



COURTS ADMINISTRATION SERVICE
SUPPORTING THE DELIVERY OF JUSTICE FOR ALL CANADIANS

ANNUAL REPORT
2017-18



Courts Administration Service 2017–18 Annual Report

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MESSAGE FROM THE CHIEF ADMINISTRATOR

I am pleased to present the Courts Administration Service (CAS) 2017–18 Annual Report highlighting CAS's achievements this past year.

CAS's mandate is to provide effective and efficient administrative services to the four federal superior courts of record—the Federal Court of Appeal (FCA), the Federal Court (FC), the Court Martial Appeal Court of Canada (CMAC) and the Tax Court of Canada (TCC). In doing so, CAS contributes to the maintenance of an independent judiciary and supports access to justice for all Canadians, both of which are fundamental pillars of Canada's justice system.

Consequently during 2017-2018, CAS has worked on several important initiatives, namely the relocation of the Québec City local office to a more modern facility and the establishment of a new office in Hamilton to meet the increasing needs of the Tax Court of Canada in that region. CAS also opened the first fully-equipped electronic courtroom in Toronto. We have pursued our efforts in security, translation, workplace wellness, and succession planning. We have also invested in technology to improve the reach and effectiveness of internal communications thus better engaging employees.

We welcomed with enthusiasm the investment announced in Budget 2018 to respond to the operational needs of the Courts, principally for resources dedicated to the Registries. Over the past several years, maintaining quality services to the Courts and their clients has been a considerable challenge for CAS given the increasing number and complexity of cases as well as the scarcity of resources. Without ongoing additional resources there was a real risk the judicial independence of the Courts and access to justice for Canadians could be compromised.

Going forward, we now need to secure crucial funding to implement a modern Courts and Registry Management System (CRMS), to meet requirements to translate court decisions in reasonable timelines, and to relocate CAS's regional office in Montréal.

In closing, I would like to recognize the exceptional commitment of employees who, despite significant financial constraints and workload pressures, have delivered quality services to the Courts and their clients daily in all our offices across Canada. I would also like to extend my thanks and gratitude to the Chief Justices, the Associate Chief Justice as well as to all members of the Courts for their continued support.

Daniel Gosselin, FCPA, FCA
Chief Administrator



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THE YEAR IN REVIEW: 2017-18

In 2017–18, CAS achieved the following major results as part of the organization’s mission to provide timely and accurate judicial, registry, and corporate services to the federal courts and their clients.

ADDRESSING PROGRAM INTEGRITY

For several years, CAS and the Courts have had to manage resource and capacity constraints in the face of an increasing workload both in terms of number and complexity of cases brought forward. In order to address this ongoing pressure, in 2017–18 CAS sought additional resources to ensure the organization’s long term financial and operational sustainability to fulfill its mandated requirements. The Government invested additional resources to better support the Courts with CAS receiving additional in-year funding of \$4 million for 2017–18 announced in the Fall Economic Statement to respond to immediate resource pressures. In addition, Budget 2018 allocated to CAS funding in the amount of \$41.9 million over five years beginning in 2018–19 and \$9.3 million ongoing. This funding will primarily support added front-line registry and judicial staff. In addition, funding will be allocated to core services including ensuring sufficient special purpose space, lifecycle management and repairs of court facilities across Canada; ensuring accessibility and ergonomic requirements are met; mitigating health and safety risks; providing adequate training; and implementing business tools.

NEW OFFICES TO BETTER SERVE CANADIANS

To support the Courts in hearing cases across Canada, the local Québec City office was relocated in 2017–18 to a more modern facility which will support the Courts’ requirements and better serve clients. A new local TCC office was also opened in Hamilton to address a growing volume of proceedings in the area and to enhance court and registry services in Southern Ontario. While this office will exclusively serve the TCC in the immediate term, services will be expanded to the other Courts in the future.

IMPROVING E-SERVICES

As part of CAS’s ongoing efforts to provide members of the Courts, litigants and legal counsel access to e-services and e-courts, the first e-courtroom was opened in Toronto. The e-courtroom is equipped with a variety of information technology infrastructure—including videoconferencing, digital screens, computer workstations, network and Internet connectivity, and digital audio recording systems—that provides valuable and modern electronic support for court proceedings. The experience gained from this initial launch will serve as a model for the future roll-out of additional e-courtrooms across Canada.

INNOVATION IN EMPLOYEE ENGAGEMENT

Over the course of 2017–18 CAS implemented several initiatives to leverage technology to improve the reach and effectiveness of internal communications and better engage employees. Central to CAS’s efforts in this area was the development and launch of a new Intranet site for the organization with an improved user-friendly interface, enhanced search functionality and a carousel tool to highlight weekly events of interest across the organization. Further enhancements took place throughout the fiscal year including the web-delivery of the CAS newsletter to members of the Courts and employees. In addition, a new Strategic Communications Plan was developed in consultation with employees. This plan establishes a progressive approach for future internal communications activities, identifying and putting into practice new tools and client service standards.

KEEPING THE COURTS SAFE

Ensuring the physical security of members of the Courts, court users and employees continued to be a priority for CAS. In 2017–18 the organization solidified its proactive security posture for members of the Courts, court users and CAS employees by continuing to enhance the physical security of facilities across Canada, including the roll-out of screening equipment; establishing a new Security Operations Centre to better coordinate services and response capabilities; and harmonizing security service standards across Canada through the Court Security Officers program and risk-based security management. CAS’s security services screened some 28,000 individuals and more than 38,000 personal belongings during the past fiscal year.



PART I:

ORGANIZATIONAL OVERVIEW

RAISON D'ÊTRE

CAS was established in 2003 with the coming into force of the *Courts Administration Service Act*, S.C. 2002, c. 8 (CAS Act). The role of CAS is to provide effective and efficient judicial, registry and corporate services to four superior courts of record – the FCA, the FC, the CMAC and the TCC. CAS recognizes the independence of the Courts in the conduct of their own affairs and aims to provide each Court with quality and efficient judicial, registry and corporate services. Placing administrative services at arm's length from the Government of Canada safeguards judicial independence and enhances accountability for the use of public money.

MANDATE

As stated in section 2 of the CAS Act, CAS is mandated to:

- facilitate coordination and cooperation among the FCA, the FC, the CMAC and the TCC for the purpose of ensuring the effective and efficient provision of administrative services;
- enhance judicial independence by placing administrative services at arm's length from the Government of Canada and by affirming the roles of Chief Justices and judges in the management of the Courts; and
- enhance accountability for the use of public money in support of court administration while safeguarding the independence of the judiciary.

