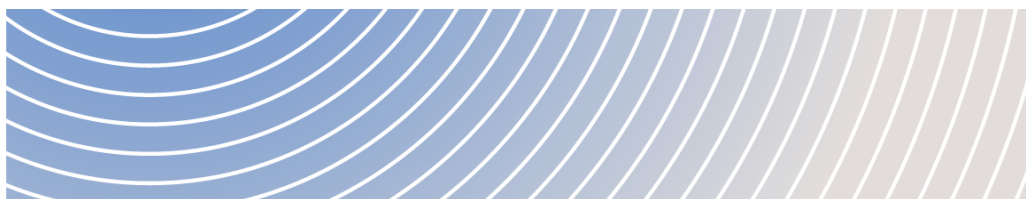




Impact Assessment
Agency of Canada

Agence d'évaluation
d'impact du Canada

Impact Assessment Agency of Canada's Quarterly Financial Report for Quarter ended June 30, 2021



August 2021

Canada 



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Statement outlining results, risks and significant changes in operations, personnel and programs.

Introduction

The Impact Assessment Agency of Canada's (IAAC) first quarterly financial statement for the period ended June 30, 2024 has been prepared by management as required by section 65.1 of the *Financial Administration Act*, and in the form and manner prescribed by Treasury Board under the Directive on Accounting Standards. It should be read in conjunction with the [Main Estimates and Supplementary Estimates](#) for the current year."

This report has not been subject to an external audit or review.

IAAC, led by a President who reports directly to the Minister of Environment and Climate Change, has its headquarters in Ottawa and regional offices in St. John's, Halifax, Quebec City, Toronto, Edmonton, and Vancouver. IAAC's activities are carried out under two core responsibilities: 1) Impact Assessment and 2) Internal Services.

1. Impact Assessment

IAAC delivers high-quality impact assessments that contribute to the informed decision making on major projects, in support of sustainable development. Through its delivery of Impact Assessment (IA), IAAC serves Canadians by looking at both positive and negative environmental, economic, social and health impacts of potential projects. IAAC:

- Leads and manages the impact assessment process for all federally designated major projects;
- Leads Crown engagement and serves as the single point of contact for consultation and engagement with Indigenous peoples during impact assessments for designated projects;
- Works with provincial counterparts to coordinate assessments subject to both federal and provincial requirements with the aim of "one project, one assessment";
- Provides opportunities and funding to support public participation in impact assessments;
- Works to ensure that mitigation measures are applied and are working as intended;
- Promotes uniformity and coordination of impact assessment practices across Canada through research, guidance and ongoing discussion with stakeholders and partners; and
- Works with a range of international jurisdictions and organizations to exchange best practices in impact assessment.

In delivering on its core responsibilities for designated projects, IAAC collaborates with federal departments and agencies with specific expertise to provide information and advice that support the conduct of impact assessments. Where projects are associated with lifecycle regulators such as the Canada Energy Regulator, the Canadian Nuclear Safety Commission and the Offshore Petroleum Boards, IAAC works collaboratively with these partners to draw upon their expert knowledge and ensure that safety, licensing requirements, international obligations, and other key regulatory factors are considered as part of a single, integrated assessment. In accordance with the transitional provisions of *Impact Assessment Act* (IAA), IAAC is also responsible for continuing to manage the environmental assessment (EA) of most projects required under the former *Canadian Environmental Assessment Act, 2012* (CEAA 2012)."

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In addition, IAAC advises and assists the Minister of Environment and Climate Change in establishing review panels and supports panels in their work. It also supports the Minister in fulfilling responsibilities under the IAA, including the development and issuance of enforceable IA decision statements.

2. Internal Services

Internal Services are resources that are required to enable Program delivery and are activities provided to meet corporate obligations of IAAC. Internal Services include:

- Management and oversight services
- Communications services
- Legal services
- Human resource management services
- Financial management services
- Information management and technology services
- Accommodation and security management services
- Material management services and
- Procurement management services.

