

Secretariat of the National Security and Intelligence Committee of Parliamentarians

Quarterly Financial Report For the quarter ended September 30, 2022

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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 moneys 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.

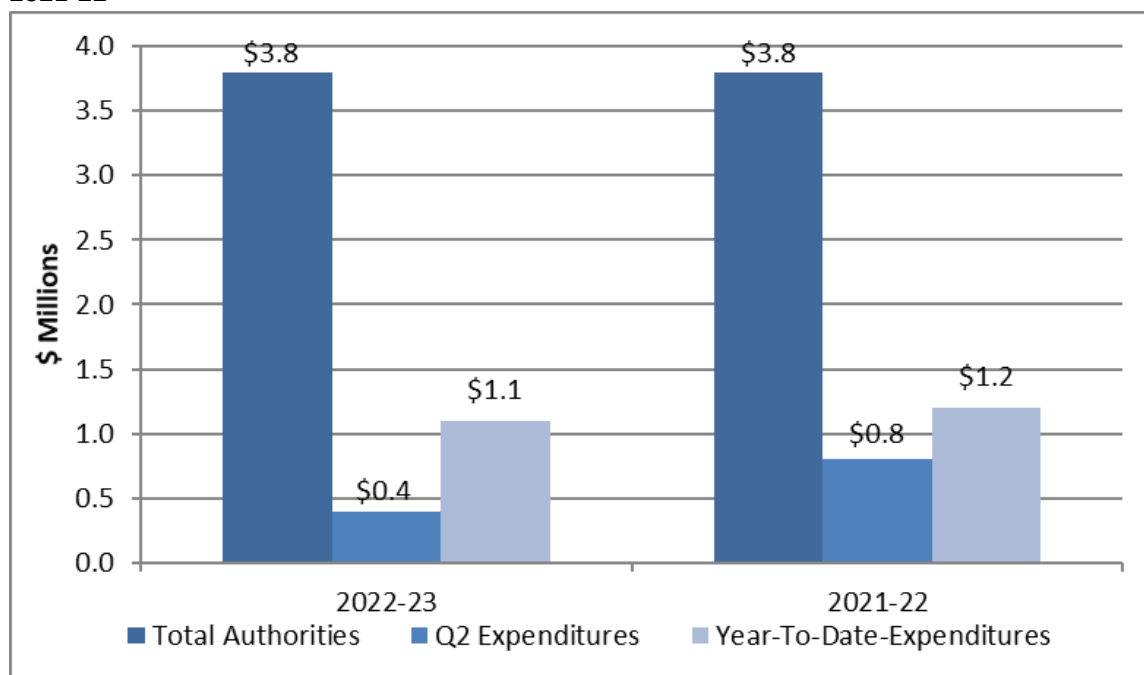
The Secretariat uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

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 September 30, 2022.

The Secretariat spent approximately 29% of its authorities by the end of the second quarter, compared to 32% in the same quarter of 2021-22 (see graph 1 below).

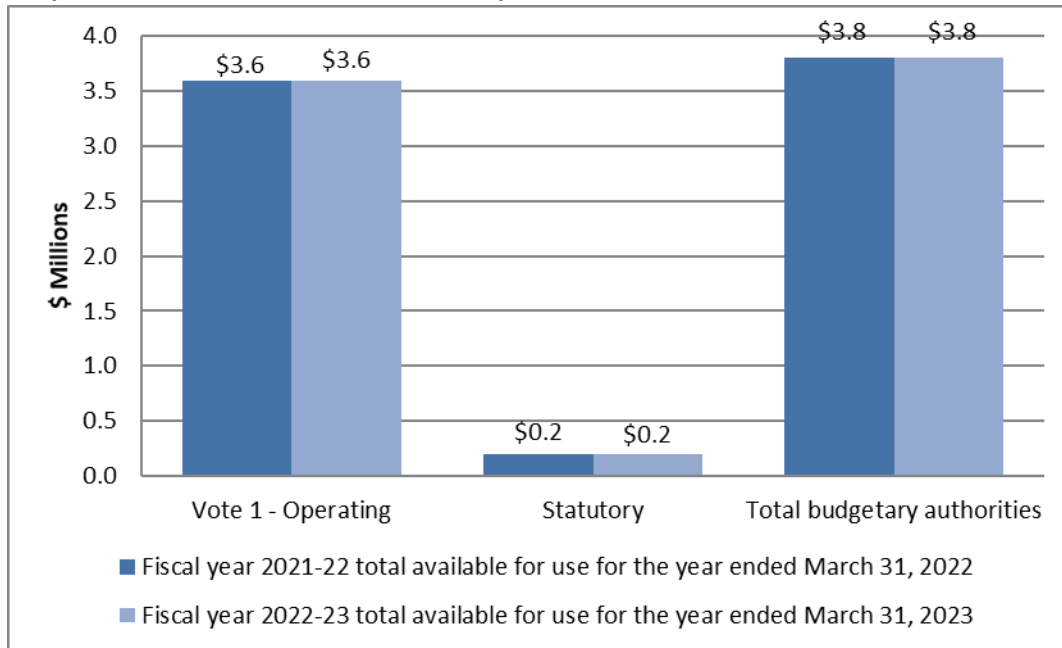
Graph 1: Comparison of Total Authorities and Total Net Budgetary Expenditures as of Q2 2022-23 and 2021-22



Significant changes to authorities

As depicted in graph 2 below (as at September 30, 2022) and Annex A, presented at the end of this document, the Secretariat has authorities available for use of \$3.8 million in 2022-23 compared to \$3.8 million as of September 30, 2021, for a net increase of \$0.0 million or 0%.

