Office of the Intelligence Commissioner

Quarterly Financial Report
For the Quarter Ended September 30, 2025

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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 quasi-judicial agency of the Government of Canada. The ICO supports the fulfillment of the Intelligence Commissioner's oversight mandate as set out in the Intelligence Commissioner Act. The Intelligence Commissioner approves – or does not approve – certain national security and intelligence activities planned by the Communications Security Establishment and the Canadian Security Intelligence Service and authorized by their respective ministers.

A summary of the ICO's core responsibility can be found in Part II of the Main Estimates. Further information on the ICO's mandate 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 2025–26 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.

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.

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 September 30, 2025. 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.

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

	2025–26 Budgetary authorities to March 31, 2026	2024–25 Budgetary authorities to March 31, 2025	Variance in budgetary authorities	Year-to-date expenditures as at Q2 2025–26 (Sept 30, 2025)	Year-to-date expenditures as at Q2 2024–25 (Sept 30, 2024)	Variance in expenditures
Vote 1 Program Expenditures	2,573	2,534	39	652	985	(332)
Statutory authorities	183	160	23	91	80	11
Total	2,756	2,694	62	743	1,065	(321)

	2025–26 Q2 expenditures	2024–25 Q2 expenditures	Variance between 2025–26 Q2 and 2024–25 Q2 expenditures
Vote 1 Program Expenditures	418	657	(239)
Statutory authorities	91	40	51
Total	509	697	(188)

Statement of Authorities

At the end of the second quarter, September 30, 2025, the ICO budgetary authorities were $2,756,000 (voted and statutory authorities of $2,635,000 and operating budget carry forward of $121,000)

At the end of the second quarter, September 30, 2024, the ICO budgetary authorities were $2,694,000 (voted and statutory authorities of $2,576,000 and operating budget carry forward of $118,000).

The overall authorities increase of $62,000 is as a result of adjustments to salary and employee benefit plan authorities – to reflect new rates in collective agreements signed in the core public administration and a $2,000 increase in carry forward.

Statement of Departmental Budgetary Expenditures by Standard Object

For the fiscal quarter ended September 30, 2025, the year-to-date expenditures decreased by $288,000 (27%) compared to the same period in the previous year:

- Vote 1 expenditures decreased by $300,000; and
- statutory payments increased by $12,000.

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For the fiscal quarter ended September 30, 2025, expenditures have decreased by $155,000 (29%) compared to the same period in the previous year:

- Vote 1 expenditures decreased by $206,000; and
- statutory payments increased by $51,000.

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

Standard object	**Changes to voted and statutory expenditures (fiscal quarter ended September 30, 2025, compared with fiscal quarter September 30, 2024)**	**Variance between 2025-26 YTD and 2024-25 YTD expenditures (April 1 to September 30)**	**Variance between 2025-26 Q2 and 2024-25 expenditures (July 1 to September 30)**
Vote 1: Program expenditures			
1 Personnel	There was a slight decrease in personnel costs in the second quarter due to salary accruals.	(6)	4
2 Transportation and communications		(1)	0
3 Information		0	1
4 Professional and special services	The ICO has an agreement with another government department for the provision of secure communications. The decrease in the second quarter costs is due to the difference in the timing of the annual payment for secure communications.	(348)	(349)
5 Rentals	The ICO has an occupancy instrument with Public Services and Procurement Canada. The increase is entirely due to timing of lease-related invoices.	27	109
6 Repair and maintenance		0	0
7 Utilities, materials and supplies		1	0
9 Acquisition of machinery and equipment		(5)	(5)
Subtotal Vote 1		(332)	(240)
Statutory expenditures			
1 Personnel	The first three months of EBP wasn't billed until mid-June and were paid this quarter.	12	51
Total		(320)	(189)

3. Risks and Uncertainties

The ICO's workload is largely demand driven and the ICO does not control the volume and complexity of files submitted for review. As a result, to maintain its ability to fulfil its mandate as a micro-agency, the ICO must continue to carefully manage its human and financial resources.

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

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Appendix A – Statement of Authorities (unaudited)

(in thousands of dollars)	Fiscal year 2025–26			Fiscal year 2024–25		
	Total available for use for the year ending March 31, 2026	Used during the quarter ended Sept 30, 2025	Year–to-date used at quarter-end	Total available for use for the year ended March 31, 2025	Used during the quarter ended Sept 30, 2024	Year-to-date used at quarter-end
Vote 1 - Program Expenses	2,453	451	685	2,534	657	985
Statutory authorities – Contributions to employee benefit plans	183	91	91	160	40	80
Total authorities	**2,636**	**542**	**776**	**2,694**	**697**	**1,065**

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

(in thousands of dollars)	Fiscal year 2025–26			Fiscal year 2024–25		
	Planned expenditures for the year ending March 31, 2026	Expended during the quarter ended Sept 30, 2025	Year-to-date used at quarter-end	Planned expenditures for the year ended March 31, 2025	Expended during the quarter ended Sept 30, 2024	Year-to-date used at quarter-end
Expenditures:						
Personnel	1,379	343	546	1,319	254	508
Transportation and communications	27	3	8	27	3	10
Information	30	1	1	30	0	1
Professional and special services	811	30	56	863	379	403
Rentals	309	165	165	325	56	137
Repair and maintenance	50	0	0	100	0	0
Utilities, materials and supplies	20	0	1	20	0	0
Acquisition of land, buildings and works	0	0	0	0	0	0
Acquisition of machinery and equipment	10	0	0	10	5	5
Other subsidies and payments	0	0	0	0	0	0
Total gross budgetary expenditures	**2,636**	**542**	**777**	**2,694**	**698**	**1,064**
Total net budgetary expenditures	**2,636**	**542**	**777**	**2,694**	**698**	**1,064**