

**Office of the Commissioner for
Federal Judicial Affairs Canada**

**Quarterly Financial Report
for the quarter ended
June 30, 2019**

Statement outlining results, risks, and significant changes in operations, personnel, and program

1. Introduction

This Quarterly Financial Report (QFR) 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 of Canada Secretariat. This QFR should be read in conjunction with the Main Estimates and Supplementary Estimates. It has not been subject to an external audit or review.

1.1 Mandate

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 in order to put federally appointed judges at arm's length from the administration of the Department of Justice. FJA's mandate extends to promoting better administration of justice and providing support for 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. Voted appropriations are provided in two separate votes to support the administrative activities of FJA and the Canadian Judicial Council (CJC).

Under the Departmental Results Framework, the organization's one core responsibility is to provide support to federally appointed judges. In addition to Internal Services, the organization is broken down into three program activities: payments pursuant to the Judges Act, FJA, and CJC.

Further details about FJA's authority, mandate, and programs can be found below and in FJA's Departmental Plan (DP), Main Estimates and Supplementary Estimates located on FJA's and the Treasury Board's websites at www.fja-cmf.gc.ca and www.tbs-sct.gc.ca.

1.2 Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes FJA's spending authorities granted by Parliament and those used by the department consistent with the Main Estimates for the 2019-2020 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.

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.

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

2. Highlights of fiscal quarter and fiscal year to date (YTD) results

FJA is financed by the Government through Parliamentary Appropriations (e.g. Statutory Votes for payments pursuant to the Judges Act and Employee Benefits Plans (EBP) and Budgetary Votes to support the administration of FJA and CJC).

Vote-netting is a means of funding selected programs or activities wherein Parliament authorizes FJA to apply revenues collected towards costs directly incurred for specific activities. FJA has the authority to spend revenues received during the year arising from the provision of administrative services.

Changes to Departmental Authorities

As at June 30, 2019 the total authorities provided to FJA increased by \$30.4 million compared with the same quarter last fiscal year. This net increase is comprised of:

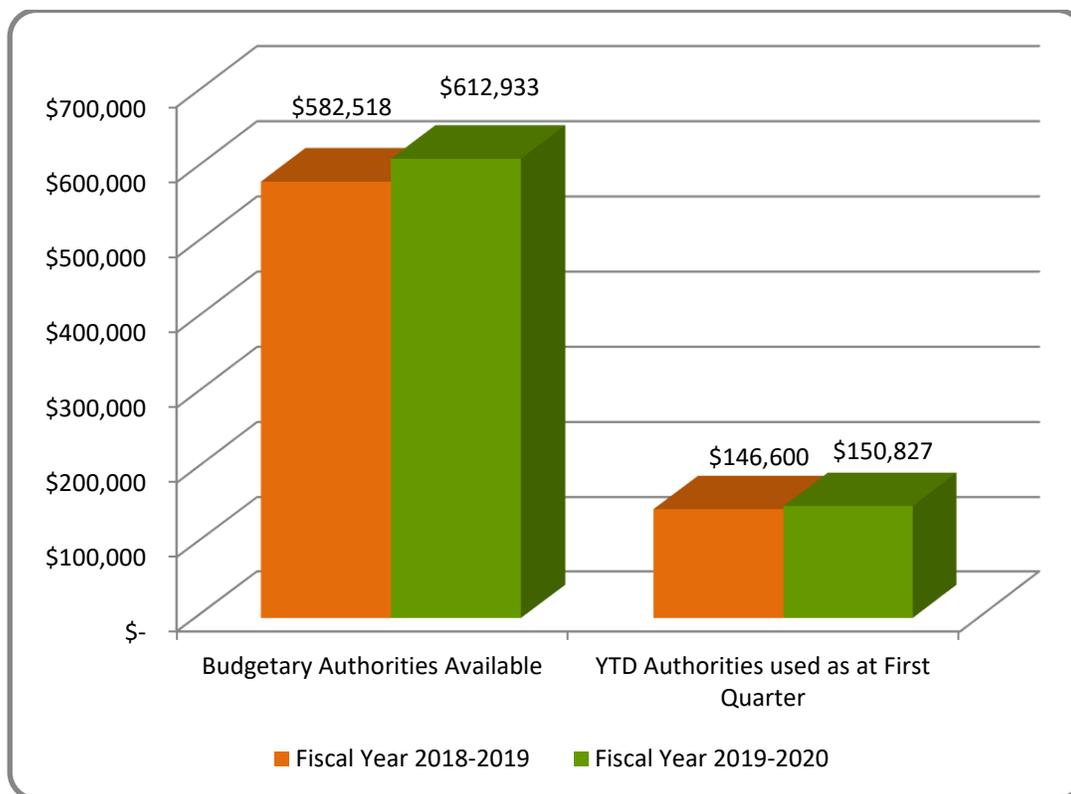
- An increase of \$29.2 million in statutory authorities for judges salaries, allowances and annuities.
- An increase of \$1.2 million in operating budget authorities due mainly to funding received under Budget 2019 for supporting Judicial Advisory Committee members.

Changes to Budgetary Expenditures

As at June 30, 2019 the department's total net budgetary expenditures increased by \$4.2 million compared with the same quarter last fiscal year. This variance is comprised of:

- A year-to date net increase of \$3.0 million in personnel expenditures (including EBP and judges' salaries, annuities, and surviving beneficiaries' benefits issued pursuant to the Judges Act).
- A year-to date net increase of \$0.7 million in professional services expenditures.
- A year-to date net increase of \$0.4 million in transportation and telecommunications expenditures.
- A year-to date net increase of \$0.2 million in other subsidies and payments expenditures.
- An overall net decrease of \$0.1 million for all other non-salary expenditures.

