



Immigration and  
Refugee Board of Canada

Commission de l'immigration  
et du statut de réfugié du Canada

**Immigration and Refugee Board of Canada**

# **Financial Statements 2019-2020**

Aussi disponible en français sous le titre : Commission de l'immigration et du statut de réfugié du Canada,  
*États financiers 2019-2020*

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# Statement of Management Responsibility Including Internal Control Over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2020 and all information contained in these statements rests with the management of the Immigration and Refugee Board of Canada (IRB). 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 IRB's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the *IRB's Departmental Results Report*, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control 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; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the IRB and through 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 IRB will be subject to periodic Core Control Audits performed by the Office of the Comptroller General and will use the results of such audits to adhere to the Treasury Board *Policy on Financial Management*.

In the interim, the IRB has undertaken a risk-based assessment of the system of ICFR for the year ended March 31, 2020, in accordance with the Treasury Board *Policy on Financial Management*, and the results and action plan are summarized in the annex.

The financial statements of the IRB have not been audited.

Richard Wex,  
Chairperson

Jason Choueiri,  
Chief Financial Officer

Ottawa, Canada  
October 9, 2020

# Statement of Financial Position (Unaudited)

As of March 31

(in thousands of dollars)	2020	2019
<b>Liabilities</b>		
Accounts payable and accrued liabilities ( <a href="#">note 4</a> )	24,463	20,344
Vacation pay and compensatory leave	7,646	5,649
Employee future benefits ( <a href="#">note 5</a> )	4,283	3,690
<b>Total liabilities</b>	<b>36,392</b>	<b>29,683</b>
<b>Financial Assets</b>		
Due from the Consolidated Revenue Fund	23,211	19,812
Accounts receivable and advances ( <a href="#">note 6</a> )	5,603	3,415
<b>Total gross financial assets</b>	<b>28,814</b>	<b>23,227</b>
<b>Financial assets held on behalf of Government</b>		
Accounts receivable and advances ( <a href="#">note 6</a> )	(4,095)	(2,702)
<b>Total Net Financial Assets</b>	<b>24,719</b>	<b>20,525</b>
<b>Departmental net debt</b>	<b>11,673</b>	<b>9,158</b>
<b>Non-financial assets</b>		
Prepaid expenses	118	94
Tangible capital assets ( <a href="#">note 7</a> )	8,288	1,853
<b>Total non-financial assets</b>	<b>8,406</b>	<b>1,947</b>
<b>Departmental net financial position</b>	<b>(3,267)</b>	<b>(7,211)</b>
Contractual obligations ( <a href="#">note 8</a> )		
Contingent liabilities ( <a href="#">note 9</a> )		

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

Richard Wex,  
Chairperson

Jason Choueiri,  
Chief Financial Officer

Ottawa, Canada  
October 9, 2020

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

For the year ended March 31

(in thousands of dollars)

	Planned Results	2020	2019
<b>Expenses</b>			
Refugee Protection	80,022	93,710	78,172
Immigration Appeal	23,897	21,664	21,073
Admissibility Hearings and Detention Reviews	14,662	14,389	15,307
Refugee Appeal	34,487	32,818	18,838
Internal Services	44,194	63,559	55,998
<b>Total expenses</b>	<b>197,262</b>	<b>226,140</b>	<b>189,388</b>
<b>Revenues</b>			
Miscellaneous revenues	6	13	4
Revenues earned on behalf of Government	(6)	(13)	(4)
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cost of operations before government funding</b>	<b>197,262</b>	<b>226,140</b>	<b>189,388</b>
<b>Government Funding</b>			
Net cash provided by Government	N/A	195,191	148,997
Change in due from Consolidated Revenue Fund	N/A	3,399	7,876
Services provided without charge by other government departments ( <a href="#">note 10</a> )	N/A	31,494	30,698
Net transfers of tangible capital asset with other government departments ( <a href="#">note 7</a> )	N/A	-	-
<b>Net cost of operations after government funding</b>	<b>N/A</b>	<b>(3,944)</b>	<b>1,817</b>
<b>Departmental net financial position - Beginning of year</b>	<b>N/A</b>	<b>(7,211)</b>	<b>(5,394)</b>
<b>Departmental net financial position - End of year</b>	<b>N/A</b>	<b>(3,267)</b>	<b>(7,211)</b>

