

Administrative Tribunals Support Service of Canada

Statement of Administrative Costs Charged to the Canada Pension Plan Account

**For the period from April 1, 2018 to March 31, 2019
(in thousands of dollars)**



Independent auditor's report

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

Our opinion

In our opinion, the accompanying statement of administrative costs charged to the Canada Pension Plan (the CPP) Account by the Administrative Tribunals Support Service of Canada (ATSSC) and the related notes (together, the financial information) for the period from April 1, 2018 to March 31, 2019 is prepared, in all material respects, in accordance with the financial reporting provisions established in the Memorandum of Understanding (MoU) between Employment and Social Development Canada (ESDC), the CPP and the ATSSC that was signed on February 22, 2016, and Amendment 1 and 2 dated April 10, 2017 and July 20, 2018, respectively (together, the MoU).

What we have audited

The financial information comprises the statement of administrative costs charged to the CPP Account by the ATSSC for the period from April 1, 2018 to March 31, 2019 and the related notes, which include a summary of significant accounting policies in the accompanying notes.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial information* section of our report.

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

Independence

We are independent of the ATSSC in accordance with the ethical requirements that are relevant to our audit of the financial information in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – basis of accounting and restriction on use

We draw attention to Note 2 of the financial information, which describes the basis of accounting. The financial information is prepared to assist the ATSSC to comply with the financial reporting requirements of the 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.

Our opinion is not modified in respect of this matter.

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Responsibilities of management and those charged with governance for the financial information

Management is responsible for the preparation of the financial information in accordance with the financial reporting provisions of the MoU between the ATSSC, the CPP and ESDC; this includes determining that the financial reporting framework is acceptable in the circumstances, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

In preparing the financial information, management is responsible for assessing the ATSSC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the ATSSC's financial reporting process.

Auditor's responsibilities for the audit of the financial information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial information.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ATSSC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the ATSSC to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
September 16, 2019

Administrative Tribunals Support Service of Canada
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For the period from April 1, 2018 to March 31, 2019

(in thousands of dollars)

	2019	2018
	\$	\$
Salaries	8,192	9,471
Operations and Maintenance	2,873	2,301
Contributions to Employee Benefit Plans	1,178	1,527
Health Insurance Plan	643	795
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Total Administrative Costs Chargeable to the Canada Pension Plan Account	12,886	14,094

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

Approved by: _____
Anab Ahmed
Executive Director, Secretariat to the Social Security Tribunal

Approved by: _____
Christopher Bucar
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, 2018 to March 31, 2019

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 Memorandum of Understanding (the 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 MoU was amended in April 2017 to extend to March 31, 2018 and in July 2018 to update the percentage allocations and extend the MoU to March 31, 2019.

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 and eligible internal service costs incurred for the period from April 1, 2018 to March 31, 2019, 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 MoU.

b.) Salaries

Salaries costs include the direct costs of SST members and supporting Secretariat staff that worked on CPP-related files, and a proportional allocation for salaries incurred for common services for the ATSSC classified as internal service costs. These costs are recognized using the basis of accounting described in a.) above.

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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.

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 salary 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 salary costs based on type of employment. These costs are recognized using the basis of accounting described in a.) above.