IAAC has a mandate to administer four Grant and Contribution funding programs (Funding Programs):

- Participant Funding Program - to facilitate the participation of the public and Indigenous Peoples in preparing for possible IAs of designated projects, for the IA of projects by IAAC or a review panel, for the design and implementation of follow-up programs for projects, and for regional and strategic assessments.
- Policy Dialogue Program - to promote uniformity and harmonization in relation to the assessment of effects across Canada and all levels of government; promote and monitor the quality of IAs under the Act; develop policy related to the Act; and to engage with Indigenous Peoples on policy issues related to the Act.
- Research Program - to promote or conduct research on matters related to IAs that focuses on policy-relevant research on impact assessment and enabling research partnership opportunities.
- Indigenous Capacity Support Program - to promote communication and cooperation with Indigenous peoples ensuring respect for the rights of Indigenous peoples and ensuring the consideration of Indigenous knowledge.

IAAC also has responsibilities for reviewing projects of a federal nature under the environmental and social protection regimes set out in sections 22 and 23 of the 1975 *James Bay and Northern Quebec Agreement*. The President of IAAC is designated by Order-in-Council as the federal administrator of these processes.

Basis of Presentation

This quarterly report has been prepared by management using the expenditure basis of accounting. The accompanying Statement of Authorities includes IAAC's spending authorities granted by Parliament and those used by IAAC consistent with the Main Estimates and Supplementary Estimates (as applicable) for the 2024-2025 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 funds 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.

When Parliament is dissolved for the purposes of a general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

IAAC uses the full accrual method of accounting to prepare and present its annual financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

Highlights of Fiscal Quarter and Fiscal Year-to-Date (YTD) Results

Figure 1 outlines the net budgetary authorities (\$106.64M in 2024–2025 and \$99.34M in 2023–2024), which represents the resources available for the year as of June 30, 2024, net of the revenue that is forecasted to be collected. IAAC's available authorities, net of revenues, currently represent an increase of \$7.3M (7.35%) from the previous year. This variance is due to new funding announced in the [Fall Economic Statement 2022](#) (FES 2022) for IAAC to continue to implement the *Impact Assessment Act* (IAA) and complete assessments started under the *Canadian Environmental Assessment Act, 2012* (CEAA 2012).