Segmented information ([note 11](#))

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

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

For the year ended March 31

(in thousands of dollars)

	2020	2019
<b>Net cost of operations after government funding</b>	<b>(3,944)</b>	1,817
<b>Change due to tangible capital assets</b>		
Acquisition of tangible capital assets ( <a href="#">note 7</a> )	7,240	-
Amortization of tangible capital assets ( <a href="#">note 7</a> )	(805)	(995)
Amortization of tangible capital assets transferred with other government department ( <a href="#">note 7</a> )	-	(21)
Transfer of tangible capital asset with other government department ( <a href="#">note 7</a> )	-	22
<b>Total change due to tangible capital assets</b>	<b>6,435</b>	(995)
<b>Change due to prepaid expenses</b>	<b>24</b>	(9)
<b>Net (decrease) increase in net debt</b>	<b>2,515</b>	813
<b>Departmental Net debt - Beginning of year</b>	<b>9,158</b>	8,345
<b>Departmental Net debt - End of year</b>	<b>11,673</b>	9,158

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

## Statement of Cash Flows (Unaudited)

For the year ended March 31

(in thousands of dollars)

2020 2019

Operating Activities

<b>Net cost of operations before government funding</b>	<b>226,140</b>	189,388
<b>Non-cash items:</b>		
Amortization of tangible capital assets ( <a href="#">note 7</a> )	<b>(805)</b>	(995)
Amortization of tangible capital assets transferred with other government department (note 7)	-	(21)
Write-off of tangible capital assets ( <a href="#">note 7</a> )	-	-
Services provided without charge by other government departments ( <a href="#">note 10</a> )	<b>(31,494)</b>	(30,698)
<b>Variations in Statement of Financial Position:</b>		
Increase (decrease) in accounts receivable and advances	<b>795</b>	(694)
Increase (decrease) in prepaid expenses	<b>24</b>	(9)
Increase in accounts payable and accrued liabilities	<b>(4,119)</b>	(7,088)
Increase in vacation pay and compensatory leave	<b>(1,997)</b>	(981)
Decrease (Increase) in employee future benefits	<b>(593)</b>	74
<b>Cash used in operating activities</b>	<b>187,951</b>	148,975
<b>Capital activities</b>		
Acquisitions of tangible capital assets ( <a href="#">note 7</a> )	<b>7,240</b>	-
Transfer of tangible capital asset with other government department ( <a href="#">note 7</a> )	-	22
<b>Cash used in capital activities</b>	<b>7,240</b>	22
<b>Net cash provided by Government of Canada</b>	<b>195,191</b>	148,997

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

## Notes to the Financial Statements (Unaudited)

### For the year ended March 31

#### 1. Authority and objectives

The Immigration and Refugee Board (IRB) is an independent, accountable administrative tribunal established by Parliament on January 1, 1989 to resolve immigration and refugee cases fairly, efficiently and in accordance with the law. The IRB ensures continued benefits to Canadians: by only accepting refugee claimants needing protection in accordance with international obligations and Canadian law; by contributing to the integrity of the immigration system, the safety and security of Canadians and upholding Canada's reputation of justice and fairness for individuals; and promoting family reunification. The IRB also contributes to the quality of life of Canada's communities by strengthening our country's social fabric and by reflecting and reinforcing core values that are important to Canadians. These include respect for human rights, peace, security and the rule of law.

The Board strategic outcome is to resolve immigration and refugee cases efficiently, fairly and in accordance with the law.

