



2023-24 Financial Statements

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Statement of Management Responsibility Including Internal Control Over Financial Reporting

Canadian Human Rights Commission

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2024 and all information contained in these financial statements rests with the management of the Canadian Human Rights Commission (Commission). These financial statements have been prepared by management using the Government of Canada's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, 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 Commission's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the Commission's Departmental Results Report, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) 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, directives 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 divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the Commission 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 key controls, and to make any necessary adjustments.

The Commission has undertaken a risk-based assessment of the system of ICFR in accordance with the Treasury Board Policy on Financial Management, and the results of the assessment conducted by an independent firm for the year ended March 31, 2024 and action plan are summarized in the annex.

The financial statements of the Commission have not been audited.

[original signed by]

Charlotte-Anne Malischewski
Interim Chief Commissioner
Ottawa, Canada August 13, 2024

[original signed by]

Natalie Dagenais
Chief Financial Officer

Statement of Financial Position (Unaudited)
as at March 31
(in dollars)

	2024	2023
Liabilities		
Accounts payable and accrued liabilities (note 4)	4,434,110	4,356,694
Vacation pay and compensatory leave	2,146,004	2,080,759
Employee future benefits (note 5)	745,476	826,700
Total liabilities	7,325,590	7,264,153
Financial assets		
Due from the Consolidated Revenue Fund	4,199,486	4,162,007
Accounts receivable and advances (note 6)	437,281	401,876
Total financial assets	4,636,767	4,563,883
Net debt	2,688,823	2,700,270
Non-financial assets		
Prepaid expenses	15,877	40,114
Tangible capital assets (note 7)	2,564,667	2,590,280
Total non-financial assets	2,580,544	2,630,394
Net financial position	(108,279)	(69,876)

Contractual obligations (note 8)

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

[original signed by]

Charlotte-Anne Malischewski
Interim Chief Commissioner
Ottawa, Canada August 13, 2024

[original signed by]

Natalie Dagenais
Chief Financial Officer

Statement of Operations and Net Financial Position (Unaudited)
for the year ended March 31
(in dollars)

	Planned Results 2024	2024	2023
Expenses			
Engagement and Advocacy	6,345,917	8,127,088	7,590,821
Complaints	13,127,700	15,237,557	13,722,562
Proactive Compliance	12,729,182	9,568,752	9,250,717
Internal Services	14,323,735	19,055,319	15,292,867
Total expenses	46,526,534	51,988,716	45,856,967
Revenues			
Internal Support Services	2,080,000	2,104,448	2,039,765
Miscellaneous revenues	438,354	455,496	440,948
Revenues earned on behalf of Government	(438,354)	(454,571)	(440,599)
Total net revenues	2,080,000	2,105,373	2,040,114
Net cost of operations before government funding and transfers	44,446,534	49,883,343	43,816,853
Government funding and transfers			
Net cash provided by Government		44,531,750	37,833,428
Change in due from Consolidated Revenue Fund		37,479	1,265,556
Services provided without charge by other government departments (note 10)		5,254,329	5,175,151
Transfers of assets (to) other government departments		21,382	(6,360)
Net cost of operations after government funding and transfers		38,403	(450,922)
Net financial position - Beginning of year		(69,876)	(520,797)
Net financial position - End of year		(108,279)	(69,875)

Segmented information (note 11)

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

Statement of Change in Net Debt (Unaudited)
for the year ended March 31
(in dollars)

	2024	2023
Net cost of operations after government funding and transfers	38,403	(450,922)
Change due to tangible capital assets		
Acquisition of tangible capital assets (note 7)	722,485	1,248,861
Amortization of tangible capital assets (note 7)	(683,335)	(449,360)
Loss on write-off of tangible capital assets	(64,763)	(98,052)
Total change due to tangible capital assets	(25,613)	701,449
Change due to prepaid expenses	(24,237)	(8,590)
Net increase (decrease) in net debt	(11,447)	241,937
Net debt - Beginning of year	2,700,270	2,458,333
Net debt - End of year	2,688,823	2,700,270

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

Statement of Cash Flow (Unaudited)
for the year ended March 31
(in dollars)

