

National Security and Intelligence Review Agency Secretariat

Quarterly financial report for the quarter ended September 30th, 2023

Statement outlining results, risks and significant changes in operations, personnel and programs

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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](#).

This quarterly report has not been subject to an external audit or review.

Mandate

The National Security and Intelligence Review Agency (NSIRA) is an independent external review body that reports to Parliament. Established in July 2019, NSIRA is responsible for conducting reviews of the Government of Canada's national security and intelligence activities to ensure that they are lawful, reasonable and necessary. NSIRA also hears public complaints regarding key national security agencies and their activities.

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A summary description NSIRA's program activities can be found in [Part II of the Main Estimates](#). Information on [NSIRA's mandate](#) can be found on its website.

Basis of presentation

This quarterly report has been prepared by the NSIRA Secretariat's management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Secretariat's spending authorities granted by Parliament and those used by the Secretariat, consistent with the 2023–24 Main Estimates. This quarterly report has been prepared using a special-purpose financial reporting framework (cash basis) 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 authorities for specific purposes.

Highlights of the fiscal quarter and fiscal year-to-date results

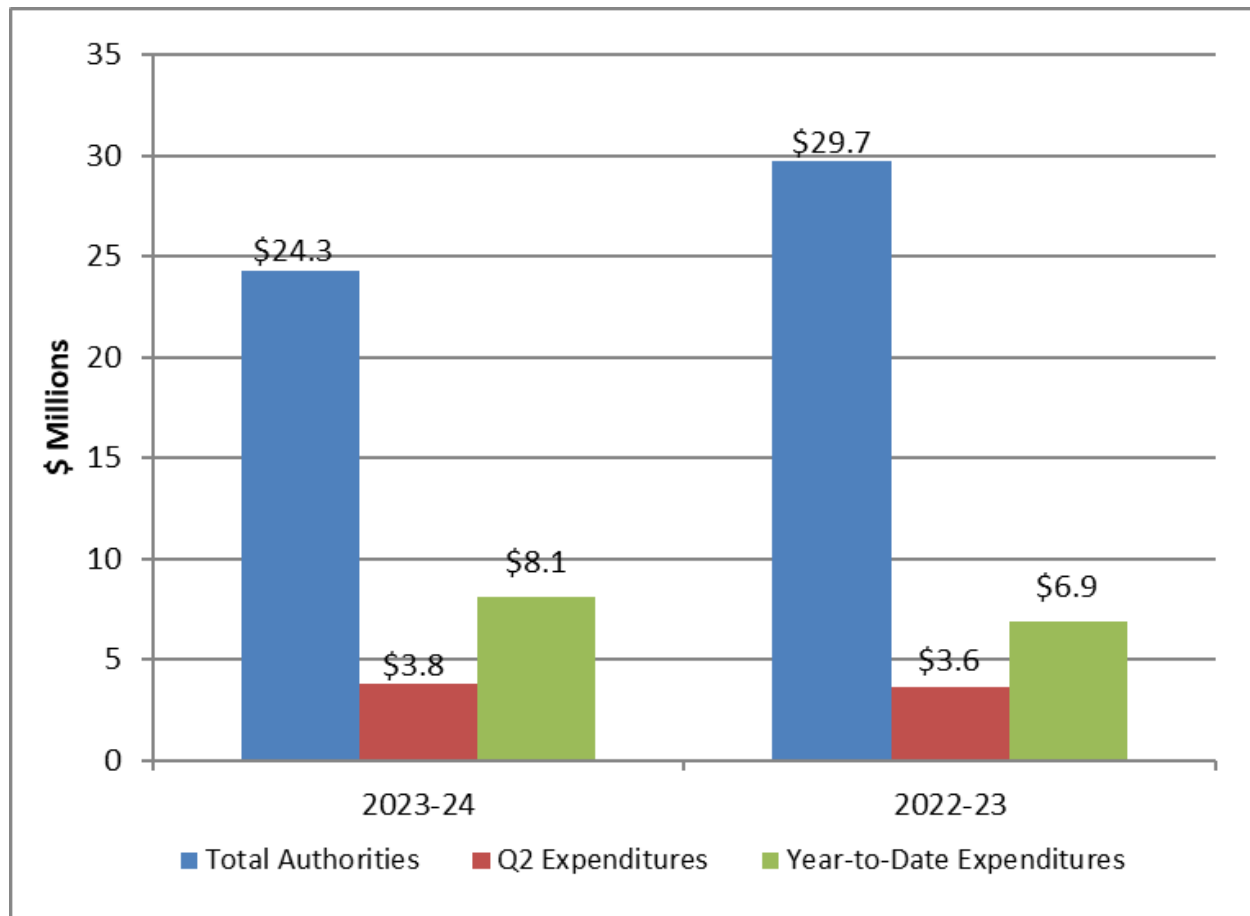
This section highlights the significant items that contributed to the net increase or decrease in authorities available for the year and actual expenditures for the quarter ended September 30, 2023.

NSIRA Secretariat spent approximately 33% of its authorities by the end of the second quarter, compared with 23% in the same quarter of 2022–23 (see graph 1).

