

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 [2021-22 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 [2021-22 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 2021-22 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.

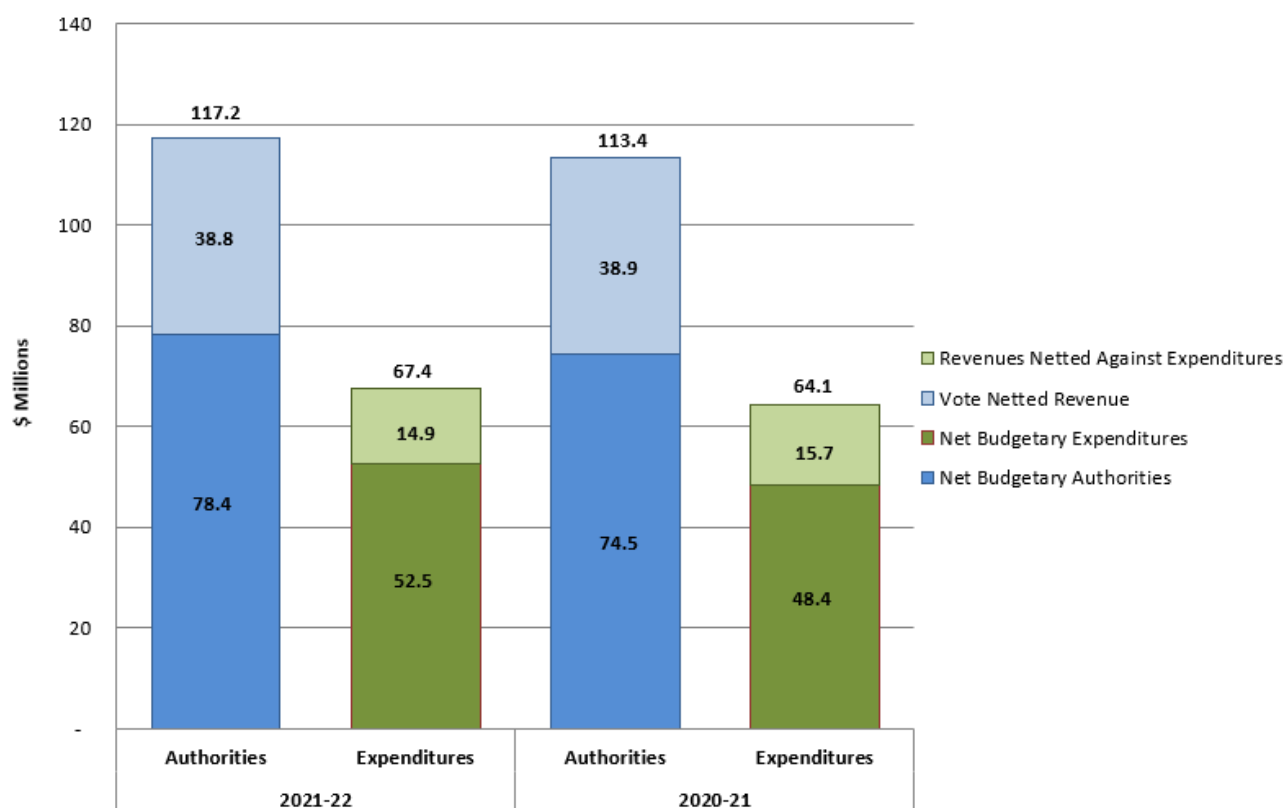
The ATSSC uses the full accrual method of accounting to prepare and present its annual departmental financial statements, which are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis. The main difference between the 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 December 31, 2021.

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 third quarter of 2021-22. For more details, refer to the Statement of Authorities table presented in Annex A.

Graph 1: Comparison of budgetary authorities and expenditures for the third quarter ended December 31, 2021, and December 31, 2020.



The ATSSC expended \$67.4 million (58% of total authorities available for use), including Employee Benefit Plan (EBP), in the third quarter of 2021-22. This is compared to \$64.1 million (57% of total authorities available for use) in the same quarter of 2020-21. The majority of expenditures in the third quarter of 2021-22 is related to personnel and totaled \$57.9 million (86% of gross expenditures). The remaining \$9.5

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

2.1. Significant Changes to Authorities

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

As of December 31, 2021, the net authorities available for use (including EBP) totaled \$78.4 million, an increase of \$3.9 million compared to the prior year. This increase is mainly due to:

- a higher supply of Main Estimates in 2021-22, which included funding to support the ATSSC's Business Continuity Plan, with the objective of allowing the department to resume services should the primary IT operations site become compromised, inaccessible or unable to operate;
- a higher supply of the Operating Budget Carry Forward; and
- the funding received related to collective agreements and compensation adjustments.