Two programs support this strategic outcome:



## **Adjudication of immigration and refugee cases**

The Immigration and Refugee Board renders quality decisions and resolves cases in a timely manner regarding immigration and refugee protection cases. This includes determining refugee protection claims and appeals and applications to vacate or cease refugee protection. It also includes making decisions in admissibility hearings and detention reviews, and on appeals on certain immigration cases.

This program is split into 4 department specific activities:

### **Refugee Protection Division**

The Refugee Protection Division (RPD) delivers the IRB's Refugee Protection program. It renders quality decisions and resolves cases in a timely manner regarding refugee protection claims made by persons in Canada, and preremoval risk assessments of persons subject to a removal order.

### **Refugee Appeal Division**

The Refugee Appeal Division (RAD) delivers the IRB's Refugee Appeal program. It renders quality decisions and resolves cases in a timely manner regarding appeals against a decision made on a refugee protection claim of the Refugee Protection Division.

### **Admissibility Hearings and Detention Reviews**

The Immigration Division (ID) delivers the Admissibility Hearings and Detention Reviews program. It renders quality decisions and resolves cases in a timely manner regarding foreign nationals or permanent residents who are alleged to be inadmissible to Canada pursuant to the Immigration and Refugee Protection Act (IRPA) and foreign nationals or permanent residents who are detained under IRPA authority.

### **Immigration Appeal**

The Immigration Appeal Division (IAD) delivers the Immigration Appeal program. It renders quality decisions and resolves cases in a timely manner regarding sponsorship applications refused by the Department of Immigration, Refugees and Citizenship Canada; certain removal orders made against permanent residents, refugees and other protected persons and holders of permanent resident visas; permanent residents outside of Canada who have been found not to have fulfilled their residency obligation; and appeals by the Minister of Public Safety Canada against a decision of the Immigration Division on admissibility.

## **Internal Services**

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization, and not those provided to a specific program. The groups of activities are Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services and Other Administrative Services.

## 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 IRB is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the IRB 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 "Expenses" and "Revenue" sections of the Statement of Operations and Departmental Net Financial Position are the amounts reported in the Future-oriented Statement of Operations included in the 2019-20 Departmental Plan. Planned results are not presented in the "Government funding and transfers" section of the Statement of Operations and Departmental Net Financial Position and in the Statement of Change in Departmental Net Debt because these amounts were not included in the 2019-20 Departmental Plan."

### (b) Net Cash Provided by Government

The IRB operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the IRB is deposited to the CRF and all cash disbursements made by the IRB 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) Amounts due from the CRF

Amounts due from 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 IRB is entitled to draw from the CRF without further authorities to discharge its liabilities.

### (d) Revenues

Other revenues are recognized in the period the event giving rise to the revenues occurred. The IRB does not charge for its services and its only revenue stems from gains on disposals of crown assets, Access to Information and Privacy fees and interest on overdue accounts receivable.

Revenues that are non-respendable are not available to discharge the Department's liabilities. While the Deputy Head is expected to maintain accounting control, he or 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.

### (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, employer contributions to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.

## **(f) Employee future benefits**

- i. Pension benefits: Eligible employees participate in the Public Service Pension Plan (the "Plan"), a multiemployer pension plan administered by the Government. The IRB's contributions to the Plan are charged to expenses in the year incurred and represent the total obligation of the IRB to the Plan. The IRB'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.
- ii. Severance benefits: The accumulation of severance benefits for voluntary departures ceased for applicable employee groups. The remaining obligation for employees who did not withdraw benefits 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 are initially recorded at cost. When necessary, an allowance is recorded to reduce the carrying value of accounts receivable to amounts that approximate their net recoverable value.

## **(h) Non-financial assets**

The costs of acquiring equipment and other capital property are capitalized as tangible capital assets and are amortized to expense over the estimated useful lives of the assets, as described in Note 7. All tangible capital assets, purchased individually or in bulk, and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost.

