

# **Administrative Tribunals Support Service of Canada**

## **Statement of Administrative Costs Charged to the Canada Pension Plan Account**

**March 31, 2017**  
**(in thousands of dollars)**



August 24, 2017

## **Independent Auditor's Report**

### **To the Chief Administrator of the Administrative Tribunals Support Service of Canada**

We have audited the accompanying Statement of Administrative Costs Charged to the Canada Pension Plan (CPP) Account by the Administrative Tribunals Support Service of Canada (ATSSC) for the period from April 1, 2016 to March 31, 2017 and the related notes ("the financial information"). The financial information has been prepared by management of the ATSSC based on the financial reporting provisions established in the 2015-2017 Memorandum of Understanding ("2015-2017 MoU") between Employment and Social Development Canada (ESDC), the CPP and the ATSSC that was finalized on February 22, 2016.

#### **Management's responsibility for the financial information**

Management of the ATSSC is responsible for the preparation of the financial information in accordance with the financial reporting provisions of the 2015-2017 MoU, and for such internal control as management determines is necessary to enable the preparation of the financial information that is free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial information based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the ATSSC's preparation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ATSSC's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial information for the period from April 1, 2016 to March 31, 2017 is prepared, in all material respects, in accordance with the financial reporting provisions of the 2015-2017 MoU.

**Basis of accounting and restriction on use**

Without modifying our opinion, we draw attention to Note 2 of the financial information, which describes the basis of accounting. The financial information has been prepared to assist the ATSSC to comply with the financial reporting requirements of the 2015-2017 MoU between the ATSSC, ESDC and the CPP. As a result, the financial information may not be suitable for another purpose. Our report is intended solely for the ATSSC and ESDC and should not be used by parties other than the ATSSC, ESDC and the CPP.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants, Licensed Public Accountants**

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(in thousands of dollars)

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Salaries	10,335	13,054
Operations and Maintenance	1,006	1,787
Contributions to Employee Benefit Plans	1,226	1,456
Health Insurance Plan	663	582
Total Administrative Costs Chargeable to the Canada Pension Plan Account	<b>13,230</b>	<b>16,879</b>

The accompanying notes form an integral part of this financial statement.

Approved by: \_\_\_\_\_  
Fabien Lengellé  
Executive Director, Secretariat to the Social Security Tribunal

Approved by: \_\_\_\_\_  
Luc Robitaille  
Director General, Corporate Services and Chief Financial Officer

Approved by: \_\_\_\_\_  
Marie-France Pelletier  
Chief Administrator

# **Administrative Tribunals Support Service of Canada**

Statement of Administrative Costs Charged to the Canada Pension Plan Account

Note to Statement of Administrative Costs

**For the period from April 1, 2016 to March 31, 2017**

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## **1 Introduction**

Under the Canada Pension Plan (CPP) Legislation, the Minister of Employment and Social Development Canada (ESDC) has the responsibility for the administration of Parts II and III (except for some sections of Part III), which concern the general administration of the CPP. The CPP is administered by ESDC, with support from the Department of Finance, the Canada Revenue Agency, Public Services and Procurement Canada, the Office of the Superintendent of Financial Institutions, the Royal Canadian Mounted Police, the Administrative Tribunals Support Service of Canada and the CPP Investment Board.

The Social Security Tribunal (SST) is an independent administrative tribunal that hears appeals of Employment Insurance (EI), the CPP and Old Age Security (OAS) decisions. Following passage of Bill C-51, the Economic Action Plan 2014 Act, effective November 1, 2014, the provision of support services to eleven administrative tribunals - including the SST - has been consolidated within the Administrative Tribunals Support Service of Canada (ATSSC). As of November 2014, CPP-related expenditures for tribunal services (SST) are being administered by the ATSSC through its vote-netted revenue authority.

As a transitional measure, a Memorandum of Understanding (transitional MoU) between the ATSSC and ESDC was signed on October 31, 2014, and established that ESDC would continue to provide the necessary internal (corporate) support services to the SST and its Secretariat operations on the ATSSC's behalf.

Subsequently, a supplementary April 1, 2015 to March 31, 2017 MoU (Supplementary MoU or the 2015-2017 MoU) between ESDC, CPP and the ATSSC was created to outline the relationship, roles and responsibilities, methodology for recovering costs, and reporting requirements, with respect to the provision of services by the ATSSC to the CPP as administered by ESDC. The supplementary MoU was amended in April 2017 to extend to March 31, 2018.

## **2 Significant Accounting Policies**

### **a.) Basis of Accounting**

The Statement of Administrative Costs Charged to the CPP Account by the ATSSC includes SST CPP-related expenditures covering the period from April 1, 2016 to March 31, 2017, focuses on authority for payments during that period, and is prepared on a near-cash basis and in accordance with the reporting requirements of the supplementary MoU.

### **b.) Salaries**

Salaries costs include the direct costs of SST members and supporting Secretariat staff that worked on CPP-related files and are recognized using the basis of accounting described in a.) above.

### **c.) Operations and Maintenance**

Operations and Maintenance costs include the SST and the supporting Secretariat costs that are directly attributable to the CPP and a portion of other indirect general costs. These costs are recognized using the basis of accounting described in a.) above.

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d.) Contributions to Employee Benefit Plans

Contributions to Employee Benefit Plans costs are statutory costs that are provided by the Treasury Board of Canada Secretariat as a percentage of total Salaries costs based on type of employment. These costs are recognized using the basis of accounting described in a.) above.

e.) Health Insurance Plan

Health Insurance Plan costs are statutory costs that are provided by the Treasury Board of Canada Secretariat as a percentage of total Salaries costs based on type of employment. These costs were disclosed under the “Management Insurance Plan” financial statement line item in the Statement of Administrative Costs Charged to the Canada Pension Plan Account for the period from April 1, 2015 to March 31, 2016. These costs are recognized using the basis of accounting described in a.) above.