

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, 2021 to March 31, 2022
(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

We have audited 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) for the period from April 1, 2021 to March 31, 2022, and the related notes (hereinafter referred to as, the financial information)

In our opinion, the accompanying financial information for the period from April 1, 2021 to March 31, 2022 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 by ATSSC on August 15, 2022, with signatures pending from ESDC and CEIC.

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.

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 ATSSC'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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

September 22, 2022

ADMINISTRATIVE TRIBUNALS SUPPORT SERVICE OF CANADA

Statement of Administrative Costs Charged to the Employment Insurance Operating Account

For the period from April 1, 2021 to March 31, 2022
(In thousands of dollars)

	2022	2021
Salaries	\$ 10,009	\$ 10,209
Operations and Maintenance	1,352	1,408
Contributions to Employee Benefit Plans	1,405	1,496
Health Insurance Plan	866	876
Total Administrative Costs Chargeable to the Employment Insurance Operating Account	\$ 13,632	\$ 13,989

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 ___
Annie Rémillard
A/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, 2021 to March 31, 2022
(In thousands of dollars)

1. Introduction:

The Canada Employment Insurance Commission (CEIC), through the officers and employees of the Department of Employment and Social Development Canada (ESDC), is responsible for the delivery of the Employment Insurance (EI) program and the day-to-day administration of the Employment Insurance Operating Account (EIO). The EIO Account is established in the accounts of Canada by Part III of the EI Act. All amounts received under the EI Act are deposited in the Consolidated Revenue Fund and credited to the EIO Account. The benefits and the costs of administration of the Act are paid out of the Consolidated Revenue Fund and charged to the EIO Account.

The Social Security Tribunal (SST) is an independent administrative tribunal that hears appeals of Canadian Pension Plan (CPP), the 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. Effective April 1, 2017, the transitional MoU was replaced by the Memorandum of Understanding for the Continuance of Specified Corporate Services (CS MoU), with the most current CS MoU for the period April 1, 2021 to March 31, 2026 finalized on November 26, 2021 with ESDC signature pending.

Concurrently, a Memorandum of Understanding (the MoU) between ESDC, the CEIC 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 came into effect April 1, 2015 and has undergone various amendments and renewals, including an updated method of cost allocation effective April 1, 2019. The most current MoU for the period April 1, 2021 to March 31, 2024 was signed by the ATSSC on August 15, 2022 with signatures pending from ESDC and CEIC.

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, 2021 to March 31, 2022
(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, 2021 to March 31, 2022, 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.