not followed. The ERC also undertakes outreach and information dissemination, with summaries of findings and recommendations and articles of interest on the role of the ERC, relevant legal principles and related issues distributed widely through its website and quarterly *Communiqués*.

1.2 Basis of Presentation

This quarterly report has been prepared by the ERC using an expenditure basis of accounting. The accompanying Statement of Authorities includes the ERC spending authorities granted by Parliament and those used by the ERC consistent with the Main Estimates and Supplementary Estimates (as applicable) for the 2014-15 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 ERC uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

B. Highlights of fiscal quarter and fiscal year to date (YTD) results

This section highlights the significant items that contributed to amounts available for use and expenditure used for the quarter ended December 31st, 2014.

2.1 Authorities Analysis

As reflected in the Statement of Authorities, the net budget authorities have decreased from \$1,743,201 (fiscal 2013-14) to \$1,702,739 to date in this fiscal year (fiscal 2014-15) for a variance decrease of \$40,462. The fiscal year 2014-15 budget authorities include a budget carry forward transfer from the central vote in the amount of \$41,539. It also includes a transfer of \$710,000 from RCMP appropriations received in December through Supplementary Estimates B, in support of Public Safety Canada's transitional measures to support the ERC's operations following the signing of the new RCMP policing service agreements. The total variance decrease expected by the end of the year will be \$40,462.

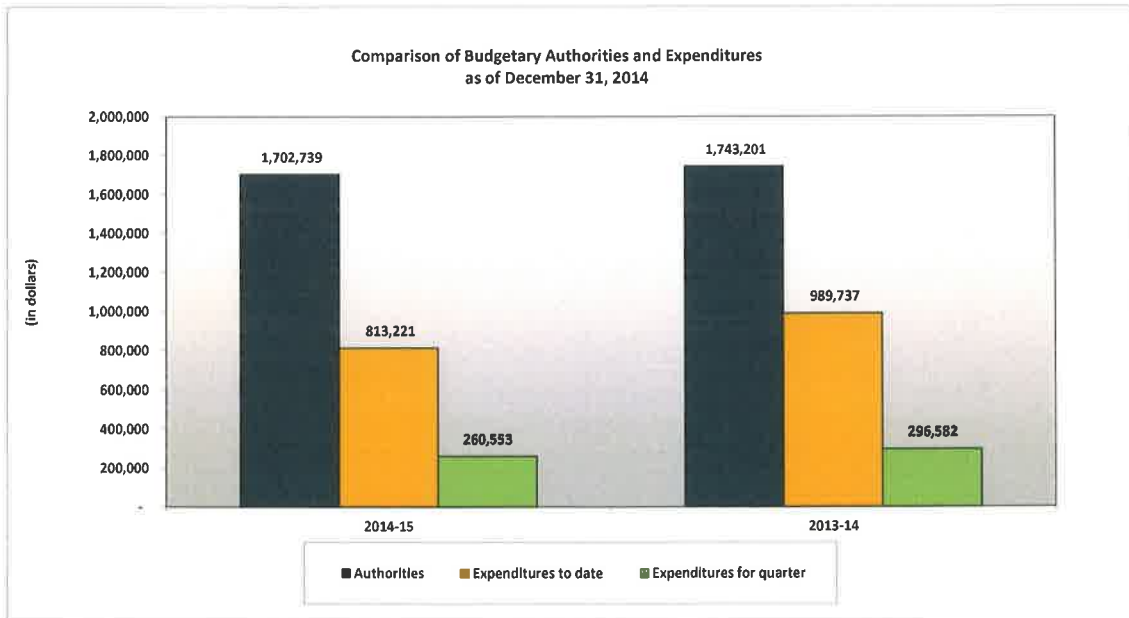
2.2 Expenditure Analysis

As reflected in the Statement of Authorities, expenditures used in the quarter ending on December 31st, have decreased from \$296,582 (fiscal 2013-14) to \$260,553 (fiscal 2014-15) for a total variance decrease of \$36,029. The decrease in expenditures is mainly due to reduced salary expenditures and the impacts of receiving a transfer of \$710,000 in December through Supplementary Estimates B, as opposed to receiving it in the Spring, as happened last fiscal year.

