

# **Secretariat of the National Security and Intelligence Committee of Parliamentarians**

## **Quarterly Financial Report For the quarter ended June 30, 2022**

### **Table of Contents**

- Introduction
- Mandate
- Basis of presentation
- Highlights of fiscal quarter and fiscal year to date results
- Risks and uncertainties
- Significant changes in relation to operations, personnel and programs
- Approval by senior officials
- Annexes A & B

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## Introduction

This quarterly report has been prepared by management as required by section 65.1 of the Financial Administration Act and in the form and manner prescribed by the Directive on Accounting Standards, GC 4400 Departmental Quarterly Financial Report. This quarterly financial report should be read in conjunction with the 2022-23 Main Estimates, as well as previous Quarterly Financial Reports. This quarterly report has not been subject to an external audit or review.

## Mandate

The National Security and Intelligence Committee of Parliamentarians Act received Royal Assent on June 22, 2017. It formally establishes the Secretariat of the National Security and Intelligence Committee of Parliamentarians (the Secretariat). The Secretariat assists the National Security and Intelligence Committee of Parliamentarians in fulfilling its mandate, which is to review:

- The legislative, regulatory, policy, administrative and financial framework for national security and intelligence;
- Any activity carried out by a department that relates to national security or intelligence, unless the activity is an ongoing operation and the appropriate Minister determines that the review would be injurious to national security; and
- Any matter relating to national security or intelligence that a minister of the Crown refers to the Committee.

The Secretariat ensures the Committee receives timely access to relevant, classified information and strategic and expert advice in the conduct of reviews by the Committee. It assists in the development of reports and provides support to ensure compliance with security requirements.

The Secretariat developed a Departmental Results Framework and an accompanying Program Inventory in 2020-21, and began implementing both in 2021-22. The details of the Departmental Results Framework and the Program Inventory are included in the Secretariat's 2022-23 Departmental Plan.

## Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the department's spending authorities granted by Parliament and those used by the department, consistent with the 2022-23 Main Estimates and Supplementary Estimates (as applicable) for 2022-23 fiscal year. This quarterly report has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before money can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts, or through legislation in the form of statutory spending authority for specific purposes.

When Parliament is dissolved for the purposes of a general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant

authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

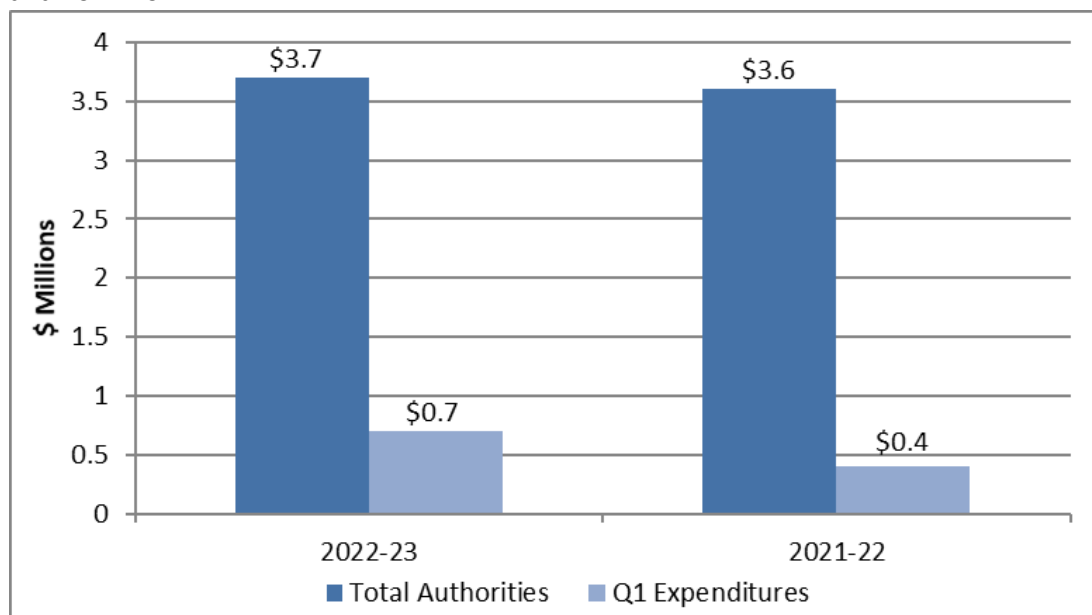
The Secretariat uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

## Highlights of the fiscal quarter and the fiscal year to date (YTD) results

This section highlights the significant items that contributed to the net increase or decrease in authorities available for the year and actual expenditures for the quarter ended June 30, 2022.

The Secretariat spent approximately 19% of its authorities by the end of the first quarter, compared to 11% in the same quarter of 2021-22 (see graph 1 below).

