

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 2022-2023 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, 2022, the total authorities available to FJA are \$24.1 million higher compared with the same quarter last fiscal year. This net increase is comprised of:

- An increase of \$24.6 million in statutory authorities for judges' salaries, allowances and annuities, as well as for contributions to employee benefit plans.
- A decrease of \$0.5 million in operating budget authorities due mainly to a delay in freezing funds in fiscal year 2021-22 (\$0.6 million) for unforeseeable legal fees for judges and expenses of deputy judges for the Supreme Court of the Yukon and Northwest Territories and an increase of \$0.1 million in other operating funds.

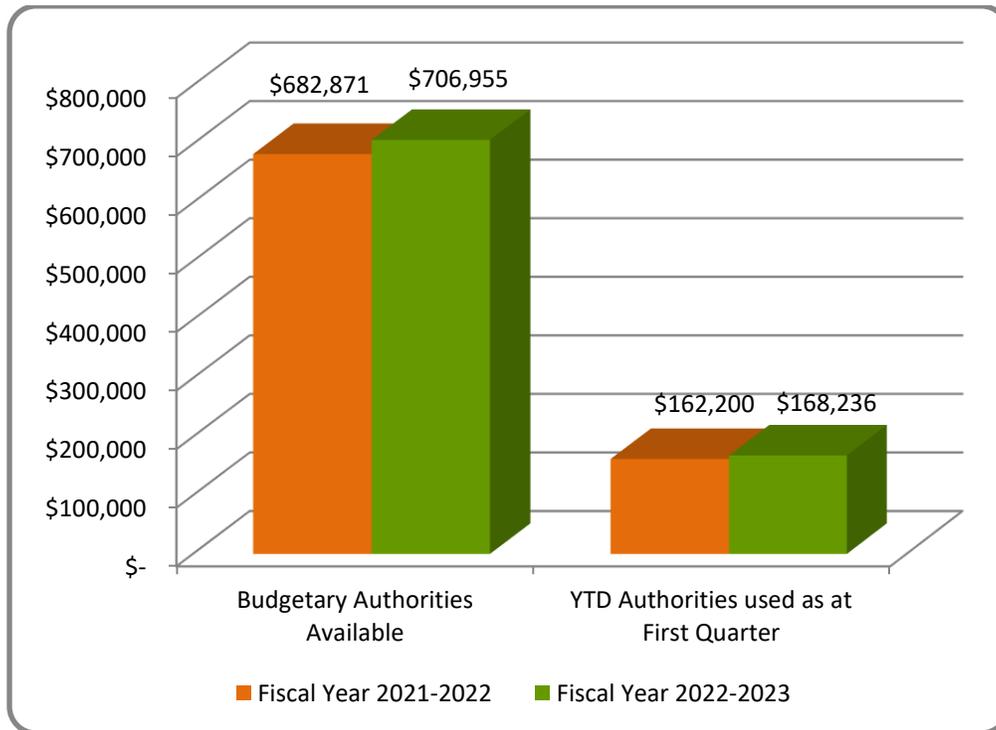
Changes to Budgetary Expenditures

As at June 30, 2022 the department's total net budgetary expenditures increased by \$6.0 million compared with the same quarter last fiscal year. This variance is comprised of:

- A year-to date net increase of \$2.9 million in transportation and telecommunications expenditures.
- A year-to date net increase of \$2.8 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 \$0.2 million in professional services expenditures.
- An overall net increase 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, 2021 and 2022.

As at June 30, 2021 and 2022, FJA planned to spend \$682,870,730 in 2021-22 and \$706,954,715 in 2022-23. Authorities used as at the first quarter totalled \$162,200,125 in 2021-22 and \$168,236,260 in 2022-23.

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 2022-23 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 2022-23 DP.

This QFR reflects the results of the current fiscal period in relation to the authorities available as at June 30, 2022.

