

Canadian Human Rights Tribunal

Statement of Management Responsibility Including Internal Control over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2013, and all information contained in these statements rests with the management of the Canadian Human Rights Tribunal. These financial statements have been prepared by management using the Government's accounting policies, which are based on Canadian public sector and accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements is based on management's best estimates and judgement and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Canadian Human Rights Tribunal's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the Canadian Human Rights Tribunal's *Departmental Performance Report* is consistent with financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICRF) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training, and development of qualified staff; through organizational arrangements that provide appropriate division of responsibility; through communications programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the Canadian Human Rights Tribunal and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an ongoing process to identify key risks, to assess effectiveness of associated internal controls, and to make the necessary adjustments.

The Canadian Human Rights Tribunal is subject to periodic Core Control Audits performed by the Office of the Comptroller General and uses the results of such audits to comply with the Treasury Board *Policy on Internal Control*.

A Core control Audit was performed in 2011-2012 by the Office of the Comptroller General of Canada (OCG). The audit report and related Management Action Plan are posted on the Tribunal's website [here](#).

The financial statements have not been audited.

<i>Susheel Gupta</i>	<i>Amal Picard,</i>
<i>Acting Chairperson and CEO</i>	<i>A/Executive Director and Registrar</i>
<i>Ottawa, Canada</i>	<i>Ottawa, Canada</i>
<i>August 26, 2013</i>	<i>August 26, 2013</i>

**Canadian Human Rights Tribunal
Statement of Financial Position (unaudited)
At March 31**

(in dollars)		
	2013	2012
Liabilities		
Accounts payable and accrued liabilities (Note 4)	413,697	369,533
Vacation pay and compensatory leave	89,103	127,719
Employee future benefits (Note 5b)	196,302	182,027
Total gross liabilities	699,102	679,279
Total Net liabilities	699,102	679,279
Financial Assets		
Due from Consolidated Revenue Fund	368,728	289,929
Accounts receivable and advances (Note 6)	54,778	88,521
Total gross financial assets	423,506	378,450
Total net financial assets	423,506	378,450
Departmental net debt	275,596	300,829
Non-financial assets	595,292	525,265
Prepaid expenses	15,010	15,010
Tangible capital assets (Note 7)	8,649	33,538
Total non-financial assets	23,659	48,548
Departmental net financial position	251,937	252,281

Contractual obligations (Note 8)

The accompanying notes form an integral part of these financial statements.

Original signed by

Susheel Gupta
Acting Chairperson and CEO

Amal Picard
A/Executive Director and Registrar

Ottawa, Canada Date August 26, 2013

**Canadian Human Rights Tribunal
Statement of Operations and Departmental Net Financial Position (unaudited)
For the Year Ended March 31**

(in dollars)			
	Planned Results 2013	2013	2012
Expenses			
Hearings of Complaints before the Tribunal	2,218,426	2,064,478	1,868,778
Internal Services	3,625,713	3,309,561	4,296,299
Total Expenses	5,844,139	5,374,039	6,165,077
Revenues			
Miscellaneous revenues	100	100	70
Revenues earned on behalf of Government	(100)	(100)	(70)
Total Revenues	-	-	-
Net Cost of Operations before government funding and transfers	5,844,139	5,374,039	6,165,077
Government funding and transfers			
Net cash provided by Government		4,141,129	5,307,845
Change in due from Consolidated Revenue Fund		78,799	(138,873)
Services provided without charge by other government departments (note 9)		1,154,454	1,141,168
Net cost of operations after government funding and transfers		(343)	(145,063)
Departmental net financial position – Beginning of year		252,281	397,344
Departmental net financial position – End of year		251,938	252,281

Segmented Information (Note 10)

The accompanying notes form an integral part of these financial statements.