	2024	2023
Operating activities		
Net cost of operations before government funding and transfers	49,883,343	43,816,853
Non-cash items:		
Amortization of tangible capital assets (note 7)	(683,335)	(449,360)
Services provided without charge by other government departments (note 10)	(5,254,329)	(5,175,151)
Loss on write-off of tangible capital assets	(64,763)	(98,052)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances	35,405	(120,175)
Increase (decrease) in prepaid expenses	(24,237)	(8,590)
Decrease (increase) in accounts payable and accrued liabilities (notes 4)	(77,416)	(1,187,659)
Decrease (increase) in vacation pay and compensatory leave	(65,245)	(149,359)
Decrease (increase) in employee future benefits	81,224	(50,300)
Transfer of assets (from) another government departments	(21,382)	6,360
Cash used in operating activities	43,809,265	36,584,567
Capital investing activities		
Acquisition of tangible capital assets (note 7)	722,485	1,248,861
Cash used in capital activities	722,485	1,248,861
Net cash provided by Government of Canada	44,531,750	37,833,428

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

Notes to the Financial Statements (Unaudited)

For the year ended March 31

1. Authority and objectives

The Canadian Human Rights Commission (Commission) was established in 1977 under Schedule I.1 of the Financial Administration Act in accordance with the Canadian Human Rights Act (CHRA).

The Commission leads the administration of the CHRA and works with employers to ensure compliance with the Employment Equity Act (EEA). The CHRA prohibits discrimination and the EEA promotes equality in the workplace. Under the leadership of the Pay Equity Commissioner and the Accessibility Commissioner, the Commission is also responsible for the administration and enforcement of the Pay Equity Act (PEA) and the Accessible Canada Act (ACA). These laws apply the principles of equal opportunity and non-discrimination to federal government departments and agencies, Crown corporations, and federally regulated private sector organizations. Finally, the Commission provides the Federal Housing Advocate with administrative services and facilities to support their duties and functions.

Engagement and Advocacy

Provide a national credible voice for equality in Canada by raising public awareness of human rights issues; engaging civil society, governments, employers and the public to affect human rights change and by monitoring and reporting on the implementation of the Government of Canada's obligations under the United Nations' Convention on the Rights of Persons with Disabilities.

Complaints

Provide people in Canada with a mechanism to file and resolve complaints under the Canadian Human Rights Act, Pay Equity Act, and Accessible Canada Act and to represent the public interest in achieving equality in Canada.

Proactive Compliance

Ensure federally regulated organizations comply with the requirements set out in the Employment Equity Act, Pay Equity Act, and the Accessible Canada Act and hold those who do not comply accountable.

Internal Services

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal services refers to the activities and resources of the 10 distinct services that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. These services are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology

Services; Real Property Management Services; Materiel Management Services; and Acquisition Management Services.

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 Commission is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the Commission 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 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 "Expenses" and "Revenues" sections of the Statement of Operations and Net Financial Position are the amounts reported in the Future-oriented Statement of Operations included in the 2023-24 Departmental Plan. Planned results are not presented in the "Government funding and transfers" section of the Statement of Operations and Net Financial Position and in the Statement of Change in Net Debt because these amounts were not included in the 2023-24 Departmental Plan.

b. Net Cash Provided by Government

The Commission operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Commission is deposited to the CRF, and all cash disbursements made by the Commission 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. Due from the Consolidated Revenue Fund

Amounts due from the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that the Commission is entitled to draw from the CRF without further authorities to discharge its liabilities.

d. Revenues

- Revenues from internal support services 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-respendable are not available to discharge the Commission's liabilities. While the Chief Commissioner is expected to maintain accounting control, she has no authority regarding the disposition of non-respendable revenues. As a result,

non-responsible revenues are considered to be earned on behalf of the Government of Canada and are therefore presented in reduction of the Commission'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, employer's contributions to the health and dental insurance plans and workers' compensation are recorded as operating expenses at their estimated carrying value.

f. Employee future benefits

- Pension benefits: Eligible employees participate in the Public Service Pension Plan (Plan), a multiemployer pension plan administered by the Government of Canada. The Commission's contributions to the Plan are charged to expenses in the year incurred and represent the Commission's total obligation to the Plan. The Commission'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: The accumulation of severance benefits for voluntary departures ceased for applicable employee groups. The remaining obligation for employees who did not withdraw benefits is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

g. Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights, and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The Commission recognizes a financial instrument when it becomes a party to a financial instrument contract.

