

**Office of the Commissioner for Federal Judicial Affairs 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 Office of the Commissioner for Federal Judicial Affairs Canada (FJA). 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 FJA's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in FJA'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 FJA 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 on-going process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

FJA 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, FJA has undertaken a risk-based assessment of the system of ICFR for the year ended March 31, 2017, in accordance with the Treasury Board Policy on Internal Control, and the results and action plan are summarized in the annex.

The financial statements of FJA have not been audited.

(original signed by)  
\_\_\_\_\_  
Marc A. Giroux  
Commissioner

Ottawa, Canada  
September 1, 2017

(original signed by)  
\_\_\_\_\_  
Errolyn Humphreys  
Chief Financial Officer

Ottawa, Canada  
September 1, 2017

**Office of the Commissioner for Federal Judicial Affairs Canada**  
**Statement of Financial Position (Unaudited)**  
**As at March 31**  
(in dollars)

	<u>2017</u>	<u>2016</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 2,090,769	\$ 3,243,038
Vacation pay and compensatory leave	303,464	324,293
Judges' Supplementary Retirement Benefits Account (Note 5)	221,573,649	213,030,976
Employee future benefits (Note 6b)	155,645	124,326
<b>Total liabilities</b>	<b>(224,123,527)</b>	<b>(216,722,633)</b>
<b>Financial assets</b>		
Due from Consolidated Revenue Fund	131,013	(1,417,323)
Accounts receivable and advances (Note 7)	1,391,890	1,993,710
<b>Total financial assets</b>	<b>1,522,903</b>	<b>576,387</b>
<b>Departmental net debt</b>	<b>(222,600,624)</b>	<b>(216,146,246)</b>
<b>Non-financial assets</b>		
Prepaid expenses	362	9,758
Tangible capital assets (Note 8)	118,959	184,567
<b>Total non-financial assets</b>	<b>119,321</b>	<b>194,325</b>
<b>Departmental net financial position</b>	<b>\$ (222,481,303)</b>	<b>\$ (215,951,921)</b>

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

(original signed by) \_\_\_\_\_  
Marc A. Giroux  
Commissioner

Ottawa, Canada  
September 1, 2017

(original signed by) \_\_\_\_\_  
Errolyn Humphreys  
Chief Financial Officer

Ottawa, Canada  
September 1, 2017

**Office of the Commissioner for Federal Judicial Affairs Canada**  
**Statement of Operations and Departmental Net Financial Position (Unaudited)**  
**For the Year Ended March 31**  
(in dollars)

	<b>2017 Planned Results</b>	<b>2017</b>	<b>2016</b>
<b>Expenses</b>			
Payments Pursuant to the Judges Act	\$ 545,355,000	\$ 534,886,933	\$ 532,863,515
Federal Judicial Affairs	9,306,000	9,734,996	8,715,673
Canadian Judicial Council	1,837,000	3,086,655	2,840,512
Internal Services	727,000	769,265	757,662
<b>Total expenses</b>	<b>557,225,000</b>	<b>548,477,849</b>	<b>545,177,362</b>
<b>Revenues</b>			
Pension contribution credited to revenue	14,982,000	14,916,537	14,977,786
User charges	275,000	43,200	28,361
<b>Total revenues</b>	<b>15,257,000</b>	<b>14,959,737</b>	<b>15,006,147</b>
<b>Net cost of operations before government funding</b>	<b>541,968,000</b>	<b>533,518,112</b>	<b>530,171,215</b>
<b>Government funding</b>			
Net cash provided by Government		523,872,570	520,611,883
Change in due from Consolidated Revenue Fund		1,548,336	(493,271)
Services provided without charge by other government departments (Note 9)		1,570,261	1,639,535
Transfer of the transition payments for implementing salary payments in arrears		(2,437)	-
<b>Net cost of operations after government funding</b>		<b>6,529,382</b>	<b>8,413,068</b>
<b>Departmental net financial position – Beginning of year</b>		<b>(215,951,921)</b>	<b>(207,538,853)</b>
<b>Departmental net financial position – End of year</b>		<b>\$ (222,481,303)</b>	<b>\$ (215,951,921)</b>

Segmented information (Note 10)

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

**Office of the Commissioner for Federal Judicial Affairs Canada**  
**Statement of Change in Department Net Debt (Unaudited)**  
**For the Year Ended March 31**  
(in dollars)

