

# **Courts Administration Service**

***Annex to the Statement of Management Responsibility***

***including Internal Control over Financial Reporting***

**2024-25**

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# 1 INTRODUCTION

This document provides summary information on the measures taken by the Courts Administration Service (CAS) to maintain an effective system of internal control over financial reporting, including information on internal control management, assessment results and related action plans.

Detailed information on CAS's authority, mandate and core responsibilities can be found in the [2024-25 Departmental Results Report](#) and [2025-26 Departmental Plan](#).

## 2 DEPARTMENTAL SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING

### 2.1 Internal Control Management

CAS has a well-established governance and accountability structure to support departmental assessment efforts and oversight of its system of internal control. A departmental internal control management framework approved is in place and includes:

- Organizational accountability structures established in accordance with the internal controls management system, in order to support sound financial management, including roles and responsibilities of senior managers in their areas of responsibility for control management;
- Values and ethics;
- Communication and training, as required, on statutory requirements, and policies and procedures for sound financial management and control; and,
- Monitoring and regular updates on internal control management, as well as the provision of related assessment results and action plans to the Deputy Head, senior management and the Departmental Audit Committee.

Furthermore, CAS's internal audit staff conduct risk-based audits and engagements on various processes, including those used to report on financial information when relevant. The results of those audits and engagements are reviewed by the Departmental Audit Committee, which provides independent and objective advice and guidance to the Deputy Head in the areas of governance, risk management and control.

### 2.2 Service Arrangements Relevant to Financial Statements

CAS relies on other organizations for processing certain transactions that are recorded in its financial statements, as follows.

#### ***Common service arrangements***

- Public Services and Procurement Canada centrally administers the payments of salaries and the procurement of certain goods and services in accordance with their authorities, and provides accommodation services;

- Treasury Board of Canada Secretariat, centrally administers payment of the employer's share of contributions toward statutory employee benefit plans;
- Department of Justice Canada provides legal services to CAS, when appropriate; for instance, when services delivered do not compromise the judiciary independence and are at arm's length from the Government of Canada; and,
- Shared Services Canada provides minimal information technology (IT) procurement and infrastructure services to CAS in the areas of data centre and network services due to the judicial independence principle. The scope and responsibilities are addressed in the interdepartmental arrangement between Shared Services Canada and CAS.

Readers of this annex may refer to the annexes to the financial statements of the above-noted departments for a greater understanding of the systems of internal control over financial reporting related to these specific services.

### 3 DEPARTMENTAL ASSESSMENT RESULTS FOR FISCAL YEAR 2024-25

The following table summarizes the status of the ongoing monitoring activities according to the previous fiscal year’s rotational plan.

#### Progress during fiscal year 2024-25

Previous fiscal year’s rotational ongoing monitoring plan for current fiscal year	Status
Entity-level controls (ELCs)	Monitoring was performed; no issues were identified.
Information Technology General Controls (ITGCs)	<p>CAS conducted an annual review and confirmation of user accesses, including the Financial System, Standard Payment System, Electronic Authorization and Authentication, documentation of arrivals and departures, access to the financial system, and annual review user access.</p> <p>CAS reviewed all access required by positions to ensure segregation of duty was appropriate, or that compensatory controls were in place.</p>
Procure-to-pay (P2P)	<p>An audit of low-dollar-value procurement of professional services was performed in 2024-25 to determine CAS’ compliance to procurement rules.</p> <p>Processes and controls have been adjusted on procurement activities to meet new requirements and guidance from the Government of Canada.</p> <p>OAG performed an audit of key professional services contracts with GCStrategies Inc. – no significant issues were identified in the CAS contracts.</p>
Payroll & Benefits	Monitoring was performed; no issues were identified.
Deposit Accounts	No additional work performed considering resources constraint in 2024-25.
Tangible Capital Assets	CAS reviewed its internal policy on the capitalization of bulk assets purchases. Monitoring was performed; no issues were identified.

The key findings and significant adjustments required from the 2024-25 fiscal year’s assessment activities are summarized below.

### 3.1 New or Significantly Amended Key Controls

Given the current economic environment and financial constraints, additional controls were implemented to strengthen planning and budgeting oversight, enhance monitoring, and mitigate potential risks.

### 3.2 Ongoing Monitoring Program

In 2024-25, in addition to activities completed over the above-mentioned business processes, monitoring was performed during the fiscal year that contributed to confirming key controls are still in place as well as progress on any outstanding management action plans.

## 4 DEPARTMENTAL ACTION PLAN FOR THE NEXT FISCAL YEAR AND SUBSEQUENT YEARS

The ongoing monitoring plan over the next three fiscal years is outlined in the table below and is comprehensive of Internal Controls over Financial Management (ICFM) elements to meet the requirements under the Policy on Financial Management. The ongoing monitoring plan is based on:

- An annual validation of medium and high-risk processes and controls; and,
- Required adjustments to the ongoing monitoring plan, as needed.

### 4.1 Rotational Ongoing Monitoring Plan

	Key Control Area	Fiscal year 2025-26	Fiscal year 2026-27	Fiscal year 2027-28
<b>ICFR</b>	Entity-level controls (ELCs)	Operational Testing	Monitoring	
	Information Technology General Controls (ITGCs)	Selected Operational Testing for HR systems	Monitoring	
	Procure-to-pay (P2P)		Selected Operational Testing	Monitoring
	Payroll & Benefits		Selected Operational Testing	Monitoring
	Deposit Accounts		Operational Testing	Monitoring
	Tangible Capital Assets	Operational Testing of manual controls	Monitoring	
	Financial Statements	Operational Testing of accounting estimates	Monitoring	
<b>ICFM</b>	Planning, Budgeting & Forecasting	Operational testing of supplemental controls*		Operational Testing
	Investment Planning			Operational Testing
	Costing			Operational Testing
	Chief Financial Officer Attestation			Operational Testing

*\*In 2024-25, CAS started the implementation of several supplemental controls to help manage its financial pressures.*