The Commission's financial instruments consist of accounts receivable, accounts payable and accrued liabilities. All financial assets and liabilities are recorded at cost or amortized cost. Any associated transaction costs are added to the carrying value upon initial recognition. For financial instruments measured at amortized cost, the effective interest method is used to determine interest expense.

h. Non-financial assets

The costs of acquiring land, buildings, equipment, and other capital property are capitalized as tangible capital assets and, except for land, are amortized to expense over the estimated useful lives of the assets, as described in Note 7.

i. Contingent liabilities

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur and a reasonable estimate of the loss can be made, a provision is accrued and an expense recorded to other expenses. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

j. Related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount. Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except for the following:

- i. Services provided on a recovery basis are recognized as revenues and expenses on a gross basis and measured at the exchange amount.
- ii. Certain services received on a without charge basis are recorded for departmental financial statement purposes at the carrying amount.

k. Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets, liabilities, revenues and expenses reported in the financial statements and accompanying notes at March 31. The estimates are based on facts and circumstances, historical experience, general economic conditions and reflect the Government's best estimate of the related amount at the end of the reporting period. The most significant items where estimates are used are the liability for employee future benefits, vacation pay 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 Commission receives its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and 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 Commission 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)

	2024	2023
Net cost of operations before government funding and transfers	49,883,343	43,816,853
Adjustments for items affecting net cost of operations but not affecting authorities:		
Services provided without charge by other government departments (note 10)	(5,254,329)	(5,175,151)
Amortization of tangible capital assets (note 7)	(683,335)	(449,360)
Loss on write-off of tangible capital assets	(64,763)	(98,052)
Decrease (increase) in vacation pay and compensatory leave	(65,245)	(149,359)
Decrease (increase) in employee future benefits	81,224	(50,300)
Refunds of prior years' expenditures	16,426	14,446
Refunds of program expenditures	12,360	43,516
Decrease (increase) in accrued liabilities not charged to authorities	24,867	64,633
Proceeds from disposal of surplus Crown assets	904	349
Adjustments to prior year's accounts payable	146,842	17,666
Total adjustments for items affecting net cost of operations but not affecting authorities	(5,785,049)	(5,781,612)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets (note 7)	722,485	1,248,861
Increase in employee advances	1,396	1,787
Employee overpayments	80,535	65,874
Increase (decrease) in prepaid expenses	(24,237)	(8,590)
Total adjustments for items not affecting net cost of operations but affecting authorities	780,179	1,307,932
Current year authorities used	44,878,473	39,343,172

b. Authorities provided and used

(in dollars)

	2024	2023
Authorities provided:		
Vote 1 - Program expenditures	41,270,000	39,280,451
Proceeds from the disposal of surplus Crown assets	904	349
Statutory amounts - Contributions to employee benefits plan	4,981,203	4,261,731
Less:		
Authorities available for future years	(806)	-
Lapsed authorities	(1,372,828)	(4,199,359)
Current year authorities used	44,878,473	39,343,172

4. Accounts payable and accrued liabilities

(in dollars)

	2024	2023
Accounts payable - Other government departments and agencies	946,589	394,973
Accounts payable - External parties	1,104,635	1,451,270
Total accounts payable	2,051,224	1,846,243
Accrued salaries	2,382,886	2,510,451
Total accounts payable and accrued liabilities	4,434,110	4,356,694

5. Employee future benefits

a. Pension benefits

The Commission's employees participate in the Public Service Pension Plan (Plan), which is sponsored and administered by the Government of Canada. 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 Commission contribute to the cost of the Plan. Due to the amendment of the Public Service Superannuation Act following the implementation of provisions related to Economic Action Plan 2012, employee contributors have been divided into two groups - Group 1 relates to existing plan members as of December 31, 2012 and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2023-24 expense amounts to \$2,949,370 (\$2,784,189 in 2022-23). For Group 1 members, the expense represents approximately 1.02 times (1.02 times in 2022-23) the employee contributions and, for Group 2 members, approximately 1 time (1 time in 2022-23) the employee contributions.

