

Statement of Administrative Costs Charged to the
Employment Insurance Operating Account

**ADMINISTRATIVE TRIBUNALS
SUPPORT SERVICE OF CANADA**

And Independent Auditors' Report thereon

For the period from April 1, 2019 to March 31, 2020
(in thousands of dollars)



KPMG LLP
150 Elgin Street, Suite 1800
Ottawa ON K2P 2P8
Canada
Telephone 613-212-5764
Fax 613-212-2896

INDEPENDENT AUDITORS' REPORT

To the Chief Administrator of the Administrative Tribunals Support Service of Canada

Opinion

In our opinion, the accompanying statement of administrative costs charged to the Employment Insurance Operating Account (the EOI) Account by the Administrative Tribunals Support Service of Canada (ATSSC) and the related notes (hereinafter referred to as, the financial information) for the period from April 1, 2019 to March 31, 2020 is prepared, in all material respects, in accordance with the financial reporting provisions established in the Memorandum of Understanding (MoU) between Employment and Social Development Canada (ESDC), the Canada Employment Insurance Commission (CEIC) and the ATSSC that was signed on July 9, 2019.

The financial information comprises the statement of administrative costs charged to the EIO Account by the ATSSC for the period from April 1, 2019 to March 31, 2020 and the related notes, which include a summary of significant accounting policies in the accompanying notes.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Statement***" section of our auditors' report.

We are independent of the ATSSC in accordance with the ethical requirements that are relevant to our audit of the financial information in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Financial Reporting Framework

We draw attention to note 1 to the financial information, which describes the applicable financial reporting framework and purpose of the financial information.

As a result, the financial information may not be suitable for another purpose.



Page 2

Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Information

Management is responsible for the preparation and fair presentation of the financial information in accordance with financial reporting provisions of the MoU between the ATSSC, the CEIC and ESDC; this includes determining that the financial reporting framework is acceptable in the circumstances, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

In preparing the financial information, management is responsible for assessing the ATSSC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the ATSSC's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial information.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Page 3

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a single, horizontal, slightly curved line that serves as a separator or underline.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

September 23, 2020

Statement of Administrative Costs Charged to the Employment Insurance Operating Account

For the period from April 1, 2019 to March 31, 2020
(In thousands of dollars)

	2020
Salaries	\$ 9,750
Operations and Maintenance	2,007
Contributions to Employee Benefit Plans	1,449
Health Insurance Plan	863
Total Administrative Costs Chargeable to the Employment Insurance Operating Account	\$ 14,069

The accompanying notes form an integral part of this financial statement.

Approved by: Original signed electronically ___
Anab Ahmed
Executive Director, Secretariat to the Social Security Tribunal

Approved by: Original signed electronically ___
Christopher Bucar
Director General, Corporate Services and Chief Financial Officer

Approved by: Original signed electronically ___
Orlando Da Silva
Chief Administrator

ADMINISTRATIVE TRIBUNALS SUPPORT SERVICE OF CANADA

Notes to Statement of Administrative Costs Charged to the Employment Insurance Operating Account

For the period from April 1, 2019 to March 31, 2020
(In thousands of dollars)

1. Introduction:

Under the Employment Insurance Operating Account (EIO) Legislation, the Minister of Employment and Social Development Canada (ESDC) has the responsibility for the administration of Parts II and III (except for some sections of Part IV and VII), which concern the general administration of the EIO. The EIO is administered by ESDC, with support from the Department of Finance, the Canada Revenue Agency, Public Services and Procurement Canada, the Office of the Superintendent of Financial Institutions, the Royal Canadian Mounted Police, the Administrative Tribunals Support Service of Canada and the EIO Investment Board.

The Social Security Tribunal (SST) is an independent administrative tribunal that hears appeals of Canadian Pension Plan (CPP), the Employment Insurance (EI) and Old Age Security (OAS) decisions. Following passage of Bill C-51, the Economic Action Plan 2014 Act, effective November 1, 2014, the provision of support services to eleven administrative tribunals - including the SST - has been consolidated within the Administrative Tribunals Support Service of Canada (ATSSC). As of November 2014, EIO-related expenditures for tribunal services (SST) are being administered by the ATSSC through its vote-netted revenue authority.

As a transitional measure, a Memorandum of Understanding (transitional MoU) between the ATSSC and ESDC was signed on October 31, 2014 and established that ESDC would continue to provide the necessary internal (corporate) support services to the SST and its Secretariat operations on the ATSSC's behalf.

Subsequently, a supplementary April 1, 2015 to March 31, 2017 Memorandum of Understanding (the MoU) between ESDC, the Canada Employment Insurance Commission and the ATSSC was created to outline the relationship, roles and responsibilities, methodology for recovering costs, and reporting requirements, with respect to the provision of services by the ATSSC to the EIO as administered by ESDC. The MoU was amended in April 2017 to extend to March 31, 2018, and in July 2018 to extend to March 31, 2019. Another MoU was signed in August 2019 to cover the period from April 1, 2019 to March 31, 2021, with an updated method of cost allocation.

ADMINISTRATIVE TRIBUNALS SUPPORT SERVICE OF CANADA

Notes to Statement of Administrative Costs Charged to the Employment Insurance Operating Account (continued)

For the period from April 1, 2019 to March 31, 2020
(In thousands of dollars)

2. Significant accounting policies:

(a) Basis of Accounting:

The Statement of Administrative Costs Charged to the EIO Account by the ATSSC includes SST EIO-related expenditures and eligible internal service costs incurred for the period from April 1, 2019 to March 31, 2020, focuses on authority for payments during that period, and is prepared on a near-cash basis and in accordance with the reporting requirements of the MoU.

(b) Salaries:

Salaries costs include the direct costs of SST members and supporting Secretariat staff that worked on EIO-related files, and a proportional allocation for salaries incurred for common services for the ATSSC classified as internal service costs. These costs are recognized using the basis of accounting described in Note a) above.

(c) Operations and maintenance:

Operations and Maintenance costs include the SST and the supporting Secretariat costs that are directly attributable to the EIO and a portion of other indirect general costs. These costs are recognized using the basis of accounting described in Note a) above.

(d) Contributions to Employee Benefit Plans:

Contributions to Employee Benefit Plans costs are statutory costs that are provided by the Treasury Board of Canada Secretariat as a percentage of total salary costs based on type of employment. These costs are recognized using the basis of accounting described in Note a) above.

(e) Health Insurance Plan:

Health Insurance Plan costs are statutory costs that are provided by the Treasury Board of Canada Secretariat as a percentage of total salary costs based on type of employment. These costs are recognized using the basis of accounting described in Note a) above.