**Canadian Human Rights Tribunal
Statement of Change in Departmental Net Debt (unaudited)
For the Year Ended March 31**

(in dollars)		
	2013	2012
Net cost of operations after government funding and transfers	(343)	(145,063)
Change due to tangible capital assets		
Acquisition of tangible capital assets	6,555	-
Amortization of tangible capital assets	(31,446)	(32,716)
Net (loss) or gain on disposal of tangible capital assets	-	(8,339)
Total change due to tangible capital assets	(24,891)	(41,055)
Change due to prepaid expenses	-	(296)
Net increase (decrease) in departmental net debt	(25,234)	(186,414)
Departmental net debt – Beginning of year	300,829	487,243
Departmental net debt – End of year	275,595	300,829

The accompanying notes form an integral part of these financial statements.

**Canadian Human Rights Tribunal
Statement of Cash Flow (unaudited)
For the Year Ended March 31**

(in dollars)		
	2013	2012
Operating activities		
Net cost of operations before government funding and transfers	5,374,039	6,165,077
Non-cash Items:		
Amortization of capital assets	(31,446)	(32,716)
Gain(loss) on disposal of capital assets	-	(8,339)
Services provided without charge by other government departments (note 9)	(1,154,454)	(1,141,168)
Variations in Future-oriented Statement of Financial Position:		
Increase (Decrease) in accounts receivable and advances	(33,742)	(12,830)
Increase (Decrease) in prepaid expenses	-	(296)
Decrease (Increase) in accounts payable and accrued liabilities	(44,164)	155,820
Decrease (Increase) in vacation pay and compensatory leave	38,616	(21,627)
Decrease (Increase) in employee future benefits	(14,275)	203,924
Cash used in operating activities	4,134,574	5,307,845
Capital investing activities:		
Acquisitions of tangible capital assets	6,555	-
Cash used in capital investing activities	6,555	-
Net cash provided by Government of Canada	4,141,129	5,307,845

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements (Unaudited)

1. Authority and Objectives

The Canadian Human Rights Tribunal (the Tribunal) is a quasi-judicial body created by Parliament under the *Canadian Human Rights Act* to inquire into complaints of discrimination and to decide if particular practices have contravened the *Act*. The Tribunal may only inquire into complaints referred to it by the Canadian Human Rights Commission. Cases referred to the Tribunal generally involve complicated legal issues, human rights issues, various areas of discrimination, or multifaceted evidentiary complaints that must be heard under oath. The Tribunal's mandate also includes hearing matters under the *Employment Equity Act* (EEA).

The Tribunal has one strategic outcome, that individuals have equal access, as determined by the *Canadian Human Rights Act* and the *Employment Equity Act*, to fair and equitable adjudication of human rights and employment equity cases that are brought before the Tribunal, delivered through two program activities.

Hearings of Complaints before the Tribunal: provides for the operation of an independent Tribunal as stated above. It is supported by the Registry, which provides full administrative support to Tribunal members and is responsible for planning and organizing the hearing process.

Internal Services: activities and resources that are in place to support the needs of the program and other corporate obligations of an organization. These activities include Legal Services, Financial Services and Administrative Services. Internal Services include only those activities and resources that apply across the organization and not those provided specifically to the program.

2. Summary of Significant Accounting Policies

These financial statements have been prepared using the Government's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

- a) Parliamentary authorities – The Canadian Human Rights Tribunal is primarily financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the Canadian Human Rights Tribunal do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Departmental Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the Statement of Operations and Departmental Net Position are the amounts reported in the future-oriented financial statements included in the *2012-13 Report on Plans and Priorities*.
- b) Net Cash Provided by Government – The Canadian Human Rights Tribunal operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Canadian Human Rights Tribunal is

deposited to the CRF and all cash disbursements made by the Canadian Human Rights Tribunal are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the Government.