The Commission's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the Consolidated Financial Statements of the Government of Canada, as the Plan's sponsor.

b. Severance benefits

Severance benefits provided to the Commission's employees were previously based on an employee's eligibility, years of service and salary at termination of employment. However, since 2011 the accumulation of severance benefits for voluntary departures progressively ceased for substantially all employees. Employees subject to these changes were given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service. By March 31, 2024,

substantially all settlements for immediate cash out were completed and the remaining obligation will be disbursed upon departure from the public service. Severance benefits are unfunded and, consequently, the outstanding obligation will be paid from future authorities.

The changes in the obligations during the year were as follows:

(in dollars)

	2024	2023
Accrued benefit obligation, beginning of year	826,700	776,400
Expense for the year	(1,673)	156,812
Benefits paid during the year	(79,551)	(106,512)
Accrued benefit obligation, end of year	745,476	826,700

6. Accounts receivable and advances

(in dollars)

	2024	2023
Accounts receivable - Other government departments and agencies	234,623	194,688
Accounts receivable - External parties	186,516	190,352
Employee advances	16,142	16,836
Total net accounts receivable and advances	437,281	401,876

7. Tangible capital assets

All tangible capital assets having an initial cost of \$5,000 or more are recorded at their acquisition cost. The Commission does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on First Nations 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
Informatics hardware	3 to 5 years
Informatics software	3 to 5 years
Other equipment	3 to 15 years
Leasehold improvements	Over the remaining term of lease

Assets under construction are recorded in the applicable capital asset class in the year that they become available for use and are not amortized until they become available for use.

Cost

(in dollars)

Asset class	Opening Balance	Acquisitions	Transfers, Disposals and Write-Offs	Closing Balance
Informatics hardware	1,582,590	432,242	(79,774)	1,935,058
Informatics software	2,707,519	61,697	(267,056)	2,502,160
Other equipment	623,988	37,694	(243,231)	418,451
Leasehold improvements	1,283,652	33,871	(1,207,410)	110,113
Assets under construction	784,229	156,981	(31,818)	909,392
	6,981,978	722,485	(1,829,289)	5,875,174

Accumulated amortization

(in dollars)

Asset class	Opening Balance	Amortization	Transfers, Disposals and Write-Offs	Closing Balance
Informatics hardware	705,225	321,666	(63,908)	962,983
Informatics software	1,905,184	323,323	(267,056)	1,961,451
Other equipment	544,416	22,495	(243,231)	323,680
Leasehold improvements	1,236,873	15,851	(1,190,331)	62,393
	4,391,698	683,335	(1,764,526)	3,310,507

Net book value

(in dollars)

Asset class	2024	2023
Informatics hardware	972,075	877,365
Informatics software	540,709	802,335
Other equipment	94,771	79,572
Leasehold improvements	47,720	46,779
Assets under construction	909,392	784,229
	2,564,667	2,590,280

8. Contractual obligations

The nature of the Commission's activities can result in some large multi-year contracts and obligations whereby the Commission will be obligated to make future payments when the goods or services are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in dollars)

	Related Parties	Acquisitions of goods and services	Operating leases	Total
2025	1,671,863	1,110,471	96,162	2,878,496
2026	241,681	96,324	145,171	483,176
2027	72,550	18,209	15,478	106,237
2028	32,597	12,508	13,581	58,686
2029 and thereafter	32,929	12,508	13,581	59,018
Total	2,051,620	1,250,020	283,973	3,585,613

9. Contingent liabilities

Claims have been made against the Commission in the normal course of operations. These claims include items with pleading amounts and other for which no amount is specified. While the total amount claimed in these actions is significant, their outcomes are not determinable. The Commission has recorded an allowance for claims and litigations where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. Claims and litigations for which the outcome is not determinable and a reasonable estimate can be made by management remain nil at March 31, 2024.

10. Related party transactions

The Commission is related as a result of common ownership to all Government departments, agencies and Crown corporations. Related parties also include individuals who are members of key management personnel or close family members of those individuals, and entities controlled by, or under shared control of, a member of key management personnel or a close family member of that individual. The Commission has defined its key management personnel as the Chief Commissioner, Deputy Chief Commissioner, and Executive Director.

