

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

## **Quarterly Financial Report For the quarter ended September 30, 2023**

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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 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 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 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.

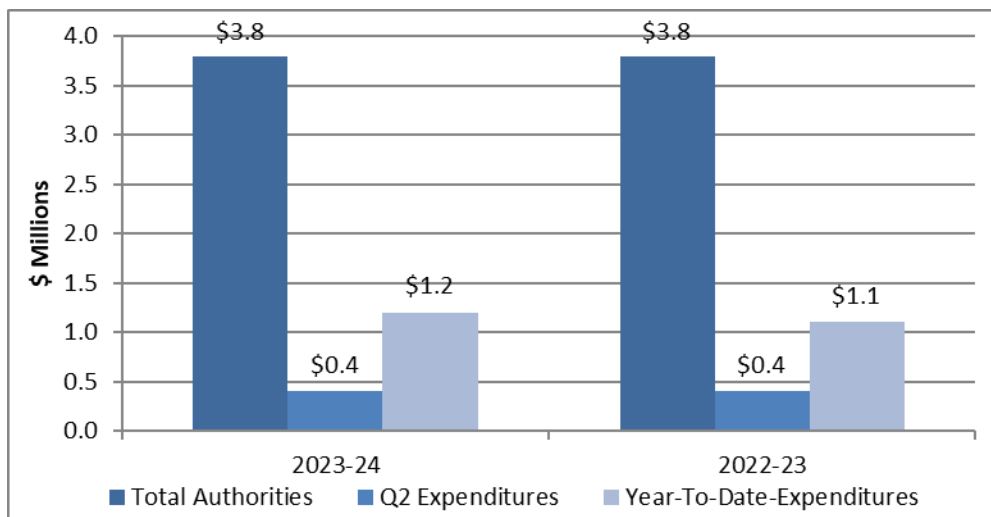
The Secretariat uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

## 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, 2023.

The Secretariat spent approximately 32% of its authorities by the end of the second quarter, compared to 29% in the same quarter of 2022-23 (see graph 1 below).

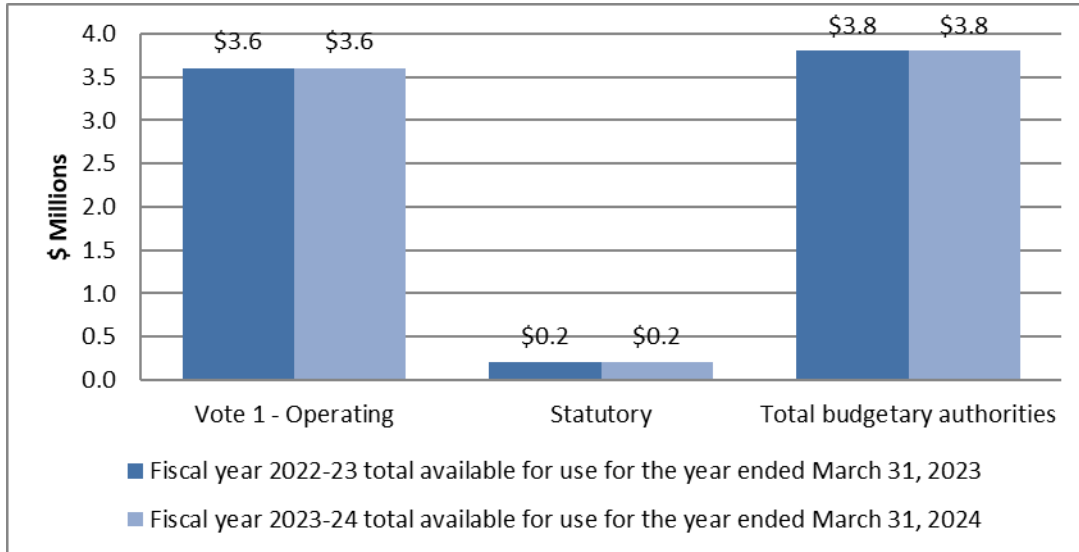
**Graph 1: Comparison of Total Authorities and Total Net Budgetary Expenditures as of Q2 2023-24 and 2022-23**



*Significant changes to authorities*

As depicted in graph 2 below (as at September 30, 2023) and Annex A, presented at the end of this document, the Secretariat has authorities available for use of \$3.8 million in 2023-24 compared to \$3.8 million as of September 30, 2022, for a net decrease of \$0.0 million or 0%.

