

Administrative Tribunals Support Service of Canada

Statement of Management Responsibility Including Internal Control Over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2017 and all information contained in these statements rests with the management of the Administrative Tribunals Support Service of Canada (ATSSC). These financial statements have been prepared by management using the Government's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the ATSSC's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the ATSSC's *Departmental Results Report*, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the ATSSC and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an ongoing process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

The ATSSC will be subject to periodic Core Control Audits performed by the Office of the Comptroller General and will use the results of such audits to adhere to the Treasury Board *Policy on Internal Control*.

In the interim, the ATSSC has continued the development of a systemic and multi-year plan to annually undertake a risk-based assessment of the system of ICFR during the year ended March 31, 2017, in accordance with the Treasury Board *Policy on Internal Control*, and the results and action plan to date are summarized in the annex.

The ATSSC's financial statements have not been audited.

Marie-France Pelletier
Chief Administrator

Luc Robitaille
Chief Financial Officer

Ottawa, Canada
September 6, 2017

Administrative Tribunals Support Service of Canada

Statement of Financial Position (Unaudited)

As at March 31

(in dollars)	2017	2016
Liabilities		
Accounts payable and accrued liabilities (note 4)	7,547,149	7,895,447
Vacation pay and compensatory leave	3,203,443	3,053,480
Employee future benefits (note 5)	2,899,027	4,153,319
Total liabilities	13,649,619	15,102,246
Financial assets		
Due from Consolidated Revenue Fund	2,442,524	3,807,095
Accounts receivable and advances (note 6)	9,153,067	9,098,997
Total financial assets	11,595,591	12,906,092
Departmental net debt	2,054,027	2,196,154
Non-financial assets		
Prepaid expenses	91,281	223,861
Tangible capital assets (note 7)	3,764,496	4,341,495
Total non-financial assets	3,855,778	4,565,356
Departmental net financial position	1,801,751	2,369,202

Contractual obligations (note 8)

The accompanying notes form an integral part of the financial statements.

Marie-France Pelletier
Chief Administrator

Luc Robitaille
Chief Financial Officer

Ottawa, Canada
September 6, 2017

Administrative Tribunals Support Service of Canada

Statement of Operations and Departmental Net Financial Position (*Unaudited*)

	Planned Results 2016-17	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016 Restated (Note 11)
<i>(in dollars)</i>			
Expenses			
Tribunal specialized and expert support services	31,799,840	31,574,988	31,520,981
Registry services	15,311,958	14,909,568	16,978,756
Payments to tribunal chairs and members	24,716,487	23,646,617	26,747,940
Internal services	20,760,830	23,544,467	21,572,408
Total expenses	92,589,114	93,675,640	96,820,084
Revenues			
Recovery of CPP & EI related costs	17,690,600	22,404,333	24,991,184
Miscellaneous revenues	531	978	253
Revenues earned on behalf of Government	(531)	(3,277,072)	(3,028,339)
Total revenues	17,690,600	19,128,239	21,963,098
Net cost of operations before government funding and transfers	74,898,514	74,547,401	74,856,986
Government funding and transfers			
Net cash provided by Government		60,330,329	54,262,954
Change in due from Consolidated Revenue Fund		(1,364,571)	259,913
Services provided without charge by other government departments (note 9)		15,014,193	14,500,278
Transfer of the transition payments for implementing salary payments in arrears		-	(4,307)
Total government funding and transfers		73,979,951	69,018,838
Net cost of operations after government funding and transfers		567,450	5,838,148
Departmental net financial position - Beginning of year		2,369,202	8,207,350
Departmental net financial position - End of year		1,801,751	2,369,202

Segmented information (note 10)

The accompanying notes form an integral part of the financial statements.

Administrative Tribunals Support Service of Canada

Statement of Change in Departmental Net Debt (*Unaudited*)

<i>(in dollars)</i>	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Net cost (revenue) of operations after government funding and transfers	567,450	5,838,148
Change due to tangible capital assets		
Acquisition of tangible capital assets (note 7)	866,188	751,987
Amortization of tangible capital assets (note 7)	(1,443,186)	(1,359,186)
Total change due to tangible capital assets	(576,998)	(607,199)
Change due to prepaid expenses	(132,579)	192,959
Net increase (decrease) in net debt	(142,127)	5,423,908
Departmental net debt (net financial assets) - Beginning of year	2,196,154	(3,227,754)
Departmental net debt (net financial assets) - End of year	2,054,027	2,196,154

The accompanying notes form an integral part of the financial statements.