MISSION

Provide timely and accurate judicial, registry, and corporate services to the Courts and to their clients in the most innovative and effective manner, while promoting a healthy workplace and encouraging employees' ongoing contribution to service delivery excellence.

ORGANIZATIONAL VALUES

Transparency – We aim to provide timely and unfettered access to clear and accurate information.

Respect – We recognize that our employees are entitled to work in a harassment-free environment where everyone can freely express their opinions without fear of recrimination or reprisal.

Innovation – We encourage a work environment that fosters creativity and new ideas to improve our business practices and the quality of our services.

Wellness – We advocate attitudes and activities in the workplace which generate a sense of spirit and belonging, that have a potential to improve overall physical and mental health, and that facilitate, encourage and promote fun and a balanced work and personal life.

Excellence – We strive to be exemplary in everything we do.

JUDICIAL INDEPENDENCE

Judicial independence is a cornerstone of the Canadian judicial system. Under the Constitution, the judiciary is separate from and independent of the executive and legislative branches of the Government of Canada. Judicial independence is a guarantee that judges will make decisions free of influence and based solely on fact and law. It has three components: security of tenure, financial security and administrative independence.

PROGRAMS

In carrying out its mandate, CAS undertakes activities in the following program areas.

JUDICIAL SERVICES

The Judicial Services program provides legal services and judicial administrative support to assist members of the Courts in the discharge of their judicial functions. These services are provided by legal counsels, judicial administrators, law clerks, jurilinguists, judicial assistants, library personnel and court attendants, under the direction of the four Chief Justices.

REGISTRY SERVICES

Registry services are delivered under the jurisdiction of the Courts. The registries process legal documents, provide information to litigants on court procedures, maintain court records, participate in court hearings, support and assist in the enforcement of court orders, and work closely with the offices of the four Chief Justices to ensure that matters are heard and decisions are rendered in a timely manner. Registry services are offered in every province and territory through a network of permanent offices and agreements with provincial and territorial partners.

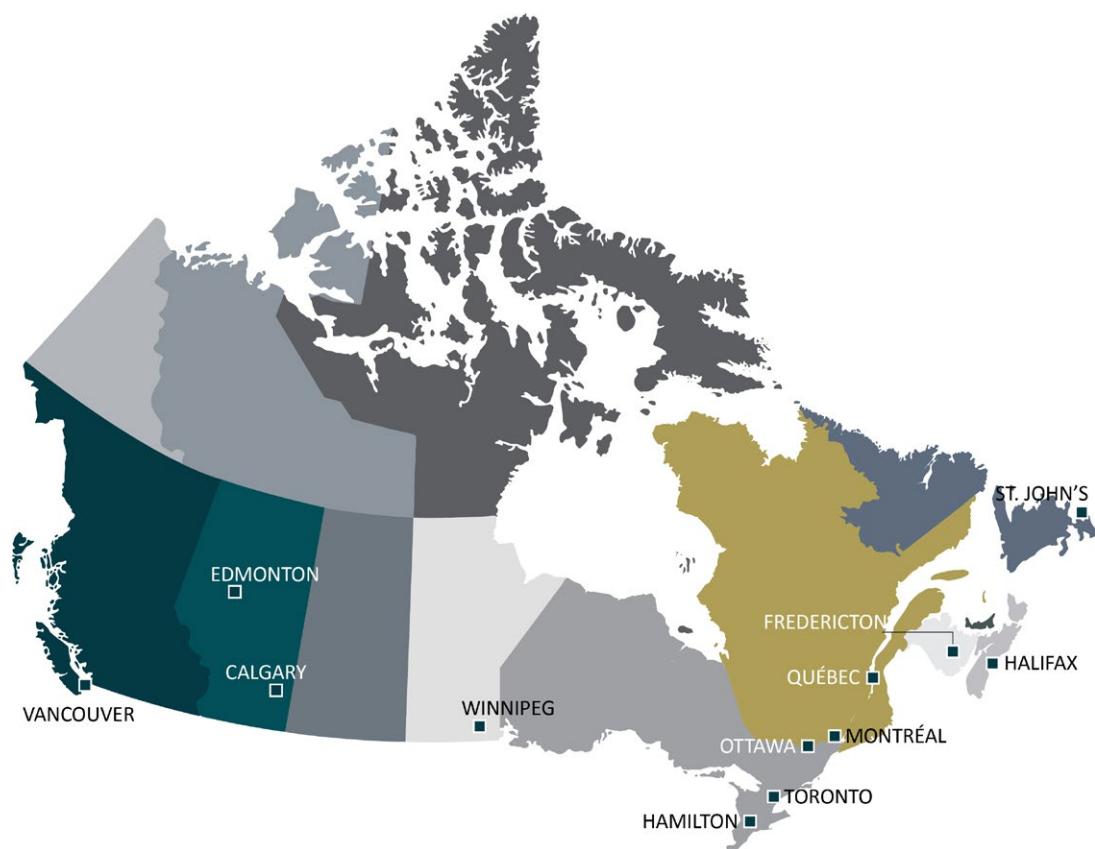
CORPORATE SERVICES

Corporate Services support a range of corporate operations and functions by managing activities and resources which apply across the organization. The Branch provides operational services to assist the Courts, and their respective registries, in carrying out their activities. Corporate services at CAS include: Finance, Contracting, Materiel Management, Human Resources, Information Management and Information Technology (IM/IT), Security, Facilities and Administrative Services, Investment and Project Management.