Graph 2: Variance in Authorities as at September 30, 2022



Significant changes to quarter expenditures

The second quarter expenditures totaled \$378K for a decrease of \$422K (53%) when compared to \$800K 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 quarterly comparison

Material Variances to Expenditures by Standard Object (in thousands of dollars)	Fiscal year 2022-23 Expended during the quarter ended 30-September- 2022	Fiscal year 2021-22 Expended during the quarter ended 30-September- 2021	Variance \$	Variance %
Personnel	290	368	(78)	(21%)
Transportation and communications	2	2	0	0%
Information	9	10	(1)	(10%)
Professional and special services	27	393	(366)	(93%)
Rentals	48	23	25	108%
Utilities, materials and supplies	1	0	1	0%
Other subsidies and payments	2	4	(2)	(49%)
Total gross budgetary expenditures	378	800	(422)	(53%)

* Details may not add to totals due to rounding

Personnel

The total decrease of \$78,000 is related to changes in the team composition.

Professional and special services

The decrease of \$366,000 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 increase of \$25,000 in Rentals is mainly due to 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.

Significant changes to year-to-date expenditures

The year-to-date expenditures totaled \$1.095M for a decrease of \$75K (7%) when compared to \$1.171M spent during the same period in 2021-22. Table 2 below presents budgetary expenditures by standard object.

Table 2 – Material variances to expenditures by standard object year-to-date comparison

Material Variances to Expenditures by Standard Object (in thousands of dollars)	YTD Expenditures as of 30- September-2022	YTD Expenditures as of 30- September-2021	Variance \$	Variance %
Personnel	614	682	(68)	(10%)
Transportation and communications	2	2	0	0%
Information	13	17	(4)	(23%)
Professional and special services	412	418	(6)	(1%)
Rentals	48	46	2	4%
Utilities, materials and supplies	1	1	0	0%
Other subsidies and payments	5	4	1	24%
Total gross budgetary expenditures	1,095	1,171	(76)	(7%)

* Details may not add to totals due to rounding

Personnel

The total decrease of \$68,000 is related to changes in the team composition.

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 remained flexible and 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.

Due to the lessening severity of the COVID-19 virus and its variants, the Committee continued to hold full, in-person meetings. 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

Lisa-Marie Inman, Executive Director
Ottawa, Ontario

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 September 30, 2022

STATEMENT OF AUTHORITIES (unaudited) (note 2)

	Fiscal year 2022-2023			Fiscal Year 2021-2022		
	Total available for use for the year ending March 31, 2023 (note 1)	Used during the quarter ended September 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 September 30, 2021	Year-to-date used at quarter-end
<i>(In dollars)</i>						
Vote 1 - Net operating expenditures	3,580,491	317,409	974,770	3,576,545	740,651	1,051,719
Budgetary statutory authorities						
Contributions to employee benefits plans	241,265	60,316	120,633	238,048	59,512	119,024
Total budgetary authorities	3,821,756	377,725	1,095,403	3,814,593	800,163	1,170,743
TOTAL AUTHORITIES	3,821,756	377,725	1,095,403	3,814,593	800,163	1,170,743

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.

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	Fiscal year 2022- 2023			Fiscal Year 2021- 2022		
	Planned expenditures for the year ending March 31, 2023 (note 1)	Expended during the quarter ended September 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 September 30, 2021	Year-to-date used at quarter-end
<i>(In dollars)</i>						
Budgetary expenditures						
Personnel	1,849,700	289,661	614,439	1,846,483	368,156	681,780
Transportation and communications	68,151	1,618	2,197	54,859	2,006	2,134
Information	22,710	8,591	12,704	26,703	10,118	17,338
Professional and special services	1,614,231	27,218	412,171	1,636,468	392,710	418,139
Rentals	161,205	47,463	47,463	128,965	23,113	46,227
Repair and maintenance	74,373	-	-	41,825	-	-
Utilities, materials and supplies	11,240	1,005	1,005	9,208	-	1,066
Acquisition of machinery and equipment	18,503	-	-	68,024	-	-
Other subsidies and payments	1,643	2,169	5,424	2,058	4,059	4,059
Total gross budgetary expenditures	3,821,756	377,725	1,095,403	3,814,593	800,163	1,170,743
TOTAL BUDGETARY EXPENDITURES	3,821,756	377,725	1,095,403	3,814,593	800,163	1,170,743

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.