**Graph 2: Variance in Authorities as at September 30, 2023**



*Significant changes to quarter expenditures*

The second quarter expenditures totaled \$398,000 for an increase of \$20,000 (5%) when compared to \$378,000 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 quarterly comparison**

<b>Material Variances to Expenditures by Standard Object</b> (in thousands of dollars)	<b>Fiscal year 2023-24 Expended during the quarter ended 30-September- 2023</b>	<b>Fiscal year 2022-23 Expended during the quarter ended 30-September- 2022</b>	<b>Variance \$</b>	<b>Variance %</b>
Personnel	318	290	28	10%
Transportation and communications	1	2	(1)	(63%)
Information	-	9	(9)	(105%)
Professional and special services	49	27	22	81%
Rentals	24	48	(24)	(51%)
Utilities, materials and supplies	-	1	(1)	(100%)
Other subsidies and payments	5	2	3	136%
<b>Total gross budgetary expenditures</b>	<b>398</b>	<b>378</b>	<b>20</b>	<b>5%</b>

\* Details may not add to totals due to rounding

**Personnel**

The total increase of \$28,000 is mainly attributed to the staffing of two positions in May 2023.

**Professional and special services**

The increase of \$22,000 in Professional and special services is mainly attributed to the resumption of regular, in-person Committee meetings, in comparison with the previous year in which COVID restrictions affected the Committee’s ability to meet in person.

**Rentals**

Overall, to date the Secretariat has spent the same amount for both fiscal years. The decrease of \$24,000 in Rentals is due to the timing of PSPC’s invoices to the secretariat. In 2022-23, PSPC did not charge rental fees until the second quarter, while in 2023-24 the charges were recorded in the quarter they were owed.

*Significant changes to year-to-date expenditures*

The year-to-date expenditures totaled \$1,165,000 for an increase of \$70,000 (6%) when compared to \$1,095,000 spent during the same period in 2022-23. Table 2 below presents budgetary expenditures by standard object.

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

<b>Material Variances to Expenditures by Standard Object</b> (in thousands of dollars)	<b>YTD Expenditures as of 30-September-2023</b>	<b>YTD Expenditures as of 30-September-2022</b>	<b>Variance \$</b>	<b>Variance %</b>
Personnel	685	614	71	12%
Transportation and communications	4	2	2	91%
Information	-	13	(13)	(102%)
Professional and special services	422	412	10	2%
Rentals	48	48	0	0%
Utilities, materials and supplies	-	1	(1)	(100%)
Other subsidies and payments	6	5	1	19%
<b>Total gross budgetary expenditures</b>	<b>1,165</b>	<b>1,095</b>	<b>70</b>	<b>6%</b>

\* Details may not add to totals due to rounding

**Personnel**

The total increase of \$71,000 is mainly attributed to the staffing of two positions in May 2023.

## **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. In June 2023, Jennifer Kleniewski replaced Anne-Gabrielle Ducharme as Deputy Chief Financial Officer.

## **Approval by Senior Officials**

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Sean Jorgensen, Director of Operations, for

Lisa-Marie Inman, Executive Director  
Ottawa, Ontario

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Jennifer Kleniewski, Deputy Chief Financial Officer for

Arryn Ketter, Chief Financial Officer  
Ottawa, Ontario

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STATEMENT OF AUTHORITIES (unaudited) (note 2)

<i>(In dollars)</i>	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 September 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 September 30, 2022	Year-to-date used at quarter-end
Vote 1 - Net operating expenditures	3,579,910	336,739	1,042,752	3,580,491	317,409	974,770
Budgetary statutory authorities						
Contributions to employee benefits plans	244,482	61,121	122,241	241,265	60,316	120,633
Total budgetary authorities	3,824,392	397,860	1,164,993	3,821,756	377,725	1,095,403
<b>TOTAL AUTHORITIES</b>	<b>3,824,392</b>	<b>397,860</b>	<b>1,164,993</b>	<b>3,821,756</b>	<b>377,725</b>	<b>1,095,403</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



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Departmental budgetary expenditures by Standard Object *(unaudited) (note 2)*

*(In dollars)*

	Fiscal year 2023-2024			Fiscal Year 2022-2023		
	Planned expenditures for the year ending March 31, 2024 (note 1)	Expended during the quarter ended September 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 September 30, 2022	Year-to-date used at quarter-end
<b>Budgetary expenditures</b>						
Personnel	1,852,917	318,243	685,242	1,849,700	289,661	614,439
Transportation and communications	6,502	1,361	3,850	68,151	1,618	2,197
Information	19,844	-	-	22,710	8,591	12,704
Professional and special services	1,767,441	49,181	421,979	1,614,231	27,218	412,171
Rentals	142,456	23,731	47,463	161,205	47,463	47,463
Repair and maintenance	418	-	-	74,373	-	-
Utilities, materials and supplies	12,068	-	48	11,240	1,005	1,005
Acquisition of machinery and equipment	22,745	-	-	18,503	-	-
Other subsidies and payments	-	5,343	6,412	1,643	2,169	5,424
<b>Total gross budgetary expenditures</b>	<b>3,824,392</b>	<b>397,860</b>	<b>1,164,993</b>	<b>3,821,756</b>	<b>377,725</b>	<b>1,095,403</b>
<b>TOTAL BUDGETARY EXPENDITURES</b>	<b>3,824,392</b>	<b>397,860</b>	<b>1,164,993</b>	<b>3,821,756</b>	<b>377,725</b>	<b>1,095,403</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