## **(i) Contingent liabilities**

Contingent liabilities are potential liabilities that may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, a provision is accrued, and an expense recorded to other expenses. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

## **(j) Measurement uncertainty**

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets, liabilities, revenues and expenses reported in the financial statements and accompanying notes at March 31. The estimates are based on facts and circumstances, historical experience, general economic conditions and reflect the Government's best estimate of the related amount at the end of the reporting period. The most significant items where estimates are used are contingent liabilities, 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.

## **(k) Related party transactions**

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount. Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except for the following:

- i. Services provided on a recovery basis are recognized as revenues and expenses on a gross basis and measured at the exchange amount.
- ii. Certain services received on a without charge basis are recorded for departmental financial statement purposes at the carrying amount.

### 3. Parliamentary Authorities

The IRB 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 IRB 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 thousands of dollars)	2020	2019
Net cost of operations before government funding	<b>226,140</b>	189,388
<i>Adjustments for items affecting net cost of operations but not affecting authorities:</i>		
<i>Add (Less):</i>		
Services provided without charge by other government departments ( <a href="#">note 10</a> )	<b>(31,494)</b>	(30,698)
Amortization of tangible capital assets ( <a href="#">note 7</a> )	<b>(805)</b>	(996)
Amortization of tangible capital assets transferred with other government departments ( <a href="#">note 7</a> )	-	(21)
Decrease (increase) in employee future benefits	<b>(592)</b>	74
Increase in vacation pay and compensatory leave	<b>(1,997)</b>	(981)
Increase in charges for contingent liabilities	-	-
Increase in allowance for bad debt	-	-
Prepaid expenses previously charged to appropriation	<b>(402)</b>	(294)
Adjustments to prior years' accounts payable (PAYE)	<b>325</b>	683
Refunds of previous year's expenses	<b>113</b>	168
Other	<b>(2)</b>	(129)
	<b>(34, 854)</b>	(32,194)
<i>Adjustments for items not affecting net cost of operations but affecting authorities:</i>		
<i>Add (Less):</i>		
Acquisition of tangible capital assets ( <a href="#">note 7</a> )	<b>7,240</b>	-
Transfer of tangible capital asset with other government department ( <a href="#">note 7</a> )	-	22

Salary overpayments to be recovered	1,341	775
Other Loans/Advances to employees	110	79
Increase in prepaid expenses	426	285
Transition Payment - Pay in Arrears	-	2
Temporary advance	4	1
	9,121	1,164
<b>Current year authorities used</b>	<b>200,407</b>	<b>158,358</b>

**(b) Authorities Provided and used:**

(in thousands of dollars)	2020	2019
<b>Authorities Provided:</b>		
<i>Vote 1 - Operating expenditures</i>	124,732	124,732
Statutory amounts	19,149	15,359
<b>Less:</b>		
Lapsed authorities: Operating	56,526	18,267
<b>Current year authorities used</b>	<b>200,407</b>	<b>158,358</b>

**4. Accounts payable and accrued liabilities**

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

(in thousands of dollars)	2020	2019
Accounts payable - Other government departments and agencies	6,142	4,144
Accounts payable - External parties	2,681	2,661
Total accounts payable	8,823	6,805
Accrued liabilities	15,640	13,539
<b>Total accounts payable and accrued liabilities</b>	<b>24,463</b>	<b>20,344</b>

In Canada's Economic Action Plan 2012, the Government announced savings measures to be implemented by departments starting in 2012–2013 and extending over the three subsequent fiscal years. To this effect, the Department has recorded an

obligation for termination benefits as part of accrued liabilities to reflect the estimated workforce adjustment costs. The remaining balance of these measures is nil as of March 31, 2020 (Nil as of March 31, 2019).

## 5. Employee future benefits

### (a) Pension benefits

The IRB's employees participate in the Public Service Pension Plan (the "Plan"), which is sponsored and administered by the Government of Canada. 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 IRB contribute to the cost of the Plan. Due to the amendment of the Public Service Superannuation Act following the implementation of provisions related to Economic Action Plan 2012, employee contributors have been divided into two groups – Group 1 relates to existing plan members as of December 31, 2012 and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2019-20 expense amounts to \$13.3 million (\$10.7 million in 2018-19). For Group 1 members, the expense represents approximately 1.01 times (1.01 times in 2018-19) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2018-19) the employee's contributions.

