

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

1. Erratum

Date: January 24, 2020

Location: Departmental Budgetary Expenditures by Standard Object (unaudited) for the quarter ended September 30, 2019, Personnel - Planned expenditures for the year ending March 31, 2020.

Revision: "Personnel - Planned expenditures for the year ending March 31, 2020: \$84,886,092" replaces "Personnel - Planned expenditures for the year ending March 31, 2020: \$73,620,046".

Rationale for the revision: Original amount did not include the Employee Benefit Plan.

2. 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 [2019-20 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 (Registry Services, Legal Services, and Mandate and Member Services), 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 [2019-20 Departmental Plan](#).

1.1. Basis of Presentation

This quarterly report has been prepared using an expenditure basis of accounting. The accompanying Statement of Authorities (Annex A) includes the ATSSC's spending authorities granted by Parliament and those used by the ATSSC, consistent with the Main Estimates for the 2019-20 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

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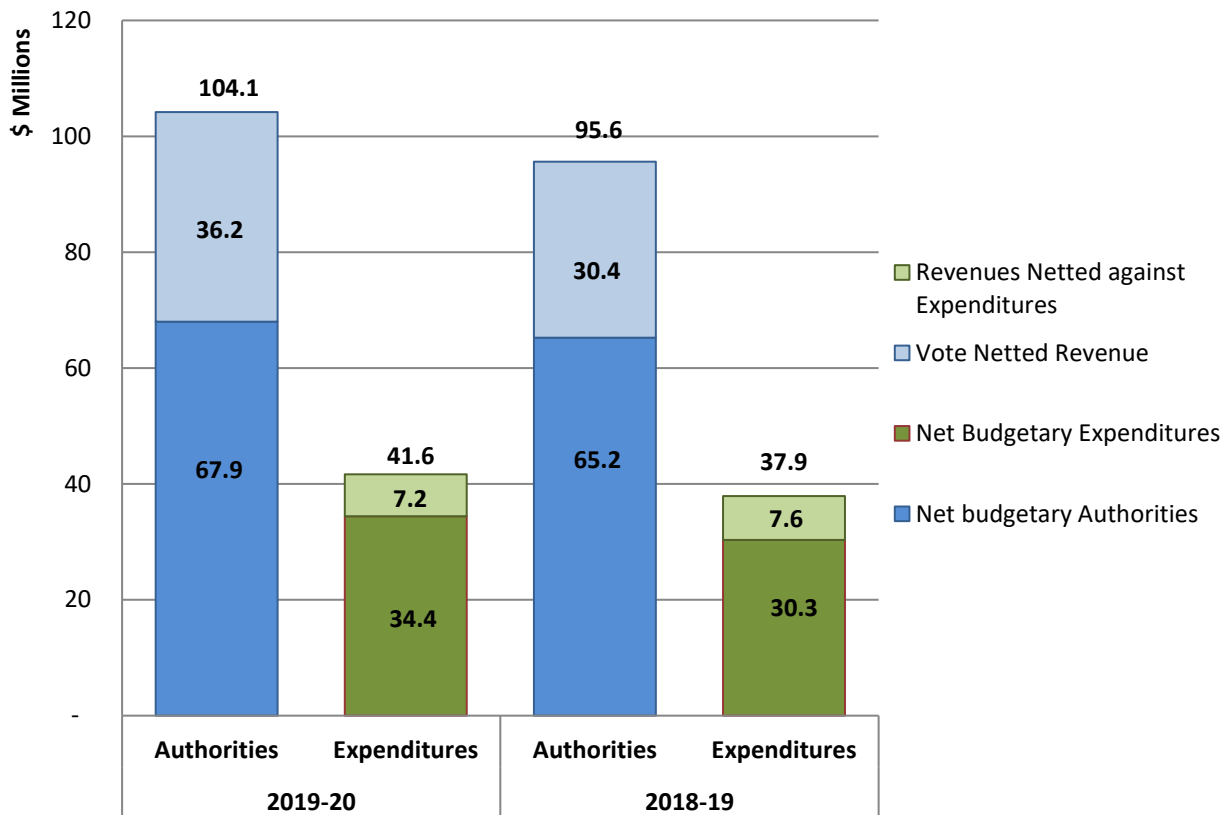
authorities voted by Parliament remain on an expenditure basis. The main difference between the quarterly financial report and the departmental financial statements is the timing of when revenues and expenses are recognized.

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

This section highlights the significant items that contributed to the net increase or decrease in authorities available for the year and actual expenditures for the quarter ended September 30, 2019.

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. The VNR gives the ATSSC authority to make recoverable expenditures on behalf of the Canada Pension Plan (CPP) and the Employment Insurance (EI) operating accounts. Presented in Graph 1 below are the gross and net budgetary authorities and expenditures for the first semester of 2019-20. For more details, refer to the Statement of Authorities table presented in Annex A.

Graph 1: Comparison of budgetary authorities and expenditures for the quarters ended September 30, 2019, and September 30, 2018.



The ATSSC expended \$41.6 million (40% of total authorities available for use) in the first semester of

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2019-20. The majority of expenditures relate to personnel, which totaled \$34.2 million (82% of gross expenditures). The remaining \$7.2 million primarily comprises professional and special services (mainly informatics services, translation costs and consulting services), transportation and communications and rental costs.

2.1. Significant Changes to Authorities

(Please refer to the Statement of Authorities table presented in Annex A.)

As of September 30, 2019, the total budgetary authorities available for use for the year increased from \$65.2 million in 2018-19 to \$67.9 million in 2019-20. The increase of \$2.7 million (4.1%) is mainly due to the operating budget carry forward of \$2.5 million received in the second quarter of 2019-20.