Administrative Tribunals Support Service of Canada

Statement of Cash Flows (*Unaudited*)

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016 Restated (Note 11)
<i>(in dollars)</i>		
Operating activities		
Net cost of operations before government funding and transfers	74,547,401	74,856,986
Non-cash items:		
Amortization of tangible capital assets (note 7)	(1,443,186)	(1,359,186)
Services provided without charge by other government departments (note 9)	(15,014,193)	(14,500,278)
Transition payments for implementing salary payments in arrears	-	4,307
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances	54,069	(3,239,920)
Increase (decrease) in prepaid expenses	(132,579)	192,959
Decrease in accounts payable and accrued liabilities	348,298	715,762
Increase in vacation pay and compensatory leave	(149,963)	(858,791)
Decrease (increase) in employee future benefits	1,254,292	(2,300,872)
Cash used in operating activities	59,464,140	53,510,968
Capital investing activities		
Acquisition of tangible capital assets (note 7)	866,188	751,987
Cash used in capital investing activities	866,188	751,987
Net cash provided by Government of Canada	60,330,329	54,262,954

The accompanying notes form an integral part of the financial statements.

Administrative Tribunals Support Service of Canada

Notes to the Financial Statements (*Unaudited*)

For the Year ended March 31, 2017

1. Authority and objectives

The Administrative Tribunals Support Service of Canada (ATSSC) was established with the coming into force on November 1, 2014, of the *Administrative Tribunals Support Service of Canada Act*. The 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), as well as internal services (e.g., human resources, financial services, information management and technology, accommodation, security and communications).

The 11 tribunals are:

- Canada Agricultural Review Tribunal
- Canada Industrial Relations Board
- Canadian Cultural Property Export Review Board
- Canadian Human Rights Tribunal
- Canadian International Trade Tribunal
- Competition Tribunal
- Public Servants Disclosure Protection Tribunal Canada
- Public Service Labour Relations and Employment Board
- Social Security Tribunal of Canada
- Specific Claims Tribunal
- Transportation Appeal Tribunal of Canada

The ATSSC has one strategic outcome: Efficient and effective services which support tribunal chairs and members in exercising their statutory responsibilities and ensure that their independence is protected in a manner which promotes Canadians' confidence in the federal tribunal system. According to the approved Program Alignment Architecture (PAA), the Statement of Operations and Departmental Net Financial Position was detailed by the following programs (business lines):

Tribunal specialized and expert support services

The Tribunal Specialized and Expert Support Services Program provides expert research, analysis, drafting support and advice as well as other support services including investigation and mediation to assist tribunals in the discharge of their statutory responsibilities. These services are provided by ATSSC employees such as legal counsel, sectoral experts, tribunal assistants and research personnel.

Registry services

The Registry Services Program provides registry services in support of tribunals. The program works closely with tribunal chairs and members to ensure that matters before the tribunals are heard and disposed of in a timely and efficient manner and within statutory obligations. Services provided include: processing tribunal documents; maintaining and safeguarding tribunal records; providing information to the public regarding tribunal procedures; assisting in the scheduling and conduct of tribunal hearings and assisting in communicating tribunal decisions to the parties and the public. Within the direction, legislative requirements and quasi-judicial principles of the tribunals they support, the Registry Services Program is also responsible for developing and monitoring many service standards, assessing the performance of registry functions and implementing required improvements.

Payments to tribunal chairs and members

The program administers appropriations with respect to tribunal chairs' and members' salaries and other compensation pursuant to the terms of tribunals' enabling legislation and Governor-in-Council appointments.