The IRB's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the Consolidated Financial Statements of the Government of Canada, as the Plan's sponsor.

### (b) Severance benefits

Severance benefits provided to the IRB's employees were previously based on an employee's eligibility, years of service and salary at termination of employment. However, since 2011 the accumulation of severance benefits for voluntary departures progressively ceased for substantially all employees.

Employees subject to these changes were given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service.

By March 31, 2020, substantially all settlements for immediate cash out were completed. Severance benefits are unfunded and, consequently, the outstanding obligation will be paid from future authorities.

The changes in the obligations during the year were as follows:

<b>(in thousands of dollars)</b>	<b>2020</b>	<b>2019</b>
Accrued benefit obligation, beginning of the year	<b>3,690</b>	3,764
Expense for the year	<b>965</b>	679
Benefits paid during the year	<b>(372)</b>	(753)
Accrued benefit obligation, end of the year	<b>4,283</b>	3,690

## 6. Accounts receivable and advances

The following table presents details of the IRB's accounts receivable and advances balances:  
(in thousands of dollars)

	2020	2019
Receivables - Other government departments and agencies	1,252	532
Receivables - External parties	4,095	2,702
Employee advances	256	181
<b>Gross accounts receivable</b>	<b>5,603</b>	<b>3,415</b>
Accounts receivable held on behalf of Government	(4,095)	(2,702)
<b>Net accounts receivable</b>	<b>1,508</b>	<b>713</b>

## 7. Tangible capital assets

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

Asset class	Amortization Period
Informatics hardware	3 - 4 years
Informatics software	5 years
Machinery and Equipment	10 years
Leasehold improvements	Lesser of the remaining term of lease or useful life of the improvement
Vehicles	7 Years

Assets under construction are recorded in the applicable capital asset class in the year that they become available for use and are not amortized until they become available for use.

### Cost

(in thousands of dollars)	Opening Balance	Acquisitions	Transfers with other government departments	Disposals and Write-Offs	Closing Balance
Informatics Hardware	2,333	3,037	-	-	5,370
Informatics Software	21,134	-	-	-	21,134

Machinery and Equipment	451	-	-	-	451
Leasehold Improvements	9,106	-	-	-	9,106
<b>(in thousands of dollars)</b>	<b>Opening Balance</b>	<b>Acquisitions</b>	<b>Transfers with other government departments</b>	<b>Disposals and Write-Offs</b>	<b>Closing Balance</b>
Motor Vehicles (Non-Military)	-	49	-	-	49
Assets under construction	444	4,155	-	-	4,599
	<b>33,468</b>	<b>7,240</b>	-	-	<b>40,708</b>
<b>Accumulated amortization</b>	<b>Opening Balance</b>	<b>Acquisitions</b>	<b>Transfers with other government departments</b>	<b>Disposals and Write-Offs</b>	<b>Closing Balance</b>
<b>(in thousands of dollars)</b>					
Informatics Hardware	2,281	352	-	-	2,633
Informatics Software	21,049	79	-	-	21,128
Machinery and Equipment	312	43	-	-	355
Leasehold Improvements	7,972	325	-	-	8,297
Motor Vehicles (Non-Military)	-	6	-	-	6
	<b>31,615</b>	<b>805</b>	-	-	<b>32,420</b>



## Net book value

(in thousands of dollars)	2019	2020
Informatics Hardware	52	2,736
Informatics Software	85	6
Machinery and Equipment	138	95
Leasehold Improvements	1,133	808
Motor Vehicles (Non-Military)	-	42
Assets under construction	444	4,599
<b>Net Book Value</b>	<b>1,853</b>	<b>8,288</b>

## 8. Contractual Obligations

The nature of the IRB's activities can result in some large multi-year contracts and obligations whereby the IRB will be obligated to make future payments when the services or goods are received. Due to the fact that IRB has no contracting delegation over 2 million dollars, there are no significant multi-year contracts to report.