2.2. Significant Changes to Vote Netted Revenue

(Please refer to the Statement of Authorities table presented in Annex A.)

As of September 30, 2019, the Vote Netted Revenue (VNR) authority increased from \$30.4 million in 2018-19 to \$36.2 million in 2019-20 due to the additional VNR authorities obtained through a Treasury Board Submission approval. The VNR authority is for the charging of administrative costs to the CPP and EI operating accounts to support the discharge of the mandates of the Social Security Tribunal (SST) and the ATSSC 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 Annex B.)

Expenditures for the Quarter

Second quarter gross budgetary expenditures increased from \$20.5 million in 2018-19 to \$21.8 million in 2019-20 mainly due to:

- \$0.5 million increase in professional services expenditures related to the management of an increase in IT projects; and
- \$0.4 million increase in rental expenditures and \$0.2 million increase in repair and maintenance expenditures due to a timing difference in the Public Services and Procurement Canada invoicing process.

Expenditures Year-to-Date

The year-to-date gross budgetary expenditures increased from \$37.9 million in 2018-19 to \$41.6 million in 2019-20 mainly due to:

- \$1.6 million increase in personnel spending related to an increase in salary rates resulting from the signing of collective agreements and revised remuneration agreements;
- \$1.0 million increase in professional services spending related to the management of an increase in IT projects; and
- \$0.7 million increase in rental expenditures is attributable to a timing difference in the Public Services and Procurement Canada invoicing process.

3. Risks and Uncertainties

There is a risk that the ATSSC may not be able to maintain appropriate delivery capacity to meet the mandates of tribunals and the evolving needs of all program and internal service areas. As an organization tasked with delivering existing support services while seeking to improve its service delivery model, the ATSSC must ensure that it maintains appropriate delivery capacity. In particular, the ATSSC must effectively plan its operations and investments to make efficient and effective use of its limited financial and human resources.

To mitigate this risk, emerging trends, priorities, needs and legislative changes are being monitored to identify potential impacts on caseloads and on the ATSSC resources and funding. The ATSSC has built into the budget planning and allocation processes the flexibility to re-allocate resources if and when required. The ATSSC will also develop an investment plan that links proposed investments to organizational and tribunal priorities.

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

On July 4, 2019 the Government announced the appointment of Mr. Orlando Da Silva as the new Chief Administrator of the ATSSC. This appointment was effective October 27, 2019.

Approval by Senior Officials

Approved by:

Orlando Da Silva
Chief Administrator

Christopher Bucar, MBA, CPA, CMA, CD
Director General Corporate Services
and Chief Financial Officer

Ottawa, Canada
January 31, 2020

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ANNEX A

5. Statement of Authorities (unaudited)

(in dollars)

	Fiscal year 2019-20			Fiscal year 2018-19		
	Total available for use for the year ending March 31, 2020 *	Used during the quarter ended September 30, 2019	Year to date used at quarter end	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
Vote 1— Program expenditures	92,917,366	19,012,145	36,795,207	85,936,733	17,237,241	33,083,310
Less: Revenues netted against expenditures	(36,208,947)	(7,218,710)	(7,218,710)	(30,380,379)	(7,595,097)	(7,595,097)
Net Program expenditures	56,708,419	11,793,435	29,576,497	55,556,354	9,642,144	25,488,213
Budgetary statutory authorities	11,266,046	2,432,343	4,864,686	9,687,430	3,229,143	4,843,715
Total Budgetary authorities	67,974,465	14,225,779	34,441,184	65,243,784	12,871,287	30,331,928

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

ANNEX B

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6. Departmental Budgetary Expenditures by Standard Object (unaudited)

(in dollars)

	Fiscal year 2019-20			Fiscal year 2018-19		
	Planned expenditures for the year ending March 31, 2020	Expended during the quarter ended September 30, 2019	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2019	Expended during the quarter ended September 30, 2018	Year to date used at quarter-end
Expenditures:						
Personnel ¹	84,886,092	17,459,214	34,201,958	73,420,523	17,457,583	32,570,451
Professional and special services	8,216,056	1,973,539	3,289,612	9,120,880	1,447,021	2,283,877
Transportation and communications	3,874,684	775,068	1,352,016	3,932,933	722,372	1,277,116
Rentals	2,585,045	744,412	1,585,612	3,745,301	354,234	722,773
Acquisition of machinery and equipment	2,130,210	246,787	297,313	3,261,460	224,191	303,085
Utilities, materials and supplies	649,097	98,851	412,884	754,318	48,096	290,314
Information	658,697	97,349	427,816	719,064	125,549	338,122
Repair and maintenance	528,996	54,895	100,612	377,240	48,028	101,875
Other subsidies and payments	654,535	(5,627)	(7,929)	292,444	39,310	39,412
Total gross budgetary expenditures	104,183,412	21,444,489	41,659,894	95,624,163	20,466,384	37,927,025
Less Revenues netted against expenditures:						
Revenues	(36,208,947)	(7,218,710)	(7,218,710)	(30,380,379)	(7,595,097)	(7,595,097)
Total Revenues netted against expenditures:	(36,208,947)	(7,218,710)	(7,218,710)	(30,380,379)	(7,595,097)	(7,595,097)
Total net budgetary expenditures	67,974,465	14,225,779	34,441,184	65,243,784	12,871,287	30,331,928

1. The Total net budgetary expenditures has been updated to reflect the budgetary statutory authorities of \$11,266,046 added to the Personnel item under "Planned expenditures for the year ending March 31, 2020".