

# Registry of the Public Servants Disclosure Protection Tribunal

## Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2012 and all information contained in these statements rests with the management of the Registry of the Public Servants Disclosure Protection Tribunal (Registry). These financial statements have been prepared by management using the Government's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Registry's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the Registry's *Departmental Performance Report*, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal controls over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through: careful selection, training and development of qualified staff; organizational arrangements that provide appropriate divisions of responsibility; communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the Registry; and by conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an ongoing process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

The Registry is subject to periodic Core Control Audits performed by the Office of the Comptroller General and uses the results of such audits to comply with the Treasury Board *Policy on Internal Control*.

A Core Control Audit was performed in 2012-2013 by the Office of the Comptroller General of Canada (OCG). The Audit Report and related Management Action Plan are posted on the Registry's web site at <http://www.psdpt-tpfd.gc.ca>.

The financial statements of the Registry have not been audited.

Lisanne Lacroix  
Deputy Head and Registrar/Chief Financial Officer

Ottawa, Canada  
August 31, 2012

# Registry of the Public Servants Disclosure Protection Tribunal

## Statement of Financial Position (Unaudited)

As at March 31

(in dollars)	2012	2011
		Restated (note 10)
<b>Liabilities</b>		
Due to the Consolidated Revenue Fund	-	48,906
Accounts payable and accrued liabilities (note 4)	379,500	45,755
Vacation pay and compensatory leave	32,397	20,256
Employee future benefits (note 5)	85,362	168,824
<b>Total liabilities</b>	<b>497,259</b>	<b>283,741</b>
<b>Financial assets</b>		
Due from the Consolidated Revenue Fund	290,752	-
Accounts receivable & employee advances (note 6)	84,485	91,882
<b>Total financial assets</b>	<b>375,237</b>	<b>91,882</b>
<b>Departmental net debt</b>	<b>122,022</b>	<b>191,859</b>
<b>Non-financial assets</b>		
Tangible capital assets (note 7)	317,613	44,626
<b>Total non-financial assets</b>	<b>317,613</b>	<b>44,626</b>
<b>Departmental net financial position</b>	<b>195,591</b>	<b>(147,233)</b>

The accompanying notes form an integral part of the financial statements.

Lisanne Lacroix  
Deputy Head and Registrar/Chief Financial Officer

Ottawa, Canada  
August 31, 2012

# Registry of the Public Servants Disclosure Protection Tribunal

## Statement of Operations and Departmental Net Financial Position (Unaudited)

For the year ended March 31

(in dollars)	2012	2012	2011
	Planned Results		Restated (note 9)
<b>Expenses</b>			
Salaries & employee benefits	840,660	<b>988,839</b>	699,165
Professional & special services	629,959	<b>318,640</b>	184,527
Accommodation	192,467	<b>154,763</b>	154,764
Transportation & telecommunications	105,575	<b>21,543</b>	22,759
Materials and supplies	71,247	<b>39,282</b>	18,334
Rentals	37,255	<b>18,072</b>	10,268
Amortization of tangible capital assets	33,470	<b>15,520</b>	5,656
Repairs and maintenance	2,212	-	30
Information	19,824	<b>6,846</b>	1,659
Other	-	<b>771</b>	18,518
<b>Total expenses</b>	1,932,669	<b>1,564,276</b>	1,115,680
<b>Revenues</b>			
Miscellaneous revenues	-	-	30,015
Revenues earned on behalf of Government	-	-	(30,015)
<b>Total revenues</b>	-	-	-
<b>Net cost of operations before government funding</b>	1,932,669	<b>1,564,276</b>	1,115,680
<b>Government funding</b>			
Net cash provided by Government		<b>1,338,595</b>	931,830
Change in due from Consolidated Revenue Fund		<b>339,658</b>	(16,513)
Services provided without charge by other government		<b>228,847</b>	199,516
<b>Net cost of operations after government funding</b>		<b>(342,824)</b>	847
<b>Departmental net financial position - Beginning of year</b>		<b>(147,233)</b>	(146,386)
<b>Departmental net financial position - End of year</b>		<b>195,591</b>	(147,233)

The accompanying notes form an integral part of the financial statements.

