

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](#) and [Supplementary Estimates \(A\)](#). 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 to support the mandate of each tribunal (e.g. registry, research and analysis, legal and other case- and mandate-specific work or case activities), 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 and the Supplementary 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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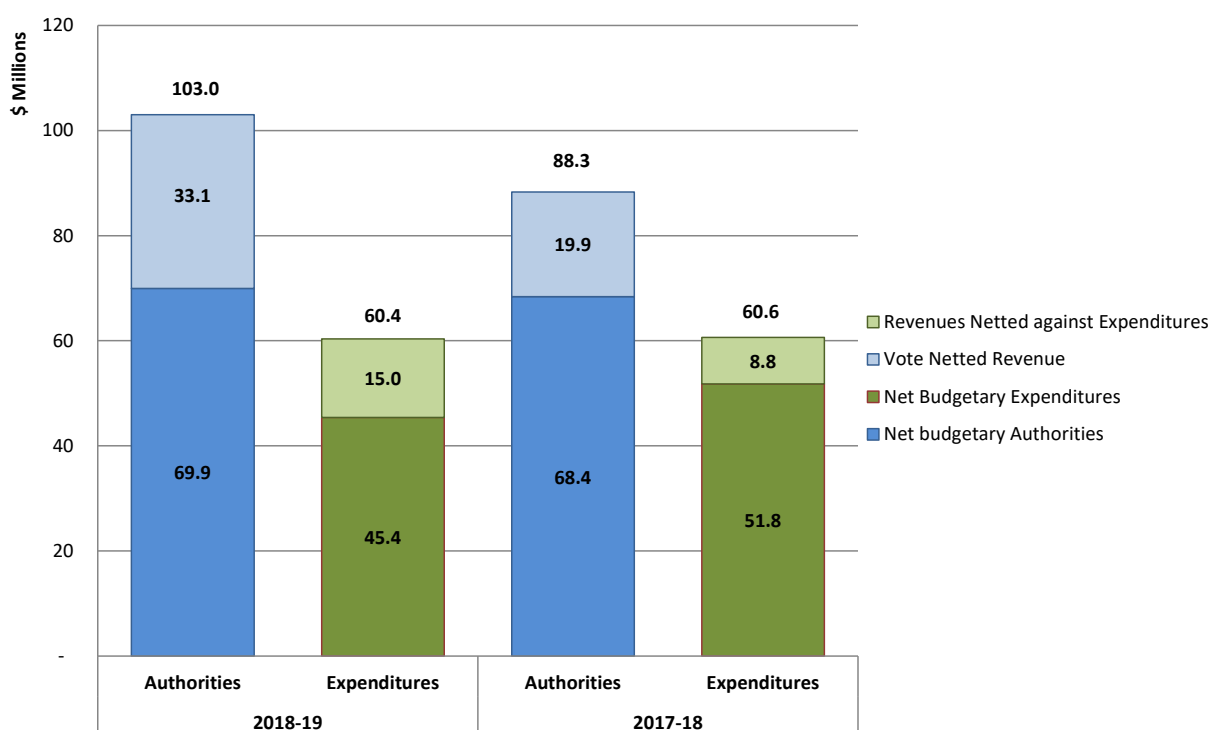
For the quarter ended December 31, 2018

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 December 31, 2018, the ATSSC had total authorities of \$103 million, including budgetary authorities of \$69.9 million and VNR of \$33.1 million. Budgetary authorities include an amount of \$65.2 million from the Main Estimates and \$4.7 million from the Treasury Board Central Votes (\$3.5 million for the Operating Budget Carry Forward and \$1.2 million for the compensation adjustments). 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 three 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 December 31, 2018, and December 31, 2017.



The ATSSC expended \$60.4 million (59% of total authorities) in the first three quarters of 2018-19. The majority of expenditures relate to personnel, which totaled \$50.5 million (84% of gross expenditures). The remaining \$9.9 million (16% 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 December 31, 2018, the total budgetary authorities available for use for the year increased from \$68.4 million in 2017-18 to \$69.9 million in 2018-19. This increase is mainly due to compensation adjustments and the ATSSC's statutory authorities for contributions 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 December 31, 2018, the vote netted revenue authority increased from \$19.9 million in 2017-18 to \$33.1 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, the approval of a reprofile of unused Employment Insurance vote netted revenue authority from 2017-18 to 2018-19 due to the Space Optimization and Modernization project being delayed and compensation adjustments.

