

Secretariat of the National Security and Intelligence Committee of Parliamentarians

Quarterly Financial Report For the quarter ended December 31, 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

**© Secretariat of the National Security and Intelligence Committee of Parliamentarians
(2023)
All rights reserved**

All requests for permission to reproduce this document or any part thereof shall be addressed to Secretariat of the National Security and Intelligence Committee of Parliamentarians.

Cette publication est également disponible en français :
Rapport financier trimestriel pour le trimestre se terminant le 31 décembre 2022 - Secrétariat du Comité des parlementaires sur la sécurité nationale et le renseignement

CP101-1E-PDF
ISSN 2562-8356

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.

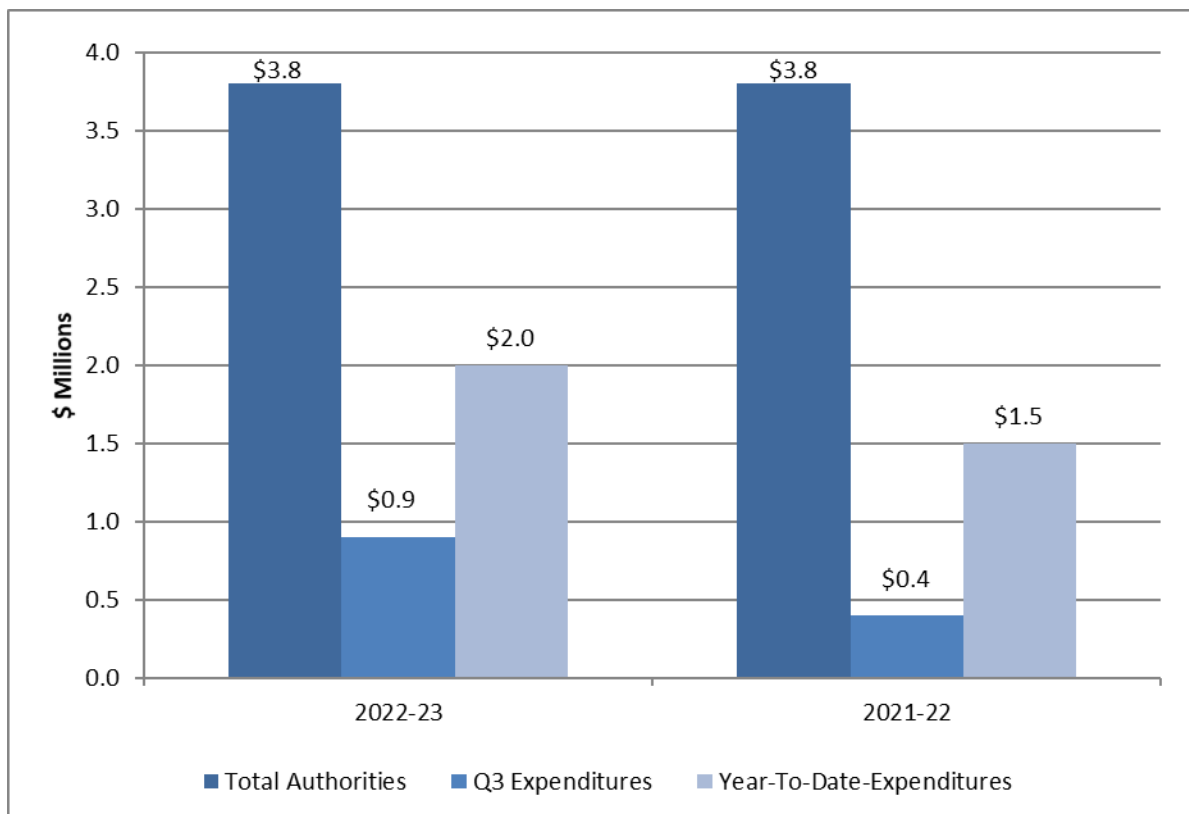
The Secretariat uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

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 December 31, 2022.

The Secretariat spent approximately 53% of its authorities by the end of the third quarter, compared to 39% in the same quarter of 2022-23 (see graph 1 below).