2.2. Significant Changes to Vote Netted Revenue (VNR)

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

As of December 31, 2021, the VNR authorities decreased from \$38.9 million in 2020-21 to \$38.8 million in 2021-22. There are no significant changes to VNR this quarter.

2.3. Significant Changes to Expenditures

(Please refer to the Departmental Budgetary Expenditures by Standard Object table presented in Annex B.)

Expenditures for the Quarter

Third quarter gross budgetary expenditures increased from \$23.2 million in 2020-21 to \$25.2 million in 2021-22 mainly due to an increase in personnel expenditures (\$2.5 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 offset by a decrease related to informatics equipment costs (\$0.6 million).

Expenditures Year-to-Date

The year-to-date gross budgetary expenditures increased from \$64.1 million in 2020-21 to \$67.4 million in 2021-22 mainly due to an increase in personnel expenditures (\$3.5 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 offset by a decrease related to informatics equipment costs (\$0.9 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.

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.

Annie Rémillard has been appointed Chief Financial Officer effective January 20, 2022.

Approval by Senior Officials

Approved by:

Orlando Da Silva, LSM
Chief Administrator

Annie Rémillard
Director General Corporate Services
and Chief Financial Officer

Ottawa, Canada.
March 1, 2022

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ANNEX A

5. Statement of Authorities (unaudited)

(in dollars)

	Fiscal year 2021-22			Fiscal year 2020-21		
	Total available for use for the year ending March 31, 2022 *	Used during the quarter ended December 31, 2021	Year to date used at quarter end	Total available for use for the year ending March 31, 2021 *	Used during the quarter ended December 31, 2020	Year to date used at quarter end
Vote 1— Program expenditures**	105,902,258	22,358,810	58,992,606	102,322,407	20,425,920	55,839,680
Less: Revenues netted against	(38,804,851)	(7,472,246)	(14,944,492)	(38,875,516)	(6,010,232)	(15,720,182)
Net Program expenditures	67,097,407	14,886,564	44,048,114	63,446,891	14,415,688	40,119,498
Budgetary statutory authorities	11,274,095	2,818,524	8,455,571	11,068,840	2,767,210	8,301,630
Total Budgetary authorities	78,371,502	17,705,087	52,503,685	74,515,731	17,182,898	48,421,128

*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 2021-22			Fiscal year 2020-21		
	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended December 31, 2021	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2021	Expended during the quarter ended December 31, 2020	Year to date used at quarter end
Expenditures:						
Personnel*	91,846,584	21,556,493	57,876,801	87,653,426	19,008,590	54,395,881
Transportation and communications	3,341,576	(13,939)	494,119	4,864,580	241,183	600,598
Information	945,032	165,780	671,123	937,858	173,533	499,788
Professional and special services	9,370,083	2,543,207	5,874,252	9,581,763	2,348,012	4,858,005
Rentals	4,650,542	667,547	1,963,059	3,296,693	635,427	2,058,623
Repair and maintenance	2,738,563	70,727	134,741	2,246,102	21,527	282,593
Utilities, materials and supplies	703,016	147,860	279,253	838,199	130,317	343,144
Acquisition of land, building and works	0	0	0	715,447	-	-
Acquisition of machinery and equipment	3,571,413	42,412	153,362	3,128,116	634,525	1,102,752
Other subsidies and payments	9,544	(2,752)	1,468	129,063	16	(73)
Total gross budgetary expenditures	117,176,353	25,177,333	67,448,177	113,391,247	23,193,130	64,141,310
Less Revenues netted against expenditures:						
Revenues	(38,804,851)	(7,472,246)	(14,944,492)	(38,875,516)	(6,010,232)	(15,720,182)
Total Revenues netted against expenditures	(38,804,851)	(7,472,246)	(14,944,492)	(38,875,516)	(6,010,232)	(15,720,182)
Total net budgetary expenditures	78,371,502	17,705,087	52,503,685	74,515,731	17,182,898	48,421,128

*Employee Benefit Plan (EBP) is included.