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Graph 1: Comparison of total authorities and total net budgetary expenditures, Q2 2023–24 and Q2 2022–23



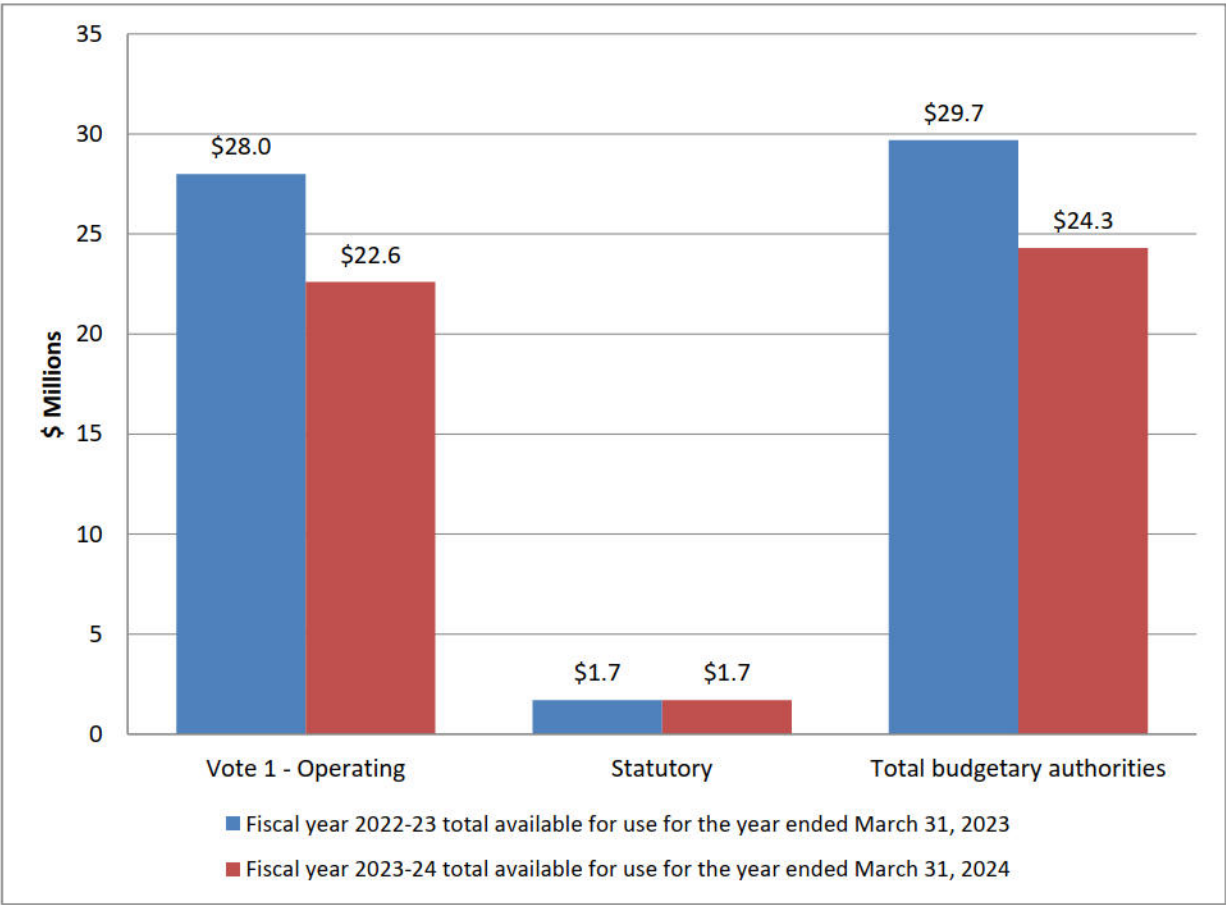
Significant changes to authorities

As at September 30, 2023, Parliament had approved \$24.3 million in total authorities for use by NSIRA Secretariat for 2023–24 compared with \$29.7 million as of September 30th, 2022, for a net decrease of \$5.4 million or 18.2% (see graph 2).

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Graph 2: Variance in authorities as at September 30, 2023



Details may not sum to totals due to rounding

The decrease of \$5.4 million in authorities is mostly explained by a gradual reduction in NSIRA Secretariat’s ongoing operating funding due to an ongoing construction project nearing completion.

Significant changes to quarter expenditures

The second quarter expenditures totalled \$3.8 million for an increase of \$0.2 million when compared with \$3.6 million spent during the same period in 2022–2023. Table 1 presents budgetary expenditures by standard object.

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Table 1

Variances in expenditures by standard object (in thousands of dollars)	Fiscal year 2023-24: expended during the quarter ended September 30, 2023	Fiscal year 2022-23: expended during the quarter ended September 30, 2022	Variance \$	Variance %
Personnel	3,014	2,903	111	4%
Transportation and communications	62	70	(8)	(11%)
Information	4	0	4	100%
Professional and special services	504	578	(74)	(13%)
Rentals	25	39	(14)	(36%)
Repair and maintenance	3	33	(30)	(91%)
Utilities, materials and supplies	50	12	38	317%
Acquisition of machinery and equipment	4	4	0	0%
Other subsidies and payments	118	3	115	3833%
Total gross budgetary expenditures	3,784	3,642	142	4%

**Details may not sum to totals due to rounding*

Repair and maintenance

The decrease of \$30,000 is due to the timing of invoicing for an ongoing capital project.