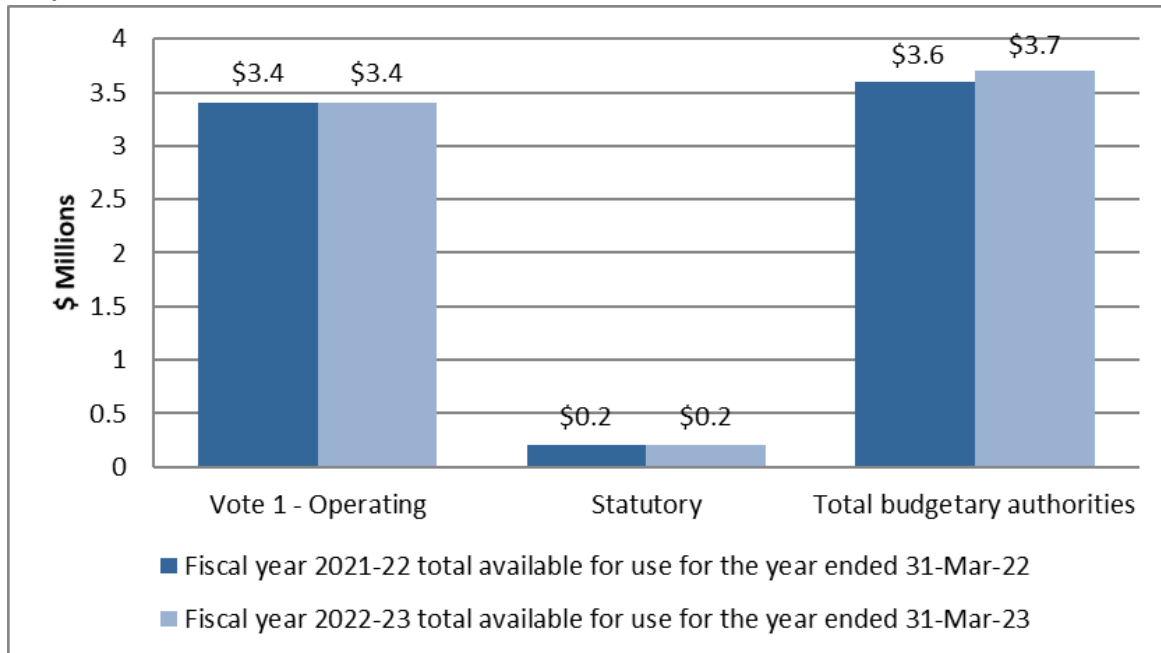
**Graph 1: Comparison of Total Authorities and Total Net Budgetary Expenditures as of Q1 2022-2023 and 2021-2022**



### *Significant changes to authorities*

As depicted in graph 2 below (as at June 30, 2022) and Annex A, presented at the end of this document, the Secretariat has authorities available for use of \$3.7 million in 2022-23 compared to \$3.6 million as of June 30, 2021, for a net increase of \$0.1 million or 3%. The increase of \$0.1 million in the authorities available for use is due to an adjustment of employee benefits plan in 2022-23.

**Graph 2: Variance in Authorities as at June 30, 2022**



\*Details may not add to totals due to rounding

### *Significant changes to expenditures*

The first quarter expenditures totaled \$718K for an increase of \$348K (94%) when compared to \$371K spent during the same period in 2021-22. Table 1 below presents budgetary expenditures by standard object.

**Table 1 – Material variances to expenditures by standard object as of Q1 2022-2023 and 2021-2022**

<b>Material Variances to Expenditures by Standard Object</b> (in thousands of dollars)	<b>Fiscal year 2022-23 Expended during the quarter ended 30-June-2022</b>	<b>Fiscal year 2021-22 Expended during the quarter ended 30-June-2021</b>	<b>Variance \$</b>	<b>Variance %</b>
Personnel	325	314	11	4%
Transportation and communications	1	0	1	1000%
Information	4	7	(3)	(42%)
Professional and special services	385	25	360	1417%
Rentals	-	23	(23)	(100%)
Utilities, materials and supplies	-	1	(1)	(91%)
Other subsidies and payments	3	-	3	0%
<b>Total gross budgetary expenditures</b>	<b>718</b>	<b>371</b>	<b>348</b>	<b>94%</b>

\*Details may not add to totals due to rounding

#### **Personnel**

The increase of \$11,000 in Personnel is mainly related to the hiring of new staff and the increase in performance pay compared to the previous fiscal year.

#### **Professional and special services**

The increase of \$360,000 in Professional and special services is mainly due to timing differences in invoicing for Information Technology services which occurred in the second quarter in 2021-22 compared to the first quarter in 2022-23.

#### **Rentals**

The decrease of \$23,000 in Rentals is mainly due to a timing difference in receiving rental invoices for the Secretariat's offices. Rent invoices were received in July 2022, as opposed to invoices received in May and June in 2021.