SERVICE DELIVERY ACROSS CANADA

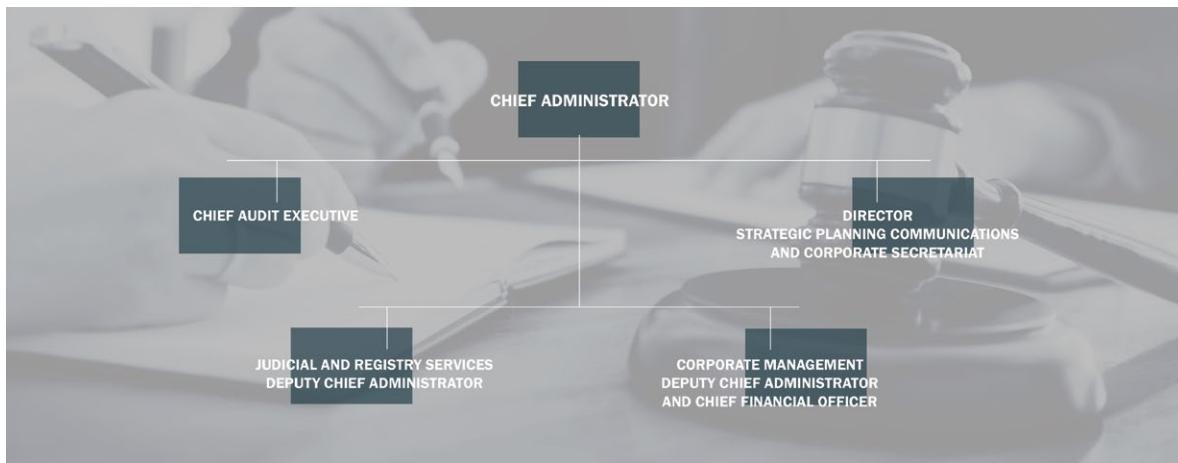
The Courts are itinerant, sitting in various locations across the country to reach Canadians. Consequently, CAS must be able to support members of the Courts in preparing files, conducting hearings and writing decisions “anywhere, anytime.” CAS support for judicial and registry services is tailored to the particular needs of the four individual Courts, while for common areas, such as finance, human resources, information technology, information management, security and facilities, CAS acts as a provider of shared services to the Courts.

Court and registry services are provided in every province and territory through a network of thirteen permanent offices and agreements with eight provincial and territorial courts. The two locations in Ottawa are headquarters to the four Courts. The main regional offices are in Vancouver, Toronto and Montréal, and local offices are located in Calgary, Edmonton, Winnipeg, Hamilton, Québec City, Halifax, Fredericton and St. John’s. In 2017–18, 613 full-time equivalents provided services to the Courts.



PART II: ORGANIZATIONAL STRUCTURE AND GOVERNANCE

CAS's organizational structure is designed to best support the organization in delivering on its mandate and enhance leadership and coordination at all levels. The senior management team includes the Chief Administrator and two Deputy Chief Administrators.



ROLE OF THE CHIEF ADMINISTRATOR

The Chief Administrator of CAS is the Chief Executive Officer of the organization and is accountable to Parliament through the Minister of Justice.

Subsections 7(2) and 7(3) of the CAS Act specify that the Chief Administrator has all the powers necessary for:

- providing effective and efficient management and administration of court services, including court facilities, libraries, corporate services and staffing; and
- structuring registry operations and preparing budgets, in consultation with the Chief Justices of the four courts, for the requirements of those courts and the related needs of CAS.

POWERS OF THE CHIEF JUSTICES WITH RESPECT TO THE COURTS ADMINISTRATION SERVICE

Section 8 of the CAS Act provides that the Chief Justices are responsible for the judicial functions of their Courts; this includes the power to determine the sittings of the court, assign judges to sittings, determine the sitting schedules and places of sittings for judges and determine the total annual, monthly and weekly workload of judges. Moreover, officers, clerks and employees of CAS act at the direction of the respective Chief Justices in matters that are assigned by law to the judiciary.

Section 9 (1) of the CAS Act provides that a Chief Justice may issue binding directions in writing to the Chief Administrator with respect to any matter within the Chief Administrator's authority.

In 2017–18 the Chief Administrator received four such binding directions from the Chief Justice of the Tax Court of Canada: payment approval for the legal services of counsel retained by the Chief Justice; staffing of law clerks at the TCC; timelines for opening of a new TCC office in Hamilton, Ontario; and timelines to implement security enhancements in the lobby and parking garage of the TCC headquarters in Ottawa. The Chief Administrator developed measures to satisfy three of the directives received and continues to work towards addressing the fourth directive relating to the staffing of law clerks' positions.

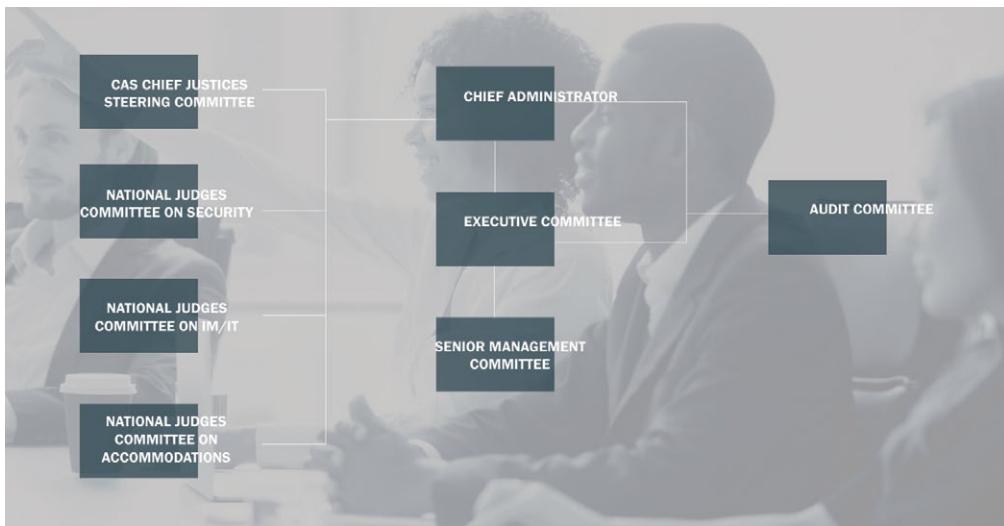
ROLE OF THE CHIEF AUDIT EXECUTIVE (INTERNAL AUDIT FUNCTION)

The Chief Audit Executive manages the Internal Audit (IA) function of CAS and reports to the Chief Administrator. In compliance with Government of Canada Standards and International Internal Audit Standards, the Chief Audit Executive is a professional, independent from line management, objective assurance and advisory activity designed to add value and improve CAS's operations. The Chief Audit Executive supports CAS in achieving its business objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of CAS management control framework, governance and risk management systems and related practices.

The IA function achieves this value through the provision of reasonable assurance to the Chief Administrator, the Audit Committee and senior management. Specifically, IA conducts assurance engagements on various aspects of governance, risk management and control, and follow-ups on progresses made with respect to Management Action Plans developed to address audit recommendations made by IA and external assurance providers including the Auditor General of Canada or the Office of the Comptroller General of Canada.