# Registry of the Public Servants Disclosure Protection Tribunal

## Statement of Change in Departmental Net Debt (Unaudited)

For the year ended March 31

(in dollars)	2012	2011
<b>Net cost of operations after government funding and transfers</b>	<b>(342,824)</b>	847
<b>Change due to tangible capital assets</b>		
Acquisition of tangible capital assets	288,507	52,305
Amortization of tangible capital assets	(15,520)	(5,656)
Net loss on disposal of tangible capital assets	-	(18,421)
<b>Total change due to tangible capital assets</b>	<b>272,987</b>	28,228
<b>Net increase (decrease) in departmental net debt</b>	<b>(69,837)</b>	29,075
<b>Departmental net debt - Beginning of year</b>	<b>191,859</b>	162,784
<b>Departmental net debt - End of year</b>	<b>122,022</b>	191,859

The accompanying notes form an integral part of the financial statements.

# Registry of the Public Servants Disclosure Protection Tribunal

## Statement of Cash Flow (Unaudited)

For the year ended March 31

(in dollars)	2012	2011
		Restated (note 9)
<b>Operating activities</b>		
Net cost of operations before government funding and transfers	1,564,276	1,115,680
<b>Non-cash items:</b>		
Amortization of tangible capital assets (note 7)	(15,520)	(5,656)
Services provided without charge by other government departments (note 8)	(228,847)	(199,516)
Loss on disposal of tangible capital assets	-	(18,421)
<b>Variations in Statement of Financial Position:</b>		
Decrease in accounts receivable & employee advances	(7,397)	(20,574)
Decrease (Increase) in accounts payable and accrued liabilities	(333,745)	35,624
Decrease (Increase) in vacation pay and compensatory leave	(12,141)	8,131
Decrease (Increase) in employee future benefits	83,462	(35,743)
<b>Cash used in operating activities</b>	<b>1,050,088</b>	<b>879,525</b>
<b>Capital investing activities</b>		
Acquisitions of tangible capital assets (note 7)	288,507	52,305
<b>Cash used in capital investing activities</b>	<b>288,507</b>	<b>52,305</b>
<b>Net cash provided by Government of Canada</b>	<b>1,338,595</b>	<b>931,830</b>

The accompanying notes form an integral part of the financial statements.

# Registry of the Public Servants Disclosure Protection Tribunal

## Notes to the Financial Statements (Unaudited)

For the year ended March 31

### 1. Authority and objectives

The Public Servants Disclosure Protection Tribunal is an independent, quasi-judicial body established by the *Public Servants Disclosure Protection Act* as part of the government's plan to strengthen accountability and enhance public confidence in the integrity of public servants. The raison d'être of the Tribunal is to protect public servants from reprisal following their disclosure of wrongdoing. Its mandate is to hear reprisal complaints referred by the Public Sector Integrity Commissioner.

### 2. Summary of significant accounting policies

These financial statements have been prepared using the Government's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

#### *(a) Parliamentary authorities*

The Registry is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the Registry do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Departmental Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the Statement of Operations and Departmental Net Financial Position are the amounts reported in the future-oriented financial statements included in the 2011-2012 Report on Plans and priorities.

#### *(b) Net Cash Provided by Government*

The Registry operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Registry is deposited to the CRF, and all cash disbursements made by the Registry are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government.

#### *(c) Due from or to the CRF*

Amounts due from or to the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that the Registry is entitled to draw from the CRF without further authorities to discharge its liabilities.

#### *(d) Revenues*

- ✓ Revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place.
- ✓ Revenues that are non-respendable are not available to discharge the Registry's liabilities. While the DH is expected to maintain accounting control, she has no authority regarding the disposition of non-respendable revenues. As a result, non-respendable revenues are considered to be earned on behalf of the Government of Canada and are therefore presented in reduction of the entity's gross revenues.

# Registry of the Public Servants Disclosure Protection Tribunal

## Notes to the Financial Statements (Unaudited)

For the year ended March 31

## 2. Summary of significant accounting policies (continued)

### *e) Expenses*

Expenses are recorded on the accrual basis:

- ✓ Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.
- ✓ Services provided without charge by other government departments for accommodation and employer contributions to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

### *(f) Employee future benefits*

- ✓ Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer pension plan administered by the Government. The Registry's contributions to the Plan are charged to expenses in the year incurred and represent the total Registry obligation to the Plan. The Registry's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.
- ✓ Severance benefits: Employees entitled to severance benefits under labour contracts or conditions of employment earn these benefits as services necessary to earn them are rendered. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

### *(g) Accounts receivables*

Accounts receivable recorded by the Registry are from other government departments and are stated at the lower of cost and net recoverable value. Recovery is considered certain and a provision has not been made.

