



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

**Quarterly Financial Report
for the quarter ended
September 30, 2017**

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).

The administration of FJA is structured to reflect the distinctiveness of its role in supporting federal judicial activities. Under the Program Alignment Architecture, in addition to Internal Services, the organization is broken down into three programs: payments pursuant to the Judges Act, CJC, and FJA. FJA's organizational priorities are improved financial control framework, succession planning and human resource management, information management and modernization of FJA processes and tools.

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 (A) located on FJA's and the 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 and Supplementary Estimates (A) for the 2017-2018 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 September 30, 2017 the total authorities provided to FJA increased by \$14 million compared with the same quarter last fiscal year. This net increase is comprised of:

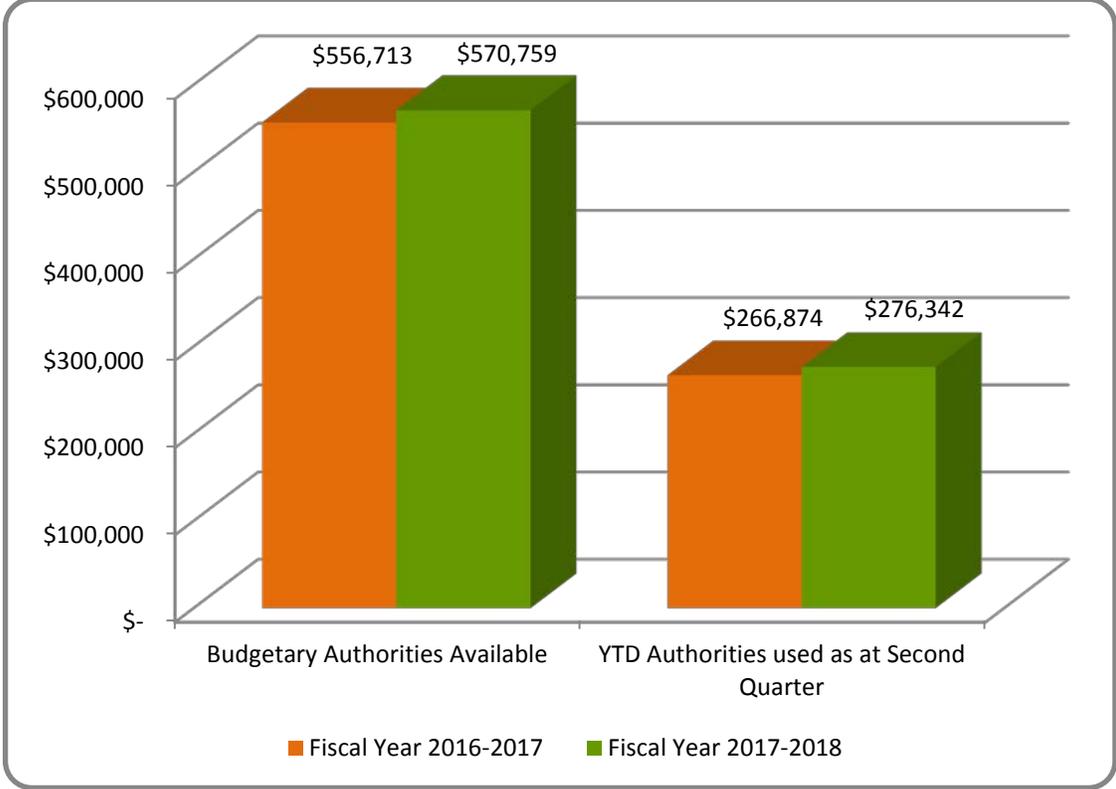
- An increase of \$14 million in statutory authorities for judges salaries, allowances and annuities. This increase is mostly due to a high volume of judicial appointments in 2016-17.