SENIOR COMMITTEES

CAS's governance is facilitated by a number of committees which help determine the requirements of each Court and make informed decisions on key issues.



CAS CHIEF JUSTICES STEERING COMMITTEE

The CAS Chief Justices Steering Committee assists the Chief Administrator with respect to CAS's priorities, risks, budget allocations and other significant matters affecting the conduct of the Courts. It is supported by three National Judges Committees (Security, Information Management/Information Technology [IM/IT] and Accommodations) and its membership includes representatives of each of the Courts and CAS.

The mandate of the CAS Chief Justices Steering Committee is to provide a forum to discuss decisions that affect the governance of CAS, and questions which pertain to CAS's relations with federal partners, in order to preserve judicial independence in keeping with the purposes of the CAS Act (s. 2) and the respective roles and responsibilities of the Chief Justices and Chief Administrator as provided for under the Act. The Chief Administrator chairs the Committee.

NATIONAL JUDGES ADVISORY COMMITTEE

Three subject matter Judges Advisory Committees on Security, IM/IT and Accommodations facilitate judicial involvement and collaboration on decisions pertaining to their respective areas. Sitting on each committee are judicial representatives from the Courts, supported by functional members from CAS. The committees submit their recommendations to the CAS Chief Justices Steering Committee for consideration and endorsement. The Chief Administrator chairs all three committees.

EXECUTIVE COMMITTEE

The Executive Committee is the organization's most senior decision-making body. Its mandate is to support the Chief Administrator in making informed and responsible decisions pertaining to the management and administration of the organization and to the services it provides to the four Courts. The Executive Committee serves as a forum for establishing the strategic direction on a wide range of issues, identifying corporate needs and considering the potential outcome of decisions on the priorities and resources of the organization and the Courts.

SENIOR MANAGEMENT COMMITTEE

The Senior Management Committee plays an essential role in all planning activities and also assists the decision-making process by reviewing operational and policy issues and making recommendations to the Executive Committee. It is also responsible for the implementation of final decisions taken by the Executive Committee. Membership comprises the executive cadre of the organization.

AUDIT COMMITTEE

The Audit Committee provides the Chief Administrator with advice and recommendations regarding the sufficiency, quality and results of assurance on the adequacy and functioning of CAS's risk management, control and governance frameworks and processes, including accountability and auditing systems. Its membership includes the Chief Administrator, who chairs the Committee, and two external members.



PART III: THE COURTS WE SERVE

The Courts served by CAS were established by the Parliament of Canada pursuant to its authority under section 101 of the *Constitution Act, 1867* "for the better administration of the Laws of Canada". The services provided permit individuals, companies, organizations and the federal and provincial governments to submit disputes and other matters to the Courts, and enable the Courts to hear and resolve the cases before them fairly, expeditiously and as efficiently as possible.

FEDERAL COURT OF APPEAL (FCA)

The FCA is a national, bilingual, bijural, superior court of record, which has jurisdiction to hear appeals of judgments and orders, whether final or interlocutory, of the Federal Court and the Tax Court of Canada. It may also review decisions of certain federal tribunals pursuant to section 28 of the *Federal Courts Act*, R.S.C., 1985, c. F-7 and hear appeals under other acts of Parliament. Further information on the FCA can be found at: www.fca-caf.gc.ca.

The table below provides an overview of the workload of the Judicial and Registry Services in support of the FCA.

	2017-18	2016-17	2015-16	2014-15	2014-13
Proceedings Instituted or Filed	422	527	527	621	496
Court Judgments, Orders and Directions Processed by the Registry	1,395	1,711	1,843	1,792	1,600
Files prepared for hearing and heard in Court	244	305	300	253	289
Days in Court	174	217	208	176	185
Recorded Entries	18,645	22,107	24,339	24,474	21,053
Total Dispositions	428	539	615	474	541
Active Proceedings as of March 31					
Appeals from Federal Court (Final Judgment)	151	157	198	197	169
Appeals from Federal Court (Interlocutory Judgment)	49	53	49	72	64
Appeals from Tax Court of Canada	126	112	96	179	95
Applications for Judicial Review	88	97	87	69	47
Others	27	31	33	38	38
Total	441	450	463	555	413
Status as of March 31					
Not perfected	260	247	252	327	267
Perfectecd	76	61	57	48	44
Consolidated	20	28	37	70	32
Reserved	39	46	32	29	28
Scheduled for hearing	27	51	66	56	21
Stayed	19	17	19	25	21
Total	441	450	463	555	413

FEDERAL COURT (FC)

The FC is a national, bilingual, bijural, superior court of record, which hears and decides legal disputes arising in the federal domain. Its jurisdiction derives primarily from the *Federal Courts Act*, R.S.C., 1985, c. F-7 though over 100 other federal statutes also confer jurisdiction on the Court. It has original, but not exclusive jurisdiction, over proceedings by and against the Crown (including Aboriginal law claims), and proceedings involving admiralty and intellectual property law. It has exclusive jurisdiction to hear certain national security proceedings and applications for judicial review of the decisions of federal commissions, tribunals and boards. Further information on the FC can be found at: www.fct-cf.gc.ca.

The table below provides an overview of the workload of the Judicial and Registry Services in support of the FC.

	2017-18	2016-17	2015-16	2014-15	2014-13
Proceedings Instituted or Filed	25,961	28,304	31,583	35,731	37,275
General Proceedings and Immigration	7,440	7,329	7,563	9,722	10,153
<i>Income Tax Act</i> certificates	11,580	13,551	14,692	14,816	14,846
<i>Excise Tax Act</i> certificates	6,620	7,111	9,070	10,792	11,956
Other instruments and certificates	321	313	258	401	320
Court Judgments, Orders and Directions Processed by the Registry	17,157	17,826	18,720	20,561	20,864
Files prepared for hearing and heard in Court	3,506	3,476	4,086	4,223	4,065
Days in Court	2,463	2,885	3,036	3,109	3,057
Recorded Entries	212,787	233,241	243,620	259,077	261,071
Total Dispositions – General Proceedings and Immigration	8,377	7,547	8,275	9,030	11,460
Active Proceedings as of March 31					
Aboriginal	233	240	223	210	216
Other appeals provided for by law	116	411	270	199	196
Admiralty	190	204	196	205	196
Intellectual property	547	520	485	485	543
Immigration	2,161	3,238	3,433	5,657	5,251
Crown	492	376	665	669	456
Judicial Review	927	763	869	840	859
Others	45	20	24	55	68
Total	4,711	5,772	6,165	8,320	7,784
Status as of March 31					
Not perfected	3,266	3,405	3,508	3,663	3,703
Perfected	289	236	399	632	1,323
Consolidated	81	909	717	776	197
Reserved	101	137	160	204	160
Scheduled for hearing	404	453	446	911	594
Stayed	570	632	935	2,134	1,807
Total	4,711	5,772	6,165	8,320	7,784

