

Secretariat of the National Security and Intelligence Committee of
Parliamentarians

Quarterly Financial Report
For the quarter ended June 30, 2023

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Rapport financier trimestriel pour le trimestre se terminant le 30 juin 2023 - Secrétariat du Comité des parlementaires sur la sécurité nationale et le renseignement

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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 2023-24 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 their reviews.

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 2023-24 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 2023-24 Main Estimates and Supplementary Estimates (as applicable) for 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.

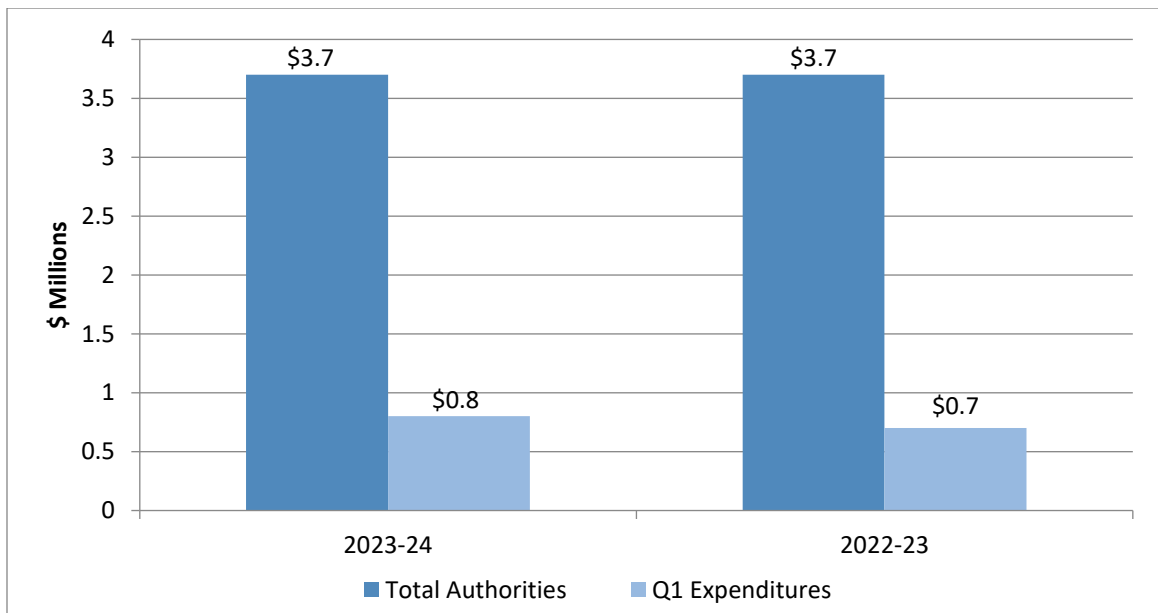
The Secretariat uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

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, 2023.

The Secretariat spent approximately 22% of its authorities by the end of the first quarter, compared to 19% in the same quarter of 2022-23 (see graph 1 below).

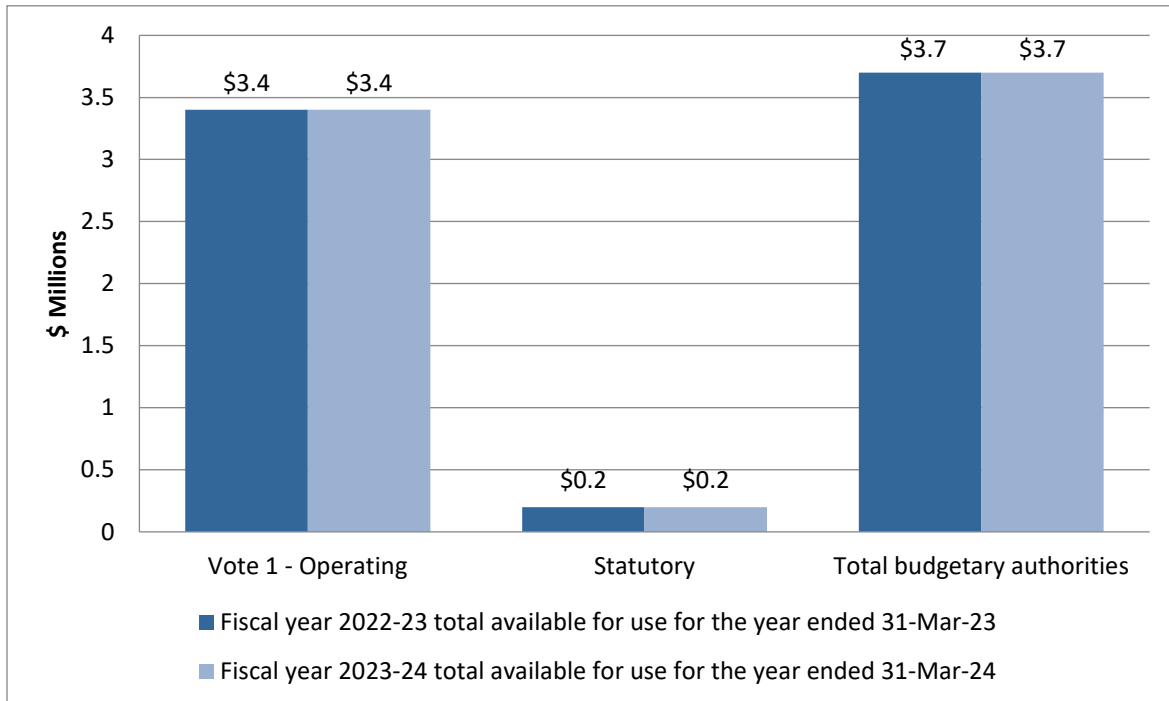
Graph 1: Comparison of Total Authorities and Total Net Budgetary Expenditures as of Q1 2023-2024 and 2022-2023



