NATIONAL ROUND TABLE ON THE ENVIRONMENT AND THE ECONOMY
TABLE RONDE NATIONALE SUR L'ENVIRONNEMENT ET L'ÉCONOMIE

National Round Table on the Environment and the Economy (NRT)

2012-13 Quarterly financial Report
for the quarter ended September 2012

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Management Statement for the Quarter Ending September 30, 2012

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. This quarterly report should be read in conjunction with the Main Estimates and Supplementary Estimates.

The raison d'être, or purpose, of the National Round Table on the Environment and the Economy (NRT or Round Table) is to play the role of catalyst in identifying, explaining, and promoting, in all sectors of Canadian society and in all regions of Canada, principles and practices of sustainable development.

The NRT interprets this broad mandate through a strategic focus on issues of national interest at the intersection of the environment and the economy. It examines the environmental and economic implications of priority issues and offers independent advice on how to address them.

Further information on the mandate, roles, responsibilities and programs of the NRT can be found in the NRT's 2012-13 Main Estimates, available on the following website: http://www.tbs-sct.gc.ca/est-pre/20112012/me-bpd/docs/me-bpd-eng.pdf

Basis of Presentation:

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the NRT's spending authorities granted by Parliament and those used by the Round Table, consistent with the Main Estimates and Supplementary Estimates for the 2012-13 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 monies 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.

As part of the Parliamentary business of supply, the Main Estimates must be tabled in Parliament on or before March 1 preceding the new fiscal year. Budget 2012 was tabled in Parliament on March 29, after the tabling of the Main Estimates on February 28, 2012. As a result the measures announced in the Budget 2012 could not be reflected in the 2012-13 Main Estimates.

In fiscal year 2012-13, frozen allotments will be established by Treasury Board authority in departmental votes to prohibit the spending of funds already identified as savings measures in Budget 2012. In future years, the changes to departmental authorities will be implemented through the Annual Reference Level Update, as approved by Treasury Board, and reflected in the subsequent Main Estimates tabled in Parliament.

NATIONAL ROUND TABLE ON THE ENVIRONMENT AND THE ECONOMY
TABLE RONDE NATIONALE SUR L'ENVIRONNEMENT ET L'ÉCONOMIE

As part of the departmental performance reporting process, the NRT prepares its annual financial statements on a full accrual basis in accordance with Treasury Board accounting policies, which are based on Canadian generally accepted accounting principles for the public sector. However, the spending authorities voted by Parliament remain on an expenditure basis.

The quarterly report has not been subject to an external audit or review.

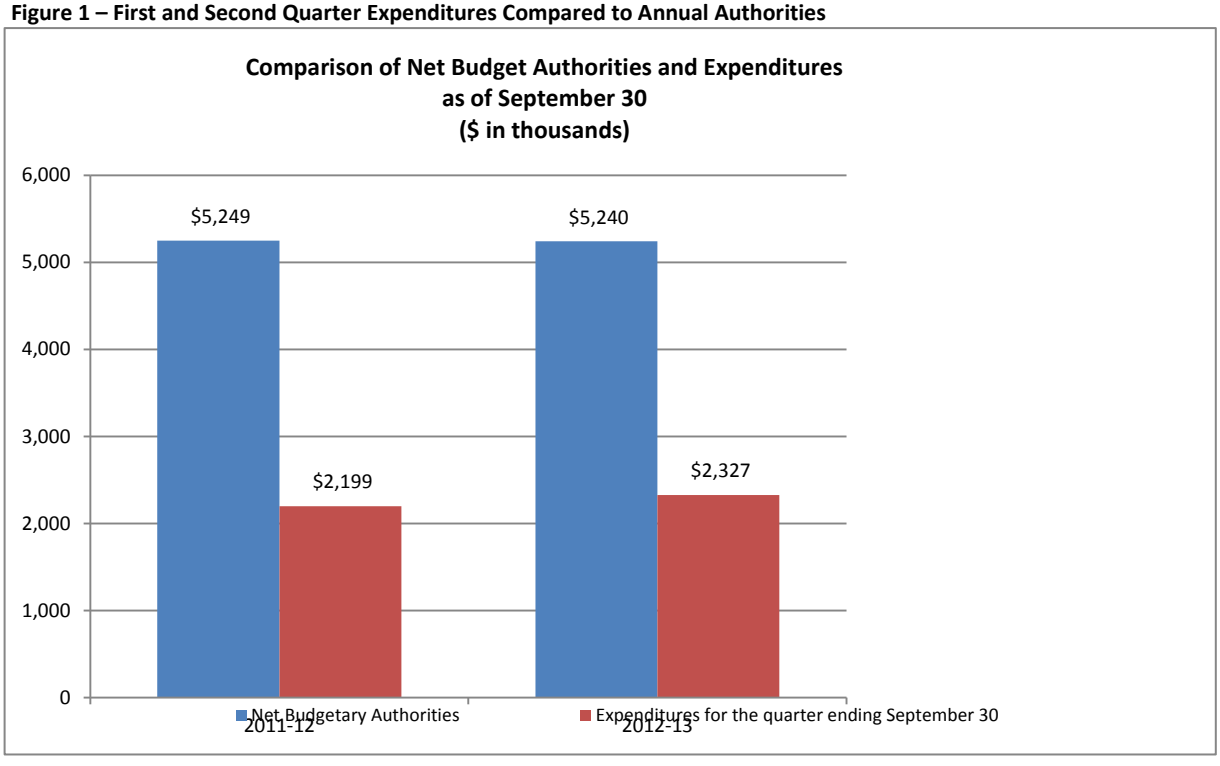
Highlights of Fiscal Quarter and Fiscal Year to Date Results:

The NRT's quarterly and year-to-date spending are higher than that of the previous year, mainly due to the government's decision to close the NRT in 2012-13. The main variances in expenditures between years are a result of a significant increase of $270K in Personnel costs, as well as increases of $25K for Information. These increases are partially offset by decreases of $65K, $38K, $43K and $16K related to Transportation and Communications, Professional and Special Services, Repairs and Maintenance, and Acquisition of Machinery and Equipment respectively. In 2012-13, the first and second quarters included severance and termination benefits payments for six employees that resigned from the NRT, as well as, spending on translation and design for two large reports, which was not the case in 2011-12.

The NRT's overall spending on Personnel by year-end is expected to be significantly higher than in previous years since indeterminate staff will receive termination benefits in accordance with NRT's Workforce Adjustment Policy, while spending in all other areas will be substantially lower as no new policy work is undertaken.

As can be seen in Figure 1, the NRT has spent approximately 44% of its authorities in the first and second quarters of 2012-13.

Figure 1 – First and Second Quarter Expenditures Compared to Annual Authorities



NATIONAL ROUND TABLE ON THE ENVIRONMENT AND THE ECONOMY
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Risks and Uncertainties:

The NRT is funded through voted annual appropriations. As a result, its operations are impacted by any changes in funding approved through Parliament. On March 29, 2012, the Government of Canada announced its intention to close the NRT by March 31, 2013. This intention was approved on June 29, 2012 when Bill C-38 received Royal Assent. As a result, the NRT will undertake no new policy work in 2012-13, and will focus on completing existing projects and will wind-up the organization. Given that all staff are affected by the closure there is risk that key positions may become vacant as staff seek and find alternative employment. Management will reassign staff or engage consultants, as required, to ensure a smooth wind-up of operations.

Significant Changes in Relation to Operations, Personnel and Programs:

With the announcement of the NRT closure, no new programs will be undertaken, and operations will focus on the wind-up of the organization. Over the course of the year, the NRT's paper and electronic records will be transferred to archives as required, and its assets will be disposed in an appropriate manner. The number of staff has reduced, and will continue to decrease over the year, resulting in changing duties and reporting relationships.

Budget 2012 Implementation:

This section provides an overview of the savings measures announced in Budget 2012 that will be implemented in order to refocus government and programs; make it easier for Canadians and business to deal with their government; and, modernize and reduce the back office.

The NRT will achieve the announced Budget 2012 savings by winding down its operation in 2012-13. Budget 2012 will result a $209K savings in 2012-13 and in ongoing savings of $5.2M starting in 2013-14 for the Government of Canada. There are no financial risks or uncertainties related to these savings.

Approved by,

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Jim McLachlan
A/President and CEO / Chief Financial Officer

Ottawa, Canada
October 12, 2012