

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

1. Introduction

This quarterly report has been prepared by management as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board. It should be read in conjunction with the [2020-21 Main Estimates](#) and the Directive on Accounting Standards, GC 4400 Departmental Quarterly Financial Report. 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 in the organization's [2020-21 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 2020-21 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.

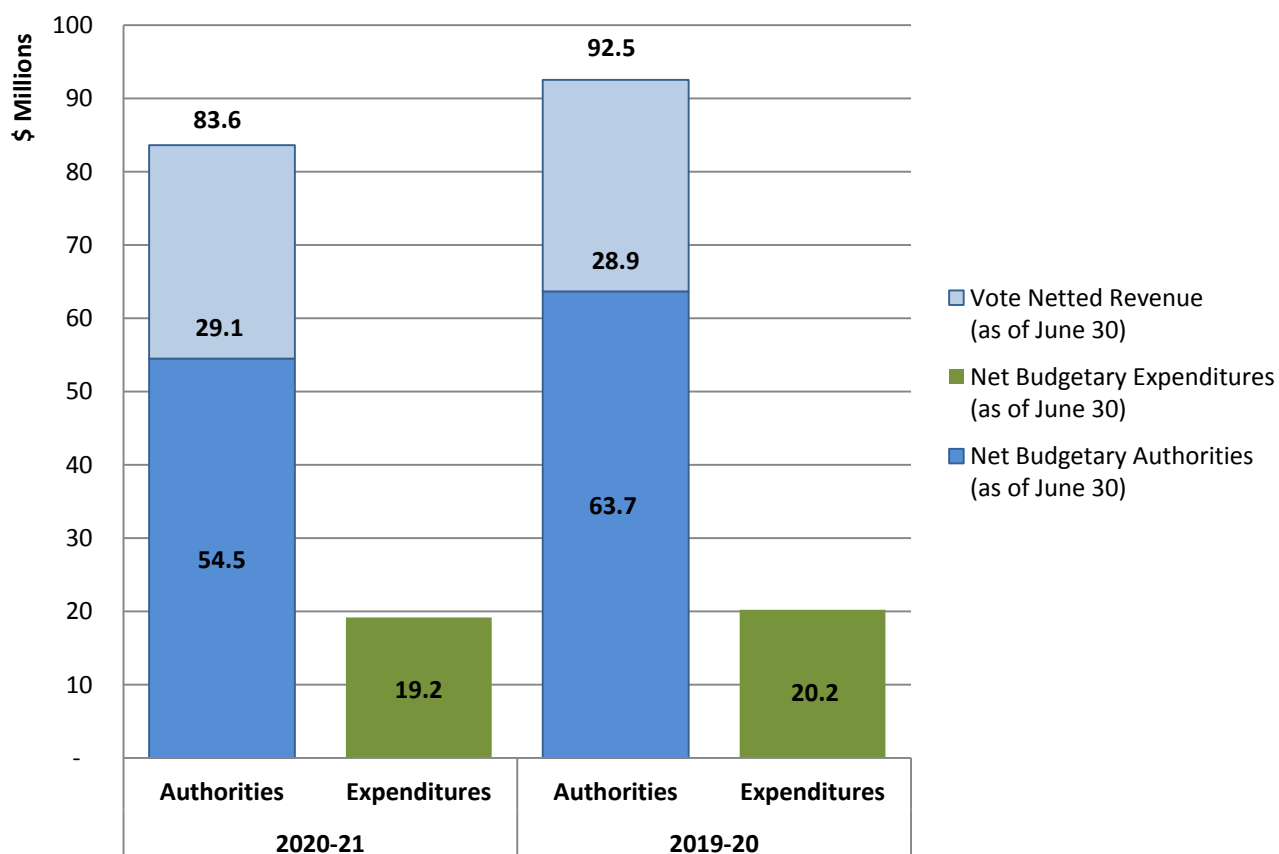
The ATSSC uses the full accrual method of accounting to prepare and present its annual departmental financial statements, which are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis. The main difference between the 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 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 June 30, 2020.

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 against the Canada Pension Plan (CPP) and the Employment Insurance (EI) operating accounts. Graph 1 below shows the ATSSC’s gross and net budgetary authorities and expenditures for the first quarter of 2020-21. For more details, refer to the Statement of Authorities table presented in Annex A.

Graph 1: Comparison of budgetary authorities and expenditures for the first quarter ended June 30, 2020, and June 30, 2019.



The ATSSC expended \$19.2 million (23% of total authorities available for use), including Employee Benefit Plan (EBP), in the first quarter of 2020-21, compared to \$20.2 million in the same quarter of 2019-20. The majority of expenditures relates to personnel, and totaled \$17.3 million (90% of gross expenditures). The remaining \$1.9 million primarily includes professional and special services (mainly informatics services, translation costs and consulting services) and rental costs.

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2.1. Significant Changes to Authorities

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

As of June 30, 2020, a decrease of \$9.2 million in the net authorities available for use (including EBP), compared to the prior year, is due to the reduced supply of the Main Estimates. Due to the COVID-19 pandemic and limited sessions in the spring for Parliament to study supply, the Standing Orders of the House of Commons were amended to extend the study period into the fall of 2020. The ATSSC is expected to receive full supply for the 2020-21 Main Estimates in December 2020.

2.2. Significant Changes to Vote Netted Revenue

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

As of June 30, 2020, the VNR increased from \$28.9 million in 2019-20 to \$29.1 million in 2020-21. The ATSSC is expected to receive full supply for the 2020-21 Main Estimates in December 2020.

2.3. Significant Changes to Expenditures

(Please refer to the Departmental Budgetary Expenditures by Standard Object table presented in Annex B.)

