

Statement of Management Responsibility

HAZARDOUS MATERIALS INFORMATION REVIEW COMMISSION

The introduction of future-oriented financial statements is a Parliamentary direction for departments to provide enhanced financial information to external users. As this is the first year that Hazardous Materials Information Review Commission has prepared future-oriented financial statements, only the Statement of Operations and the accompanying Notes to the Statement of Operations have been compiled to forecast future-oriented results for the 2011-2012 fiscal year. Responsibility for the compilation, content and presentation of the Statement of Operations for the year ended March 31, 2012 and all information contained in this statement rests with Hazardous Materials Information Review Commission's management. This future-oriented information has been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector. The future-oriented Statement of Operations and the accompanying notes are submitted for Part III of the Estimates (Report on Plans and Priorities), and will be used in the Hazardous Materials Information Review Commission's Performance Report to compare with actual results.

Management is responsible for the integrity and objectivity of the information contained in the future-oriented financial information and for the process of developing forecasts and future projections. These forecasts and future projections are based upon information available and known to management at the time of development. They reflect current business and economic conditions and assume a continuation of current governmental priorities and consistency in the Commission's current mandate and strategic objectives. Much of the future-oriented financial information uses best estimates, assumptions and judgment to derive these forecasts and future projections and gives due consideration to materiality. At the time of preparation of this information, management believes these best estimates and assumptions to be reasonable. However, as with any use of best estimates and assumptions, there is a measure of uncertainty surrounding them. This uncertainty increases as the forecast horizon extends.

The actual results achieved for the fiscal year covered by the accompanying future-oriented Statement of Operations will vary from the information presented and these variations may be material.

Sharon Watts

President and Chief Executive Officer
Ottawa, Canada

Date : _____

Daniele Dionne

Vice-President, Corporate Services and Adjudication
Ottawa, Canada

Date : _____

Future-oriented Statement of Operations

HAZARDOUS MATERIALS INFORMATION REVIEW COMMISSION

For the year ended March 31

(in dollars)

	Estimated Results 2011		Forecast 2012			
Chemical trade secrets are protected and required health and safety information in Canadian workplaces is compliant						
			Statutory Decisions and Complaint Information	Stakeholder Engagement and Strategic Partnerships	Internal Services	Total
Expenses						
Salaries and employee benefits	\$ 4,565,464	\$ 2,699,897	\$ 519,346	\$ 1,161,462	\$ 4,380,705	
Accommodation	560,870	337,264	67,453	161,887	566,604	
Professional and special services	1,334,830	293,274	56,366	125,854	475,494	
Utilities, material and supplies	71,842	14,070	2,704	6,038	22,812	
Travel and relocation	40,401	7,805	1,500	3,350	12,655	
Communication	32,088	6,240	1,199	2,678	10,117	
Rentals	24,783	4,854	933	2,083	7,870	
Information	11,216	2,181	419	936	3,536	
Other	5,505	1,075	207	461	1,743	
Purchased repair and maintenance	3,200	627	120	269	1,016	
	6,650,199	3,367,287	650,247	1,465,018	5,482,552	
Revenues						
Client services	570,000	570,000	0	0	570,000	
Net cost of operations	\$ 6,080,199	\$ 2,797,287	\$ 650,247	\$ 1,465,018	\$ 4,912,552	

The accompanying notes form an integral part of the future-oriented financial statements.

1. Authority and Objectives

The Hazardous Materials Information Review Commission was created as an independent quasi-judicial agency in 1987 by proclamation of the *Hazardous Materials Information Review Act* and is accountable to the Parliament of Canada through the Minister of Health. The Commission is charged with providing the trade secret protection mechanism within the Workplace Hazardous Materials Information System (WHMIS). Priorities and reporting are aligned under the following strategic outcomes and related program activity:

Strategic Outcome 1: Chemical trade secrets are protected and required health and safety information in Canadian workplaces is compliant

Program Activity Descriptions

Statutory Decisions and Compliant Information

The Workplace Hazardous Materials Information System (WHMIS) requires chemical manufacturers, importers, distributors, and employers to provide cautionary labelling and material safety data sheets (MSDSs) for every controlled product produced, used or intended for use by workers in Canadian workplaces. Pursuant to the *Hazardous Materials Information Review Act*, the Hazardous Materials Information Review Commission has the mandate to make decisions on the validity of claims for exemption from disclosure requirements under WHMIS, while ensuring that associated health and safety information made available to Canadian workers is compliant with the WHMIS standards. Specifically, to fulfill its program requirements, the Commission registers claims, issues decisions on claim validity and compliance, offers claimants an opportunity to comply voluntarily and when necessary, orders claimants to take actions to bring MSDSs and/or labels into compliance. In carrying out this program, the Commission fosters proactive compliance. It assists claimants in respecting relevant statutory requirements by providing the information, knowledge, tools and support they need to submit complete and accurate claims and bring associated MSDSs and/or labels into compliance.

Stakeholder Engagement and Strategic Partnerships

The exclusive work completed by the Commission enables it to gather unique information and data holdings on hazard communications under the Workplace Hazardous Materials Information System in terms of completeness, accuracy, comprehensibility and accessibility. Through partnerships, the Commission attempts to more fully a) mine, b) test and compare and c) share its knowledge so as to improve hazard communications for Canadian industry and Canadian workers. It also uses this knowledge to improve the understanding and proficiency of interested domestic and international public bodies in developing hazard communication approaches, tools and standards. Consequently, this program supports the establishment of mutually beneficial partnerships that contribute to the creation and distribution of information and knowledge that enhance the safe handling of hazardous chemicals.

