

Office of the Intelligence Commissioner

Quarterly Financial Report
For the Quarter Ended June 30, 2023

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Statement Outlining Results, Risks and Significant Changes in Operations, Personnel and Program

1. 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 Treasury Board. This quarterly report should be read in conjunction with the Main Estimates. This report has not been subject to external audit or review.

The Office of the Intelligence Commissioner (ICO) is an independent oversight body. The mandate of the Intelligence Commissioner (IC) is set out in the *Intelligence Commissioner Act*. The IC's role is to approve, or not, certain national security and intelligence activities that the Communications Security Establishment (CSE) or the Canadian Security Intelligence Service (CSIS) wish to conduct. These activities may breach Canadian law or infringe on privacy interests of Canadians or persons in Canada. To conduct these activities, CSE and CSIS must first obtain the written authorization of their respective minister or, in selected cases, of the Director of CSIS. The IC then reviews the respective minister's or Director's authorization to determine whether the conclusions it contains are reasonable. Only with approval from the IC can the activities take place.

Further information on the ICO can be found on the [departmental website](#).

Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the ICO's spending authorities as approved in the Main Estimates for the 2023–24 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 ICO uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

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2. Highlights of Fiscal Quarter and Fiscal Year-to-Date Results

This section highlights the financial results for the fiscal quarter and fiscal year-to-date ended June 30, 2023. It also provides explanations of variances compared with the same period last year that exceed a materiality threshold of \$5,000 for program expenditures and statutory authorities.

Highlights of the Fiscal Quarter and Fiscal Year-to-Date Results (in thousands of dollars)

	2023–24 Budgetary authorities to March 31, 2024	2022–23 Budgetary authorities to March 31, 2023	Variance in budgetary authorities	Year-to-date expenditures as at Q1 2023–24 (June 30, 2023)	Year-to-date expenditures as at Q1 2022–23 (June 30, 2022)	Variance in expenditures
Vote 1 Program Expenditures	2,384	2,369	15	606	536	70
Statutory authorities	171	167	4	43	41	2
Total	2,555	2,536	19	649	577	72

Statement of Authorities

At the end of the first quarter, June 30, 2023, the ICO had received \$2,555,000, its full voted and statutory authorities.

This is an increase of \$19,000 in voted and statutory authorities received in the first quarter in 2022–23.

The increase of \$19,000 in authorities over the previous year is related to salary and employee benefit plan adjustments reflecting collective agreements signed in the core public administration early in 2023–24.

Statement of Departmental Budgetary Expenditures by Standard Object

For the fiscal quarter ended June 30, 2023, budgetary expenditures increased by \$72 000 (12%) compared to the same period in the previous year:

- Vote 1 expenditures increased by \$70,000; and
- statutory payments increased by \$2,000.

The following table provides an explanation of these changes by standard object.

Standard object	Changes to voted and statutory expenditures (fiscal quarter ended June 30, 2023 compared with fiscal quarter ended June 30, 2022)	(\$ thousands)
Vote 1: Program Expenditures		
1 Personnel	There was an increase in personnel costs for the quarter ended June 30, 2023, over the quarter ended June 30, 2022. Personnel costs were lower in the previous year as a	89

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	result of late billings for the first quarter from other government departments for employees hired by ICO in 2021–22.	
2 Transportation and communications		(1)
3 Information		2
4 Professional and special services	Decrease is result of timing difference – paid in Q1 last year and in Q2 this year) and decrease in costs related to secure communications provided by government agency	(14)
5 Rentals		(2)
6 Repair and maintenance		0
7 Utilities, materials and supplies		(4)
9 Acquisition of machinery and equipment		0
Subtotal Vote 1		70
Statutory expenditures		
1 Personnel		2
Total		72

3. Risks and Uncertainties

The ICO continued to carefully manage its resources in order that independent quasi-judicial reviews of the conclusions reached by Ministers in issuing certain ministerial authorizations and determinations continued to be conducted effectively and within statutory time limits.

4. Significant Changes in Relation to Operations, Personnel and Programs

There have been no significant changes in relation to operations, personnel, and programs.

5. Approval by Senior Officials

Approved by:

Original signed by

Original signed by

The Honourable Simon Noël, K.C.
Intelligence Commissioner

Justin Dubois
Chief Financial Officer

Ottawa, Canada
August 15, 2023

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Appendix A – Statement of Authorities (unaudited)

(in thousands of dollars)	Fiscal year 2023–24			Fiscal year 2022–23		
	Total available for use for the year ending March 31, 2024	Used during the quarter ended June 30, 2023	Year-to-date used at quarter-end	Total available for use for the year ended March 31, 2023	Used during the quarter ended June 30, 2022	Year-to-date used at quarter-end
Vote 1 - Program Expenses	2,384	606	606	2,369	536	536
Statutory authorities – Contributions to employee benefit plans	171	43	43	167	41	41
Total Budgetary authorities	2,555	649	649	2,536	577	577
Total authorities	2,555	649	649	2,536	577	577

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Appendix B – Departmental Budgetary Expenditures by Standard Object (unaudited)

(in thousands of dollars)

	Fiscal year 2023–24			Fiscal year 2022–23		
	Planned expenditures for the year ending March 31, 2024	Expended during the quarter ended June 30, 2023	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended June 30, 2022	Year-to-date used at quarter-end
Expenditures:						
Personnel	1,299	305	305	1,279	214	214
Transportation and communications	27	3	3	27	3	3
Information	30	3	3	23	2	2
Professional and special services	735	336	336	747	350	350
Rentals	320	0	0	311	2	2
Repair and maintenance	100	0	0	103	0	0
Utilities, materials and supplies	24	2	2	24	6	6
Acquisition of land, buildings and works	0	0	0	0	0	0
Acquisition of machinery and equipment	20	0	0	22	0	0
Other subsidies and payments	0	0	0	0	0	0
Total gross budgetary expenditures	2,555	649	649	2,536	577	577
Total net budgetary expenditures	2,555	649	649	2,536	577	577