FJA continues agile management of its resources to shift and reallocate resources to adapt to emerging needs as required.

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

As at June 30, 2022, the significant increase in personnel expenditures is attributable to the annual adjustment to judges' salaries based on a combination of the Industrial Aggregate for fiscal year 2022-23, the increase in the total complement of number of judges in office, as well as the number of pensioners receiving benefits under the *Judges Act*. Additionally, the significant increase in expenses related to transportation is attributable to the lifting of travel restrictions imposed by the COVID-19 pandemic.

5. Approval by Senior Officials

Approved by:

(original signed by)

 Marc A. Giroux
 Commissioner

(original signed by)

 Errolyn Humphreys
 Chief Financial Officer

Ottawa, Canada
 Date: August 29, 2022

Statement of Authorities (unaudited)

Fiscal year 2022-2023 (in thousands of dollars)

	Total available for use for the year ending March 31, 2023*	Used during the quarter ended June 30, 2022	Year- to-date used at quarter-end
Vote 1 – FJA – Operating expenditures	10,059	2,122	2,122
Vote 5 – CJC – Operating expenditures	2,118	265	265
Less: Vote 1 – FJA – Revenues	(275)	-	-
Net Operating expenditures	11,902	2,387	2,387
Statutory authorities - EBP	1,037	259	259

Statutory authorities – Judges salaries, allowances and annuities	694,016	165,590	165,590
Total Budgetary Authorities	\$ 706,955	\$ 168,236	\$ 168,236

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

Fiscal year 2021-2022 (in thousands of dollars)

	Total available for use for the year ending March 31, 2022*	Used during the quarter ended June 30, 2021	Year- to-date used at quarter-end
Vote 1 – FJA – Operating expenditures	10,577	2,436	2,436
Vote 5 – CJC – Operating expenditures	2,112	368	368
Less: Vote 1 – FJA – Revenues	(275)	-	-
Net Operating expenditures	12,414	2,804	2,804
Statutory authorities - EBP	1,015	254	254
Statutory authorities – Judges salaries, allowances and annuities	669,442	159,142	159,142
Total Budgetary Authorities	\$ 682,871	\$ 162,200	\$ 162,200

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

Departmental budgetary expenditures by Standard Object (unaudited)

Fiscal year 2022-2023 (in thousands of dollars)

	Planned expenditures for the year	Expended during the quarter	Year-to-date used at quarter-end

	ending March 31, 2023	ended une 30, 2022	
Expenditures			
Personnel -including EBP	659,331	158,612	158,612
Transportation and Telecommunications	26,707	4,205	4,205
Information	198	15	15
Professional Services	13,138	2,840	2,840
Rentals	654	51	51
Purchased Repair and Maintenance	92	1	1
Utilities, materials and supplies	55	8	8
Acquisition of Machinery & Equipment	374	-	-
Other subsidies and payments*	6,681	2,504	2,504
Total Gross Budgetary Expenditures	707,230	168,236	168,236
Less Revenues netted against Expenditures			
Revenues	(275)	-	-
Total net budgetary expenditures	\$ 706,955	\$ 168,236	\$ 168,236

Fiscal year 2021-2022 (in thousands of dollars)

	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended June 30, 2021	Year-to-date used at quarter-end
Expenditures			
Personnel -including EBP	635,590	155,769	155,769

Transportation and Telecommunications	13,536	1,292	1,292
Information	110	19	19
Professional Services	23,463	2,599	2,599
Rentals	358	73	73
Purchased Repair and Maintenance	22	-	-
Utilities, materials and supplies	117	2	2
Acquisition of Machinery & Equipment	252	17	17
Other subsidies and payments*	9,698	2,429	2,429
Total Gross Budgetary Expenditures	683,146	162,200	162,200
Less Revenues netted against Expenditures			
Revenues	(275)	-	-
Total net budgetary expenditures	\$ 682,871	\$ 162,200	\$ 162,200