- c)** Amounts due from or to the CRF are the result of timing differences at year-end between when a transaction affects the authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that the Canadian Human Rights Tribunal is entitled to draw from the CRF without further authorities to discharge its liabilities.
- d)** Revenues
- Other revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place.
 - Revenues that are non-respondable are not available to discharge the Canadian Human Rights Tribunal's liabilities. While the Deputy Head is expected to maintain accounting control, he or she has no authority regarding the disposition of non-respondable revenues. As a result, non-respondable revenues are considered to be earned on behalf of the Government of Canada and are therefore presented in reduction of the Tribunal's gross revenues.
- e)** Expenses – Expenses are recorded on the accrual basis:
- Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.
 - Services provided without charge by other government departments for accommodation and the employer's contribution to the health and dental insurance plans are recorded as operating expenses at their estimated cost.
- f)** Employee future benefits
- Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer pension plan administered by the Government. The Canadian Human Rights Tribunal's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. The Tribunal's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.
 - Severance benefits: Employees entitled to severance benefits under labour contracts or conditions of employment earn these as services necessary to earn them are rendered. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.
- g)** Accounts and loans receivable are stated at the lower of cost and net recoverable value. A valuation allowance is recorded for accounts receivables where recovery is considered uncertain.
- h)** Tangible capital assets – All tangible capital assets and leasehold improvements having an initial cost of \$5,000 or more are recorded at their acquisition cost. The Canadian Human Rights Tribunal does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on Indian reserves and museum collections.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization period
Machinery and equipment	10 years
Furniture and fixtures	10 years
Informatics hardware & software	3 years

- i) Measurement uncertainty --The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee future benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary Authorities

The Canadian Human Rights Tribunal receives most of its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, the Canadian Human Rights Tribunal has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

a) Reconciliation of net cost of operations to current year authorities used

(in dollars)		
	2013	2012
Net cost of operations before government funding and transfers	5,374,039	6,165,077
Adjustments for items affecting net cost of operations but not affecting authorities:		
Services provided without charge by other government departments	(1,154,454)	(1,141,168)
Amortization of tangible capital assets	(31,446)	(32,716)
Gain (loss) on disposal of tangible capital assets	0	(8,339)
Decrease (increase) in vacation pay and compensatory leave	38,616	(21,627)
Decrease (increase) in employee future benefits	(14,275)	203,924
Refunds from previous years expenditures	574	74,939
Total adjustments for items affecting net cost of operations but not affecting authorities	(1,160,985)	(924,987)
Adjustments for items not affecting net cost of operations but affecting authorities		
Acquisition of tangible capital assets	6555	-
Increase (decrease) in prepaid expenses	0	(296)
Total adjustments for items not affecting net cost of operations but affecting authorities	6555	(296)
Current year authorities used	4,219,609	5,239,794

b) Authorities provided and used

(in dollars)		
	2013	2012
Authorities provided		
Vote 15- Program expenditures	4,509,068	5,237,948
Statutory Amounts	361,501	337,885
Less:		
Lapsed appropriations: Operating	(650,960)	(336,039)
Current year authorities used	4,219,609	5,239,794

4. Accounts Payable and Accrued Liabilities

The following table presents details of the Canadian Human Rights Tribunal's accounts payable and accrued liabilities:

(in dollars)		
	2013	2012
Accounts payable to other government departments and agencies	150,650	51,560
Accounts payable to external parties	178,820	253,730
Total accounts payable	329,470	305,380
Accrued liabilities	84,227	64,153
Total accounts payable and accrued liabilities	413,697	369,533

5. Employee future benefits

a) Pension benefits

The Canadian Human Rights Tribunal's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and the department contribute to the cost of the Plan. The 2012-13 expense amounts to \$258,112 (\$242,939 in 2011-2012), which represents approximately 1.7 times (1.8 in 2011-2012) the contributions by employees.

The Canadian Human Rights Tribunal's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

b) Severance benefits

The Canadian Human Rights Tribunal provides severance benefits to its employees based on eligibility, years of service and salary at termination of employment. These severance benefits are not pre-funded. Benefits will be paid from future authorities. Information about the severance benefits, measured as at March 31, is as follows:

As part of collective agreements negotiations with certain employee groups, and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees commencing in 2012. Employees subject to these changes have been given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits on termination from the public service. These changes have been reflected in the calculation of the outstanding severance benefit obligation.