Internal Services

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

2. Significant Assumptions

The future-oriented Statement of Operations has been prepared on the basis of government priorities and the plans of the Commission as described in the Report on Plans and Priorities.

The main assumptions are as follows:

- (a) The Commission's activities will remain substantially the same as the previous year.
- (b) Expenses and revenues, including the determination of amounts internal and external to the government, are based on historical experience. The general historical pattern is expected to continue.

These assumptions are adopted as at January 17, 2011.

3. Variations and Changes to the Forecasted Financial Information

While every attempt has been made to accurately forecast final results for fiscal year 2011-2012, actual results achieved are likely to vary from the forecasted information presented and this variation could be material.

In preparing the future-oriented Statement of Operations, the Hazardous Materials Information Review Commission has made estimates and assumptions concerning the future. These estimates and judgements may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Factors that could lead to material differences between the future-oriented financial statements and the historical financial statements include:

- (a) Further changes to the operating budget through additional new initiatives or technical adjustments later in the year.

Once the Report on Plans and Priorities is presented, the Hazardous Materials Information Review Commission will not be updating the forecasts for any changes to authorities or forecasted financial information made in ensuing supplementary estimates. Variances will be explained in the Commission's Performance Report.

4. Summary of Significant Accounting Policies

The future-oriented Statement of Operations has been prepared in accordance with the Treasury Board accounting policies stated below, which are based on Canadian generally accepted accounting principles for the public sector. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian generally accepted accounting principles.

Significant accounting policies are as follows:

(a) Parliamentary Authorities

The Commission is financed by the Government of Canada through Parliamentary authorities. The cash accounting basis is used to recognize transactions affecting parliamentary authorities. The future-oriented Statement of Operations is based on accrual accounting. Consequently, items presented in the future-oriented Statement of Operations are not necessarily the same as those provided through authorities from Parliament. Note 5 provides a reconciliation between the bases of reporting.

b) Forecasted Revenues - are presented on an accrual basis

- ✓ Revenues from regulatory fees are recognized in the accounts based on the services provided in the year.
- ✓ Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

c) Forecasted Expenses - are presented on an accrual basis

- ✓ Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- ✓ Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans and legal services are reported as operating expenses at their estimated cost.

d) Employee Future Benefits

- i) Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer 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 total obligation to the Plan by the Commission. Current legislation does not require the Commission to make contributions for any actuarial deficiencies of the Plan.
- ii) Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

Notes to the Financial Statements (Unaudited)

HAZARDOUS MATERIALS INFORMATION REVIEW COMMISSION

5. Parliamentary Authorities

The Commission receives most of its funding through annual Parliamentary authorities. Items recognized in the Statement of Operations 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) Authorities requested:	Estimated Results	Forecast
(in dollars)	2011	2012
Authorities requested		
Operating expenditures - Vote 30	\$ 5,100,289	\$ 3,925,209
Statutory amounts	603,742	609,984
Forecast authorities available	\$ 5,704,031	\$ 4,535,193

(a) Reconciliation of net cost of operations to requested authorities :	Estimated Results	Forecast
(in dollars)	2011	2012
Net cost of operations	\$ 6,080,199	\$ 4,912,552

Adjustments for items affecting net cost of operations but not affecting authorities:

Add (Less):

Services provided without charge from other government departments	(864,630)	(854,652)
Revenue not available for spending	570,000	570,000
Severance pay benefits	(49,706)	(53,512)
Vacation pay and compensatory leave	(34,606)	(40,357)
Refund/adjustment of previous year's expenditures	2,774	1,162
Forecast authorities available	\$ 5,704,031	\$ 4,535,193

6. Employee Future Benefits

(a) Pension benefits

The Commission's employees participate in the Public Service Pension 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. The current and previous year expenses amount to:

	Estimated Results	Forecast
(in dollars)	2011	2012
Expense for the year	\$ 435,902	\$ 440,408

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.

(b) Severance benefits

The Commission provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future authorities. Information about the severance benefits, estimated as at the date of this Statement of Operations as follows:

	Estimated Results	Forecast
(in dollars)	2011	2012
Accrued benefit obligation, beginning of year	\$ 479,898	\$ 529,604
Expense for the year	147,845	151,651
Benefits paid during the year	(98,139)	(98,139)
Accrued benefit obligation, end of year	\$ 529,604	\$ 583,116

7. Related Party Transactions

The Commission is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Commission enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Commission received services which were obtained without charge from other government departments as presented in part (a).

(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, legal services and the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded in the Commission's Statement of Operations as follows:

(in dollars)	Estimated Results	Forecast
	2011	2012
Accommodation	\$ 560,870	\$ 566,604
Employer's contribution to the health and dental insurance plans	303,760	288,048
Services provided without charges	\$ 864,630	\$ 854,652

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 check issuance services provided by Public Works and Government Services Canada, are not included in the Department's Statement of Operations.

(b) Other transactions with related parties

(in dollars)	2011	2012
Expenses - Other Government departments and agencies	\$ 110,525	\$ 38,821

8. Comparative Information

Since this is the first year that the Commission has prepared future-oriented financial statements, only the Statement of Operations and the accompanying notes to the Statement of Operations have been compiled to forecast future-oriented results for the 2011-2012 fiscal year. Comparative figures have not been compiled as a result.