Changes to Budgetary Expenditures

As at September 30, 2017 the department's total net budgetary expenditures increased by \$9.5 million compared with the same quarter last fiscal year. This variance is comprised of:

- A year-to date net increase of \$6.3 million in personnel expenditures (including EBP and judges' salaries, annuities, and surviving beneficiaries' benefits issued pursuant to the Judges Act); and
- An overall net increase of \$3.2 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 September 30, 2016 and 2017.

As at September 30, 2016 and 2017, FJA planned to spend \$556,713,410 in 2016-17 and \$570,758,699 in 2017-18. Authorities used during the first and second quarters totalled \$266,873,915 in 2016-17 and \$276,342,133 in 2017-18.

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 2017-18 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 2017-18 DP.

This QFR reflects the results of the current fiscal period in relation to the Main Estimates and Supplementary Estimates (A) for which full supply was released on June 23, 2017.

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 September 30, 2017, 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

original signed by
Errolyn Humphreys
Chief Financial Officer

Ottawa, Canada
Date: November 29, 2017

Statement of Authorities (unaudited)**Fiscal year 2017-2018** (in thousands of dollars)

	Total available for use for the year ending March 31, 2018*	Used during the quarter ended September 30, 2017	Year- to-date used at quarter-end
Vote 1 – FJA – Operating expenditures	7,860	2,431	4,394
Vote 5 – CJC – Operating expenditures	3,601	824	1,249
Less: Vote 1 – FJA – Revenues	(275)	0	0
Net Operating expenditures	11,186	3,255	5,643
Statutory authorities - EBP	911	227	454
Statutory authorities – Judges salaries, allowances and annuities	558,662	133,118	270,245
Total Budgetary Authorities	\$ 570,759	\$ 136,600	\$ 276,342

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

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Fiscal year 2016-2017 (in thousands of dollars)

	Total available for use for the year ending March 31, 2017*	Used during the quarter ended September 30, 2016	Year to date used at quarter-end
Vote 1 – FJA – Operating expenditures	8,061	2,154	3,815
Vote 5 – CJC – Operating expenditures	3,089	586	954
Less: Vote 1 – FJA – Revenues	(275)	(13)	(13)
Net Operating expenditures	10,875	2,727	4,756
Statutory authorities - EBP	999	247	494
Statutory authorities – Judges salaries, allowances and annuities	544,839	132,473	261,624
Total Budgetary Authorities	\$ 556,713	\$ 135,447	\$ 266,874

*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 2017-2018 (in thousands of dollars)

	Planned expenditures for the year ending March 31, 2018	Expended during the quarter ended September 30, 2017	Year-to-date used at quarter-end
Expenditures			
Personnel -including EBP	526,761	127,359	256,973
Transportation and Telecommunications	23,249	4,358	9,960
Information	204	10	51
Professional Services	14,346	3,819	6,139
Rentals	229	78	125
Purchased Repair and Maintenance	44	1	1
Utilities, materials and supplies	51	7	9
Acquisition of Machinery & Equipment	87	32	42
Other subsidies and payments*	6,063	936	3,042
Total Gross Budgetary Expenditures	571,034	136,600	276,342
Less Revenues netted against Expenditures			
Revenues	(275)	-	-
Total net budgetary expenditures	\$ 570,759	\$ 136,600	\$ 276,342

*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 2016-2017 (in thousands of dollars)

	Planned expenditures for the year ending March 31, 2017	Expended during the quarter ended September 30, 2016	Year-to-date used at quarter-end
Expenditures			
Personnel -including EBP	513,948	126,703	250,676
Transportation and Telecommunications	23,701	4,515	9,127
Information	107	12	37
Professional Services	13,085	3,378	5,153
Rentals	268	41	92
Purchased Repair and Maintenance	62	2	17
Utilities, materials and supplies	65	9	13
Acquisition of Machinery & Equipment	122	35	58
Other subsidies and payments*	5,630	765	1,714
Total Gross Budgetary Expenditures	556,988	135,460	266,887
Less Revenues netted against Expenditures			
Revenues	(275)	(13)	(13)
Total net budgetary expenditures	\$ 556,713	\$ 135,447	\$ 266,874

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