(in dollars)		
	2013	2012
Accrued benefit obligation, Beginning of Year	182,027	385,951
Expense for the year	151,623	(49,435)
Benefits paid during the year	(137,348)	(154,489)
Accrued benefit obligation – End of year	196,302	182,027

6. Accounts Receivable and Advances

The following table presents details of the Canadian Human Rights Tribunal's accounts receivable and advance balances:

(in dollars)		
	2013	2012
Receivables from other government departments and agencies	54,278	88,021
Receivables from external parties	0	0
Accountable advances	500	500
Total accounts receivable and advances	54,778	88,521

7. Tangible Capital Assets

(in dollars)				
	Cost			
	Opening balance April 1, 2012	Acquisitions	Disposals/ write-offs	Closing balance March 31, 2013
Machinery and equipment	12,796	0	0	12,796
Furniture and fixtures	21,863	0	0	21,863
Informatics hardware and software	590,544	6,555	0	597,099
Total	625,203	6,555	0	631,758

(in dollars)						
	Accumulated Amortization			Net Book Value		
	Opening balance April 1, 2012	Amortization	Disposals/ write-offs	Closing balance March 31, 2013	March 31, 2013	March 31, 2012
Machinery and equipment	(10,846)	(632)	0	(11,478)	1,318	1,950
Furniture and fixtures	(20,313)	(774)	0	(21,087)	775	1,551
Informatics hardware and software	(560,504)	(30,040)	0	(590,544)	6,555	30,037
Total	(591,663)	(31,446)	0	(623,109)	8,648	33,538

8. Contractual Obligations

The nature of the Canadian Human Rights Tribunal activities can result in some large multi-year contracts and obligations whereby the department will be obligated to make future payments when the services/goods are received. Significant contractual obligations that can be reasonably estimated for the next two years are summarized as follows:

(in dollars)			
	2014	2015	Total
Goods and Services	612,785	195,782	808,567
Total	612,785	195,872	808,567

9. Related party transactions

The Canadian Human Rights Tribunal is related as a result of common ownership to all government departments, agencies, and Crown Corporations. The Canadian Human Rights Tribunal enters into transactions with these entities in the normal course of business and on normal trade terms. During the year, the Canadian Human Rights Tribunal received common services which were obtained without charge from other Government departments as disclosed below.

a) Common services provided without charge by other government departments

During the year the Canadian Human Rights Tribunal received without charge from other departments, accommodation and the employer's contribution to the health and dental insurance plans. These services without charge have been recognized in the Canadian Human Rights Tribunal Statement of Operations and Departmental Net Financial Position as follows:

(in dollars)		
	2013	2012
Accommodation	963,421	958,779
Employer's contribution to the health and dental insurance plans	191,033	182,389
Total	1,154,454	1,141,168

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Works and Government Services Canada and audit services provided by the Office of the Auditor General are not included in the Canadian Human Rights Tribunal's Statement of Operations and Departmental Net Financial Position.

b) Other transactions with related parties

(in dollars)		
	2013	2012
Expenses – other government departments and agencies	1,078,361	1,200,710

Expenses disclosed in (b) exclude common services provided without charge, which are already disclosed in (a).

10. Segmented information

Presentation by segment is based on the Canadian Human Rights Tribunal's program activity architecture. The presentation by segment is based on the same Accounting Policies as described in the Summary of Significant Accounting Policies in Note 2. The following table presents the expenses incurred and revenues generated for the main program activities, by major object of expenses and by major type of revenues. The segment results for the period are as follows:

(in dollars)				
	Hearings of Complaints before the Tribunal	Internal Services	2013 Total	2012 Total
Operating expenses				
Salaries and employee benefits	1,353,532	1,422,113	2,775,645	2,483,732
Professional and special services	536,267	666,394	1,202,661	1,965,155
Rentals	35,268	970,408	1,005,676	1,002,621
Travel and telecommunications	139,411	78,038	217,449	295,064
Information	0	61,352	61,352	31,815
Materials and Supplies	0	34,422	34,422	98,161
Repair and Maintenance	0	30,952	30,952	31,922
Amortization	0	31,446	31,446	32,716
Other	0	14,436	14,436	223,890
Total operating expenses	2,064,478	3,309,561	5,374,039	6,165,076
Total expenses	2,064,478	3,309,561	5,374,039	6,165,076
Revenues				
Miscellaneous	0	100	100	70
Revenues earned on behalf of Government	0	(100)	(100)	(70)
Total revenues	0	0	0	0
Net cost from continuing operations	2,064,478	3,309,561	5,374,039	6,165,076