

## **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 [2023-24 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 [2023-24 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 2023-24 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.

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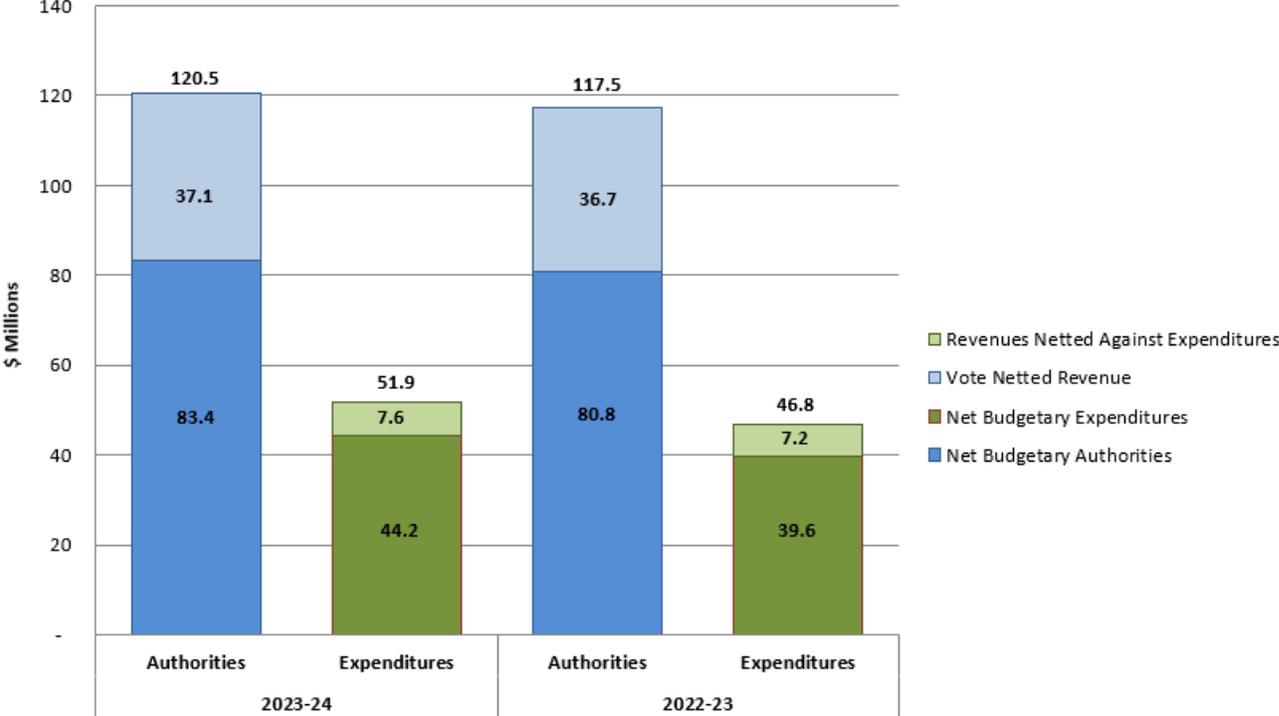
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**2. Highlights of Fiscal Quarter and Fiscal Year-to-Date Results**

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 September 30, 2023.

The ATSSC’s financial structure is mainly composed of voted budgetary authorities, namely Vote 1— Program Expenditures, Vote Netted Revenue (VNR) authorities, 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 second quarter of 2023-24. For more details, refer to the Statement of Authorities table presented in Annex A.

**Graph 1: Comparison of budgetary authorities and expenditures for the second quarter ended September 30, 2023, and September 30, 2022.**



\* Figures may not add up to total due to rounding

The ATSSC expended \$51.9 million (43% of total authorities available for use), including Employee Benefit Plan (EBP), in the second quarter of 2023-24. This is compared to \$46.8 million (40% of total authorities available for use) in the same quarter of 2022-23. The majority of expenditures in the second quarter of 2023-24 is related to personnel and totaled \$45.4 million (87% of gross expenditures). The remaining \$6.5 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 September 30, 2023, the net authorities available for use (including EBP) totaled \$83.4 million, an increase of \$2.6 million compared to the prior year. This increase is due to the temporary funding received for addressing program integrity issues and the office relocation projects, funding received for compensation adjustments, as well as one-time funding related to approved reprofiles.

## **2.2. Significant Changes to Vote Netted Revenue (VNR)**

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

As of September 30, 2023, the VNR authorities increased from \$36.7 million in 2022-23 to \$37.1 million in 2023-24. 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**

Second quarter gross budgetary expenditures increased from \$24.5 million in 2022-23 to \$27.0 million in 2023-24 mainly due to an increase in personnel expenditures (\$2.5 million) related to hiring additional employees to address new or modified tribunal mandates and the growth in caseload arising from external factors, and to the increase in salary rates resulting from the signing of collective agreements.