Significant changes to authorities

As depicted in graph 2 below (as of June 30, 2023) and Annex A, presented at the end of this document, the Secretariat has authorities available for use of \$3.7 million in 2023-24 compared to \$3.7 million as of June 30, 2022, for a net increase of \$0.0 million or 0%.

Graph 2: Variance in Authorities as of June 30, 2023



*Details may not add to totals due to rounding

Significant changes to expenditures

The first quarter expenditures totaled \$767,000 for an increase of \$50,000 (7%) when compared to \$718,000 spent during the same period in 2022-23. Table 1 below presents budgetary expenditures by standard object.

Table 1 – Material variances to expenditures by standard object as of Q1 2023-2024 and 2022-2023

Material Variances to Expenditures by Standard Object (in thousands of dollars)	Fiscal year 2023-24 Expended during the quarter ended 30-June-2023	Fiscal year 2022-23 Expended during the quarter ended 30-June-2022	Variance \$	Variance %
Personnel	367	325	42	13%
Transportation and communications	3	1	2	333%
Information	-	4	(4)	(98%)
Professional and special services	373	385	(12)	(3%)
Rentals	24	-	24	0%
Other subsidies and payments	1	3	(2)	(61%)
Total gross budgetary expenditures	767	718	50	7%

*Details may not add to totals due to rounding

Personnel

The increase in personnel is mainly related to hiring to fulfil vacancies within the Committee and its Secretariat. The Committee is composed of 11 members from both Houses, including eight (8) Members of Parliament and three (3) Senators. The Prime Minister of Canada announced the arrival of a new Committee member on June 2, 2023, Senator Patricia Duncan. With the addition of one (1) senator, the Committee still has a vacancy of one (1) senator. We are anticipating an appointment of a new committee member next quarter in order to have a full complement. The Secretariat is composed of ten (10) full-time equivalents in addition to the Executive Director, who is the deputy head of the department. The Secretariat hired two (2) resources this fiscal quarter to fill vacancies.

Rentals

The increase of \$24,000 in Rentals is mainly due to timing difference in receiving rental invoices for the Secretariat's offices. Rent invoices were received in May and June 2023, as opposed to invoices received in July in 2022.

Risks and Uncertainties

The Secretariat has conducted 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**Operations**

Due to the lessening severity of the COVID-19 virus and its variants, the Committee has 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.

Personnel

In May 2023, Arryn Ketter replaced Sean Jorgensen as the Chief Financial Officer.

Approval by Senior Officials

Lisa-Marie Inman, Executive Director
Ottawa, Ontario

Arryn Ketter, Chief Financial Officer
Ottawa, Ontario

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STATEMENT OF AUTHORITIES (unaudited) (note 2)

	Fiscal year 2023-2024			Fiscal Year 2022-2023		
	Total available for use for the year ending March 31, 2024 (note 1)	Used during the quarter ended June 30, 2023	Year-to-date used at quarter-end	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
<i>(In dollars)</i>						
Vote 1 - Net operating expenditures	3,409,410	706,012	706,012	3,409,991	657,361	657,361
Budgetary statutory authorities						
Contributions to employee benefits plans	244,482	61,121	61,121	241,265	60,316	60,316
Total budgetary authorities	3,653,892	767,133	767,133	3,651,256	717,678	717,678
TOTAL AUTHORITIES	3,653,892	767,133	767,133	3,651,256	717,678	717,678

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

	Fiscal year 2023-2024			Fiscal Year 2022-2023		
	Planned expenditures for the year ending March 31, 2024 (note 1)	Expended during the quarter ended June 30, 2023	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2023 (note 1)	Used during the quarter ended June 30, 2022	Year-to-date used at quarter-end
<i>(In dollars)</i>						
Budgetary expenditures						
Personnel	1,852,917	366,999	366,999	1,849,700	324,778	324,778
Transportation and communications	5,940	2,488	2,488	68,151	579	579
Information	18,128	-	-	22,710	4,113	4,113
Professional and special services	1,614,587	372,798	372,798	1,443,731	384,953	384,953
Rentals	130,136	23,731	23,731	161,205	-	-
Repair and maintenance	382	-	-	74,373	-	-
Utilities, materials and supplies	11,024	48	48	11,240	-	-
Acquisition of machinery and equipment	20,778	-	-	18,503	-	-
Other subsidies and payments	-	1,068	1,068	1,643	3,255	3,255
Total gross budgetary expenditures	3,653,892	767,133	767,133	3,651,256	717,678	717,678
TOTAL BUDGETARY EXPENDITURES	3,653,892	767,133	767,133	3,651,256	717,678	717,678

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