2.3. Significant Changes to Revenues Collected

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

As of December 31, 2018, the revenues collected increased from \$8.8 million in 2017-18 to \$15 million in 2018-19 mainly due to the fact that the ATSSC vote netted revenue authority has increased following the Treasury Board Submission approval.

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

Third quarter gross budgetary expenditures increased from \$21.8 million in 2017-18 to \$22.4 million in 2018-19 mainly due to an increase in repair and maintenance (mainly to office buildings) which was partially offset by a decrease in acquisition of machinery and equipment.

Year-to-Date Expenditures

The year-to-date gross budgetary expenditures decreased from \$60.6 million in 2017-18 to \$60.4 million in 2018-19 mainly due to a decrease in personnel and professional and special services which was partially offset by an increase in repair and maintenance.

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,

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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, and is 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

The ATSSC transitioned from the Program Alignment Architecture (PAA) to the Departmental Results Framework (DRF) – effective April 1, 2018. This included the establishment of the ATSSC’s Core Responsibility and a revised program structure to include: Registry Services, Legal Services, and Mandate and Member Services (previously structured as Tribunal Specialized and Expert Support Services, Registry Services, and Payments to Tribunal Chairs and Members under the PAA).

Approval by Senior Officials

Approved by:

Marie-France Pelletier, Chief Administrator
Ottawa, Canada
February 26, 2019

Christopher Bucar, A/Director General and Chief Financial Officer
Corporate Services
Ottawa, Canada
February 26, 2019

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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 December 31, 2018	Year to date used at quarter end	Total available for use for the year ending March 31, 2018 *	Used during the quarter ended December 31, 2017	Year to date used at quarter-end
Vote 1— Program expenditures	93,315,587	20,023,658	53,106,968	79,644,966	19,748,017	54,355,925
Less: Revenues netted against expenditures	(33,064,414)	(7,373,838)	(14,968,935)	(19,910,984)	(4,422,650)	(8,845,300)
Net Program expenditures	60,251,173	12,649,820	38,138,033	59,733,982	15,325,367	45,510,625
Budgetary statutory authorities	9,687,430	2,421,857	7,265,572	8,657,629	2,097,806	6,293,418
Total Budgetary authorities	69,938,603	15,071,677	45,403,605	68,391,611	17,423,173	51,804,043

* 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 December 31, 2018	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2018	Expended during the quarter ended December 31, 2017	Year to date used at quarter-end
Expenditures:						
Personnel	75,536,994	17,928,502	50,498,953	66,112,203	17,770,316	51,113,371
Professional and special services	10,562,719	1,371,222	3,655,099	10,917,063	1,762,684	4,152,271
Transportation and communications	4,554,655	955,435	2,232,551	5,127,692	896,379	2,202,912
Rentals	4,337,362	490,140	1,212,913	2,540,894	107,367	883,953
Acquisition of machinery and equipment	3,777,035	193,506	496,591	795,165	719,331	835,549
Repair and maintenance	2,189,282	1,142,832	1,244,707	358,008	192,260	260,770
Utilities, materials and supplies	873,561	215,696	506,010	1,065,433	320,097	629,337
Information	832,734	153,828	491,950	1,009,652	91,861	521,774
Other subsidies and payments	338,674	(5,645)	33,767	376,485	(14,472)	49,408
Total gross budgetary expenditures	103,003,017	22,445,515	60,372,540	88,302,595	21,845,823	60,649,343
Less Revenues netted against expenditures:						
Revenues	(33,064,414)	(7,373,838)	(14,968,935)	(19,910,984)	(4,422,650)	(8,845,300)
Total Revenues netted against expenditures:	(33,064,414)	(7,373,838)	(14,968,935)	(19,910,984)	(4,422,650)	(8,845,300)
Total net budgetary expenditures	69,938,603	15,071,677	45,403,605	68,391,611	17,423,173	51,804,043