Internal services

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Administrative Tribunals Support Service of Canada

Notes to the Financial Statements (*Unaudited*)

For the Year ended March 31, 2017

2. Summary of significant accounting policies

These financial statements have been prepared using the Government's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

(a) Parliamentary authorities

The ATSSC is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the ATSSC do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Departmental Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the "Expenses" and "Revenues" sections of the Statement of Operations and Departmental Net Financial Position are the amounts reported in the Future-oriented Statement of Operations included in the 2016-2017 Report on Plans and Priorities. Planned results are not presented in the "Government funding and transfers" section of the Statement of Operations and Departmental Net Financial Position and in the Statement of Change in Departmental Net Debt because these amounts were not included in the 2016-2017 Report on Plans and Priorities.

(b) Net cash provided by Government

The ATSSC operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the ATSSC is deposited to the CRF, and all cash disbursements made by the ATSSC are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government.

(c) Due from or to the CRF

Amounts due from or to the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. These amounts include receivables at year-end from other government departments. Amounts due from the CRF represent the net amount of cash that the ATSSC is entitled to draw from the CRF without further authorities to discharge its liabilities.

(d) Revenues

All revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place.

Revenues that are non-respendable are not available to discharge the ATSSC's liabilities. While the department head is expected to maintain accounting control, he or she has no authority regarding the disposition of non-respendable revenues. As a result, non-respendable revenues are considered to be earned on behalf of the Government of Canada and are therefore presented in reduction of the entity's gross revenues.

(e) Expenses

Expenses are recorded on the accrual basis:

- (i) Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment; and
- (ii) Services provided without charge by other government departments for accommodation and employer contributions to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

- (i) Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer pension plan administered by the Government. The ATSSC's contributions to the Plan are charged to expenses in the year incurred and represent the total ATSSC obligation to the Plan. The ATSSC's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.
- (ii) Severance benefits: Employees entitled to severance benefits under labour contracts or conditions of employment earn these benefits as services necessary to earn them are rendered. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

Administrative Tribunals Support Service of Canada
Notes to the Financial Statements (Unaudited)
For the Year ended March 31, 2017

2. Summary of significant accounting policies (continued)

(g) Accounts receivable

Accounts receivable are stated at the lower of cost and net recoverable value. A valuation allowance is recorded for accounts receivable where recovery is considered uncertain.

(h) Tangible capital assets

All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. The ATSSC does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, or assets located on Indian Reserves and museum collections.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization Period
Informatics hardware	3 years
Informatics software	3 years
Machinery and equipment	5 years
Other equipment, including furniture	10 years
Leasehold improvements	Lesser of the remaining term of lease or useful life of the improvement

Assets under construction are recorded in the applicable capital asset class in the year that they become available for use and are not amortized until they become available for use.

(i) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee future benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

Administrative Tribunals Support Service of Canada
Notes to the Financial Statements (Unaudited)
For the Year ended March 31, 2017

3. Parliamentary authorities

The ATSSC receives its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, the ATSSC has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year authorities used

	2017	2016 Restated (Note 11)
<i>(in dollars)</i>		
Net cost of operations before government funding and transfers	74,547,401	74,856,986
<i>Adjustments for items affecting net cost of operations but not affecting authorities:</i>		
Services provided without charge by other government departments	(15,014,193)	(14,500,278)
Amortization of tangible capital assets	(1,443,186)	(1,359,186)
Increase in vacation pay and compensatory leave	(149,963)	(858,791)
Decrease (increase) in employee future benefits	1,254,292	(2,300,872)
Refunds / Adjustments to previous years' expenses	161,600	64,879
Total items affecting net cost of operations but not affecting authorities	(15,191,450)	(18,954,248)
<i>Adjustments for items not affecting net cost of operations but affecting authorities:</i>		
Acquisition of tangible capital assets	866,188	751,987
Increase (decrease) in prepaid expenses	(132,579)	192,959
Increase in accountable advances	72,446	-
Transition payments for implementing salary payments in arrears	-	4,307
Total items not affecting net cost of operations but affecting authorities	806,056	949,253
Current year authorities used	60,162,007	56,851,992

(b) Authorities provided and used

	2017	2016
<i>(in dollars)</i>		
Authorities provided:		
Vote 1 - Program expenditures	55,907,032	54,777,079
Statutory – Contributions to employee benefit plans	7,475,864	8,642,950
Statutory – Spending of proceeds from the disposal of surplus Crown assets	1,018	123
Total authorities provided	63,383,914	63,420,152
Less:		
Lapsed: Operating	(3,221,012)	(6,568,037)
Authorities available for future years	(895)	(123)
Current year authorities used	60,162,007	56,851,992

