

Statement Outlining Results, Risks and Significant Changes in Operations, Personnel and Programs

1. Introduction

This quarterly financial report has been prepared as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board. This report should be read in conjunction with the [2018-19 Main Estimates](#). This quarterly report has not been subject to an external audit or review.

The Administrative Tribunals Support Service of Canada (ATSSC) is responsible for providing support services and facilities to 11 federal administrative tribunals by way of a single, integrated organization.

These services include the specialized services required by each tribunal (e.g. registry, research and analysis, legal and other mandate or case activities specific to each tribunal), as well as internal services (e.g., human resources, financial services, information management and technology, accommodations, security, planning and communications).

Further information on the mandate, roles, responsibilities and programs of the ATSSC can be found by accessing the [2018-19 Main Estimates](#).

1.1. Basis of Presentation

This quarterly report has been prepared using an expenditure basis of accounting. The accompanying Statement of Authorities includes the ATSSC's spending authorities granted by Parliament and those used by the ATSSC, consistent with the Main Estimates for the 2018-19 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 money 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.

The ATSSC uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

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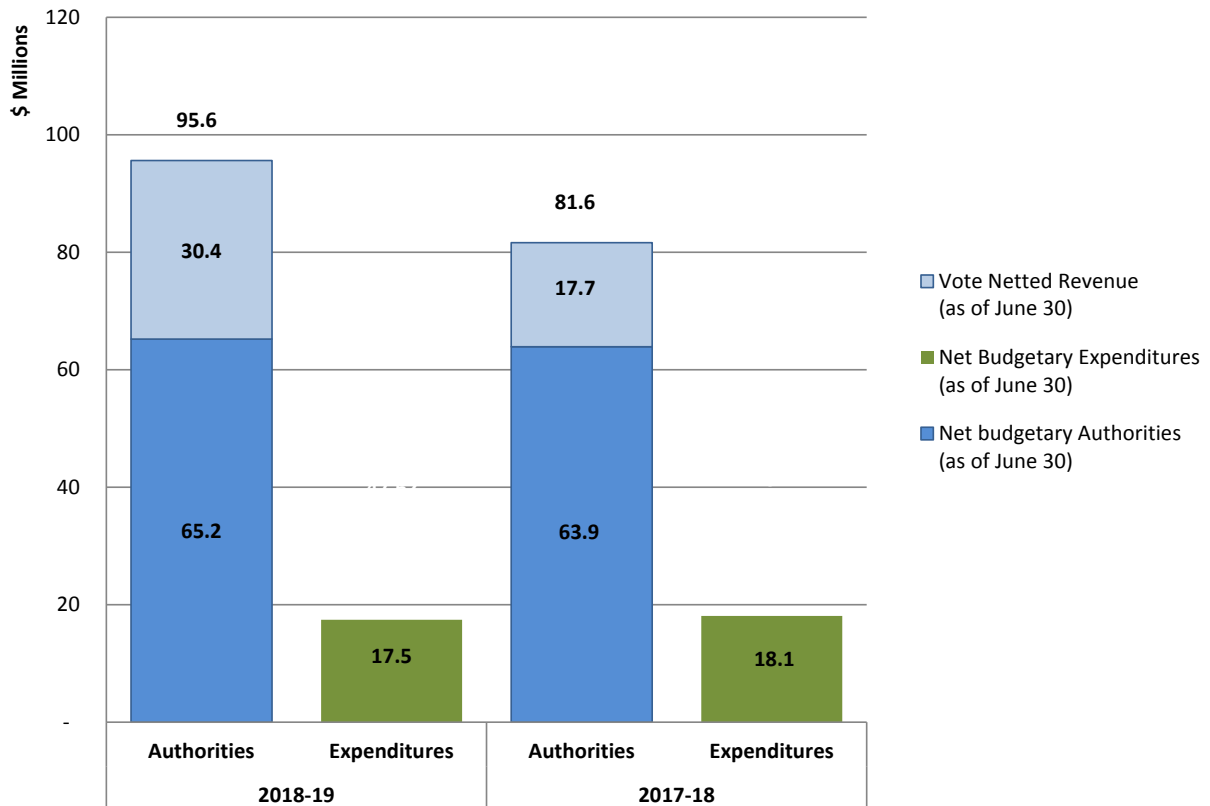
For the quarter ended June 30, 2018

2. Highlights of Fiscal Quarter and Fiscal Year to Date (YTD) Results

The ATSSC's financial structure is mainly composed of voted budgetary authorities namely, Vote 1— Program expenditures and vote-netted revenue (VNR) authority, as well as statutory authorities for contributions to employee benefit plans.

For the period ending June 30, 2018, the ATSSC had total authorities of \$95.6 million, including budgetary authorities of \$65.2 million and VNR of \$30.4 million. The VNR gives the ATSSC authority to make recoverable expenditures on behalf of the Canada Pension Plan (CPP) and the Employment Insurance (EI) operating account. Presented in Graph 1 below are the gross and net budgetary authorities and expenditures for the first quarter of 2018-19. For more details, refer to the Statement of Authorities table presented in Section 5.

Graph 1: Comparison of budgetary authorities and expenditures for the first quarter ended June 30, 2018, and June 30, 2017.



The ATSSC expended \$17.5 million (18% of total authorities) in the first quarter of 2018-19. The majority of expenditures relate to personnel, which totaled \$15.1 million (86% of gross expenditures). The remaining \$2.4 million (14% of gross expenditures) primarily comprises professional and special services (mainly informatics services, translation costs and consulting services) and transportation and communications (mainly travel costs).