	<b>2017</b>	<b>2016</b>
<b>Net cost of operations after government funding</b>	<u>\$ 6,529,382</u>	<u>\$ 8,413,068</u>
<b>Change due to tangible capital assets</b>		
Acquisition of tangible capital assets	12,247	91,792
Amortization of tangible capital assets	<u>(77,855)</u>	<u>(84,395)</u>
<b>Total change due to tangible capital assets</b>	<b>(65,608)</b>	<b>7,397</b>
<b>Change due to prepaid expenses</b>	<b>(9,396)</b>	<b>(295,156)</b>
<b>Net increase in departmental net debt</b>	<u><b>6,454,378</b></u>	<u><b>8,125,309</b></u>
<b>Departmental net debt – Beginning of year</b>	<u><b>216,146,246</b></u>	<u><b>208,020,937</b></u>
<b>Departmental net debt – End of year</b>	<u><u><b>\$ 222,600,624</b></u></u>	<u><u><b>\$ 216,146,246</b></u></u>

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

**Office of the Commissioner for Federal Judicial Affairs Canada**  
**Statement of Cash Flows (Unaudited)**  
**For the Year Ended March 31**  
(in dollars)

	<u>2017</u>	<u>2016</u>
<b>Operating activities</b>		
Net cost of operations before government funding	\$ 533,518,112	\$ 530,171,215
Non-cash items:		
Amortization of tangible capital assets	(77,855)	(84,395)
Services provided without charge by other government departments (Note 9)	(1,570,261)	(1,639,535)
Transition payments for implementing salary payments in arrears	2,437	-
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances	(601,820)	831,631
Decrease in prepaid expenses	(9,396)	(295,156)
Decrease (increase) in accounts payable and accrued liabilities	1,152,269	(31,951)
Decrease (increase) in vacation pay and compensatory leave	20,829	(19,531)
Decrease (increase) in future employee benefits	(31,319)	212,322
Increase in Judges' Supplementary Retirement Benefits Account	(8,542,673)	(8,624,509)
Cash used by operating activities	<u>523,860,323</u>	<u>520,520,091</u>
<b>Capital investing activities</b>		
Acquisition of tangible capital assets	26,849	96,944
Disposal and Write-off of tangible capital assets	(14,602)	(5,152)
<b>Net cash provided by Government of Canada</b>	<u><u>\$ 523,872,570</u></u>	<u><u>\$ 520,611,883</u></u>

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

**Office of the Commissioner for Federal Judicial Affairs Canada**  
**Notes to the Financial Statements (Unaudited)**  
**Year ended March 31, 2016**

**1. Authority and Objectives**

The Office of the Commissioner for Federal Judicial Affairs (FJA) Canada was created in 1978 under the authority of the Judges Act to safeguard the independence of the Judiciary and to put federally appointed judges at arm's length from the administration of the Department of Justice. It exists to promote better administration of justice and focuses its efforts on providing a sound support role to the federal judiciary.

FJA administers three distinct and separate components that are funded from different sources. Statutory funding is allocated for the judges' salaries, allowances and annuities, and surviving beneficiaries' benefits. Vote authorities are provided in two separate votes to support the administrative activities of FJA and the administrative activities of the Canadian Judicial Council.

The administration of FJA is structured to reflect the distinctiveness of its role in supporting federal judicial activities. Under the Program Alignment Architecture, in addition to Internal Services, the organization is broken down into three programs: Payments Pursuant to the Judges Act, Canadian Judicial Council and Federal Judicial Affairs (FJA).

FJA's organizational priorities are an improved financial control framework, succession planning and human resource management, information management and modernization of FJA processes and tools.

**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 - FJA is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to FJA 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 reconciliation between these 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 - FJA operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by FJA is deposited to the CRF and all cash disbursements made by departments are paid from the CRF. The net cash provided by the Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the Government.
- (c) Amounts due from/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. Amounts due from the CRF represent the net amount of cash that FJA is entitled to draw from the CRF without further authorities to discharge its liabilities.
- (d) Revenues - Revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place.

**Office of the Commissioner for Federal Judicial Affairs Canada**  
**Notes to the Financial Statements (Unaudited)**  
**Year ended March 31, 2016**

(e) Expenses - Expenses are recorded on an accrual basis:

Vacation pay and compensatory leave are accrued as the benefits are earned by the employees under their respective terms of employment.