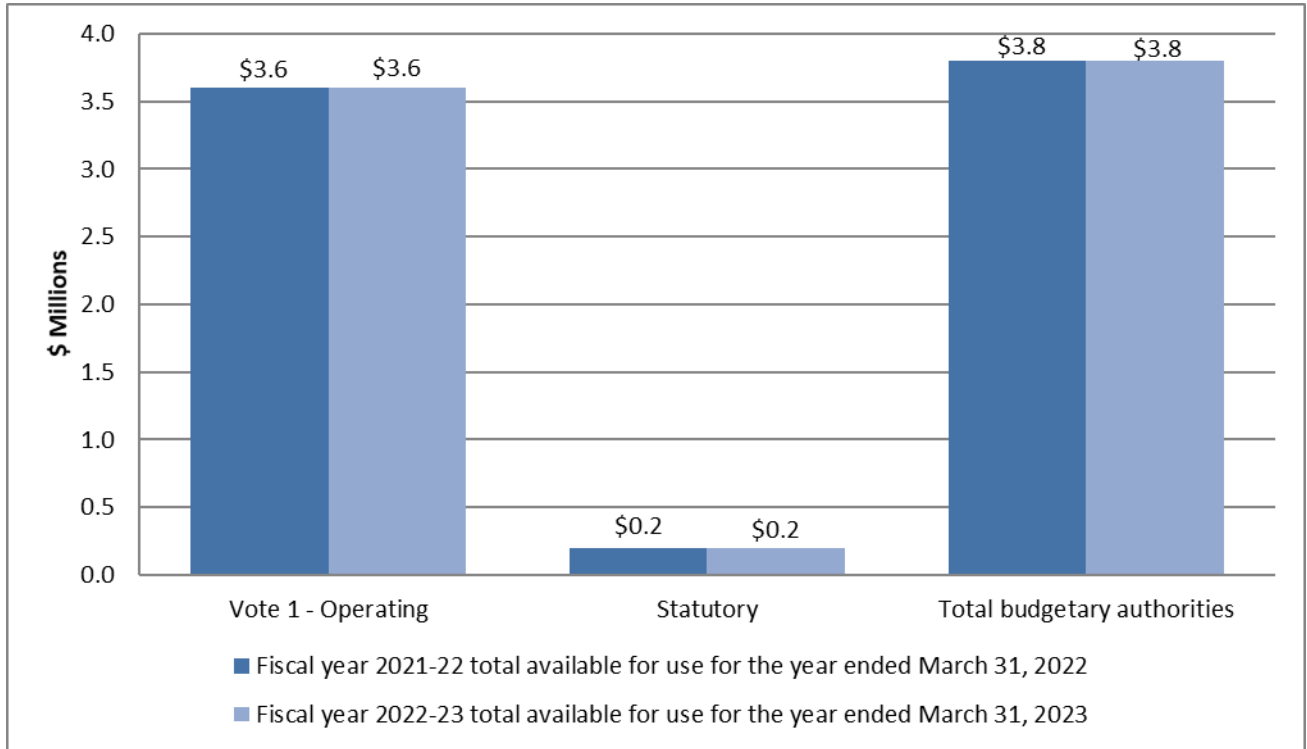
Graph 1: Comparison of Total Authorities and Total Net Budgetary Expenditures as of Q3 2022-23 and 2021-22



Significant changes to authorities

As depicted in graph 2 below (as at December 31, 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 December 31, 2021, for a net increase of \$0.0 or 0%.

Graph 2: Variance in Authorities as at December 31, 2022



Significant changes to quarter expenditures

The third quarter expenditures totaled \$902,000 for an increase of \$535,000 (146%) when compared to \$367,000 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 31-December-2022	Fiscal year 2021-22 Expended during the quarter ended 31-December-2021	Variance \$	Variance %
Personnel	467	334	133	40%
Transportation and communications	10	2	8	500%
Information	(5)	0	(5)	0%
Professional and special services	404	5	399	7528%
Rentals	24	23	1	4%
Utilities, materials and supplies	1	0	1	250%
Acquisition of machinery and equipment	2	1	1	100%
Other subsidies and payments	(2)	2	(4)	(211%)
Total gross budgetary expenditures	902	367	535	146%

* Details may not add to totals due to rounding

Personnel

The increase of \$133,000 is due to the recruitment of personnel to fill vacancies

Transportation and communications

The increase of \$8,000 is related to additional travel in 2022-23.