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2.1. Significant Changes to Authorities

(Please refer to the Statement of Authorities table presented in Section 5)

As of June 30, 2018, the total budgetary authorities available for use for the year increased from \$63.9 million in 2017-18 to \$65.2 million in 2018-19 mainly due to the following:

- a decrease in reprofiling amounts needed for office space consolidation and modernization project and onboarding project;
- a transfer from the Royal Canadian Mounted Police (RCMP) to support the implementation of a new labour relations regime within the RCMP;
- allocations from Treasury Board Secretariat for compensation pressures; and,
- an increase of the ATSSC's statutory authority related to Employee Benefit Plans.

2.2. Significant Changes to Vote Netted Revenue

(Please refer to the Statement of Authorities table presented in Section 5)

As of June 30, 2018, the vote netted revenue authority increased from \$17.7 million in 2017-18 to \$30.4 million in 2018-19 for the charging of administrative costs to the CPP and EI operating accounts to support the discharge of the mandate of the Social Security Tribunal (SST) and the ATSSC's mandate as it relates to the SST.

2.3. Significant Changes to Expenditures

(Please refer to the Departmental Budgetary Expenditures by Standard Object table presented in Section 6)

Expenditures for the Quarter

First quarter gross budgetary expenditures decreased from \$18.1 million in 2017-18 to \$17.5 million in 2018-19 mainly due to a decrease in personnel and in rentals which was partially offset by an increase in professional and special services.

3. Risks and Uncertainties

The ATSSC has identified two key risks and responses for 2018-19.

There is a risk to the ATSSC's ability to provide the additional services needed as a result of unexpected caseload surges and/or workload increases due to unpredictable external factors. Emerging trends, priorities, needs and legislative changes are being monitored to ensure adequate resources are available to support the tribunals. In addition the ATSSC has built into the budget planning and allocation processes the flexibility to re-allocate resources if and when required.

There is also a risk that the ATSSC may not be able to maintain an appropriate delivery capacity to meet the mandates and the evolving needs and priorities of the tribunals it serves as it seeks to improve its service delivery model. The ATSSC has begun to implement an integrated planning regime to effectively link operational requirements and priorities to financial and human resource allocations. Also, the ATSSC has begun to develop a long term investment plan that links proposed investments to organizational and tribunal priorities. As well as assessing organizational budget allocations to ensure that resources are available to meet day to day needs of the tribunals.

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4. Significant Changes in Relation to Operations, Personnel and Programs

Mr. Christopher Bucar assumed the duties of Acting Chief Financial Officer as of March 26, 2018.

There have been no significant changes to the programs or structure since the ATSSC was established on November 1, 2014.

Approval by Senior Officials

Approved by:

Marie-France Pelletier, Chief Administrator
Ottawa, Canada
August 24, 2018

Chris Bucar, A/Director General and Chief Financial Officer
Corporate Services

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5. Statement of Authorities (unaudited)

(in dollars)

	Fiscal year 2018-19			Fiscal year 2017-18		
	Total available for use for the year ending March 31, 2019 *	Used during the quarter ended June 30, 2018	Year to date used at quarter end	Total available for use for the year ending March 31, 2018 *	Used during the quarter ended June 30, 2017	Year to date used at quarter-end
Vote 1— Program expenditures	85,936,733	15,846,069	15,846,069	72,976,474	15,980,008	15,980,008
Less: Revenues netted against expenditures	(30,380,379)	-	-	(17,690,600)	-	-
Net Program expenditures	55,556,354	15,846,069	15,846,069	55,285,874	15,980,008	15,980,008
Budgetary statutory authorities	9,687,430	1,614,572	1,614,572	8,657,629	2,097,806	2,097,806
Total Budgetary authorities	65,243,784	17,460,641	17,460,641	63,943,503	18,077,814	18,077,814

* Includes only Authorities available for use and granted by Parliament at quarter-end.

6. Departmental Budgetary Expenditures by Standard Object (unaudited)

(in dollars)

	Fiscal year 2018-19			Fiscal year 2017-18		
	Planned expenditures for the year ending March 31, 2019	Expended during the quarter ended June 30, 2018	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2018	Expended during the quarter ended June 30, 2017	Year to date used at quarter-end
Expenditures:						
Personnel	73,420,523	15,112,868	15,112,868	63,436,938	15,846,506	15,846,506
Professional and special services	9,120,880	836,856	836,856	8,313,656	530,710	530,710
Transportation and communications	3,932,933	554,744	554,744	3,922,308	519,051	519,051
Rentals	3,745,301	368,539	368,539	1,962,740	564,658	564,658
Acquisition of machinery and equipment	3,261,460	78,894	78,894	1,871,415	49,391	49,391
Utilities, materials and supplies	754,318	242,218	242,218	806,498	277,766	277,766
Information	719,064	212,573	212,573	763,549	240,966	240,966
Repair and maintenance	377,240	53,847	53,847	273,612	42,682	42,682
Other subsidies and payments	292,444	102	102	283,386	6,086	6,086
Total gross budgetary expenditures	95,624,163	17,460,641	17,460,641	81,634,102	18,077,814	18,077,814
Less Revenues netted against expenditures:						
Revenues	(30,380,379)	-	-	(17,690,600)	-	-
Total Revenues netted against expenditures:	(30,380,379)	-	-	(17,690,600)	-	-
Total net budgetary expenditures	65,243,784	17,460,641	17,460,641	63,943,502	18,077,814	18,077,814