

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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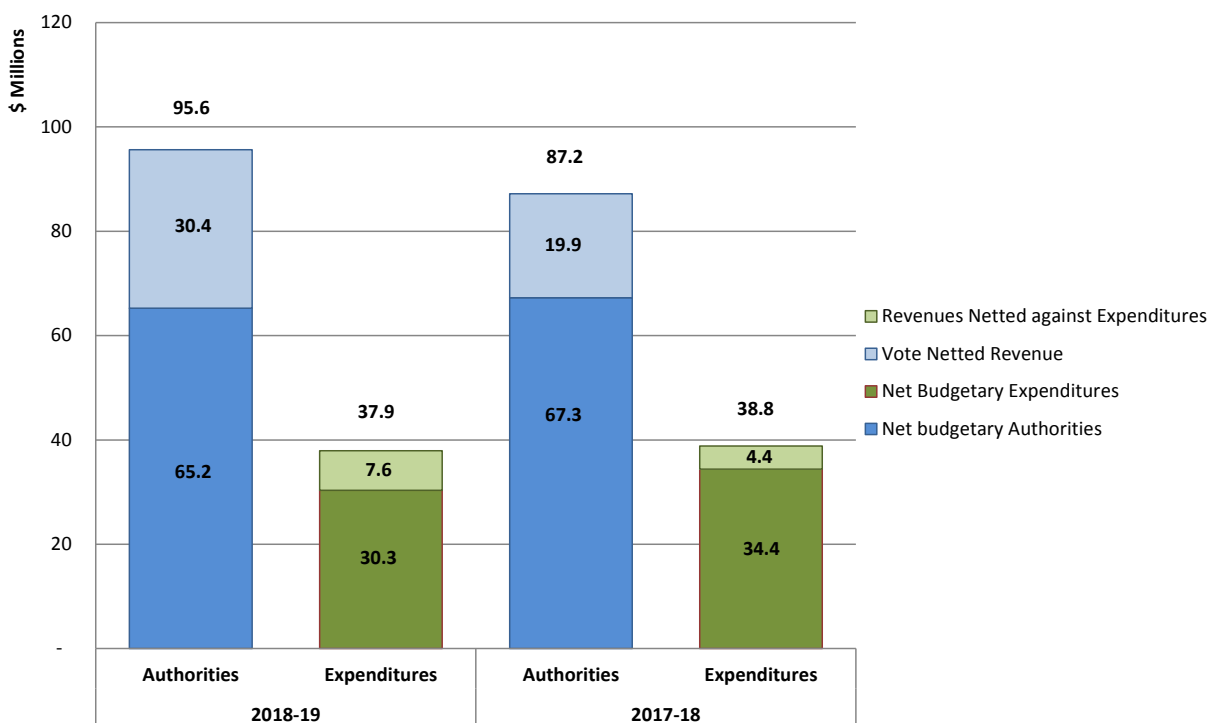
For the quarter ended September 30, 2018

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 September 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 two quarters 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 quarters ended September 30, 2018, and September 30, 2017.



The ATSSC expended \$37.9 million (21% of total authorities) in the first two quarters of 2018-19. The majority of expenditures relate to personnel, which totaled \$32.6 million (85% of gross expenditures). The remaining \$5.3 million (15% 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 September 30, 2018, the total budgetary authorities available for use for the year decreased from \$67.3 million in 2017-18 to \$65.2 million in 2018-19. This decrease is mainly due to the operating budget carry forward that is not yet part of the ATSSC's Authorities as of the second quarter.

2.2. Significant Changes to Vote Netted Revenue

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

As of September 30, 2018, the vote netted revenue authority increased from \$19.9 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. This increase is due to the establishment of a vote netted revenue authority obtained through a Treasury Board Submission approval.

2.3. Significant Changes to Revenues Collected

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

As of September 30, 2018, the revenues collected increased from \$4.4 million in 2017-18 to \$7.6 million in 2018-19 mainly due to the fact that the ATSSC was not recovering internal services and space optimization project costs in the second quarter of 2017-18.

2.4. Significant Changes to Expenditures

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

Expenditures for the Quarter

Second quarter gross budgetary expenditures decreased from \$20.7 million in 2017-18 to \$20.5 million in 2018-19 mainly due to a decrease in professional and special services which was partially offset by an increase in acquisition of machinery and equipment.

Year-to-Date Expenditures

The year-to-date gross budgetary expenditures decreased from \$38.8 million in 2017-18 to \$37.9 million in 2018-19 mainly due to a decrease in personnel expenditures.

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.

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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.

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

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
November 26, 2018

Christopher Bucar, A/Director General and Chief Financial Officer
Corporate Services
Ottawa, Canada
November 26, 2018

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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 September 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 September 30, 2017	Year to date used at quarter-end
Vote 1— Program expenditures	85,936,733	17,237,241	33,083,310	78,519,356	18,644,779	34,630,960
Less: Revenues netted against expenditures	(30,380,379)	(7,595,097)	(7,595,097)	(19,910,984)	(4,422,650)	(4,422,650)
Net Program expenditures	55,556,354	9,642,144	25,488,213	58,608,372	14,222,129	30,208,310
Budgetary statutory authorities	9,687,430	3,229,143	4,843,715	8,657,629	2,097,806	4,195,612
Total Budgetary authorities	65,243,784	12,871,287	30,331,928	67,266,001	16,319,935	34,403,922

* 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 September 30, 2018	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2018	Expended during the quarter ended September 30, 2017	Year to date used at quarter-end
Expenditures:						
Personnel	73,420,523	17,457,583	32,570,451	63,436,938	17,579,110	33,366,107
Professional and special services	9,120,880	1,447,021	2,283,877	10,885,163	1,858,877	2,389,587
Transportation and communications	3,932,933	722,372	1,277,116	5,101,591	787,483	1,306,533
Rentals	3,745,301	354,234	722,773	2,495,580	211,927	776,585
Acquisition of machinery and equipment	3,261,460	224,191	303,085	2,448,135	66,827	116,217
Utilities, materials and supplies	754,318	48,096	290,314	1,065,433	31,474	309,240
Information	719,064	125,549	338,122	1,009,652	188,948	429,913
Repair and maintenance	377,240	48,028	101,875	358,008	25,827	68,509
Other subsidies and payments	292,444	39,310	39,412	376,485	(7,888)	63,880
Total gross budgetary expenditures	95,624,163	20,466,384	37,927,025	87,176,985	20,742,585	38,826,571
Less Revenues netted against expenditures:						
Revenues	(30,380,379)	(7,595,097)	(7,595,097)	(19,910,984)	(4,422,650)	(4,422,650)
Total Revenues netted against expenditures:	(30,380,379)	(7,595,097)	(7,595,097)	(19,910,984)	(4,422,650)	(4,422,650)
Total net budgetary expenditures	65,243,784	12,871,287	30,331,928	67,266,001	16,319,935	34,403,921