COURT MARTIAL APPEAL COURT OF CANADA (CMAC)

The CMAC is a national, bilingual, superior court of record, which hears appeals of court martial decisions. Courts martial are military courts established under the *National Defence Act*, R.S.C., 1985, c. N-5, which hear cases under the *Code of Service Discipline*. Further information on the CMAC can be found at: www.cmac-cacm.ca.

The table below provides an overview of the workload of the Judicial and Registry Services in support of the CMAC.

	2017-18	2016-17	2015-16	2014-15	2014-13
Proceedings Instituted or Filed	3	4	3	10	11
Court Judgments, Orders and Directions Processed by the Registry	30	15	19	36	53
Files prepared for hearing and heard in Court	6	5	3	3	14
Days in Court	6	5	3	3	13
Recorded Entries	218	267	350	453	535
Total Dispositions	11	2	2	10	9
Active Proceedings as of March 31					
Application for review of a decision	0	0	0	0	0
Notice of Appeal	3	14	12	8	10
Application for review of an undertaking	0	0	0	0	0
Notice of motion commencing an appeal	0	0	0	0	0
Total	3	14	12	8	10
Status as of March 31					
Not perfected	1	0	0	5	5
Perfected	1	1	0	1	0
Consolidated	0	0	0	0	0
Reserved	1	12	1	2	5
Scheduled for hearing	0	1	11	0	0
Stayed	0	0	0	0	0
Total	3	14	12	8	10
Status as of March 31					
Complaint Against a Military Judge*	0	0	1	0	0

* Pursuant to subsection 165.31(1) of the *National Defence Act*, the Chief Justice of the Court Martial Appeal Court of Canada has the power to appoint three judges of his Court to serve as members of the Military Judges Inquiry Committee. This committee has jurisdiction to commence an inquiry in relation to a complaint filed against a military judge of a court martial.

TAX COURT OF CANADA (TCC)

The TCC is a national, bilingual, superior court of record, which has exclusive original jurisdiction to hear appeals and references pursuant to 14 acts of Parliament. Most of the appeals filed with the Court are on matters arising under: *Income Tax Act*, R.S.C., 1985, c. 1, Part IX of the *Excise Tax Act*, R.S.C., 1985, c. E-1 (GST/HST), Part IV of the *Employment Insurance Act*, S.C. 1996, c. 23, and Part I of the *Canada Pension Plan*, R.S.C., 1985, c. C-8. The constitution of the Tax Court of Canada is established by section 4 of the *Tax Court of Canada Act*, R.S.C., 1985, c. T-2. Further information on the Tax Court of Canada can be found at: www.tcc-cci.gc.ca.

The table below provides an overview of the workload of the Judicial and Registry Services Branch in support of the TCC.

	2017-18	2016-17	2015-16	2014-15	2014-13
Proceedings Instituted or Filed	5,132	6,390	5,892	5,455	5,316
Court Judgments, Orders and Directions Processed by the Registry	12,968	14,482	12,618	12,751	12,031
Files prepared for hearing and heard in Court	774	887	914	1,128	1,059
Days in Court*	2,247	2,465	2,553	2,213	2,373
Recorded Entries	177,431	183,351	177,380	170,241	177,342
Total Dispositions	5,359	5,347	4,985	5,219	5,634
Active Proceedings as of March 31					
Goods and Services Tax	1,529	1,592	1,417	1,248	1,086
Income Tax	8,431	8,586	7,722	6,804	6,410
Employment Insurance and Canada Pension Plan	378	336	293	462	484
Others	40	42	42	19	4
Total	10,378	10,556	9,474	8,533	7,984
Status as of March 31					
Not perfected	1,003	1,271	1,207	1,485	1,134
Perfected	2,387	2,861	2,119	1,535	1,425
Reserved	81	88	132	125	134
Awaiting timetable	193	180	114	84	154
Scheduled for hearing	1,818	1,572	1,295	1,770	1,466
Specially Managed Cases	2,410	2,383	2,557	1,490	2,214
Awaiting another decision	2,486	2,201	2,050	2,044	1,457
Total	10,378	10,556	9,474	8,533	7,984

* For the Tax Court of Canada, “Days in Court” is defined as the number of court sitting days scheduled which include conference call days, courtroom scheduled sitting days and on duty judge days.

PART IV:

MANAGEMENT

DISCUSSION AND ANALYSIS

OPERATING ENVIRONMENT

In 2017–18, the environment within which CAS operates remained complex and challenging, owing in part to the following.

JUDICIAL INDEPENDENCE

The CAS Act enhances judicial independence by placing administrative services at arm's length from the Government of Canada and enhances accountability for the use of public money. Moreover, the CAS Act stipulates that support services to the judiciary, including registries, hearing-related activities, legal counsels, judicial administrators, law clerks, jurilinguists, judicial assistants, library personnel and court attendants be provided as required by each of the four Chief Justices. This leaves CAS with very limited flexibility in allocating scarce resources to meet the other unique requirements of each Court and their respective users.

VOLUME AND INCREASING COMPLEXITY OF CASES BEFORE THE COURTS

The volume of cases before the Courts affected the level of administrative support they required, particularly in terms of registry and judicial services. In addition, the nature and increasing complexity of the cases filed before the Courts considerably impacted the workloads of the Courts and registries, particularly in cases related to national security, intellectual property, Aboriginal claims, taxation and immigration—which exacerbated pressures on staff, including judicial and registry support. The number of motions related to individual files also increased significantly, most notably in cases where constitutional questions were raised in the context of the Canadian Charter of Rights and Freedoms.

DEMANDS FOR E-SERVICES AND E-COURTS

Today, people routinely conduct business online and demand the same services from the government as they receive from private sector organizations. Members of the Courts, litigants and the legal community expect to be able to use modern technologies and electronic tools. Emerging technologies and new trends in providing e-services are key operational considerations for CAS in its service delivery; however, legacy systems currently employed by CAS offer very limited functionality to accommodate e-services and e-courts.