Services provided without charge by other government departments for accommodation and the employer's contribution to the health and dental insurance plans are recorded as operating expenses at their estimated costs.

(f) Employee and federally appointed judges' future benefits:

(i) Pension benefits: Eligible employees participate in the Public Service Pension Plan (PSSA), a multi-employer pension plan administered by the Government. FJA's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. FJA'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.

(iii) Federally appointed judges' pension benefits: Eligible federally appointed judges and their survivors are entitled to fully indexed annuities providing that the judges meet minimum age and service requirements. The main benefits paid from this plan are recorded on a pay-as-you-go basis. They are included in the Statement of Operations and Departmental Net Financial Position as a component of salaries and benefits, and the judges' contributions are credited to revenue. Contributions made by FJA and the judges pertaining to the portion of the plan that relates to indexation of benefits is recorded in a Supplementary Retirement Benefits Account, which is presented in the Statement of Financial Position. FJA's contribution towards indexation is expensed at the time it is accrued in accordance with the Supplementary Retirement Benefits Act. The actuarial liability associated with the judges' pension plan is recorded in the financial statements of the Government of Canada, the ultimate sponsor of the plan.

(g) Accounts receivables are stated at the lower of cost and net recoverable value. A valuation allowance is recorded for receivables where recovery is considered uncertain.

(h) Tangible capital assets - All tangible capital assets and leasehold improvements having an initial cost of \$5,000 or more are recorded at their acquisition cost. FJA does not capitalize intangibles, works of art, and historical treasures that have cultural, aesthetic or historical value, 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:

<b>Asset Class</b>	<b>Amortization Period</b>
Machinery & Equipment	5 to 10 years
Informatics Hardware	3 years
Informatics Software	3 years
Other Equipment including Furniture	10 years

**Office of the Commissioner for Federal Judicial Affairs Canada**  
**Notes to the Financial Statements (Unaudited)**  
**Year ended March 31, 2016**

- (i) Measurement of 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, are recorded in the financial statements in the year they become known.

**3. Parliamentary Authorities**

FJA receives most of 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, FJA 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**

(in dollars)	<b>2017</b>	<b>2016</b>
<b>Net cost of operations before government funding</b>	533,518,112	530,171,215
Adjustment for items affecting net cost of operations but not affecting authorities:		
Services provided without charge by other government departments	(1,570,261)	(1,639,535)
Decrease (increase) in employee future benefits	(31,319)	212,322
Amortization of tangible capital assets	(77,855)	(84,395)
Decrease (increase) in vacation pay and compensatory leave	20,829	(19,531)
Judges' pension contributions	14,916,537	14,977,786
Refund of prior years' expenditures	514	6,971
Gain on disposal of Crown assets	-	211
Total items affecting net cost of operations but not affecting authorities	13,258,445	13,453,829
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets	26,849	96,944
Transition payments for implementing salary payments in arrears	2,437	-
Decrease in prepaid expenses	(9,396)	(295,156)
Total items not affecting net cost of operations but affecting authorities	19,890	198,212
<b>Current year authorities used</b>	<b><u>\$546,796,447</u></b>	<b><u>\$543,426,832</u></b>

**(b) Authorities provided and used**

(in dollars)	<b>2017</b>	<b>2016</b>
Authorities provided:		
Vote 20 - Operating expenditures - FJA	9,850,888	9,393,635
Vote 25 - Operating expenditures - CJC	3,110,713	3,589,292
Statutory amounts	535,681,965	533,420,803
Less:		
Authorities available for use in future years	-	(211)
Lapsed: Operating	(1,847,119)	(2,976,687)
<b>Current year authorities used</b>	<b><u>\$546,796,447</u></b>	<b><u>\$543,426,832</u></b>



**Office of the Commissioner for Federal Judicial Affairs Canada**  
**Notes to the Financial Statements (Unaudited)**  
**Year ended March 31, 2016**

**4. Accounts payable and accrued liabilities**

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

(in dollars)	2017	2016
Accounts payable - Other government departments and agencies	511,186	198,770
Accounts payable - External parties	1,436,671	3,044,268
Total accounts payable	1,947,857	3,243,038
Accrued liabilities	142,912	-
<b>Total accounts payable and accrued liabilities</b>	<b>2,090,769</b>	<b>\$3,243,038</b>