Administrative Tribunals Support Service of Canada
Notes to the Financial Statements (Unaudited)
For the Year ended March 31, 2017

4. Accounts payable and accrued liabilities

The following table presents details of the ATSSC's accounts payable and accrued liabilities:

<i>(in dollars)</i>	2017	2016
Accounts payable - Other government departments and agencies	601,016	826,922
Accounts payable - External parties	1,589,097	2,104,910
Total accounts payable	2,190,113	2,931,832
Accrued liabilities	5,357,036	4,963,615
Total accounts payable and accrued liabilities	7,547,149	7,895,447

5. Employee future benefits

(a) Pension benefits

The ATSSC's employees participate in the Public Service Pension Plan (the Plan), which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the ATSSC contribute to the cost of the Plan. Due to the amendment of the Public Service Superannuation Act following the implementation of provisions related to the Economic Action Plan 2012, employee contributors have been divided into two groups – Group 1 relates to existing plan members as of December 31, 2012 and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

For the year ended March 31, 2017, expense amounts to \$5,208,435 (\$5,957,585 in 2015–16). For Group 1 members, the expense represents approximately 1.12 times (1.25 times for 2015–16) the employee contributions and, for Group 2 members, approximately 1.08 times (1.24 times for 2015–16) the employee contributions.

The ATSSC's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits

Severance benefits provided to the ATSSC's employees were previously based on an employee's eligibility, years of service and salary at termination of employment. However, since 2011 the accumulation of severance benefits for voluntary departures progressively ceased for substantially all employees. Employees subject to these changes were given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service. By March 31, 2017, all settlements for immediate cash out were completed. Severance benefits are unfunded and, consequently, the outstanding obligation will be paid from future authorities.

The changes in the obligations during the year were as follows:

<i>(in dollars)</i>	2017	2016
Accrued benefit obligation, beginning of year	4,153,319	1,852,447
Expense for the year	(1,027,382)	2,660,593
Benefits paid during the year	(226,910)	(359,721)
Accrued benefit obligation, end of year	2,899,027	4,153,319

6. Accounts receivable and advances

The following table presents details of the ATSSC's accounts receivable and advances:

<i>(in dollars)</i>	2017	2016
Accounts receivable - Other government departments and agencies	5,072,515	4,687,063
Accounts receivable - External parties	4,073,031	4,411,934
Temporary Advances	7,521	-
Total accounts receivable and advances	9,153,067	9,098,997

Administrative Tribunals Support Service of Canada
Notes to the Financial Statements (Unaudited)
For the Year ended March 31, 2017

7. Tangible capital assets

Cost	Opening Balance April 1, 2016	Acquisitions	Adjustments	Disposals and Write-Offs	Closing Balance, March 31, 2017
<i>(in dollars)</i>					
Informatics hardware	2,914,476	60,030	-	-	2,974,506
Informatics software	5,500,108	576,641	578,432	-	6,655,181
Leasehold improvements	2,736,611	175,638	371,705	-	3,283,954
Machinery and equipment	87,940	-	-	-	87,940
Other equipment, including furniture	2,425,949	-	-	-	2,425,949
Assets under construction	950,137	53,880	(950,137)	-	53,880
	14,615,222	866,188	-	-	15,481,410

Accumulated Amortization

	Opening Balance April 1, 2016	Amortization	Adjustments	Disposals and Write-Offs	Closing Balance, March 31, 2017
<i>(in dollars)</i>					
Informatics hardware	2,175,430	298,197	-	-	2,473,627
Informatics software	4,275,466	754,810	-	-	5,030,276
Leasehold improvements	1,904,492	245,082	-	-	2,149,574
Machinery and equipment	67,651	3,429	-	-	71,080
Other equipment, including furniture	1,850,688	141,669	-	-	1,992,357
	10,273,727	1,443,186	-	-	11,716,914

Net Book Value

	Opening Balance April 1, 2016	Closing Balance, March 31, 2017
<i>(in dollars)</i>		
Informatics hardware	739,046	500,879
Informatics software	1,224,643	1,624,906
Leasehold improvements	832,119	1,134,380
Machinery and equipment	20,289	16,860
Other equipment, including furniture	575,261	433,592
Assets under construction	950,137	53,880
	4,341,495	3,764,496

