



Parole Board
of Canada

Commission des libérations
conditionnelles du Canada

Quarterly Financial Report for the Quarter ended December 31, 2020



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 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, and those used by the department consistent with the Main Estimates and Supplementary Estimates (as applicable) for the 2020-21 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

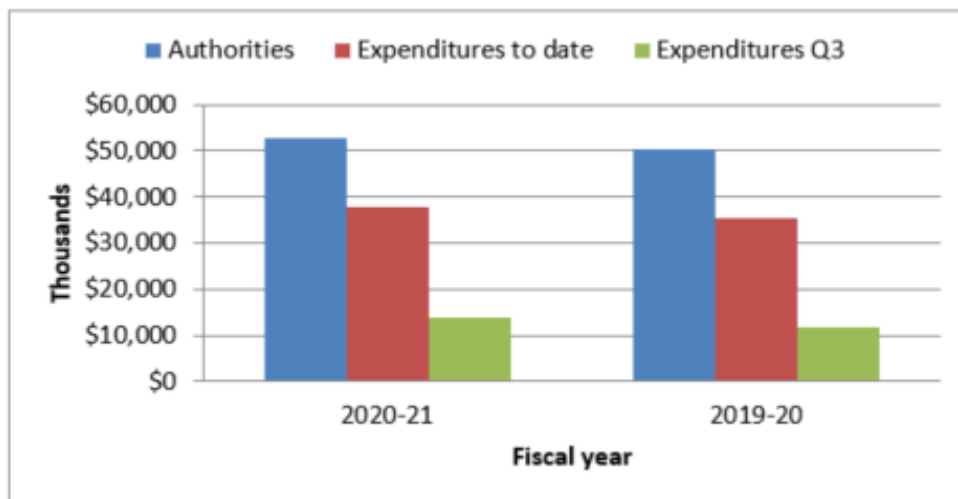
Total authorities available for fiscal year 2020-21 are \$52.8 million compared to \$50.2 million as of December 31, 2019. The increase of \$2.6 million, or 5%, is explained mainly by:

- An increase of \$3.9 million received in Supplementary Estimates for funding to support the efficient operations of PBC and to address the increasing complexity associated with conditional release decisions;
- A decrease of \$1.1 million in the operating budget carry forward of compared to previous fiscal year.

As illustrated in Figure 1, the PBC has spent approximately 72% of its authorities at the end of the third quarter, compared to 71% last year at the same period.

Overall, the PBC's total net budgetary expenditures has increased by 7% over 2020-21. While Personnel expenditures increased, a significant reduction in spendable revenues and reductions in all other categories, except Rentals and Acquisitions of Machinery and Equipment, are attributed to impacts of the pandemic.

Figure 1 - Third 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 PBC employees are working from home whenever and wherever possible to comply with the health measures for physical distancing to keep employees and Canadians safe.

Additionally 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

Anik Lapointe CPA CGA
Chief Financial Officer

Ottawa, Canada

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 December 31, 2020	Year-to-date used at quarter-end
Vote 1 – Program expenditures	49,321	13,838	36,598
Vote-netted revenues ²	(2,663)	(1,291)	(1,571)
Net program expenditures	46,658	12,547	35,027
Budgetary statutory authority – Contributions to employee benefit plan	6,119	1,361	2,722
Total Budgetary authorities	52,777	13,908	37,749

	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 December 31, 2019	Year-to-date used at quarter-end
Vote 1 – Program expenditures	50,207	11,599	34,456
Vote-netted revenues ³	(5,645)	(1,200)	(3,295)
Net program expenditures	44,562	10,399	31,161
Budgetary statutory authority – Contributions to employee benefit plan	5,613	1,403	4,210
Total Budgetary authorities	50,175	11,802	35,371

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

²The 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 responsible by PBC (\$484).

³The 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 responsible 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 December 31, 2020	Year-to-date used at quarter-end
Expenditures			
Personnel	47,124	13,757	36,521
Transportation and communications	807	251	481
Information	21	2	6
Professional and special services	6,061	832	1,624
Rentals	297	183	237
Repair and maintenance	89	11	20
Utilities, materials and supplies	173	34	77
Acquisition of land, building and works	19	4	4
Acquisition of machinery and equipment	839	107	305
Other subsidies and payments	10	18	45
Total gross budgetary expenditures	55,440	15,199	39,320
Less Revenues netted against expenditures:			
Vote-netted revenues	2,663	1,291	1,571
Total net budgetary expenditures	52,777	13,908	37,749

	Fiscal year 2019-20 (in thousands of dollars)		
	Planned expenditures for the year ending March 31, 2020	Used during the quarter ended December 31, 2019	Year-to-date used at quarter-end
Expenditures			
Personnel	49,475	11,566	34,495
Transportation and communications	2,856	560	1,913
Information	98	3	53
Professional and special services	1,996	593	1,595
Rentals	286	44	195
Repair and maintenance	51	13	26
Utilities, materials and supplies	179	48	103
Acquisition of Land, Buildings & Works	33	19	28
Acquisition of machinery and equipment	752	164	243
Other subsidies and payments	94	(8)	15
Total gross budgetary expenditures	55,820	13,002	38,666
Less Revenues netted against expenditures:			
Vote-netted revenues	5,645	1,200	3,295
Total net budgetary expenditures	50,175	11,802	35,371