**5. Judges' Supplementary Retirement Benefits Account**

(in dollars)	2017	2016
Liability, beginning of year	213,030,976	204,406,467
Contributions	7,047,476	7,086,212
Interest	1,495,197	1,538,297
<b>Liability, end of year</b>	<b>\$221,573,649</b>	<b>\$213,030,976</b>

The pension plan for federally appointed judges provides fully indexed annuities to judges and to all eligible survivors providing they meet minimum age and service requirements. Unlike other pension plans, the judges' plan lacks an explicit accrual rate for benefits. Instead the full benefit amount is generally payable when the member has completed 15 years of pensionable service and the total of the member's age and years of service totals 80. Judges who elect Supernumerary Status or judges who qualify for retirement make required contributions of 1% of salary. All other judges make contributions of 7% of salary.

The main benefits from this plan are expensed on a pay-as-you-go basis. However, by virtue of the Supplementary Retirement Benefits Act, for the portion of the plan that relates to indexation of benefits, the 1% portion of salary contributed by the judges is recorded in a Supplementary Retirement Benefits Account, along with a matching contribution of 1% recorded by FJA. In addition, interest is accrued on the outstanding balance of the Account. The actuarial liability associated with the judges' pension plan is recorded in the financial statements of the Government of Canada.

**6. Employee future benefits**

**(a) Pension benefits**

FJA 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/Québec Pension Plan benefits and they are indexed to inflation.

Both the employees and FJA contribute to the cost of the Plan. Due to the amendment of the Public Service Superannuation Act following the implementation of provisions related to Canada's 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.

The 2016-2017 expense amounts to \$553,752 (\$535,963 in 2015-2016). For Group 1 members, the expense represents approximately 1.12 times (1.25 times in 2015-2016) the employee contributions and, for Group 2 members, approximately 1.08 times (1.24 times in 2015-2016) the employee contributions.

**Office of the Commissioner for Federal Judicial Affairs Canada**  
**Notes to the Financial Statements (Unaudited)**  
**Year ended March 31, 2016**

FJA'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 FJA'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:

(in dollars)	2017	2016
<b>Accrued benefit obligation, beginning of year</b>	<b>124,326</b>	<b>336,648</b>
Expense for the year	31,319	-
Benefits paid during the year	-	(212,322)
<b>Accrued benefit obligation, end of year</b>	<b>\$155,645</b>	<b>\$124,326</b>

**7. Accounts receivable and advances**

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

(in dollars)	2017	2016
Receivables - Other government departments and agencies	317,461	495,330
Receivables - External parties	61,164	2,258
Advances	1,013,265	1,496,122
<b>Total accounts receivable and advances</b>	<b>\$1,391,890</b>	<b>\$1,993,710</b>

**8. Tangible capital assets**

(in dollars)	Cost				Accumulated Amortization				Net Book Value	
Capital asset class	Opening Balance	Acquisitions	Disposals and write-offs	Closing Balance	Opening Balance	Amortization	Disposals and write-offs	Closing Balance	2017	2016
<b>Machinery &amp; Equipment</b>	67,112	11,340	(5,191)	73,261	50,593	8,954	(5,191)	54,356	18,905	16,519
<b>Informatics Hardware</b>	446,713	7,608	(9,411)	444,910	314,886	68,876	(9,411)	374,351	70,559	131,827
<b>Informatics Software</b>	318,335	-	-	318,335	307,620	10,715	-	318,335	-	10,715
<b>Other Eqmt. including Furniture</b>	58,664	7,901	-	66,565	33,158	3,912	-	37,070	29,495	25,506
<b>TOTAL</b>	<b>890,824</b>	<b>26,849</b>	<b>(14,602)</b>	<b>903,071</b>	<b>706,257</b>	<b>92,457</b>	<b>(14,602)</b>	<b>784,112</b>	<b>118,959</b>	<b>184,567</b>

**Office of the Commissioner for Federal Judicial Affairs Canada**  
**Notes to the Financial Statements (Unaudited)**  
**Year ended March 31, 2016**

**9. Related party transactions**

FJA is related as a result of common ownership to all Government departments, agencies, and Crown Corporations. FJA enters into transactions with these entities in the normal course of business and on normal trade terms. During the year, FJA 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, FJA received services without charge from certain common service organizations related to accommodation and employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded in FJA's Statement of Operations and Departmental Net Financial Position as follows:

(in dollars)	2017	2016
Accommodation	1,120,343	1,240,079
Employer's contribution to health and dental insurance plans	449,918	399,456
<b>Total</b>	<b>\$1,570,261</b>	<b>\$1,639,535</b>

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 payroll and cheque issuance services provided by Public Works and Government Services Canada, and audit services provided by the Office of the Auditor General are not included in FJA's Statement of Operations and Departmental Net Financial Position.