8. Contractual obligations

The nature of the ATSSC's activities can result in some large multi-year contracts and obligations whereby the ATSSC will be obligated to make future payments in order to rent equipment. Significant contractual obligations that can be reasonably estimated are summarized as follows:

<i>(in dollars)</i>	2017/18	2018/19	2019/20
Equipment rental and service contract	342,485	80,744	17,822
Total	342,485	80,744	17,822

Administrative Tribunals Support Service of Canada
Notes to the Financial Statements (Unaudited)
For the Year ended March 31, 2017

9. Related party transactions

The ATSSC is related as a result of common ownership to all government departments, agencies, and Crown corporations. The ATSSC enters into transactions with these entities in the normal course of business and on normal trade terms. During the year, the ATSSC received common services which were obtained without charge from other government departments as disclosed below.

a) Common services provided without charge by other government departments

During the year, the ATSSC received services without charge from certain common service organizations, related to accommodation and the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded in the ATSSC's Statement of Operations and Departmental Net Financial Position as follows:

<i>(in dollars)</i>	2017	2016 Restated (Note 11)
Accommodation	9,819,075	9,591,308
Employer's contribution to the health and dental insurance plans	5,195,118	4,908,970
Total	15,014,193	14,500,278

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Services and Procurement Canada and audit services provided by the Office of the Auditor General are not included in the ATSSC's Statement of Operations and Departmental Net Financial Position.

The ATSSC also received services without charge from Employment and Social Development Canada specifically for the administration of the Social Security Tribunal. These services are related to the administration of IT services, Finance and Procurement services, Security service, mailroom service, facilities for hearing and the call center service.

(b) Other transactions with related parties

<i>(in dollars)</i>	2017	2016
Expenses - Other government departments and agencies	11,365,287	13,177,276
Revenues - Other government departments and agencies	9,174,302	8,019,101

Expenses and revenues disclosed in (b) exclude common services provided without charge, which are already disclosed in (a).

Administrative Tribunals Support Service of Canada
Notes to the Financial Statements (Unaudited)
For the Year ended March 31, 2017

10. Segmented information

Presentation by segment is based on the ATSSC's program alignment architecture. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in note 2. The following table presents the expenses incurred and revenues generated for the main programs, by major object of expense and by major type of revenue. The segment results for the period are as follows:

	For the Year ended March 31, 2017				
	Tribunal specialized and expert support	Registry services	Payments to tribunal chairs and members	Internal services	Total
<i>(in dollars)</i>					
Expenses					
Salaries and employee benefits	23,149,030	11,234,908	19,110,487	13,783,753	67,278,178
Accommodation	3,389,999	1,640,372	2,794,847	1,993,857	9,819,075
Professional and special services	3,367,942	878,409	296,528	2,327,746	6,870,625
Transportation and telecommunications	627,583	577,444	1,367,944	645,074	3,218,045
Rentals	140,011	349,340	1,328	1,314,422	1,805,102
Amortization of tangible capital assets	105,152	-	-	1,338,034	1,443,186
Acquisition of small equipment	40,149	37,843	1,968	1,355,468	1,435,428
Information	310,007	148,235	13,610	229,429	701,280
Materials and supplies	411,187	41,892	59,732	56,691	569,502
Repairs and maintenance	10,693	900	153	323,105	334,851
Other	23,234	208	20	135,500	158,962
Utilities	-	17	-	41,389	41,406
Total expenses	31,574,988	14,909,568	23,646,617	23,544,467	93,675,640
Revenues					
Recovery of CPP & EI related costs	6,810,626	5,974,734	9,618,972	-	22,404,333
Miscellaneous revenues	-	-	-	978	978
Revenues earned on behalf of Government	(1,265,848)	(1,202,433)	(807,814)	(978)	(3,277,072)
Total revenues	5,544,779	4,772,302	8,811,158	-	19,128,239
Net cost of operations before government funding and transfers	26,030,210	10,137,266	14,835,458	23,544,467	74,547,401

Administrative Tribunals Support Service of Canada
Notes to the Financial Statements (Unaudited)
For the Year ended March 31, 2017

11. Accounting changes and adjustment to prior year's results

(a) Restatement for accommodation for 2015–16.