Figure 1: Comparison of Authorities Granted and Used



The chart illustrates the variation in thousands of dollars of the annual budgetary authorities granted and used as at June 30, 2018 and 2019.

As at June 30, 2018 and 2019, FJA planned to spend \$582,518,253 in 2018-19 and \$612,932,991 in 2019-20. Authorities used as at the first quarter totalled \$146,600,326 in 2018-19 and \$150,826,834 in 2019-20.

3. Risks and Uncertainties

FJA's environment is complex due to the range of services it provides and the large number of clients served. Recognizing this context, FJA has developed a risk profile and actively monitors internal and external risks through its management team. Concise information about significant financial risks and uncertainties, the potential impact to FJA's 2019-20 financial plan and the strategies adopted to manage these financial risks and uncertainties are briefly outlined below. Further detail about FJA's internal and external risks can be found in FJA's 2019-20 DP.

This QFR reflects the results of the current fiscal period in relation to the Main Estimates for which full supply was released on June 28, 2019.

FJA continues to operate within its existing reference levels, which have remained relatively constant for several years. The lack of new funding and the focus on addressing gaps and deficiencies at the operating level has limited FJA's ability to make investments in new strategic priorities. FJA has responded to these challenges by reallocating internal resources and identifying efficiencies, however, the ability to continue to do so is limited.

4. Significant changes in relation to operations, personnel and programs

As at June 30, 2019, we anticipate higher costs associated with expenditures related to supporting Judicial Advisory Committee members, as per funding received in Budget 2019, as well as those for administering the Supreme Court of Canada's appointment process.

5. Approval by Senior Officials

Approved by:

Marc A. Giroux
Commissioner

Errolyn Humphreys
Chief Financial Officer

Ottawa, Canada
Date: August 29, 2019

Statement of Authorities (unaudited)

Fiscal year 2019-2020 (in thousands of dollars)

	Total available for use for the year ending March 31, 2020*	Used during the quarter ended June 30, 2019	Year- to-date used at quarter-end
Vote 1 – FJA – Operating expenditures	8,925	1,845	1,845
Vote 5 – CJC – Operating expenditures	2,064	351	351
Less: Vote 1 – FJA – Revenues	(275)	-	-
Net Operating expenditures	10,714	2,196	2,196
Statutory authorities - EBP	957	235	235
Statutory authorities – Judges salaries, allowances and annuities	601,262	148,396	148,396
Total Budgetary Authorities	\$ 612,933	\$ 150,827	\$ 150,827

*Includes only Authorities available for use and granted by Parliament at quarter-end.

Fiscal year 2018-2019 (in thousands of dollars)

	Total available for use for the year ending March 31, 2019*	Used during the quarter ended June 30, 2018	Year to date used at quarter-end
Vote 1 – FJA – Operating expenditures	7,739	1,855	1,855
Vote 5 – CJC – Operating expenditures	2,040	358	358
Less: Vote 1 – FJA – Revenues	(275)	-	-
Net Operating expenditures	9,504	2,213	2,213
Statutory authorities - EBP	921	230	230
Statutory authorities – Judges salaries, allowances and annuities	572,093	144,157	144,157
Total Budgetary Authorities	\$ 582,518	\$ 146,600	\$ 146,600

*Includes only Authorities available for use and granted by Parliament at quarter-end.

Departmental budgetary expenditures by Standard Object (unaudited)

Fiscal year 2019-2020 (in thousands of dollars)

	Planned expenditures for the year ending March 31, 2020	Expended during the quarter ended June 30, 2019	Year-to-date used at quarter-end
Expenditures			
Personnel -including EBP	570,734	139,745	139,745
Transportation and Telecommunications	24,317	6,372	6,372
Information	213	32	32
Professional Services	10,960	2,213	2,213
Rentals	469	42	42
Purchased Repair and Maintenance	22	-	-
Utilities, materials and supplies	37	1	1
Acquisition of Machinery & Equipment	29	24	24
Other subsidies and payments*	6,427	2,398	2,398
Total Gross Budgetary Expenditures	613,208	150,827	150,827
Less Revenues netted against Expenditures			
Revenues	(275)	-	-
Total net budgetary expenditures	\$ 612,933	\$ 150,827	\$ 150,827

*Timing difference – actual expenditures used during the quarter include interdepartmental settlements that were coded to the appropriate standard object in subsequent accounting periods.

Fiscal year 2018-2019 (in thousands of dollars)

	Planned expenditures for the year ending March 31, 2019	Expended during the quarter ended June 30, 2018	Year-to-date used at quarter-end
Expenditures			
Personnel -including EBP	541,064	136,769	136,769
Transportation and Telecommunications	22,932	5,995	5,995
Information	168	52	52
Professional Services	11,676	1,528	1,528
Rentals	336	44	44
Purchased Repair and Maintenance	151	-	-
Utilities, materials and supplies	70	2	2
Acquisition of Machinery & Equipment	74	3	3
Other subsidies and payments*	6,322	2,207	2,207
Total Gross Budgetary Expenditures	582,793	146,600	146,600
Less Revenues netted against Expenditures			
Revenues	(275)	-	-
Total net budgetary expenditures	\$ 582,518	\$ 146,600	\$ 146,600

*Timing difference – actual expenditures used during the quarter include interdepartmental settlements that were coded to the appropriate standard object in subsequent accounting periods.