SERVICE DELIVERY CAPACITY

CAS's ability to provide the required administrative services to meet the operational needs of the Courts, as well as associated services to litigants and their legal counsel, is dependent on available financial and human resources. However, for a number of years, CAS has faced a critical and growing financial shortfall resulting in pressures across the organization as resources were below adequate strength to meet demands. In-year funding received in 2017–18 did address some of CAS's more immediate pressures in both judicial and registry services. Funding received in Budget 2018 will allow CAS to further restore depleted capacity in these areas, as well as in corporate services.

WORKFORCE

CAS's ability to provide administrative services to the Courts also depends on the strength of its workforce. Much of the work undertaken at CAS requires specialized skills and strong knowledge of the legal/judicial environment, as well as technical knowledge in the respective jurisdiction of each Court. To ensure that the organization has the right people in the right place at the right time today and for the future, and as part of its sustainable human resources model, CAS is implementing a three-year Integrated Human Resources (HR) Plan.

KEY CORPORATE RISKS

To effectively address corporate risks, CAS has in place an Enterprise Risk Management process. This process is applied consistently throughout the organization and engages the most senior levels of the organization—the Chief Justices Steering Committee, the Departmental Audit Committee, the Executive Committee, and the Senior Management Committee—in the identification and evaluation of the most pertinent risks, and the determination of appropriate risk response strategies to effectively manage these risks. Identified risk owners are responsible for monitoring risks and the effectiveness of mitigation strategies, and presenting quarterly reports to ExCom.

COURT AND REGISTRY MANAGEMENT SYSTEM

There is a risk that the system applications will be unable to meet the current and evolving requirements of the Courts and CAS.

Factors driving this risk in 2017–18 were a lack of funding for a new CRMS; the growing demand for access to modern technology in conducting business with the Courts; the incompatibility of existing legacy systems with evolving technology; and the need to address the findings of the assessment of the CAS network, infrastructure and computing environment.

As part of efforts to mitigate this risk, CAS continued to upgrade existing systems, to allow for ongoing operation and when possible to increase functionality and efficiency. Investments were also made to advance work on the five-year IT Infrastructure Management Plan, to address rust out and improve IT infrastructure, system reliability and security. In addition, a multi-branch team was established to lead the development of business requirements for a new CRMS to support a future funding proposal.

A lack of funding for a new CRMS meant that CAS was unable to reduce the likelihood and impact of this risk.

ACCESS TO JUSTICE

There is a risk that access to justice could be compromised by insufficient funding.

Factors driving this risk in 2017–18 included reduced staff levels throughout the organization coupled with increasing workload pressures in judicial, registry and corporate services; non-discretionary work associated with the escalation in the number of multi-day hearings; a large number of self-represented litigants (SRL) across all Courts; the effects of legislative and regulatory changes and amendments to the Court Rules on workloads; the number of documents received by the Courts and the number of court decisions requiring translation; and the requirement to support Canada's fiscal objectives.

As part of its strategies to mitigate this risk, CAS continued its efforts to seek funding to address program integrity needs. CAS obtained additional in-year funding of \$4 million for 2017–18 announced in the Fall Economic Statement, to respond to immediate pressures. In addition, Budget 2018 allocated to CAS ongoing funding in the amount of \$41.9 million over 5 years beginning in 2018–19 and \$9.3 million ongoing which will provide long term financial and operational sustainability to fulfill its mandated requirements. Aside from these strategies, CAS also continued to reallocate funding and resources where necessary to manage costs associated with non-discretionary expenditures.

It is anticipated that if CAS is successful in obtaining funding for priority initiatives including a modern CRMS and for the translation of court decisions, this risk would further decrease in future years.

SECURITY

There is a risk that security of the members of Courts, court users and IT could be compromised.

In 2017–18, the evolving security requirements and threats on the international scene and the results of a number of threat analyses continued to drive this risk.

To mitigate this risk in 2017–18, CAS continued to implement its comprehensive security programs on behalf of the Courts; made important physical security enhancements to its facilities, including the roll-out of screening equipment; established a new Security Operations Centre; and harmonized security service standards across Canada through the Court Security Officers program and risk-based security management. These are all components of CAS's security posture which focuses on a proactive rather than a reactive security stance. CAS also maintained its ongoing collaboration with the law enforcement community, central agencies and other strategic partners to develop its response capabilities to ensure business continuity and protect the safety of the Courts and their users.

The mitigation strategies adopted were successful in decreasing the likelihood and impact of this risk by the end of the fiscal year.

INFORMATION MANAGEMENT

There is a risk of loss of hard copy and digital records.

Factors driving this risk in 2017–18 included a changing and complex business environment; the need to improve the efficiency of business processes; the need to implement a modern document management system for CAS and the Courts; the demand for new technological services and solutions; and the growing volume of paper documents.

As part of its strategies to mitigate this risk, CAS conducted a pilot project using the Government of Canada standard electronic document and records management systems to identify the necessary considerations (i.e. training, data migration, metadata standards, etc.) for the roll-out of such a system across the organization. CAS also worked with the Courts to review document retention standards for court and judicial information and optimize storage space at the Court records storage facility to allow for the storage of two more years' worth of archival records.

The mitigation strategies adopted were successful in decreasing the likelihood and impact of this risk by the end of the fiscal year.

HUMAN RESOURCES

There is a risk that lack of succession planning may lead to insufficient knowledge transfer and in turn, negatively impact the organization's resource capacity.

Factors driving this risk in 2017–18 included the need to ensure qualified resources were available to fill positions as they became vacant; high employee departure rates; high average rate of employee sick leave; limited resources available for training; and challenges with workload and workplace wellness.

As part of efforts to mitigate this risk, CAS completed the first phase and launched the second phase of its Succession Planning Strategy to identify positions where there may be an associated risk should a vacancy arise. CAS also made significant progress in completing the review of work descriptions and a number of initiatives aimed at promoting employee workplace wellness were implemented, including those in support of mental health, harassment prevention, values and ethics and occupational health and safety. In addition, CAS also worked with certain colleges to develop agreements to include curriculum to train future judicial assistants. Also, following the receipt of in-year funding, priority was given to completing staffing actions to quickly fill critical positions.