## 9. Contingent liabilities

Contingent liabilities arise in the normal course of operations and their ultimate disposition is unknown.

### Claims and litigation

Claims have been made against the IRB in the normal course of operations. These claims include items with pleading amounts and others for which no amount is specified. While the total amount claimed in these actions is significant, their outcomes are not determinable. Claims and litigations for which the outcome is not determinable, and a reasonable estimate can be made by management is \$278,000 at March 31, 2020 (\$0 in 2018-19).

## 10. Related party transactions

The IRB is related as a result of common ownership to all government departments, agencies, and Crown corporations. Related parties also include individuals who are members of key management personnel or close family members of those individuals, and entities controlled by, or under shared control of, a member of key management personnel or a close family member of that individual. The IRB enters into transactions with these entities in the normal course of business and on normal trade terms.

During the year, the IRB 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 IRB 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 at the carrying value in the IRB's Statement of Operations and Departmental Net Financial Position as follows:

(in thousands of dollars)	2020	2019
Accommodation	19,038	21,562
Employer's contribution to the health and dental insurance plans	12,456	9,136
<b>Total</b>	<b>31,494</b>	<b>30,698</b>

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 Services and Procurement Canada are not included in the IRB's Statement of Operations and Departmental Net Financial Position.

**(b) Other transactions with other government departments and agencies**

(in thousands of dollars)	2020	2019
Expenses - Other Government departments and agencies	39,239	31,644

**11. Segmented Information**

Presentation by segment is based on the IRB's core responsibility. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in note 2. The following table presents the expenses incurred and revenues generated for the main core responsibilities, by major object of expense and by major type of revenue. The segment results for the period are as follows:

(in thousands of dollars)	Refugee Protection	Refugee Appeal	Admissibility Hearings & Detention Reviews	Immigration Appeal	Adjudication of Immigration and Refugee cases	Internal Services	2020	2019
							2020	2019
<b>Operating Expenses</b>								
Salaries and employee benefits	76,903	26,810	10,444	15,505	129,662	39,765	<b>169,427</b>	132,247
Accommodation	7,111	2,411	1,431	2,518	13,471	5,567	<b>19,038</b>	21,562

Rentals	81	8	12	15	116	2,048	<b>2,164</b>	1,284
Professional and special services	7,867	3,159	2,122	3,077	16,225	8,870	<b>25,095</b>	20,478
Amortization of tangible capital assets	115	0	109	0	224	581	<b>805</b>	995
Transportation and telecommunications	1,262	351	220	477	2,310	3,849	<b>6,159</b>	4,560
Repair and maintenance	6	1	0	0	7	2,543	<b>2,550</b>	3,117
Acquisition of equipment	40	10	8	24	82	3,835	<b>3,917</b>	3,962
Utilities, materials and supplies	175	50	28	35	288	430	<b>718</b>	682
Information	148	18	14	13	193	238	<b>431</b>	512
Other	1	0	1	0	2	(4,166)	<b>(4,164)</b>	(11)
<b>Total operating expenses</b>	<b>93,709</b>	<b>32,818</b>	<b>14,389</b>	<b>21,664</b>	<b>162,580</b>	<b>63,560</b>	<b>226,140</b>	189,388

## Revenues

Miscellaneous	1	0	0	0	1	12	<b>13</b>	4
Revenues earned on behalf of government	-1	0	0	0	-1	(12)	<b>(13)</b>	(4)
<b>Total Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	(0)
<b>Net cost of Operations</b>	<b>93,709</b>	<b>32,818</b>	<b>14,389</b>	<b>21,664</b>	<b>162,580</b>	<b>63,560</b>	<b>226,140</b>	189,388

## 12. Comparative information

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

# **Annex to the Statement of Management Responsibility Including Internal Control over Financial Reporting (unaudited)**

## **1. Introduction**

This document provides summary information on the measures taken by the Immigration and Refugee Board of Canada (IRB) to maintain an effective system of internal control over financial reporting (ICFR). In particular, it provides summary information on the internal control assessments conducted by the IRB for the year ended March 31, 2020, including information on internal control management, assessment results and related action plans.

