

**SECRETARIAT OF THE NATIONAL
SECURITY AND INTELLIGENCE
COMMITTEE OF PARLIAMENTARIANS**

FUTURE-ORIENTED STATEMENT OF OPERATIONS

FOR THE YEARS ENDING MARCH 31, 2018 AND MARCH 31, 2019

**SECRETARIAT OF THE NATIONAL SECURITY AND
INTELLIGENCE COMMITTEE OF
PARLIAMENTARIANS**
Future-Oriented Statement of Operations

For the year ending March 31

Statement of Management Responsibility

Management is responsible for the Future-Oriented Statement of Operations, including responsibility for the appropriateness of the assumptions on which this statement is prepared. This statement is based on the best information available and on assumptions adopted as at December 13, 2017 and reflects the plans described in the Departmental Plan.

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

Rennie Marcoux
Executive Director

Ottawa, Canada

Signed date: _____

**SECRETARIAT OF THE NATIONAL SECURITY
AND INTELLIGENCE COMMITTEE OF
PARLIAMENTARIANS**
Future-Oriented Statement of Operations
(unaudited)

for the year ending March 31

| | Forecast Results 2017-18 | Planned Results 2018-19 |
|---|---|--|
| Expenses | | (in thousands of dollars) |
| Assist the National Security and Intelligence Committee of Parliamentarians in fulfilling its mandate | 1,063 | 2,253 |
| Internal Services | 24 | 1,047 |
| Total expenses | 1,087 | 3,300 |
| Net cost of operations before government funding and transfers | 1,087 | 3,300 |

The accompanying notes form an integral part of the Future-Oriented Statement of Operations.

SECRETARIAT OF THE NATIONAL SECURITY AND INTELLIGENCE COMMITTEE OF PARLIAMENTARIANS

Notes to the Future-Oriented Statement of Operations (unaudited)

for the year ending March 31

1. Methodology and significant assumptions

The Future-Oriented Statement of Operations has been prepared on the basis of government priorities and departmental plans as described in the Departmental Plan.

The information in the forecast results for fiscal year 2017–18 is based on actual results as at December 13, 2017 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for fiscal year 2018–19.

The main assumptions underlying the forecasts are as follows:

- (a) The Secretariat of the NSICOP's activities are expected to be fully implemented by the end of the 2018–19 fiscal year.
- (b) Expenses, including the determination of amounts internal and external to the government, are forecasted based on information available on expenditures to date.

These assumptions are made as at December 13, 2017.

2. Variations and changes to the forecast financial information

Although every attempt has been made to forecast final results for the remainder of 2017–18 and for 2018–19, actual results achieved for both years are likely to differ from the forecast information presented, and this variation could be material.

In preparing this Future-Oriented Statement of Operations, the Secretariat of NSICOP has made estimates and assumptions about the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are based on expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated.

SECRETARIAT OF THE NATIONAL SECURITY AND INTELLIGENCE COMMITTEE OF PARLIAMENTARIANS

Notes to the Future-Oriented Statement of Operations (unaudited)

for the year ending March 31

Factors that could lead to material differences between the Future-Oriented Statement of Operations and the historical statement of operations include:

- (a) the timing and the amount of acquisitions and disposals of property and equipment, which may affect gains, losses and amortization expense;
- (b) the implementation of new collective agreements; and
- (c) other changes to the operating budget, such as new initiatives or technical adjustments later in the fiscal year.

After the Departmental Plan is tabled in Parliament, the Secretariat of NSICOP will not be updating the forecasts for any changes in financial resources made in ensuing supplementary estimates. Variances will be explained in the Departmental Results Report.

3. Summary of significant accounting policies

The Future-Oriented Statement of Operations has been prepared using the Government of Canada's accounting policies in effect for fiscal year 2011–12, and is based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

SECRETARIAT OF THE NATIONAL SECURITY AND INTELLIGENCE COMMITTEE OF PARLIAMENTARIANS

Notes to the Future-Oriented Statement of Operations (unaudited)

for the year ending March 31

Significant accounting policies are as follows:

(a) Expenses

The Secretariat of NSICOP records expenses on an accrual basis.

Expenses for the Secretariat of NSICOP's operations are recorded when goods are received or services are rendered, including services provided without charge for accommodation, and employer contributions to health and dental insurance plans, which are recorded as expenses at their estimated cost. Vacation pay as well as severance benefits, are accrued, and expenses are recorded as the benefits are earned by employees under their terms of employment.

Expenses also include amortization of tangible capital assets, which are capitalized at their acquisition cost. Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset.

4. Parliamentary authorities

The Secretariat of NSICOP is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the Secretariat of NSICOP differs from financial reporting according to generally accepted accounting principles because authorities are based mainly on cash flow requirements. Items recognized in the Future-Oriented Statement of Operations in one year may be funded through parliamentary authorities in prior, current, or future years. Accordingly, the Secretariat of NSICOP has different net cost of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

SECRETARIAT OF THE NATIONAL SECURITY AND INTELLIGENCE COMMITTEE OF PARLIAMENTARIANS

Notes to the Future-Oriented Statement of Operations (unaudited)

for the year ending March 31

a) Reconciliation of net cost of operations to requested authorities

| | Forecast Results 2017-18 | Planned Results 2018-19 |
|--|---|--|
| (in thousands of dollars) | | |
| Net cost of operations before government funding and transfers | 1,087 | 3,300 |
| Adjustment for items affecting net cost of operations but not affecting authorities: | | |
| Amortization of tangible capital assets | (1) | (58) |
| Services provided without charge by other government departments | (288) | (403) |
| Increase in vacation pay | (12) | (61) |
| Increase in employee future benefits | (10) | (54) |
| Total items affecting net cost of operations but not affecting authorities | (311) | (576) |
| Adjustment for items not affecting net cost of operations but affecting authorities: | | |
| Acquisition of tangible capital assets | 391 | 770 |
| Total items not affecting net cost of operations but affecting authorities | 391 | 770 |
| Requested authorities | 1,167 | 3,494 |

b) Authorities requested

| | Forecast Results 2017-18 | Planned Results 2018-19 |
|--|---|--|
| (in thousands of dollars) | | |
| Authorities requested: | | |
| Vote 1: operating expenditures | 4,262 | 3,295 |
| Statutory amounts | 32 | 199 |
| Less: | | |
| Authorities available for future years | - | - |
| Lapsed: Operating | (3,127) | - |
| Total authorities requested | 1,167 | 3,494 |