

# CANADIAN INTERNATIONAL TRADE TRIBUNAL

For the quarter ending September 30, 2011

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## CANADIAN INTERNATIONAL TRADE TRIBUNAL

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

### INTRODUCTION

The quarterly financial report has been prepared by management as required by section 65.1 of the *Financial Administration Act* and is consistent with the Treasury Board Accounting Standard 1.3. This quarterly financial report should be read in conjunction with the Main Estimates.

The Tribunal has three program activities: adjudication of trade cases (quasi-judicial role), general economic inquiries and references (advisory role) and internal services. In its quasi-judicial role, the Tribunal inquires into trade-related complaints (i.e. dumping, subsidizing and safeguards) and complaints regarding federal government procurement. In its advisory role, the Tribunal undertakes general economic inquiries and tariff references for the Minister of Finance or the Governor in Council. Internal Services are groups of related activities and resources that are administered to support the needs of the program and other corporate obligations of an organization.

### Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Tribunal's spending authorities granted by Parliament and those used by the Tribunal and is consistent with the Main Estimates for fiscal year 2011-2012. 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 monies 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.

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

This quarterly report has not been subject to an external audit or review.

### HIGHLIGHTS OF FISCAL QUARTER AND FISCAL YEAR-TO-DATE (YTD) RESULTS

The Tribunal defines a significant variance as a variance greater than 5 percent on total authorities and on budgetary expenditures.

### Significant Changes in Authorities

On the basis of the Tribunal's definition, there were no significant variances observed for changes in authorities. The total authorities available to the Tribunal for use in the second quarter has risen by only 0.47 percent compared to the same quarter last year.

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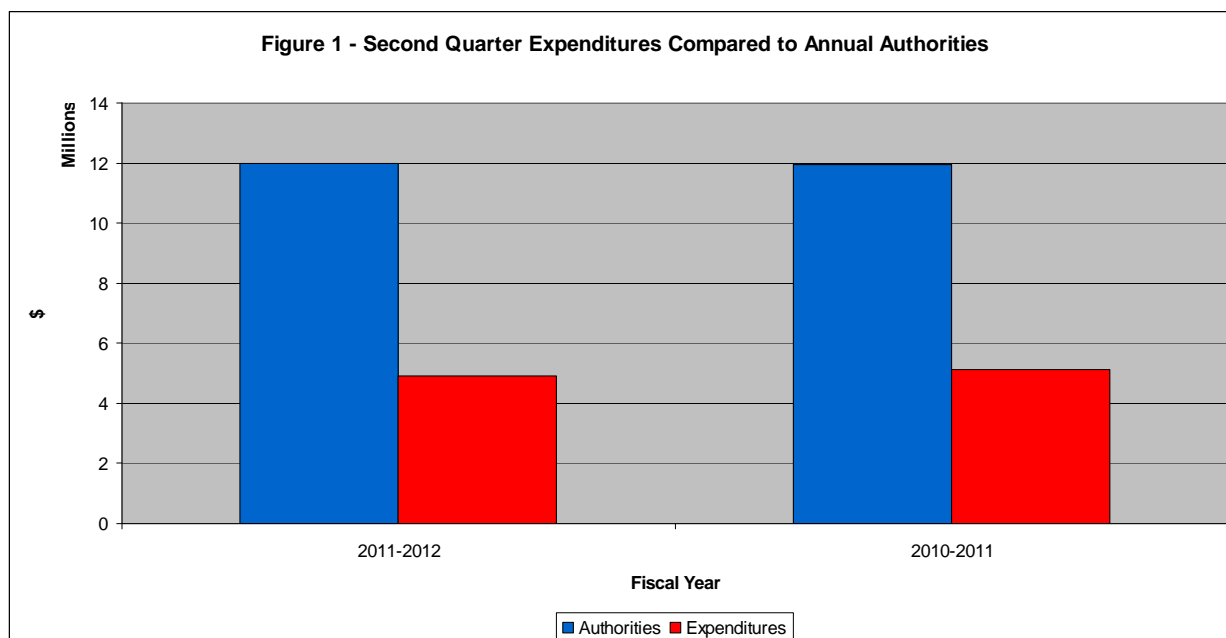
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## Significant Changes to Budgetary Expenditures by Standard Object

On the basis of the Tribunal's definition, there were three significant variances observed for budgeted expenditures.