Expenditures for the First Quarter

First quarter gross budgetary expenditures decreased from \$20.2 million in 2019-20 to \$19.2 million in 2020-21 mainly due to the impact of COVID-19 on in-person hearings and mediations and associated travel (\$0.4 million), and training across all tribunals. As part of the pandemic impact, professional services (\$0.4 million) have decreased due to some projects being postponed to the fall of 2020 and a timing difference in the Public Services and Procurement Canada (PSPC) invoicing process. The rental costs (\$0.4 million) have also decreased due to a reduction in lease costs for the ATSSC now paid by PSPC.

This decrease is partially offset by an increase in personnel expenditures of \$0.6 million related to the growth in salary rates resulting from the signing of collective agreements.

3. Risks and Uncertainties

The ATSSC is exposed to a variety of risks in its operating environment that could have an impact on the achievement of its objectives. These risks are summarized in the annual Departmental Plan and Departmental Results Report and discussed in detail in the annual corporate risk profile.

Meeting the demanding and dynamic workloads of the tribunals it serves is central to the ATSSC's operating context. Tribunal legislative and policy mandates are highly sensitive to external demands and, as a result, tribunals can at times face fluctuations in their caseloads, which can create unpredictable workloads. COVID-19 caused the suspension of all in-person tribunal hearings and mediations during the first quarter of the 2020-21 fiscal year. The ATSSC continues to work closely with tribunals to identify factors that could impact caseloads, to allow the ATSSC to plan operations and investments accordingly. Tribunals do not anticipate that COVID-19 will immediately or significantly increase their caseloads.

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As part of its mandate, the ATSSC supports tribunal efforts in enhancing operations and improving access to justice through the maintenance and modernization of existing IM/IT systems and critical infrastructure. However, there is a risk to operations if critical infrastructure is not consistently assessed, prioritized, and addressed to ensure continuity of business operations and system support. Investments in the modernization of the ATSSC's aging infrastructure and tribunal Case Management Systems will continue to be addressed to ensure operational sustainability.

The COVID-19 pandemic has affected travel related to in-person hearings and mediations, and case-conferences, which may also result in a larger year-end financial surplus than usual for the ATSSC. Financial forecasts are contingent upon the assumptions made in light of the impacts of COVID-19 on operations.

4. Significant Changes Related to Operations, Personnel and Programs

On March 13, 2020, in response to the COVID-19 pandemic, the Government of Canada's Office of the Chief Human Resources Officer announced the implementation of exceptional measures, which included the requirement for most public servants to work remotely when their functions allowed for it. Since then, almost all the ATSSC workforce and members of the tribunals the organization supports have been working remotely.

Approval by Senior Officials

Approved by:

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Director General Corporate Services
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Ottawa, Canada
August 20, 2020

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ANNEX A

Statement of Authorities (unaudited)

(in dollars)

	Fiscal year 2020-21			Fiscal year 2019-20		
	Total available for use for the year ending March 31, 2021 *	Used during the quarter ended June 30, 2020	Year to date used at quarter end	Total available for use for the year ending March 31, 2020 *	Used during the quarter ended June 30, 2019	Year to date used at quarter end
Vote 1— Program expenditures**	75,337,916	16,400,340	16,400,340	82,809,359	17,783,062	17,783,062
Less: Revenues netted against expenditures	(29,129,843)	-	-	(28,874,834)	-	-
Net Program expenditures	46,208,073	16,400,340	16,400,340	53,934,525	17,783,062	17,783,062
Budgetary statutory authorities	8,301,630	2,767,210	2,767,210	9,729,373	2,432,343	2,432,343
Total Budgetary authorities	54,509,703	19,167,550	19,167,550	63,663,898	20,215,405	20,215,405

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

**Employee benefit plan (EBP) is excluded from Program expenditures as it is included in the Budgetary statutory authorities

ANNEX B

Departmental Budgetary Expenditures by Standard Object (unaudited)

(in dollars)

	Fiscal year 2020-21			Fiscal year 2019-20		
	Planned expenditures for the year ending March 31, 2021	Expended during the quarter ended June 30, 2020	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2020	Expended during the quarter ended June 30, 2019	Year to date used at quarter end
Expenditures:						
Personnel*	64,393,726	17,339,511	17,339,511	73,320,048	16,742,744	16,742,744
Transportation and communications	3,460,408	143,657	143,657	3,858,895	576,948	576,948
Information	667,143	42,899	42,899	656,013	330,467	330,467
Professional and special services	7,276,922	894,534	894,534	8,182,576	1,316,073	1,316,073
Rentals	2,821,415	420,818	420,818	2,574,511	841,201	841,201
Repair and maintenance	1,597,760	77,392	77,392	526,840	45,717	45,717
Utilities, materials and supplies	596,252	45,781	45,781	646,452	314,033	314,033
Acquisition of land, building and works	508,932	-	-	-	-	-
Acquisition of machinery and equipment	2,225,179	202,957	202,957	2,121,529	50,525	50,525
Other subsidies and payments	91,809	1	1	651,868	(2,303)	(2,303)
Total gross budgetary expenditures	83,639,546	19,167,550	19,167,550	92,538,732	20,215,405	20,215,405
Less Revenues netted against expenditures:						
Revenues	(29,129,843)	-	-	(28,874,834)	-	-
Total Revenues netted against expenditures:	(29,129,843)	-	-	(28,874,834)	-	-
Total net budgetary expenditures	54,509,703	19,167,550	19,167,550	63,663,898	20,215,405	20,215,405

* Employee benefit plan (EBP) is included