### *(h) Tangible capital assets*

All tangible capital assets and leasehold improvements having an initial cost of \$3,000 or more are recorded at their acquisition cost. The Registry does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on Indian Reserves and museum collections.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

<b>Asset class</b>	<b>Amortization Period</b>
Informatics hardware	4 years
Informatics software	3 years
Furniture and equipment	10 years
Leasehold improvements	5 years

### *(i) Measurement uncertainty*

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee future benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

# Registry of the Public Servants Disclosure Protection Tribunal

## Notes to the Financial Statements (Unaudited)

For the year ended March 31

### 3. Parliamentary Authorities

The Registry receives its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, the Registry has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

#### *a) Reconciliation of net cost of operations to current year authorities used*

(in dollars)	2012	Restated 2011
Net cost of operations before government funding	1,564,276	1,115,680
<i>Adjustments for items affecting net cost of operations but not affecting authorities:</i>		
Services provided without charge by other government departments	(228,847)	(199,516)
Amortization of tangible capital assets	(15,520)	(5,656)
Decrease (increase) in employee future benefits	83,462	(35,743)
Decrease (increase) in vacation pay and compensatory leave	(12,141)	8,131
Refund of prior years expenditures	169	7
Adjustments of previous year's payables at year-end (PAYE)	6,697	23,521
Loss on disposal of tangible capital assets	-	(18,421)
	<b>(166,180)</b>	<b>(227,677)</b>
<i>Adjustments for items not affecting net cost of operations but affecting authorities:</i>		
Acquisition of tangible capital assets	288,507	52,305
	<b>288,507</b>	<b>52,305</b>
<b>Current year authorities used</b>	<b>1,686,603</b>	<b>940,308</b>

#### *b) Authorities provided and used*

(in dollars)	2012	2011
<b>Authorities provided:</b>		
Vote 115 - Program expenditures	1,726,199	1,726,200
Statutory authorities	126,642	92,172
<b>Less:</b>		
Lapsed authorities	(166,238)	(878,064)
<b>Current year authorities used</b>	<b>1,686,603</b>	<b>940,308</b>

# Registry of the Public Servants Disclosure Protection Tribunal

## Notes to the Financial Statements (Unaudited)

For the year ended March 31

### 4. Accounts payable and accrued liabilities

The following table presents details of the Registry's accounts payable and accrued liabilities:

(in dollars)	2012	2011
Accounts payable - Other government departments and agencies	236,841	14,262
Accounts payable - External parties	133,054	28,097
	369,895	42,359
Accrued liabilities	9,605	3,396
<b>Total accounts payable and accrued liabilities</b>	<b>379,500</b>	<b>45,755</b>

### 5. Employee future benefits

#### (a) Pension benefits

The Registry's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Registry contribute to the cost of the Plan. The 2011-12 expense amounts to \$91,008 (\$64,705 in 2010-11), which represents approximately 1.8 times (1.9 times in 2010-11) the contributions by employees.

The Registry's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

#### (b) Severance benefits

The Registry provides severance benefits to its employees based on eligibility, years of service and salary at termination of employment. These severance benefits are not pre-funded. Benefits will be paid from future authorities. Information about the severance benefits, measured as at March 31, is as follows:

As part of collective agreement negotiations with certain employee groups, and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees commencing in 2012. Employees subject to these changes have been given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits on termination from the public service. These changes have been reflected in the calculation of the outstanding severance benefit obligation.