## **Risks and Uncertainties**

This Departmental Quarterly Financial Report reflects the results of the current fiscal period in relation to the 2022-23 Main Estimates. The ongoing pandemic presents a number of risks and uncertainties with regards to Committee and Secretariat business. The Secretariat is implementing or considering mitigation measures to ensure continuity of work.

The most important consideration is the security of information. The Committee and Secretariat use highly classified information to conduct reviews, and generally hold hearings at the Top Secret level. In this work, it is incumbent upon the Committee and Secretariat to ensure the proper safeguarding of classified information. For this reason, the organization will continue most activities within secure and accredited facilities while respecting appropriate health and safety protocols. To permit some flexibility in the face of exigent circumstances, the Secretariat has arranged for the Committee to conduct some meetings through the secure video-conference infrastructure of a security and intelligence organization. However, this option is subject to competing operational demands of the organization itself and may only be available intermittently.

In terms of costs, the pandemic has not exerted any additional financial pressures and the Secretariat anticipates continuing operations within its existing funding envelope.

## **Significant changes in relation to operations, personnel and programs**

The Secretariat maintained operations with a blend of remote work and on-site activities during this period due to the COVID-19 pandemic. This allowed the Secretariat to continue to work on existing reviews.

During this reporting period the Secretariat welcomed the appointment of a new Committee on January 20, 2022, and additional members who were appointed on May 20, 2022. The Secretariat briefed new members about their responsibilities and ongoing reviews.

Due to the lessening severity of the COVID-19 virus and its variants, the Committee resumed full, in-person meetings for the first time since the beginning of the COVID-19 Pandemic. This allowed the Committee to discuss ongoing reviews, hold appearances with government officials and consider future reviews in a timelier manner.

## **Approval by Senior Officials**

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Lisa-Marie Inman, Executive Director  
Ottawa, Ontario

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Sean Jorgensen, Director of Operations and Chief Financial Officer  
Ottawa, Ontario

Secretariat of the National Security and Intelligence Committee of Parliamentarians  
 Quarterly Financial Report  
 For the quarter ended June 30, 2022

STATEMENT OF AUTHORITIES (unaudited) (note 2)

	Fiscal year 2022-23			Fiscal Year 2021-22		
	Total available for use for the year ending March 31, 2023 (note 1)	Used during the quarter ended June 30, 2022	Year-to-date used at quarter-end	Total available for use for the year ending March 31, 2022 (note 1)	Used during the quarter ended June 30, 2021	Year-to-date used at quarter-end
<i>(In dollars)</i>						
Vote 1 - Net operating expenditures	3,409,991	657,361	657,361	3,409,991	311,068	311,068
Budgetary statutory authorities						
Contributions to employee benefits plans	241,265	60,316	60,316	238,048	59,512	59,512
Total budgetary authorities	3,651,256	717,678	717,678	3,648,039	370,580	370,580
TOTAL AUTHORITIES	3,651,256	717,678	717,678	3,648,039	370,580	370,580

Note 1: Includes only Authorities available for use and granted by Parliament at quarter-end for each respective fiscal year.

Note 2: Details may not add to totals due to rounding



Secretariat of the National Security and Intelligence Committee of Parliamentarians  
Quarterly Financial Report  
For the quarter ended June 30, 2022

DEPARTMENTAL BUDGETARY EXPENDITURES BY STANDARD OBJECT (unaudited) (note 2)

	Fiscal year 2022-23			Fiscal Year 2021-22		
	Planned expenditures for the year ending March 31, 2023 (note 1)	Expended during the quarter ended June 30, 2022	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2022 (note 1)	Used during the quarter ended June 30, 2021	Year-to-date used at quarter-end
<i>(In dollars)</i>						
<b>Budgetary expenditures</b>						
Personnel	1,849,700	324,778	324,778	1,846,483	313,624	313,624
Transportation and communications	68,151	579	579	54,859	128	128
Information	22,710	4,113	4,113	26,703	7,220	7,220
Professional and special services	1,443,731	384,953	384,953	1,469,914	25,429	25,429
Rentals	161,205	-	-	128,965	23,113	23,113
Repair and maintenance	74,373	-	-	41,825	-	-
Utilities, materials and supplies	11,240	-	-	9,208	1,066	1,066
Acquisition of machinery and equipment	18,503	-	-	68,024	-	-
Other subsidies and payments	1,643	3,255	3,255	2,058	-	-
<b>Total gross budgetary expenditures</b>	<b>3,651,256</b>	<b>717,678</b>	<b>717,678</b>	<b>3,648,039</b>	<b>370,580</b>	<b>370,580</b>
<b>TOTAL BUDGETARY EXPENDITURES</b>	<b>3,651,256</b>	<b>717,678</b>	<b>717,678</b>	<b>3,648,039</b>	<b>370,580</b>	<b>370,580</b>

Note 1: Includes only Authorities available for use and granted by Parliament at quarter-end for each respective fiscal year.

Note 2: Details may not add to totals due to rounding