### **Expenditures Year-to-Date**

The year-to-date gross budgetary expenditures increased from \$46.8 million in 2022-23 to \$51.9 million in 2023-24 mainly due to an increase in personnel expenditures (\$4.4 million) related to hiring additional employees to address new or modified tribunal mandates and the growth in caseload arising from external factors, and to the increase in salary rates resulting from the signing of collective agreements.

## **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 is monitoring these risks at all management levels through various lenses. This 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

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workloads. The vacancy rate in tribunal membership can impact when caseload is able to be addressed and is being monitored. The ATSSC continues to work closely with tribunals to identify factors that could affect caseloads, to allow the ATSSC to plan for operations and investments accordingly.

#### **4. Significant Changes Related to Operations, Personnel and Programs**

The ATSSC is assessing the impact of the Budget 2023 on its operation and a plan to answer accordingly is being prepared.

The ATSSC has adopted the *Common hybrid work model for the federal Public Service* as per Government of Canada's direction. Employees are required to work at least two days per week, or 40% of their regular schedule, in their designated workplace. This model provides flexibility to employees and will contribute to reducing the overall infrastructure footprint of the Government of Canada while ensuring that the ATSSC maintains the high quality of service it is known for.

#### **Approval by Senior Officials**

Approved by:

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Orlando Da Silva, LSM  
Chief Administrator

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Sophie Perreault, CPA  
Director of Finance  
and A/Chief Financial Officer

Ottawa, Canada.  
November 29, 2023

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**ANNEX A**

**5. Statement of Authorities (unaudited)**

(in dollars)

Authorities available for use	Fiscal year 2023-24: Total available for use for the year ending March 31, 2024 *	Fiscal year 2023-24: Used during the quarter ended September 30, 2023	Fiscal year 2023-24: Year to date used at quarter end	Fiscal year 2022-23: Total available for use for the year ending March 31, 2023 *	Fiscal year 2022-23: Used during the quarter ended September 30, 2022	Fiscal year 2022-23: Year to date used at quarter end
Vote 1— Program expenditures**	108,133,069	23,904,185	45,698,308	105,674,253	21,642,859	41,186,433
Less: Revenues netted against expenditures	-37,119,758	-7,649,861	-7,649,861	-36,672,203	-7,249,117	-7,249,117
<b>Net Program expenditures</b>	<b>71,013,311</b>	<b>16,254,324</b>	<b>38,048,447</b>	<b>69,002,050</b>	<b>14,393,742</b>	<b>33,937,316</b>
Budgetary statutory authorities	12,401,922	3,100,481	6,200,961	11,820,039	2,830,342	5,660,685
<b>Total Budgetary authorities</b>	<b>83,415,233</b>	<b>19,354,804</b>	<b>44,249,408</b>	<b>80,822,089</b>	<b>17,224,084</b>	<b>39,598,001</b>

\*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)

Expenditures and Revenues	Fiscal year 2023-24: Planned expenditures for the year ending March 31, 2024	Fiscal year 2023-24: Expended during the quarter ended September 30, 2023	Fiscal year 2023-24: Year to date used at quarter end	Fiscal year 2022-23: Planned expenditures for the year ending March 31, 2023	Fiscal year 2022-23: Expended during the quarter ended September 30, 2022	Fiscal year 2022-23: Year to date used at quarter end
Expenditures: Personnel*	95,443,958	23,452,317	45,355,678	91,891,422	20,880,027	40,921,129
Expenditures: Transportation and communications	1,407,238	349,881	711,922	2,861,622	480,329	648,188
Expenditures: Information	1,243,035	213,582	727,854	930,678	105,584	264,488
Expenditures: Professional and special services	14,051,882	2,122,880	3,449,932	12,536,078	1,962,330	2,980,657
Expenditures: Rentals	5,769,067	445,138	1,044,232	5,038,032	730,766	1,242,571
Expenditures: Repair and maintenance	581,442	54,284	62,506	1,719,675	123,131	168,619
Expenditures: Utilities, materials and supplies	641,388	81,802	149,892	706,776	157,974	199,622
Expenditures: Acquisition of land, building and works	0	0	0	0	0	0
Expenditures: Acquisition of machinery and equipment	1,381,244	289,285	405,658	1,807,986	33,060	427,039
Expenditures: Other subsidies and payments	15,737	-4,502	-8,407	2,023	0	-5,194
<b>Total gross budgetary expenditures</b>	<b>120,534,991</b>	<b>27,004,665</b>	<b>51,899,269</b>	<b>117,494,292</b>	<b>24,473,201</b>	<b>46,847,118</b>
Revenues	-37,119,758	-7,649,861	-7,649,861	-36,672,203	-7,249,117	-7,249,117
<b>Total Revenues netted against expenditures</b>	<b>-37,119,758</b>	<b>-7,649,861</b>	<b>-7,649,861</b>	<b>-36,672,203</b>	<b>-7,249,117</b>	<b>-7,249,117</b>
<b>Total net budgetary expenditures</b>	<b>83,415,233</b>	<b>19,354,804</b>	<b>44,249,408</b>	<b>80,822,089</b>	<b>17,224,084</b>	<b>39,598,001</b>

\*Employee Benefit Plan (EBP) is included.