Due to the success of the mitigation strategies employed, this risk was reassessed as being stable at the end of the fiscal year.

PERFORMANCE AGAINST PRIORITIES

In 2017–18, CAS supported six main organizational priorities. The following summarizes performance for the fiscal year against these priorities.

COURTS AND REGISTRY MANAGEMENT SYSTEM

Provide an enabling, modern and fully integrated information technology (IT) environment supportive of the requirements of a modern CRMS.

While seeking funding for a new CRMS remained a priority for CAS, it was decided in 2017–18 that efforts would be deferred in order to focus on securing funding to address longstanding financial shortages and associated impacts on program integrity. However, to move forward in preparing for the eventual implementation of a modern CRMS, a multi-branch team was established with subject matter experts to lead the development of business requirements to support a future funding proposal.

SECURITY

Implement sound approaches to enhance physical and IT security for members of the Courts, their users and employees.

Efforts were exerted last fiscal year to further improve the proactive security posture for the Courts and CAS. Building on work carried out in previous years, in 2017–18 CAS continued to make investments in physical security enhancements, court screening equipment and harmonize the delivery of security services at all locations across Canada. To better coordinate its services and response capability, a new Security Operations Centre was also established. CAS also maintained its ongoing collaboration with the law enforcement community, central agencies and other strategic partners to develop its response capabilities to ensure business continuity and protect the safety of the Courts and their users.

TRANSLATION

Implement a new translation service model to support the effective delivery of service.

The timely translation of court decisions continued to be a priority for CAS in 2017–18. During the fiscal year, new approaches, including new technologies were explored to refine CAS's translation model to be more responsive to requirements. To address translation requirements, CAS secured an additional \$2 million over two years (for 2017–18 and 2018–19) for translation services as announced in Budget 2017. While this enabled short-term improvements, CAS's translation budget remains inadequate to fully address the large volume of decisions issued by the Courts that must be posted in a timely manner on the Courts' websites. Work will progress in 2018–19 to develop a future funding request to allow for the timely posting of court decisions in both official languages.

INFORMATION MANAGEMENT

Adopt and implement the required systems, tools and practices for the effective management, sharing and use of information and records to support program and service delivery.

Work progressed over the course of 2017-2018 to ensure proper alignment of information management with modern principles, practices and standards. This included undertaking necessary planned upgrades to fully address IT systems rust-out. As part of the organization's approach to improve its information and records management, a pilot project for a new electronic document and records management system was conducted. Once fully-tested and implemented this new system will serve as a central repository to create, store and manage information resources of business value electronically. In an effort to better manage the volume of archival records, CAS continued to work with the Courts to clearly define what constitutes a "court record" to serve as a basis for future discussions on approaches to manage such records. As well, a protocol was reached with the FC whereby certain court records older than 15 years would be disposed. To meet storage demands for its large repository of archival records CAS optimized space at the court records facility to facilitate the storage of two more years' worth of records.

HUMAN RESOURCES

Foster and implement a sustainable human resources model that will attract, develop, engage and retain a pool of diverse talent.

In moving forward with the implementation of the three-year integrated HR plan, CAS diligently advanced its Succession Planning Strategy to identify positions where there may be an associated risk should a vacancy arise. Significant progress was also made in completing the review of work descriptions to address the current backlog. A number of initiatives aimed at promoting employee workplace wellness were implemented in 2017–18 including those in support of mental health, harassment prevention, values and ethics and occupational health and safety.

COMMUNICATIONS

Develop and implement a communication strategy that promotes effective approaches, tools, media and materials to support information sharing and engage employees.

In 2017–18 CAS invested in technology to improve the reach and effectiveness of internal communications to better engage employees. This included the launch of a new Intranet site, the roll-out of an email-based newsletter for members of the Courts and employees, and the finalization of a new Strategic Communications Plan that establishes a more progressive approach for internal communications activities, identifying and putting into practice new tools and client service standards.

PART V: FINANCIAL STATEMENT HIGHLIGHTS

The highlights presented in this section are drawn from CAS's financial statements and are prepared on an accrual basis. These financial statements have been prepared using Government of Canada accounting policies, which are based on Canadian public sector accounting standards.

Courts Administration Service

Condensed Statement of Operations (unaudited)

As at March 31, 2018 (dollars)

Financial Information	2017-18 Planned results	2017-18 Actual results	2016-16 Actual results	Difference (2017-18 actual minus 2017-18 planned)	Difference (2017-18 actual minus 2016-17 actual)
Total Expenses	104,416,270	108,735,899	101,101,357	(4,319,629)	7,634,542
Total revenues	6,685	14,122	7,786	(7,437)	6,336
Net cost of operations before government funding and transfers	104,409,585	108,721,777	101,093,571	(4,312,192)	7,628,206

Note:

The 2017–18 planned results are those reported in the [Future-Oriented Statement of Operations](#) included in the 2017–18 Departmental Plan.

Expenses:

CAS's total expenses were \$108,735,899 in 2017–18 (\$101,101,357 in 2016-17). The largest components of the increase of \$7,634,542 (7.55%) were increases in salaries and wages, machinery and equipment and professional and special services.

- **Salaries and employee benefits:** Salaries and employee benefits expense was \$59,335,570 in 2017–18 (\$54,401,270 in 2016-17). The \$4,934,300 (9.07%) variance is due to increases of \$3,706,472 in salaries and wages, \$618,488 in the provision for severance benefits, \$405,375 in employer contribution to the health and dental insurance plans (related party transaction), and \$203,965 in employer contributions to employee benefit plans. More than half (55%) of CAS's total expenses in 2017–18 consisted of salaries and employee benefits.

■ Operating: Operating expenses totalled \$49,400,329 in 2017-18 (\$46,700,087 in 2016-17). The \$2,700,242 (5.78%) variance is mainly attributable to increases of \$1,424,380 in machinery and equipment, \$1,188,097 in professional and special services, \$358,570 in rentals, \$274,574 in the amortization of tangible capital assets, \$147,440 in information technology, \$77,424 in transportation and telecommunications, \$26,184 in materials and supplies and \$98,409 in other miscellaneous operating expenses. These increases were partly offset by decreases of \$476,365 in accommodations and \$418,471 in repairs and maintenance.