Figure 1: First Quarter Year-to-Date Expenditures Compared to Annual Authorities

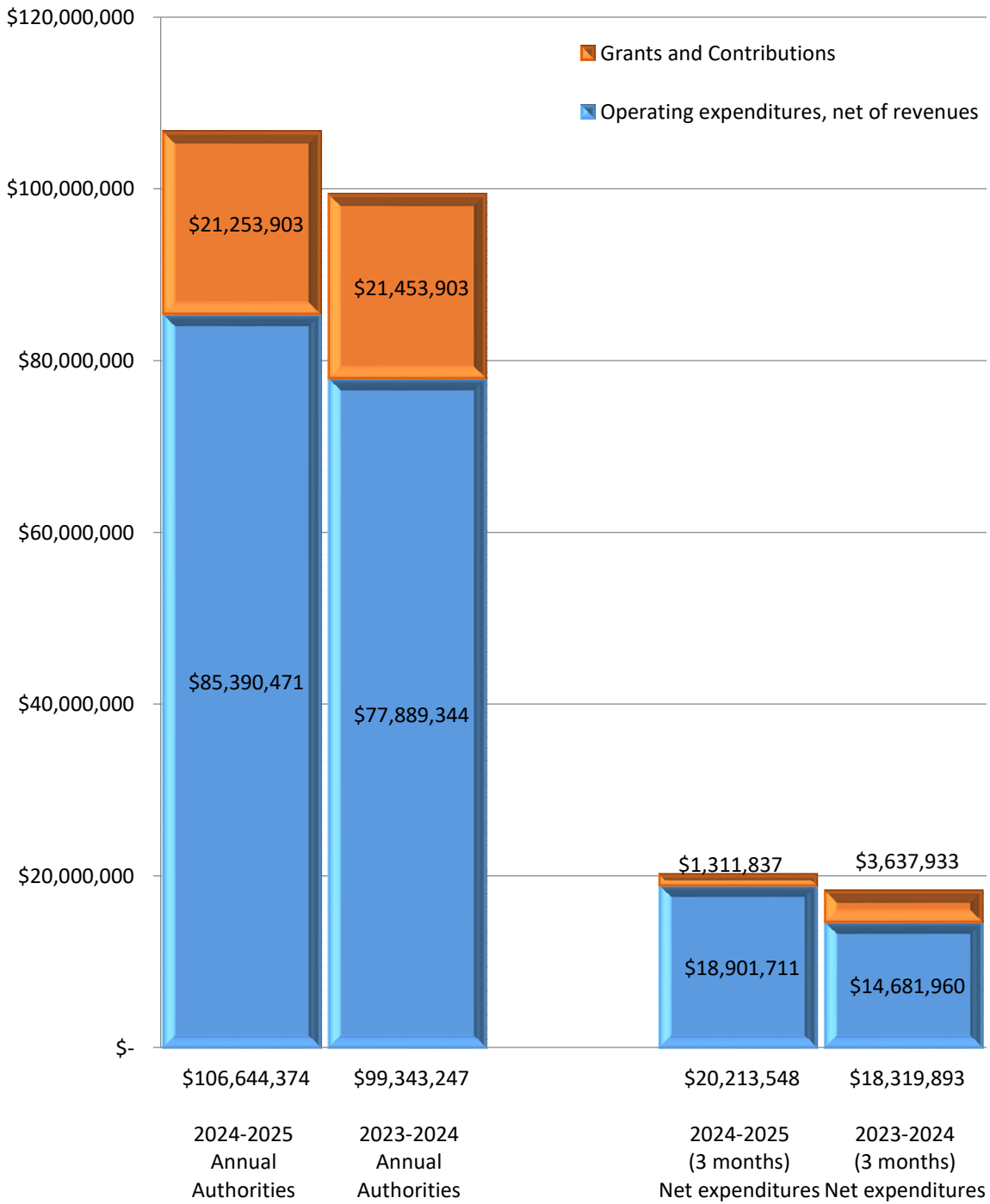


Figure 1 also outlines IAAC's first quarter year-to-date budgetary expenditures, net of revenues, that have increased by \$1.89 M (10.34%) from the previous year (\$20.21 in 2024–2025 and \$18.32M in 2023–2024). This increase is explained by the following:

- Expenditure in personnel represents an increase of \$3.14M (\$15.78M in 2024–2025 and \$12.64M in 2023-2024). This change is a result of a strong focus on staffing following the increased funding announced in the FES 2022 to allow IAAC to support its ongoing mandate.
- Expenditures in transfer payments (grants and contributions) represent a decrease of \$2.33M (\$1.31M in 2024–2025 and \$3.64M in 2023–2024). This change stems from the establishment and implementation of a risk management framework, introducing an enhanced level of due diligence to ensure value for money at both the recipient and program levels.
- Acquisition of machinery and equipment represents an increase of \$0.23M (\$0.46M in 2024-2025 and \$0.23M in 2023-2024). This change is a result of office equipment and software acquisitions to accommodate the increase in personnel.
- Revenues represent a decrease of \$0.42M (\$0.00M in 2024-2025 and \$0.42M in 2023-2024). This change is a result of the suspension of all cost recovery activities until the IAA was amended to respect the October 13, 2023 Supreme Court of Canada opinion on its constitutionality. The amended IAA came into force on June 20, 2024.
- Other budgetary expenditures increased by \$0.43M (\$2.66M in 2024-2025 and \$2.23M in 2023-2024).

Risks and Uncertainties

IAAC's expenditures and revenues are influenced by the number of assessments underway during a given fiscal year and are affected by the economic conditions that are outside the control of the Agency. To offset a portion of its expenditures, IAAC has vote-netted revenue authority to recover certain incurred costs from proponents in the conduct of assessments by review panels. The timing of revenue collection is uncertain and may impact IAAC's overall financial results.