- There was a decrease of \$86,000 in personnel costs in the second quarter compared to last year. This is in line with a decrease in yearly planned expenditures of \$408,000 for personnel costs in fiscal 2011-2012 over the previous year due to a sunset funding ending in December 2011 to alleviate the effect of a temporary increase in trade remedy cases.
- There was a decrease of \$78,000 in transportation and telecommunications costs in the second quarter compared to last year. The decrease is due mainly to a reduction in business travel and a reduction in wireless telephone costs.
- There was a decrease in professional and special services costs of \$77,000 in the second quarter compared to last year. The decrease is due mainly to a reduction in management consulting and a reduction in temporary help costs.

As can be seen in Figure 1, the Tribunal spent 41 percent of its authorities as of the second quarter compared to 43 percent at the same time last year.



## RISKS AND UNCERTAINTIES

The Tribunal is funded through annual appropriations. As a result, its operations are impacted by changes in funding approved through Parliament. Presently, the Tribunal has received additional funding of \$1.575 million, which expires in December 2011, to alleviate the effect of a temporary increase in trade remedy cases. Also, the Tribunal's caseload is heavily influenced by economic conditions outside the control of the Tribunal.

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The Tribunal mitigates its overall risks by integrating risk management strategies with business and strategic planning. A corporate risk profile is also developed and updated quarterly. Funding priorities are carefully assessed, and a risk-based approach is used in determining a funding allocation formula that optimizes the available resources.

Budget 2010 announced that the operating budgets of departments would be frozen at their 2010-2011 levels for fiscal years 2011-2012 and 2012-2013. As departments must pay salary increases to employees, organizations are expected to find efficiencies within their operating vote to fund these increases. As 80 percent of the Tribunal's operating budget consists of dedicated salaries, the impact of this budgetary constraint is estimated to be \$250,000 for fiscal year 2011-2012. Management has taken steps to manage costs, given the increasing reductions in funding for fiscal year 2011-2012 and beyond. One measure taken by management has been to review its operational and maintenance costs to ensure that its annual budget is respected.

There are no other significant financial risks or uncertainties to report.

### **SIGNIFICANT CHANGES IN RELATION TO OPERATIONS, PERSONNEL AND PROGRAMS**

There has been no significant change in relation to operations, personnel and programs over the last year.

Approved by:

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**Stephen A. Leach**  
Chairperson

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**Dominique Laporte**  
Chief Financial Officer

Ottawa, Canada

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Date

**CANADIAN INTERNATIONAL TRADE TRIBUNAL**For the quarter ending September 30, 2011

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**STATEMENT OF AUTHORITIES** *(unaudited)**(in thousands of dollars)*

	<b>Fiscal year 2011-2012</b>			<b>Fiscal year 2010-2011</b>		
	Total available for use for the year ending March 31, 2012	Used during the quarter ending September 30, 2011	Year to date used at end of quarter	Total available for use for the year ending March 31, 2011	Used during the quarter ending September 30, 2010	Year to date used at end of quarter
Vote 20 - Net Operating	10,520	2,105	4,184	10,474	2,348	4,531
Vote (L) – EBP	1,477	493	739	1,467	489	611
<b>Total Budgetary Authorities</b>	11,997	2,598	4,923	11,941	2,837	5,142
<b>Non-budgetary Authorities</b>	0	0	0	0	0	0
<b>Total Authorities</b>	11,997	2,598	4,923	11,941	2,837	5,142

**CANADIAN INTERNATIONAL TRADE TRIBUNAL**

For the quarter ending September 30, 2011

**Departmental Budgetary Expenditures by Standard Object (unaudited)**

(in thousands of dollars)

	Fiscal year 2011-2012			Fiscal year 2010-2011		
	Planned expenditures for the year ending March 31, 2012	Expended during the quarter ending September 30, 2011	Year to date used at end of quarter	Planned expenditures for the year ending March 31, 2011	Expended during the quarter ending September 30 <sup>1</sup> 2010	Year to date used at end of quarter
<b>Expenditures</b>						
Personnel	9,686	2,343	4,437	10,094	2,429	4,475
Transportation and Communications	347	14	48	242	92	115
Information	70	10	20	78	14	18
Professional and Special Services	804	141	273	1,045	218	346
Rentals	46	3	13	58	11	23
Repair and Maintenance	418	56	74	188	19	73
Utilities, Materials and Supplies	208	20	37	176	16	42
Acquisition of Machinery and Equipment	418	11	21	60	38	50
<b>Total Gross Budgetary Expenditures</b>	11,997	2,598	4,923	11,941	2,837	5,142
<b>Less Revenues Netted Against Expenditures</b>						
Revenues	-	-	-	-	-	-
<b>Total Revenues Netted Against Expenditures</b>	-	-	-	-	-	-
<b>Total Net Budgetary Expenditures</b>	11,997	2,598	4,923	11,941	2,837	5,142