

## 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 [2022-23 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 a number of 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 [2022-23 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 2022-23 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.

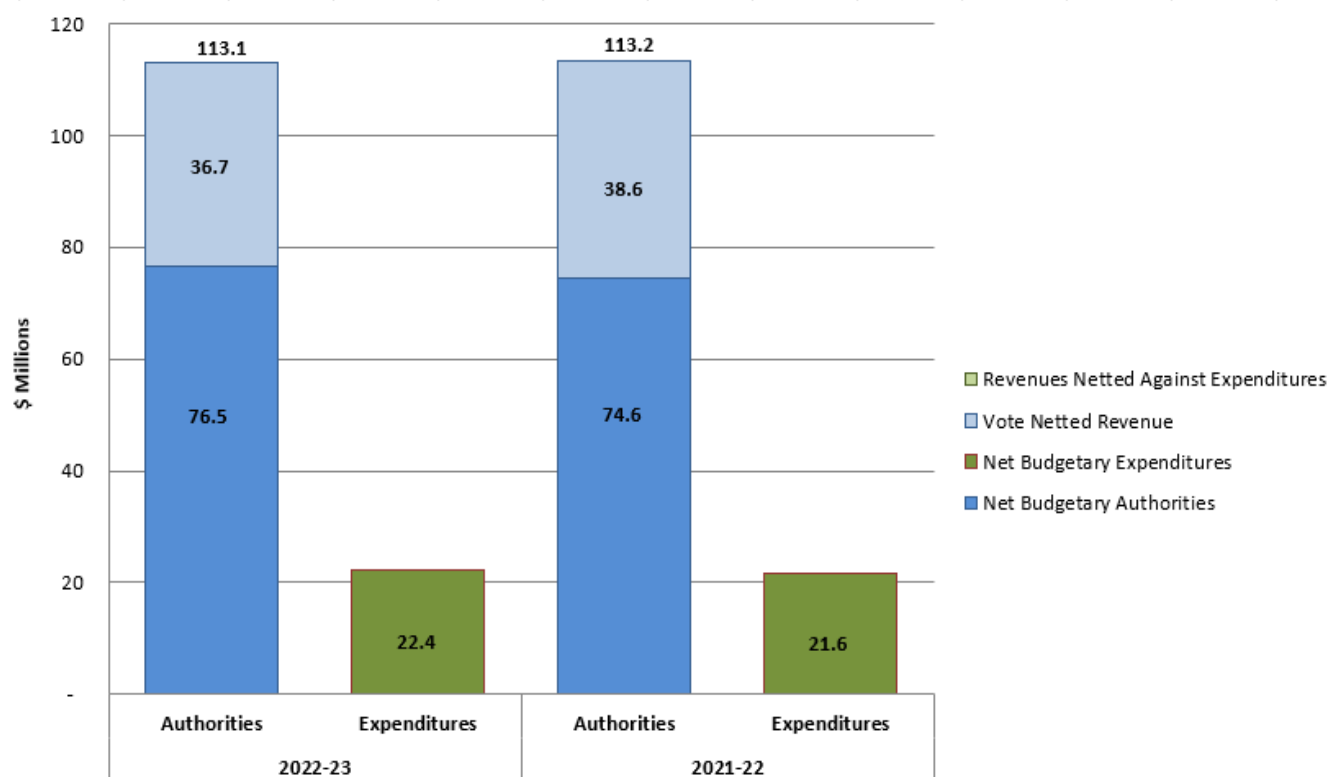
The ATSSC uses the full accrual method of accounting to prepare and present its annual departmental financial statements, which are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis. The main difference between the 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, 2022.

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 2022-23. 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, 2022, and June 30, 2021.**



*\* Figures may not add up to total due to rounding*

The ATSSC expended \$22.4 million (20% of total authorities available for use), including Employee Benefit Plan (EBP), in the first quarter of 2022-23. This is compared to \$21.6 million (19% of total authorities available for use) in the same quarter of 2021-22. The majority of expenditures in the first quarter of 2022-23 is related to personnel and totaled \$20.0 million (90% of gross expenditures). The remaining \$2.4

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million primarily included professional and special services (mainly informatics services, translation costs and consulting services), rental costs and informatic equipment costs.

#### **2.1. Significant Changes to Authorities**

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

As of June 30, 2022, the net authorities available for use (including EBP) totaled \$76.5 million, an increase of \$1.9 million compared to the prior year. This increase is mainly due to the funding received for addressing Program Integrity issues and the relocation projects.

#### **2.2. Significant Changes to Vote Netted Revenue (VNR)**

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

As of June 30, 2022, the VNR authorities decreased from \$38.7 million in 2021-22 to \$36.7 million in 2022-23 mainly due to the sunseting of temporary funds received for the EI program.