Utilities, materials and supplies

The increase of \$38,000 is due to a temporarily unreconciled suspense account.

Other subsidies and payments

The increase of \$115,000 is explained by an increase in payroll system overpayments which were subsequently resolved.

Significant changes to year-to-date expenditures

The year-to-date expenditures totalled \$8.1 million for an increase of \$1.1 million (17%) when compared with \$6.9 million spent during the same period in 2022–23. Table 2 presents budgetary expenditures by standard object.

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Table 2

Variances in expenditures by standard object (in thousands of dollars)	Fiscal year 2023-24: year-to-date expenditures as of September 30, 2023	Fiscal year 2022-23: year-to-date expenditures as of September 30, 2022	Variance \$	Variance %
Personnel	5,900	5,248	652	12%
Transportation and communications	192	114	78	68%
Information	4	5	(1)	(20%)
Professional and special services	1,669	1,424	245	17%
Rentals	73	49	24	49%
Repair and maintenance	27	64	(37)	(58%)
Utilities, materials and supplies	57	28	29	104%
Acquisition of machinery and equipment	52	13	39	300%
Other subsidies and payments	122	1	121	12100%
Total gross budgetary expenditures	8,096	6,946	1,150	17%

Details may not sum to totals due to rounding

Personnel

The increase of \$652,000 relates to an increase in average salary and an increase in full time equivalent (FTE) positions.

Transportation and communications

The increase of \$78,000 is due to the timing of invoicing for the organization's internet connections.

Professional and special services

The increase of \$245,000 is explained by an increase in IT support costs and guard services associated to a capital construction project.

Repair and maintenance

The decrease of \$37,000 is due to the timing of invoicing for an ongoing capital project.

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Utilities, materials and supplies

The increase of \$29,000 is due to a temporarily unreconciled suspense account.

Acquisition of machinery and equipment

The increase of \$39,000 is mainly explained by the one-time purchase of a specialized laptop.

Other subsidies and payments

The increase of \$121,000 is explained by an increase in payroll system overpayments which were subsequently resolved.

Risks and uncertainties

The Secretariat assisted NSIRA in its work with the departments and agencies subjected to reviews to ensure a timely and unfettered access to all the information necessary for the conduct of reviews. While work remains to be done on this front, we acknowledge the improvements in cooperation and support to the independent review process demonstrated by some reviewees.

There is a risk that the funding received to offset pay increases anticipated over the coming year will be insufficient to cover the costs of such increases and the year-over-year cost of services provided by other government departments/agencies is increasing significantly.

NSIRA Secretariat is closely monitoring pay transactions to identify and address over and under payments in a timely manner and continues to apply ongoing mitigating controls.

Mitigation measures for the risks outlined above have been identified and are factored into NSIRA Secretariat's approach and timelines for the execution of its mandated activities.

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Significant changes in relation to operations, personnel and programs

There have been two new Governor-in-Council appointments during the Second quarter, Ms. Colleen Swords and Mr. Jim Chu.

There have been no changes to the NSIRA Secretariat Program.

Approved by senior officials:

John Davies
Executive Director

Ottawa, Canada
Date:

Marc-André Cloutier
Director General, Corporate Services,
Chief Financial Officer

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Appendix

Statement of authorities (unaudited)

<i>(in thousands of dollars)</i>	Fiscal year 2023–24			Fiscal year 2022–23		
	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	22,564	3,345	7,218	27,931	3,210	6,082
Budgetary statutory authorities						
Contributions to employee benefit plans	1,755	439	878	1,728	432	864
Total budgetary authorities (note 2)	24,319	3,784	8,096	29,659	3,642	6,946

Note 1: Includes only authorities available for use and granted by Parliament as at quarter-end.

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

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Departmental budgetary expenditures by standard object (unaudited)

<i>(in thousands of dollars)</i>	Fiscal year 2023–24			Fiscal year 2022–23		
	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	Expended during the quarter ended September 30, 2022	Year-to-date used at quarter-end
Expenditures						
Personnel	13,303	3,014	5,900	13,245	2,903	5,248
Transportation and communications	650	62	192	597	70	114
Information	371	4	4	372	0	5
Professional and special services	4,906	504	1,669	4,914	578	1,424
Rentals	271	25	73	271	39	49
Repair and maintenance	4,580	3	27	9,722	33	64
Utilities, materials and supplies	73	50	57	173	12	28
Acquisition of machinery and equipment	132	4	52	232	4	13
Other subsidies and payments	33	118	122	133	3	1
Total gross budgetary expenditures (note 2)	24,319	3,784	8,096	29,659	3,642	6,946

Note 1: Includes only authorities available for use and granted by Parliament as at quarter-end.

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