Detailed information on the department's authority, mandate and program activities can be found in the Departmental Results Report and the Departmental Plan.

## **2. Departmental system of internal control over financial reporting**

### **2.1 Internal control management**

The Immigration and Refugee Board has a well-established governance and accountability structure to support departmental assessment efforts and oversight of its system of internal control. During fiscal year 2019-20, the departmental internal control management framework was reviewed to verify its effectiveness in the following areas:

- Organizational accountability structures as they relate to internal control management to support sound financial management, including roles and responsibilities of senior managers in their areas of responsibility for control management;
- Office of Integrity, which provides educational and awareness programs on values and ethics issues and discuss ethical dilemmas and facilitates protected disclosures of wrongdoing. The IRB aims to underline the need of employees to avoid, and if necessary, resolve conflicts of interests between their official duties and their personal interests; ongoing communication and training on statutory requirements, and policies and procedures for sound financial management and control; an annually updated Corporate Risk Profile; financial management policies as well as documentation of its main business processes; and regular monitoring and updates on internal control management, as well as the provision of related assessment results and action plans to the Auditor General, and senior management as required.

### **2.2 Service arrangements relevant to financial statements**

The Immigration and Refugee Board of Canada relies on other organizations for the processing of certain transactions that are recorded in its financial statements as follows:

#### **Common Arrangements**

- Public Services and Procurement Canada, which administers payment of salaries, the procurement of goods and services, and provides accommodation services;
- Treasury Board of Canada Secretariat, which provides information on public service insurance and centrally administers payment of the employers share of contributions towards statutory employee benefit plans; and Shared
- Services Canada provides information technology infrastructure services.

#### **Specific Arrangements**

- The IRB is one of the departments in the Central Agency Cluster – Shared Systems (CAC-SS), hosted by Treasury Board Secretariat. This arrangement provides the IRB with corporate administrative systems and system support, including SAP Financial system, PeopleSoft human resources management system, Cognos Business Intelligence Tool, and a secure infrastructure to host the three applications.

### 3. Departmental assessment results during 2019-20 fiscal year

#### 3.1 Risk Assessment and Scoping

A scoping and risk assessment exercise was conducted to ensure that the internal controls in place continue to mitigate the risks related to financial management and financial reporting.

A total of 8 processes were identified from the scoping exercise. These include entity level controls, information technology general controls, payroll and benefits, revenue and accounts receivable, operating expenses and accounts payable, tangible capital assets, financial close and reporting and budgeting. Using a risk and extent approach, a multi-year internal control plan was developed to document and assess the design effectiveness of the control activities for the 8 processes identified.

#### 3.2 Entity Level Controls

The first phase in the internal control plan was to document and assess the design effectiveness of the Immigration and Refugee Board's Entity Level Controls as this process had the greatest residual risk. The assessment began as planned and will be completed during the first quarter of fiscal year 2020-21.

### 4. Internal control plan

The Immigration and Refugee Board's internal control plan over the next three fiscal years is based on the risk assessment and scoping that was performed during the 2019-20 fiscal year. This plan will be revisited annually based on the gaps or deficiencies identified, or changes in risk factors, processes, and controls (such as the COVID-19 situation).

Following the completion of the plan, the Immigration and Refugee Board will have reached a standardized level of maturity in our system of internal controls where control activities are designed, in place and are adequately documented.

#### Plan for documentation and evaluation of processes and control activities

Process / Key Control Area	2020-21	2021-22	2022-23
Information Technology General Controls			X
Payroll and Benefits	X		
Revenue & Accounts Receivable			X
Operating Expenses & Accounts Payable	X		
Tangible Capital Assets		X	
Financial Close and Reporting			X
Budgeting			X