In addition, the timing of requests for grant or contribution participant funding under the four funding programs varies and is unpredictable. A contribution commitment to participant funding may be planned in one year but could be realized across multiple fiscal years depending on the progression of the assessment. Unused contribution commitments are carried forward from one year to another and are honored by the Agency as they materialize.

IAAC is also subject to litigation, the extent and costs of which are uncertain. If applicable, these costs are normally covered by IAAC's annual appropriations.

Approval by Senior Officials

Approved by:

Patricia Brady
Acting President

Joelle Raffoul
Vice-President, Corporate Service
and Chief Financial Officer

Ottawa, Canada
August 29, 2024

**Impact Assessment Agency of Canada's Quarterly Financial Report
for Quarter ended June 30, 2024**

Statement of Authorities (unaudited)

Fiscal Year 2024–2025 (in dollars)

	Total available for use for the year ending March 31, 2025	Used during the quarter ended June 30, 2024	Year-to-date used at quarter ended June 30, 2024
VOTE 1 - Net operating expenditures	77,358,614	16,893,747	16,893,747
VOTE 5 - Grants and contributions	21,253,903	1,311,837	1,311,837
Statutory Authorities - Employee benefits	8,031,857	2,007,964	2,007,964
Total Authorities	106,644,374	20,213,548	20,213,548

Fiscal Year 2023-2024 (in dollars)

	Total available for use for the year ended March 31, 2024	Used during the quarter ended June 30, 2023	Year-to-date used at quarter ended June 30, 2023
VOTE 1 - Net operating expenditures	70,317,336	12,788,958	12,788,958
VOTE 5 - Grants and contributions	21,453,903	3,367,933	3,367,933
Statutory Authorities - Employee benefits	7,572,008	1,893,002	1,893,002
Total Authorities	99,343,247	18,319,893	18,319,893

**Impact Assessment Agency of Canada’s Quarterly Financial Report
for Quarter ended June 30, 2024**

IAAC Budgetary Expenditures by Standard Object (unaudited)

Fiscal Year 2024–2025 (in dollars)

	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended June 30, 2024	Year-to-date used at quarter ended June 30, 2024
Expenditures			
Personnel	66,233,721	15,780,293	15,780,293
Transportation and telecommunications	2,668,837	258,213	258,213
Information	1,223,625	82,087	82,087
Professional services	11,704,331	2,299,589	2,299,587
Rentals	115,016	14,635	14,635
Purchased repair and maintenance	631,520	0	0
Utilities, materials and supplies	581,056	12,280	12,280
Acquisition of machinery and equipment	2,842,058	455,822	455,822
Transfer payments	21,253,903	1,311,837	1,311,837
Other expenses	15,307	(1,208)	(1,208)
Total gross budgetary expenditures	107,269,374	20,213,548	20,213,548
Less revenues netted against expenditures			
Panel reviews	625,000	0	0
Total net budgetary expenditures	106,644,374	20,213,548	20,213,548

Note 1: IAAC has authority to collect up to \$8,001,000 in vote-netted revenue.

Fiscal Year 2023–2024 (in dollars)

	Planned expenditures for the year ended March 31, 2024	Expended during the quarter ended June 30, 2023	Year-to-date used at quarter ended June 30, 2023
Expenditures			
Personnel	57,387,851	12,639,322	12,639,322
Transportation and telecommunications	946,283	169,093	169,093
Information	763,867	105,958	105,958
Professional services	11,888,854	1,919,171	1,919,171
Rentals	7,758,379	17,914	17,914
Purchased repair and maintenance	39,903	4,554	4,554
Utilities, materials and supplies	199,517	17,015	17,015
Acquisition of machinery & equipment	980,485	228,886	228,886
Transfer payments	21,453,903	3,637,933	3,637,933
Other expenses	624,205	(851)	(851)
Total gross budgetary expenditures	102,043,247	18,738,995	18,738,995
Less planned revenues netted against expenditures			
Panel reviews	2,700,000	419,102	419,102
Total net budgetary expenditures	99,343,247	18,319,893	18,319,893

Note 1: IAAC has authority to collect up to \$8,001,000 in vote-netted revenue.