**(b) Other transactions with related parties**

(in dollars)	2017	2016
Accounts receivable with other government departments and agencies (Note 7)	317,461	495,330
Accounts payable to other government departments and agencies (Note 4)	511,186	198,770
Expenses – Other government departments and agencies	1,037,715	902,322
Revenues – Other government departments and agencies	43,200	28,150

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

**Office of the Commissioner for Federal Judicial Affairs Canada**  
**Notes to the Financial Statements (Unaudited)**  
**Year ended March 31, 2016**

**10. Segmented information**

Presentation by segment is based on FJA'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 expenses and by major type of revenues. The segmented results for the period are as follows:

(in dollars)	<b>Internal Services</b>	<b>Federal Judicial Affairs</b>	<b>Canadian Judicial Council</b>	<b>Payments Pursuant to Judges' Act</b>	<b>2017 Total</b>	<b>2016 Total</b>
<b>Operating Expenses</b>						
Salaries and employee benefits	552,261	4,425,158	1,262,438	504,320,873	510,560,730	504,314,651
Transportation and telecommunication	-	524,593	81,407	17,878,131	18,484,131	19,897,704
Information	-	245,807	26,631	20,500	292,938	72,182
Professional and special services	217,004	2,962,883	1,318,788	8,553,702	13,052,377	12,359,265
Accommodation	-	880,686	239,657	-	1,120,343	1,240,079
Rental	-	238,815	79,036	5,748	323,599	277,326
Repairs and maintenance	-	126,275	10,630	-	136,905	161,564
Utilities, materials and supplies	-	60,236	21,820	72	82,128	76,253
Machinery and equipment	-	123,220	44,402	-	167,622	93,490
Amortization	-	77,855	-	-	77,855	84,395
Other subsidies/payments	-	69,468	1,846	4,107,907	4,179,221	6,600,453
<b>Total Operating Expenses</b>	<b>769,265</b>	<b>9,734,996</b>	<b>3,086,655</b>	<b>534,886,933</b>	<b>548,477,849</b>	<b>545,177,362</b>
<b>Revenues</b>						
Pension contribution*	-	-	-	14,916,537	14,916,537	14,977,786
User charges	-	43,200	-	-	43,200	28,150
Other Revenue	-	-	-	-	-	211
<b>Total Revenues</b>	<b>-</b>	<b>43,200</b>	<b>-</b>	<b>14,916,537</b>	<b>14,959,737</b>	<b>15,006,147</b>
<b>Net Cost of Operations Before Government Funding</b>	<b>\$769,265</b>	<b>\$9,691,796</b>	<b>\$3,086,655</b>	<b>\$519,970,396</b>	<b>533,518,112</b>	<b>\$530,171,215</b>

\*Judges' pension contribution credited to revenue

**Office of the Commissioner for Federal Judicial Affairs Canada  
Annex to the Statement of Management Responsibility Including Internal Control Over Financial Reporting  
for Fiscal Year 2016-2017  
(unaudited)**

**1. Introduction**

In support of an effective system of internal control, FJA annually assesses 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 or the conditions of contracts or other arrangements have been satisfied; and
- Payments have been properly authorized.

In 2016-17, FJA was subject to an audit by the Office of the Auditor General of Canada (OAG) with regards to the opinion on the consolidated financial statements of the Government of Canada for the year ended March 31<sup>st</sup>, 2016. The audit procedures were conducted to obtain reasonable assurance that the financial information was free of material misstatement and transactions tested complied with significant authority instruments, it also considered opportunities to improve existing financial controls or practices.

FJA will leverage the results of the audit performed by the OAG. Below is a summary of the results of the assessment conducted during fiscal year 2016-17.

**2. Assessment results during fiscal year 2016-17**

Controls related to payment for goods and services and payment authority were generally functioning well and form an adequate basis for the department's system of internal control. Some adjustments to reinforce clarity of internal policies and procedures as well as increasing substantive documentation on decisions taken will be addressed in 2017-18.

**3. Assessment plan**

FJA will continue to monitor the performance of its system of internal control, with a focus on the core controls related to financial transactions and information technology general controls.