2.3 Budgetary Expenditures by Standard Object

As reflected in the Budgetary Expenditures by Standard Object, expenditures used during the quarter ended December 31st have decreased from \$296,582 (fiscal 2013-14) to \$260,553 (fiscal 2014-15) for a total variance decrease of \$36,029 from the previous year.

The decrease in expenditures is mainly in salaries and professional and special services as a result of receiving the transfer of \$710,000 mentioned above in December through Supplementary Estimates B.




C. Risks and Uncertainties

This ERC Quarterly Financial Report reflects the results of the current fiscal period in relation to the Main Estimates for which full supply was released on June 20, 2014.

The ERC was not specifically included in the Budget 2012 saving measures and therefore there have not been any significant changes in relation to operations, personnel and programs over the last year as a direct result.

In previous years, the ERC's base budget was augmented by a series of temporary short-term funding, specifically from the Treasury Board's Management Reserve, to allow the ERC to meet the obligations of its mandate and to ensure the accountability of its operations. The terms of those temporary appropriations expired at the end of fiscal year 2011-12. To offset this decrease to its base budget for 2014-15, as was done in previous years, a transfer from the appropriations of the RCMP was made through Supplementary Estimates B, in the amount of \$710,000, in support of Public Safety Canada's transitional measures to support the ERC's operations following the signing of the new RCMP policing service agreements.


Elizabeth M. Walker
Chair
Ottawa, Canada


Jamie Deacon
Executive Director
Chief Financial Officer
Ottawa, Canada

Date 02-02-2015

Date 02-02-2015

RCMP External Review Committee

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Statement of Authorities

For the quarter ended December 31, 2014

(in dollars)

	Fiscal year 2014-15			Fiscal year 2013-14		
	Total available for use for the year ending 31-Mar-15	Used during the quarter ended 31-Dec-14	Year to date used at quarter end 31-Dec-14	Total available for use for the year ending 31-Mar-14	Used during the quarter ended 31-Dec-13	Year to date used at quarter end 31-Dec-13
Vote 1 - Operating expenditures	1,599,875	234,837	736,073	1,639,562	270,672	912,008
Employee Benefit Plans (EBP)	102,864	25,716	77,148	103,639	25,910	77,729
TOTAL AUTHORITIES	1,702,739	260,553	813,221	1,743,201	296,582	989,737

RCMP External Review Committee

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Budgetary Expenditures by Standard Object
For the quarter ended December 31, 2014

(in dollars)

	Fiscal year 2014-15		Fiscal year 2014-15		Fiscal year 2013-14		Year to date used at quarter end 31-Dec-13
	Planned expenditures for the year ending 31-Mar-15	Expended during the quarter ended 31-Dec-14	Expended during the quarter ended 31-Dec-14	Year to date used at quarter end 31-Dec-14	Planned expenditures for the year ending 31-Mar-14	Expended during the quarter ended 31-Dec-13	
Expenditures:							
Personnel	1,066,280	202,710	638,811	756,826	1,169,378	222,167	756,826
Transportation and communications	37,138	2,911	5,747	8,702	25,000	3,529	8,702
Information	25,000	405	13,349	18,905	22,000	1,945	18,905
Professional and special services	538,320	48,453	113,660	181,697	488,823	61,770	181,697
Rentals	6,000	534	1,424	1,963	5,000	1,073	1,963
Repair and maintenance	-	-	-	-	-	-	-
Utilities, material and supplies	15,000	5,540	12,516	9,601	18,000	4,331	9,601
Acquisition of land, buildings and works	-	-	-	-	-	-	-
Acquisition of machinery and equipment	15,000	-	-	2,043	15,000	1,767	2,043
Transfer payments	-	-	-	-	-	-	-
Public debt charges	-	-	-	-	-	-	-
Other subsidies and payments	-	-	27,714	-	-	-	-
Total budgetary expenditures	1,702,738	260,553	813,221	989,737	1,743,201	296,582	989,737