The Commission enters into transactions with these entities in the normal course of business and on normal trade terms.

a. Common services provided without charge by other government departments

During the year, the Commission received services without charge from certain common service organizations, related to accommodation, the employer's contribution to the health and dental insurance plans and worker's compensation coverage. These services provided

without charge have been recorded in the Commission's Statement of Operations and Net Financial Position as follows:

(in dollars)

	2024	2023
Accommodation	2,172,476	2,572,773
Employer's contribution to the health and dental insurance plans	3,073,510	2,594,503
Workers' compensation	8,343	7,875
	5,254,329	5,175,151

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 Services and Procurement Canada are not included in the Commission's Statement of Operations and Net Financial Position.

b. Other transactions with other government departments and agencies

In addition, the Commission provides internal support services to certain other small government departments and agencies such as finance, human resources, acquisition, administration and information technology services. These internal support services agreements are recorded as revenues as per section 29.2 of the FAA. The value of those agreements is (\$2,104,448) in 2023-24 (\$2,039,765 in 2022-23). Contractual obligations with related parties, as shown in note 8 above, amount to a total of \$2,051,620 over the next five years.

(in dollars)

	2024	2023
Accounts receivables	234,623	194,688
Accounts payable	946,589	394,973
Expenses	6,634,923	6,104,994
Net Revenues	2,104,448	2,039,765

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

11. Segmented information

Presentation by segment is based on the Commission's core responsibilities. 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 core responsibilities, by major object of expense and by major type of revenue.

The segment results for the period are as follows:

(in dollars)

	Engagement and Advocacy	Complaints	Proactive Compliance	Internal Services	2024	2023
Operating expenses						
Salaries and employee benefits	6,453,308	13,229,369	8,438,323	13,340,541	41,461,541	36,373,306
Professional and special services	1,034,880	1,174,713	613,133	2,216,729	5,039,455	4,446,443
Accommodation	336,300	692,568	443,331	700,276	2,172,475	2,572,773
Rentals	1,053	1,068	8,125	906,002	916,248	604,960
Amortization of tangible capital assets	-	-	-	683,335	683,335	449,360
Equipment expenses	-	-	552	542,890	543,442	477,862
Information services	207,913	25,622	28,933	269,053	531,521	351,145
Travel and relocation	92,596	74,603	33,172	19,092	219,463	180,398
Communication	22	6,460	54	178,867	185,403	173,642
Utilities, materials and supplies	1,016	33,154	2,429	72,186	108,785	86,908
Loss on write-off of tangible capital	-	-	-	64,763	64,763	98,052
Repair and maintenance	-	-	-	56,885	56,885	37,118
Claims against the Crown	-	-	700	4,700	5,400	5,000
Total operating expenses	8,127,088	15,237,557	9,568,752	19,055,319	51,988,716	45,856,967
Revenues						
Internal support services	-	-	-	2,104,448	2,104,448	2,039,765
Miscellaneous revenues	-	-	-	455,496	455,496	440,948
Revenues earned on behalf of Government	-	-	-	(454,571)	(454,571)	(440,599)
Total net revenues	-	-	-	2,105,373	2,105,373	2,040,114
Net cost of operations before government funding and transfers	8,127,088	15,237,557	9,568,752	16,949,946	49,883,343	43,816,853

Annex – Assessment of Internal Control over Financial Reporting for the fiscal year ended March 31, 2024 (Unaudited)

1. Introduction

This document provides a summary of information on the measures taken by the Canadian Human Rights Commission (Commission) to maintain an effective system of internal control over financial management (ICFM), including the system of internal controls over financial reporting (ICFR), as well as information on assessment results and the related action plan.

Detailed information on the Commission's authority, mandate and core responsibilities can be found in the 2024-25 Departmental Plan and the 2023-24 Departmental Results Report.

1.1 Internal control management

The Commission has a well-established governance and accountability structure to support the assessment efforts and oversight of its system of internal control, which comprises:

- organizational accountability structures as they relate to internal control management to support sound financial management, including the roles and responsibilities of senior managers of the Commission for control management in their areas of responsibility;
- values and ethics code;
- ongoing communication and training on statutory requirements, and policies and procedures for sound financial management and control; and
- monitoring of internal control management, as well as the provision of related assessment results and action plans to senior management.