The amount recorded for service without charge for accommodations was overstated by \$1,469,372 in the 2015–16 financial statements, as confirmed by the partner department. The effect of adjusting the 2015–16 amounts within the 2016–17 financial statements are included in the chart below.

(b) Accounting change in revenue earned on behalf of Government

The administrative expenditures of the Social Security Tribunal (SST) are chargeable to the Canada Pension Plan (CPP) and the Employment Insurance (EI) Operating Account and the ATSSC administers these expenditures through its vote-netted revenue authority. To reflect the complete cost of administration of the SST, employee benefits and health insurance are invoiced back to CPP and EI, although the revenues associate with these costs are not spendable by the ATSSC. Given that, a decision was taken to the effect that revenues from CPP and EI for employees benefits and health insurance are better presented as revenues earned on behalf of Government. The effect of this change in accounting policy on 2015–16 amount in 2016–17 financial statements are presented in the chart below.

The effect of the resulting retroactive adjustments are as follows:

	2016	Effect of change		2016
	As previously stated	Note 11 (a)	Note 11 (b)	Restated
Statement of Operations and Departmental Net Financial Position:				
Expenses				
Tribunal specialized and expert support services	31,996,089	(475,108)	-	31,520,981
Registry services	17,240,522	(261,766)	-	16,978,756
Payments to tribunal chairs and members	27,207,804	(459,864)	-	26,747,940
Internal services	21,845,042	(272,634)	-	21,572,408
Total expenses	98,289,456	(1,469,372)	-	96,820,084
Revenues earned on behalf of Government	(253)		(3,028,086)	(3,028,339)
Total revenues	24,991,184		(3,028,086)	21,963,098
Net cost of operations before government funding and transfers	73,298,272	(1,469,372)	3,028,086	74,856,986
Net cash provided by Government	51,234,868		3,028,086	54,262,954
Services provided without charge by other government departments	15,969,650	(1,469,372)		14,500,278
Total government funding and transfers	67,460,124	(1,469,372)	3,028,086	69,018,838
Consolidated Statement of Cash Flows				
Net cost of operations before government funding and transfers	73,298,272	(1,469,372)	3,028,086	74,856,986
Services provided without charge by other government departments	(15,969,650)	1,469,372		(14,500,278)
Cash used in operating activities	50,482,881		3,028,086	53,510,968
Net cash provided by Government of Canada	51,234,868		3,028,086	54,262,954

12. Comparative Information

Comparative figures have been reclassified to conform to the current year's presentation.

PIC ANNEX:

1. Introduction

The Administrative Tribunals Support Service of Canada (ATSSC) was created on November 1, 2014. In the first years of operations of providing support services to 11 administrative tribunals, the ATSSC has focussed on establishing management practices and controls such as identifying and establishing governance structures, increasing the use of common processes and systems, and standardizing internal services processes.

Within this context, this Annex provides summary information on the measures taken by ATSSC to maintain an effective system of internal control over financial reporting (ICFR) and to annually assess the performance of its financial controls to ensure that:

- financial arrangements or contracts are entered into only when sufficient funding is available;
- payments for goods and services are made only when the goods or services are received and/or the conditions of contracts or other arrangements have been satisfied; and
- payments have been properly authorized.

The ATSSC will leverage the results of the periodic core control audits to be performed by the Office of the Comptroller General (OCG). In the interim, below is a summary of the results of the assessment conducted during fiscal year 2016-17.

2. Assessment results during the twelve-month period ended March 31, 2017

An ATSSC ICFR Framework was completed during 2016-17. The ATSSC also completed the planning and scoping for its risk assessment of key financial statement accounts and processes during 2016-17. The risk assessment takes into consideration the results of periodic core control audits that have been performed by the OCG on the tribunals which the ATSSC now supports and the management action plans resulting from those audits.

3. Assessment plan

An assessment of the design of the system of ICFR began in 2016-17 and will continue into 2017-18. The OCG will be performing the first core control audit of the ATSSC during 2017-18. The plan for additional ICFR work required beyond 2017-18 will be based on the results of the 2017-18 core control audit.