Professional and special services

The increase of \$399,000 is mainly related to the timing of invoicing for Internal Services support.

Significant changes to year-to-date expenditures

The year-to-date expenditures totaled \$1,997,000 for an increase of \$461,000 (30%) when compared to \$1,538,000 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	YTD Expenditures as of 31-December-2022	YTD Expenditures as of 31-December-2021	Variance \$	Variance %
(in thousands of dollars)				
Personnel	1,082	1,015	67	7%
Transportation and communications	12	4	8	216%
Information	8	17	(9)	(52%)
Professional and special services	816	423	393	93%
Rentals	71	69	2	3%
Utilities, materials and supplies	2	1	1	71%
Acquisition of machinery and equipment	2	1	1	100%
Other subsidies and payments	4	6	(2)	(33%)
Total gross budgetary expenditures	1,997	1,538	461	30%

* Details may not add to totals due to rounding

Personnel

The increase of \$67,000 is due to the recruitment of personnel to fill vacancies.

Transportation and communications

The increase of \$8,000 is related to additional travel in 2022-23.

Professional and special services

The increase of \$393,000 is mainly related to the timing of invoicing for Internal Services support.

Risks and Uncertainties

The Secretariat has conducted additional staffing competitions during this fiscal period to ensure that it has a full staff complement of 10 full-time equivalents in 2023-24 and thereafter. This will increase expenditures in upcoming fiscal periods, but will not exceed the Secretariat's budgetary allocations for personnel.

No other financial pressures are foreseen and the Secretariat anticipates continuing operations within its existing funding envelope.

Significant changes in relation to operations, personnel and programs

Due to the lessening severity of the COVID-19 virus and its variants, the Committee has mostly held in-person meetings. This allowed the Committee to hold classified discussions on ongoing reviews, hold in-camera 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 December 31, 2022

STATEMENT OF AUTHORITIES (unaudited) (note 2)

(In dollars)

	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 December 31, 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 December 31, 2021	Year-to-date used at quarter-end
Vote 1 - Net operating expenditures	3,579,810	841,506	1,816,276	3,580,898	307,336	1,359,056
Budgetary statutory authorities						
Contributions to employee benefits plans	241,265	60,316	180,949	238,048	59,512	178,536
Total budgetary authorities	3,821,075	901,822	1,997,225	3,818,946	366,848	1,537,591
TOTAL AUTHORITIES	3,821,075	901,822	1,997,225	3,818,946	366,848	1,537,591

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

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 December 31, 2022

	Fiscal year 2022-2023			Fiscal Year 2021-2022		
	Planned expenditures for the year ending March 31, 2023 (note 1)	Expended during the quarter ended December 31, 2022	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2022 (note 1)	Used during the quarter ended December 31, 2021	Year-to-date used at quarter-end
<i>(In dollars)</i>						
Budgetary expenditures						
Personnel	1,849,700	467,322	1,081,761	1,850,836	333,617	1,015,397
Transportation and communications	68,151	9,739	11,935	54,859	1,576	3,710
Information	22,710	(4 781)	7,923	26,703	-	17,338
Professional and special services	1,613,550	404,242	816,412	1,636,468	5,280	423,419
Rentals	161,205	23,731	71,194	128,965	23,113	69,340
Repair and maintenance	74,373	-	-	41,825	-	-
Utilities, materials and supplies	11,240	1,001	2,006	9,208	370	1,436
Acquisition of machinery and equipment	18,503	2,065	2,065	68,024	1,000	1,000
Other subsidies and payments	1,643	(1 495)	3,929	2,058	1,892	5,951
Total gross budgetary expenditures	3,821,075	901,822	1,997,225	3,818,946	366,848	1,537,591
TOTAL BUDGETARY EXPENDITURES	3,821,075	901,822	1,997,225	3,818,946	366,848	1,537,591

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

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