



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

**Quarterly Financial Report
for the quarter ended
June 30, 2018**

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. 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 to put federally appointed judges at arm's length from the administration of the Department of Justice. It exists to promote better administration of justice and focuses its efforts on providing a sound support role to the federal judiciary.

It 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 has one core responsibility which is to provide administrative support to federally appointed judges. In addition to Internal Services, the organization is broken down into three programs: 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) and Main Estimates located on the FJA and Treasury Board 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 2018-2019 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, 2018 the total authorities provided to FJA increased by \$12.2 million compared with the same quarter last fiscal year. This net increase is comprised of:

- An increase of \$13.4 million in statutory authorities for judges salaries, allowances and annuities. This increase is mostly due to a high volume of judicial appointments in 2017-18 and an increase in the number of pensioners;
- An increase of \$0.5 million in CJC's operating authorities to support enhanced programming on judicial education, ethics and conduct, and make targeted investments to upgrade aging information technology infrastructure;
- An increase of \$0.3 million in FJA's personnel authorities for compensation allocations due to the signing of collective agreements and to maintain and support the enhanced level of access to government information; and

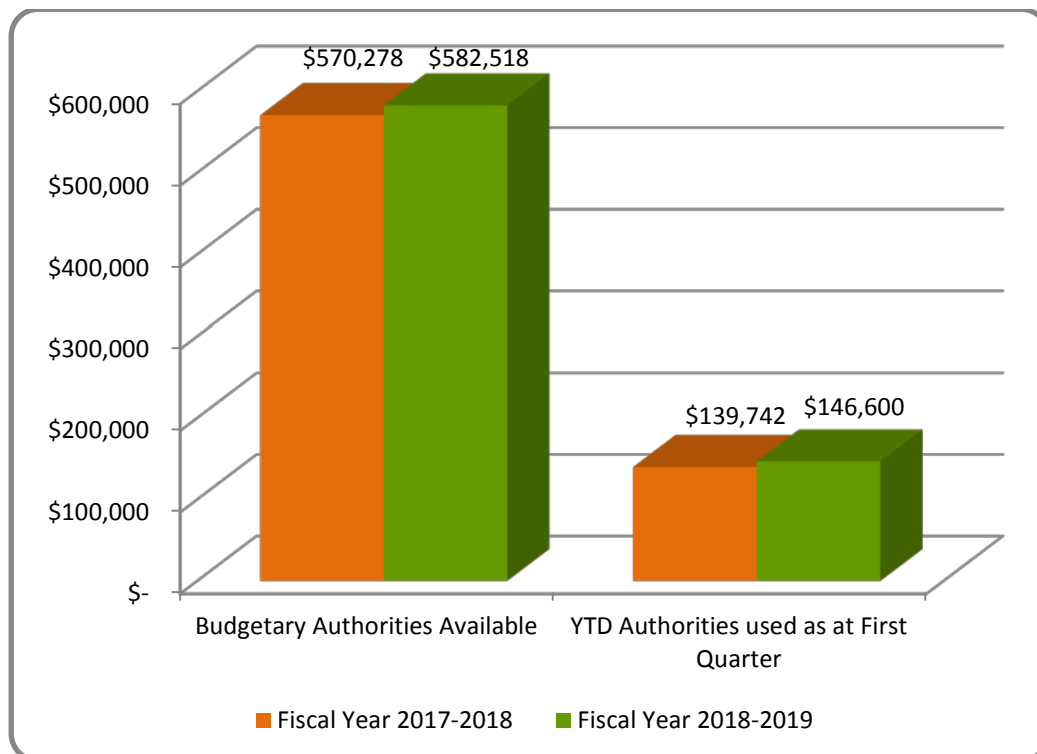
- A decrease of \$2 million in CJC's operating authorities due to the creation of a frozen allotment for transitional funding received until March 31, 2019 for the costs of complaints, investigations and inquiries under the Judges Act.

Changes to Budgetary Expenditures

As at June 30, 2018 the department's total net budgetary expenditures increased by \$7 million compared with the same quarter last fiscal year. This variance is comprised of:

- A year-to date net increase of \$7 million in personnel expenditures (including EBP and judges' salaries, annuities, and surviving beneficiaries' benefits issued pursuant to the Judges Act).

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, 2017 and 2018.

As at June 30, 2017 and 2018, FJA planned to spend \$570,277,585 in 2017-18 and \$582,518,253 in 2018-19. Authorities used as at the first quarter totalled \$139,742,102 in 2017-18 and \$146,600,326 in 2018-19.

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 2018-19 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 2018-19 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 21, 2018.

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, 2018, we anticipate higher costs associated with personnel expenditures due to staffing activities undertaken in the current year.

5. Approval by Senior Officials

Approved by:

Original signed by
Marc A. Giroux
Commissioner
Ottawa, Canada
Date: August 29, 2018

Original signed by
Errolyn Humphreys
Chief Financial Officer

Office of the Commissioner for Federal Judicial Affairs Canada
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Statement of Authorities (unaudited)

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.

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Fiscal year 2017-2018 (in thousands of dollars)

	Total available for use for the year ending March 31, 2018*	Used during the quarter ended June 30, 2017	Year to date used at quarter-end
Vote 1 – FJA – Operating expenditures	7,454	1,963	1,963
Vote 5 – CJC – Operating expenditures	3,525	425	425
Less: Vote 1 – FJA – Revenues	(275)	-	-
Net Operating expenditures	10,704	2,388	2,388
Statutory authorities - EBP	911	227	227
Statutory authorities – Judges salaries, allowances and annuities	558,663	137,127	137,127
Total Budgetary Authorities	\$ 570,278	\$ 139,742	\$ 139,742

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

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Departmental budgetary expenditures by Standard Object (unaudited)

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.

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Fiscal year 2017-2018 (in thousands of dollars)

	Planned expenditures for the year ending March 31, 2018	Expended during the quarter ended June 30, 2017	Year-to-date used at quarter-end
Expenditures			
Personnel -including EBP	526,761	129,614	129,614
Transportation and Telecommunications	23,348	5,602	5,602
Information	190	41	41
Professional Services	13,589	2,320	2,320
Rentals	271	47	47
Purchased Repair and Maintenance	74	-	-
Utilities, materials and supplies	70	2	2
Acquisition of Machinery & Equipment	106	10	10
Other subsidies and payments*	6,144	2,106	2,106
Total Gross Budgetary Expenditures	570,553	139,742	139,742
Less Revenues netted against Expenditures			
Revenues	(275)	-	-
Total net budgetary expenditures	\$ 570,278	\$ 139,742	\$ 139,742

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