1.2 Service arrangements relevant to financial statements

The Commission relies on other organizations for the processing of certain transactions that are recorded in its financial statements as follows:

Common Arrangements

- Public Services and Procurement Canada centrally administers all payments including salaries, and the procurement of goods and services consistent with the Commission's delegation of authority, provides accommodation services and manages MyGCHR and Phoenix for the Commission;
- The Treasury Board of Canada Secretariat provides the Commission with information to calculate the accrued severance liability and provides information on public service insurance and centrally administers payment of the employers' share of the of contributions toward statutory employee benefit plans; and
- Employment and Social Development Canada provides worker's compensation coverage to the Commission.

Some other government departments and agencies rely on the Commission for the processing of certain transactions as per the interdepartmental arrangements.

Specific Arrangements

- The Commission provides internal support services to some other government departments and agencies related to the provision of Finance, Human Resources, Acquisition, Administration and Information Technology services through Memorandums of Agreement. The information acquired through the assessments is shared with the clients who use the Commission's internal support services.

2. Assessment results during fiscal year 2023-24

The key findings and significant adjustments for the 2023-24 fiscal year's assessment activities are summarized below.

2.1 New or significantly amended key controls

The audit found that key internal controls over the audited business processes were operating effectively, but improvements have been identified for the asset management process. There were no new or significantly amended key controls in existing processes.

2.2 Ongoing monitoring program

In compliance with its rotational ongoing monitoring plan, the Commission reviewed and updated the documentation of the key controls in place and reassessed their operating effectiveness for the following business processes: purchase to payment, financial reporting, CFO attestation and asset management. The assessment concluded that key controls for these business processes were found to be effective for the most part, with the following areas of improvement in the asset management process:

- Implementation of capital asset tracking in the departmental financial system has not yet been implemented, and CHRC continues to use an Excel-based worksheet to track assets with in-person verification. CHRC aims to implement the recommended change to this process in 2024-25 and this activity will be monitored.

Additionally, the documentation of the key controls in place and the operating effectiveness of information technology general controls (ITGCs) were reassessed in the area of IT management, IT security, application & change management and computer & network operations. The assessment revealed that key controls were found to be generally effective.

During the year 2023-24, quarterly user account monitoring was not performed for all periods and the number of errors found with respect to IT users account removal appears high. Those processes are currently under review and new procedures are planned for implementation at the beginning of the 2024-25 fiscal year.

3. Action plan

3.1 Progress during fiscal year 2023-24

The Commission completed the annual assessment of internal controls according to the previous year rotational ongoing monitoring plan as shown in the following table:

Key Control Areas	Previous year's rotational ongoing monitoring plan for current year	Status
Business Process	Contracting	No remedial action required.
	Pay administration	No remedial action required.
	Revenue management & cost recovery	No remedial action required.
ITGCs	Budgeting and Forecasting	No remedial action required.
	IT Security (User access)	Not completed as planned; previously identified weaknesses have not been addressed and there are still many cases where employee access is not removed in a timely manner. Misuse of the system by employees has not been identified despite the identified deficiencies.

3.2 Action plan for the next fiscal year and subsequent years

The Commission's risk based ongoing monitoring plan over the next three years is shown in the following table:

Rotational Ongoing Monitoring Plan

Key Control Areas	Frequency	Risk Rank	Testing Operating Effectiveness	
			2023-24	2024-25
Entity Level Control	2 years	Medium	Yes	No
Business Process				
Payments to suppliers ¹	2 years	Medium	Yes	No
Contracting	2 years	Medium	No	Yes
Pay Administration	2 years	Medium	No	Yes
Revenue Management & Cost Recovery	2 years	Medium	No	Yes
Budgeting and forecasting	2 years	Medium	No	Yes
Financial Reporting	2 years	Medium	Yes	No
CFO Attestation	2 years	Medium +	Yes	No
Asset Management	2 years	Medium	Yes	No
ITGCs				
IT Management and computer and network operations	3 years	Low	No	Yes
IT Security (User Access)	Annually	High	Yes	Yes
Application development and change management	2 years	Medium	Yes	No

¹ Testing will include the payments cycle for operating and capital expenditures.