

Office of the Intelligence Commissioner

Quarterly Financial Report
For the Quarter Ended December 31, 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 and Supplementary Estimates (B) for the 2023–24 fiscal year as well as transfers from Treasury Board central votes that are approved by the end of the quarter. 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

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process. However, the spending authorities voted by Parliament remain on an expenditure basis.

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 December 31, 2023. It also provides explanations of variances compared with the same periods 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 Q3 2023–24 (Dec 31, 2023)	Year-to-date expenditures as at Q3 2022–23 (Dec 31, 2022)	Variance in expenditures
Vote 1 Program Expenditures	2,539	2,544	(5)	1,523	1,618	(95)
Statutory authorities	178	167	11	128	125	3
Total	2,717	2,711	6	1,651	1,743	(92)

	2023–24 Q3 expenditures	2022–23 Q3 expenditures	Variance between 2023–24 Q3 and 2022–23 Q3 expenditures
Vote 1 Program Expenditures	468	515	(47)
Statutory authorities	43	42	1
Total	511	557	(46)

Statement of Authorities

At the end of the third quarter, December 31, 2023, the ICO had received total authorities of \$2,717,000. These authorities included voted and statutory authorities of \$2,599,000 as well as the operating budget carry forward of \$118,000.

At the end of the third quarter the previous year, the ICO had received total authorities of \$2,711,000 including the operating budget carry forward of \$118,000.

The overall authority variation is due primarily to an adjustment in the statutory employee benefit plan rate.

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Statement of Departmental Budgetary Expenditures by Standard Object

The year-to-date budgetary expenditures, as at December 31, 2023, have decreased by \$92,000 (5.3%) compared to the same period in the previous year:

- Vote 1 expenditures decreased by \$95,000; and
- statutory payments increased by \$3,000.

For the fiscal quarter ended December 31, 2023, budgetary expenditures have decreased by \$46,000 (8.3%) compared to the same period in the previous year:

- Vote 1 expenditures decreased by \$47,000; and
- statutory payments increased by \$1,000.

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

Standard object	Changes to voted and statutory expenditures	Variance between 2023–24 year-to-date and 2022–23 year-to-date expenditures (April 1 to December 31)	Variance between 2023–24 Q3 and 2022–23 Q3 expenditures (October 1 to December 31)
Vote 1: Program expenditures (in thousands of dollars)			
1 Personnel	The increase in year-to-date costs is mainly attributable to rates of pay increases resulting from the signing of collective agreements for the core public administration and the timing of secondment salary payments. The negative variance in the third quarter was primarily due to the timing of secondment salary recovery in 2022–23.	29	(28)
2 Transportation and communication	Most of the decrease relates to travel costs. The annual FIORC conference, held in Washington last year, was held in Ottawa in 2023–24.	(9)	(7)
4 Professional services	Year-to-date and quarterly decreases are mostly due to timing of technical and admin support services expenditures compared to the previous year. The support services costs were recorded in the third quarter of 2022–23 but the support services	(103)	(89)

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	have yet to be invoiced for 2023–24.		
6 Repair and maintenance	Repair and maintenance expenses related to security enhancements increased slightly in 2023–24. The quarterly variance relates entirely to the timing of payments compared to the previous year.	17	90
7 Utilities, materials and supplies	The decrease, both year-to-date and quarterly, is due to an overall reduction in office supplies and the replacement of printed matter with subscription and data access services.	(15)	(3)
9 Acquisition of machinery and equipment	The decrease, both year-to-date and quarterly, is due to the acquisition of office furniture in the third quarter of 2022–23. There have been no acquisitions in 2023–24.	(10)	(10)
Other: (information and rentals)		(4)	0
Subtotal Vote 1		(95)	(47)
Statutory expenditures			
1 Personnel: employee benefit contributions		3	1
Total		(92)	(46)

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 were conducted effectively and within statutory time limits.

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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
February 14, 2024

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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 Dec 31, 2023	Year-to-date used at quarter-end	Total available for use for the year ended March 31, 2023	Used during the quarter ended Dec 31, 2022	Year-to-date used at quarter-end
Vote 1 - Program Expenses	2,539	468	1,523	2,544	515	1,618
Statutory authorities – Contributions to employee benefit plans	178	43	128	167	42	125
Total authorities	2,717	511	1,651	2,711	557	1,743

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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 Dec 31, 2023	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended Dec 31, 2022	Year-to-date used at quarter-end
Expenditures:						
Personnel	1,342	287	873	1,336	314	841
Transportation and communications	27	4	9	27	11	18
Information	30	5	14	30	5	16
Professional and special services	853	51	442	848	140	545
Rentals	320	73	220	311	73	222
Repair and maintenance	100	90	90	114	0	73
Utilities, materials and supplies	25	1	3	23	4	18
Acquisition of land, buildings and works	0	0	0	0	0	0
Acquisition of machinery and equipment	20	0	0	22	10	10
Other subsidies and payments	0	0	0	0	0	0
Total gross budgetary expenditures	2,717	511	1,651	2,711	557	1,743
Total net budgetary expenditures	2,717	511	1,651	2,711	557	1,743