(in dollars)	2012	2011
<b>Accrued benefit obligation, beginning of year</b>	<b>168,824</b>	133,081
Expense for the year	17,596	35,743
Benefits paid during the year	(101,058)	-
<b>Accrued benefit obligation, end of year</b>	<b>85,362</b>	168,824

# Registry of the Public Servants Disclosure Protection Tribunal

## Notes to the Financial Statements (Unaudited)

For the year ended March 31

### 6. Accounts Receivable and Employee Advances

The following table presents details of the Registry's accounts receivable and employee advances:

(in dollars)	2012	2011
Receivables - Other government departments and agencies	84,185	91,582
Employee advances	300	300
	<b>84,485</b>	<b>91,882</b>

### 7. Tangible capital assets

Cost	Opening Balance	Acquisitions	Adjustments, Disposals and Write-Offs	Closing Balance
(in dollars)				
Informatics hardware	12,120	-	-	12,120
Informatics software	-	9,000	-	9,000
Furniture and equipment	5,206	59,209	-	64,415
Leasehold improvements	31,269	220,298	-	251,567
	48,595	288,507	-	337,102
<b>Accumulated amortization</b>				
(in dollars)				
Informatics hardware	2,288	3,030	-	5,318
Informatics software	-	2,250	-	2,250
Furniture and equipment	130	1,014	-	1,144
Leasehold improvements	1,551	9,226	-	10,777
	3,969	15,520	-	19,489
<b>Net book value</b>				
(in dollars)	2011			2012
Informatics hardware	9,832			6,802
Informatics software	-			6,750
Furniture and equipment	5,076			63,271
Leasehold improvements	29,718			240,790
	44,626			317,613

# Registry of the Public Servants Disclosure Protection Tribunal

## Notes to the Financial Statements (Unaudited)

For the year ended March 31

### 8. Related party transactions

The Registry is related as a result of common ownership to all government departments, agencies, and Crown corporations. The Registry enters into transactions with these entities in the normal course of business and on normal trade terms. During the year, the Registry received common services which were obtained without charge from other government departments as disclosed below.

#### *a) Common services provided without charge by other government departments*

During the year, the Registry received services without charge from certain common service organizations, related to accommodation and the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded in the Registry's Statement of Operations and Departmental Net Financial Position as follows:

(in dollars)	2012	2011
Accommodation	154,763	154,763
Employer's contribution to the health and dental insurance plans	74,084	44,753
	<b>228,847</b>	199,516

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Works and Government Services Canada and audit services provided by the Office of the Auditor General are not included in the Registry's Statement of Operations and Departmental Net Financial Position.

#### *(b) Other transactions with related parties*

(in dollars)	2012	2011
Expenses - Other Government departments and agencies	303,981	389,055

# Registry of the Public Servants Disclosure Protection Tribunal

## Notes to the Financial Statements (Unaudited)

For the year ended March 31

### 9. Adoption of new accounting policies

During 2011, amendments were made to *Treasury Board Accounting Standard 1.2 — Departmental and Agency Financial Statements* to improve financial reporting by government departments and agencies. The amendments are effective for financial reporting of fiscal years ending March 31, 2012, and later. The significant changes to the Registry's financial statements are described below. These changes have been applied retroactively, and comparative information for 2010-11 has been restated.

Net debt (calculated as liabilities less financial assets) is now presented in the Statement of Financial Position. Accompanying this change, the Registry now presents a Statement of Change in Net Debt and no longer presents a Statement of Equity.

Revenue and related accounts receivable are now presented net of non-respendable amounts in the Statement of Operations and Departmental Net Financial Position and Statement of Financial Position. The effect of this change was to increase the net cost of operations before government funding and transfers by \$30,015 for 2011.

Government funding, as well as the credit related to services provided without charge by other government departments, are now recognized in the Statement of Operations and Departmental Net Financial Position below "Net cost of operations before government funding." In previous years, the Registry recognized these transactions directly in the Statement of Equity of Canada. The effect of this change was to decrease the net cost of operations after government funding by \$1,907,100 for 2012 (\$1,114,833 for 2011).

(in dollars)	2011 As previously stated	Effect of change	2011 Restated
<b>Statement of Operations and Departmental Net Financial Position</b>			
Revenues	30,015	(30,015)	-
<i>Government funding</i>			
Net cash provided by Government	-	931,830	<b>931,830</b>
Change in due from Consolidated Revenue Fund	-	(16,513)	(16,513)
Services provided without charge by other government departments	-	199,516	199,516

### 10. Comparative information

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

In addition, as a result of a printing error, the amount for "Due to the Consolidated Revenue Fund" did not appear on the Statement of Financial Position as at March 31, 2011. We have reflected this omission by adding the word "Restated" at the top of the 2011 column of the Statement of Financial Position as at March 31, 2012.