Revenues: The majority of CAS's revenues are earned on behalf of Government. Such revenues are non-respendable, meaning that they cannot be used by CAS, and are deposited directly into the Consolidated Revenue Fund. CAS earns a small amount of respendable revenue from the sale of Crown assets. CAS's gross revenues were \$2,559,619 in 2017-18 (\$3,069,931 in 2016-17) and net revenues were \$14,122 in 2017-18 (\$7,786 in 2016-17).

Courts Administration Service

Condensed Statement of Operations (unaudited)

As at March 31, 2018 (dollars)

Financial Information	2017-18	2016-17	Difference (2017-18 minus 2016-17)
Total net liabilities	27,286,444	17,654,744	9,631,700
Total net financial assets	21,933,038	12,456,579	9,476,459
Departmental net debt	5,353,406	5,198,165	155,241
Total non-financial assets	18,874,575	12,848,216	6,026,359
Departmental net financial position	13,521,169	7,650,051	5,871,118

Note:

Liabilities:

CAS's net liabilities as at March 31, 2018 were \$27,286,444 (\$17,654,744 as at March 31, 2017). The increase of \$9,631,700 (55%) is the result of the following:

- Accounts payable and accrued liabilities (52% of total liabilities):** Increase of \$6,410,599 mainly due to a \$4,328,679 increase in external accounts payable and \$1,953,366 increase in other government departments accounts payable primarily due to timing of equipment and services delivered.
- Vacation pay and compensatory leave (10% of total liabilities):** Increase of \$453,412 mainly due to a \$319,464 increase in vacation pay.

- **Deposit accounts (30% of total liabilities):** Increase of \$2,732,712. Because they reflect separate decisions of the Courts, deposits cannot be projected and the balance in the deposit accounts can vary significantly from year to year.
- **Employee future benefits (8% of total liabilities):** Increase of \$34,977 due to increases in salaries following the signature of the new collective agreements.

Assets: The composition of CAS's financial and non-financial assets is as follows:

Financial assets:

- Due from the CRF \$19,157,373 (46% of gross assets)
- Accounts receivable and employee advances \$3,826,692 (9% of gross assets)

Non-financial assets:

- Tangible capital assets \$18,106,440 (43% of gross assets)
- Prepaid expenses \$768,135 (2% of gross assets)

Net financial assets: This is comprised of financial assets net of accounts receivable held on behalf of the Government. Accounts receivable held on behalf of the Government consist primarily of accounts receivable from other governmental organizations. The increase of \$9,476,459 is mainly due to an increase in the amount due from the CRF due to the timing of a small increase in accounts receivable and advances.

Non-financial assets: The increase of \$6,026,359 is mainly due to capital assets related to physical and IT security, and IT infrastructure as well as a smaller increase in prepaid expenses.

Departmental net debt: This provides a measure of the future authorities required to pay for past transactions and events.

Departmental net financial position: This represents the net resources (financial and non-financial) that will be used to provide future services to the Courts and thereby to benefit Canadians.

FURTHER FINANCIAL INFORMATION

The Financial Statements and Financial Statement Discussion and Analysis are available on-line at:
<http://www.cas-satj.gc.ca/en/publications/dpr.shtml>.



APPENDIX I

ACRONYMS

CAS	Courts Administration Service
CAS Act	Courts Administration Service Act
CMAC	Court Martial Appeal Court of Canada
CRMS	Courts and Registry Management System
FC	Federal Court
FCA	Federal Court of Appeal
GST/HST	Goods and Services Tax / Harmonized Sales Tax
HR	Human Resources
IA	Internal Audit
IM/IT	Information Management and Information Technology
R.S.C.	Revised Statutes of Canada
S.C.	Statutes of Canada
SOR	Statutory Orders and Regulations
SRL	Self-represented litigant
TCC	Tax Court of Canada



APPENDIX II

GLOSSARY

Term	Definition
Appeal from Federal Court (Final Judgment)	A proceeding instituted in the Federal Court of Appeal challenging a final judgment of the Federal Court.
Appeal from Federal Court (Interlocutory Judgment)	A proceeding instituted in the Federal Court of Appeal challenging an interlocutory judgment of the Federal Court.
Application for judicial review	A proceeding instituted challenging the decision of a federal board, commission or tribunal (section 28).
Application for review of a decision	A proceeding instituted to review a decision of a military judge.
Application for review of an undertaking	A proceeding instituted to review the conditions of an undertaking.
Bijural	Applies to Canada's two systems of law: the common law and the civil law.
Consolidated	When different cases that have the same parties or have certain elements in common are heard together.
Days in Court	Each court sitting day where a registrar attends in person or by teleconference.
Directions	Instructions by the Court, written or oral.
Decisions	Proceedings concluded by way of judgment, discontinuance or other documents.
Files prepared for hearing and heard in Court	Number of appeals, hearings, judicial reviews, motions, teleconferences and meetings heard by the court.
Judgments	Decisions of the court.
Not Perfected	When the parties have not yet done everything required of them, according to the rules or orders of the court, in order for the case to be ready to be scheduled for a hearing.
Notice of Appeal	A proceeding instituted to appeal a decision of the Court Martial Appeal Court of Canada (verdict and sentence).



Term	Definition
Notice of motion commencing an appeal	A proceeding instituted for release of detention pending a decision on the appeal.
Orders	Decision rendered by the courts.
Perfected	When the parties have complied with the rules or orders of the Court, in order for the case to be ready to be scheduled for a hearing or disposed of by the Court.
Proceedings Instituted or Filed	A matter or cause before the Court which includes appeals, actions, applications, applications for leave and for judicial review and where provided for by federal statutes, administrative proceedings such as the ones instituted by the filing of certificates, decisions or orders of federal boards, commissions or other tribunals in the registry of the federal courts for the purpose of enforcement.
Prothonotaries	They are appointed under the Federal Courts Act (s. 12). They are full judicial officers and exercise many of the powers and functions of Federal Court judges. Their authority includes mediation, case management, practice motions (including those that may result in a final disposition of the case, regardless of the amount in issue), as well as trials of actions in which up to \$50,000 is claimed (see Rules 50, 382, and 383 to 387 of the Federal Courts Rules).
Recorded Entries	Entry and identification of a document in the Courts and Registry Management System.
Reserved	Proceedings set aside or Decision that is not rendered immediately after a case has been heard or argued.
Scheduled for hearing	Proceedings in which a hearing on the merits has been scheduled.
Specially Managed Cases	A proceeding that has been assigned to a specific judge.
Stayed	When a case is placed "on hold". For example, where another related decision is to be made before the case can be continued.



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