#### **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 increased from \$21.6 million in 2021-22 to \$22.4 million in 2022-23 mainly due to an increase in personnel expenditures (\$0.6 million) related to a growth in employees to address new tribunal mandates, and an increase in salary rates resulting from the signing of collective agreements. This increase in expenditures is also due to higher informatics equipment costs (\$0.1 million).

### **3. Risks and Uncertainties**

The ATSSC is exposed to a variety of risks in its operating environment that could have a negative effect in achieving its objectives. The ATSSC has an efficient risk management process that includes management participation at the organization's highest levels. This process allows management to identify, evaluate and mitigate key risks by implementing risk mitigation strategies, which include the reallocation of resources, if so required.

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. The ATSSC continues to work closely with tribunals to identify factors that could affect caseloads, so as to allow the ATSSC to plan for operations and investments accordingly.

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The COVID-19 pandemic continues to affect travel and the rental of facilities related to in-person hearings, mediations, and case conferences, which may also result in a larger year-end financial surplus than usual for the ATSSC.

**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 it supports have been working remotely. The ATSSC continues to focus on the mental health of staff and tribunal members, while developing a long-term work strategy.

**Approval by Senior Officials**

Approved by:

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Orlando Da Silva, LSM  
Chief Administrator

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Sophie Perreault, CPA  
Acting Director General Corporate Services  
and Chief Financial Officer

*Ottawa, Canada.*  
August 29, 2022

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**ANNEX A**

**5. Statement of Authorities (unaudited)**

(in dollars)

	Fiscal year 2022-23			Fiscal year 2021-22		
	Total available for use for the year ending March 31, 2023 *	Used during the quarter ended June 30, 2022	Year to date used at quarter end	Total available for use for the year ending March 31, 2022 *	Used during the quarter ended June 30, 2021	Year to date used at quarter end
Vote 1— Program expenditures**	101,324,272	19,543,575	19,543,575	101,962,392	18,820,479	18,820,479
Less: Revenues netted against expenditures	(36,672,203)	-	-	(38,655,614)	-	-
<b>Net Program expenditures</b>	<b>64,652,069</b>	<b>19,543,575</b>	<b>19,543,575</b>	<b>63,306,778</b>	<b>18,820,479</b>	<b>18,820,479</b>
Budgetary statutory authorities	11,820,039	2,830,342	2,830,342	11,274,095	2,818,524	2,818,524
<b>Total Budgetary authorities</b>	<b>76,472,108</b>	<b>22,373,917</b>	<b>22,373,917</b>	<b>74,580,873</b>	<b>21,639,003</b>	<b>21,639,003</b>

\*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**

**6. Departmental Budgetary Expenditures by Standard Object (unaudited)**

(in dollars)

	Fiscal year 2022-23			Fiscal year 2021-22		
	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended June 30, 2022	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended June 30, 2021	Year to date used at quarter end
<b>Expenditures:</b>						
Personnel*	89,142,760	20,041,101	20,041,101	87,450,413	19,438,268	19,438,268
Transportation and communications	2,682,643	167,859	167,859	3,852,061	220,573	220,573
Information	872,469	158,904	158,904	942,703	124,356	124,356
Professional and special services	11,752,015	1,018,327	1,018,327	9,346,995	1,073,196	1,073,196
Rentals	4,722,931	511,805	511,805	4,639,083	392,844	392,844
Repair and maintenance	1,612,119	45,488	45,488	2,731,815	41,722	41,722
Utilities, materials and supplies	662,571	41,648	41,648	701,284	70,110	70,110
Acquisition of land, building and works	0	0	0	-	-	-
Acquisition of machinery and equipment	1,694,906	393,978	393,978	3,562,613	269,934	269,934
Other subsidies and payments	1,897	(5,194)	(5,194)	9,520	8,000	8,000
<b>Total gross budgetary expenditures</b>	<b>113,144,311</b>	<b>22,373,917</b>	<b>22,373,917</b>	<b>113,236,487</b>	<b>21,639,003</b>	<b>21,639,003</b>
<b>Less Revenues netted against expenditures:</b>						
Revenues	(36,672,203)	-	-	(38,655,614)	-	-
<b>Total Revenues netted against expenditures</b>	<b>(36,672,203)</b>	<b>-</b>	<b>-</b>	<b>(38,655,614)</b>	<b>-</b>	<b>-</b>
<b>Total net budgetary expenditures</b>	<b>76,472,108</b>	<b>22,373,917</b>	<b>22,373,917</b>	<b>74,580,873</b>	<b>21,639,003</b>	<b>21,639,003</b>

\*Employee Benefit Plan (EBP) is included.