

Secretariat of the National Security and Intelligence Committee of Parliamentarians

Quarterly Financial Report For the quarter ended December 31, 2021

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Cette publication est également disponible en français :
Rapport financier trimestriel pour le trimestre se terminant le 31 décembre 2021 - Secrétariat du Comité des parlementaires sur la sécurité nationale et le renseignement

CP101-1E-PDF
ISSN 2562-8356

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 2021-22 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 2021-22 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 2021-22 Main Estimates and Supplementary Estimates (as applicable) for 2021-22 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.

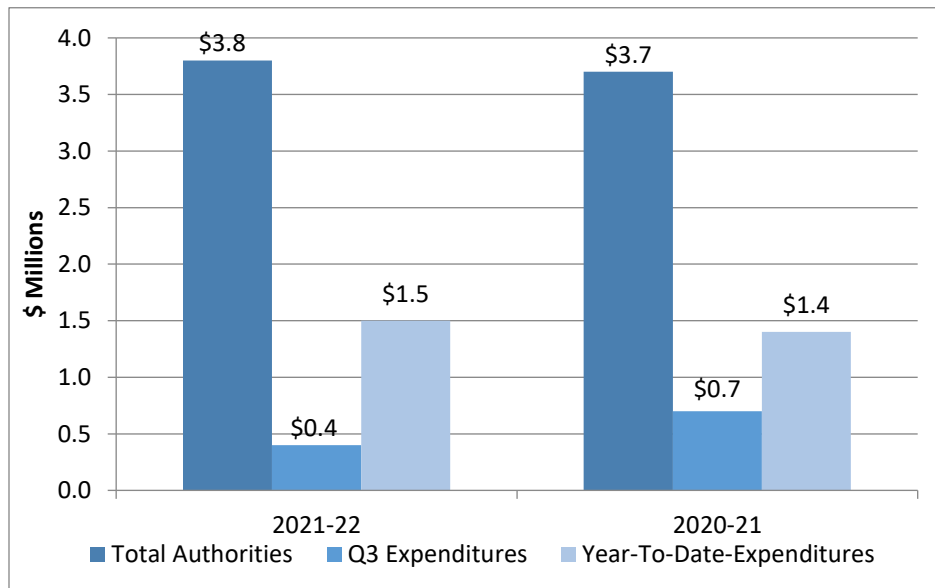
The Secretariat uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

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 December 31, 2021.

The Secretariat spent approximately 39% of its authorities by the end of the third quarter, compared to 38% in the same quarter of 2020-21 (see graph 1 below).

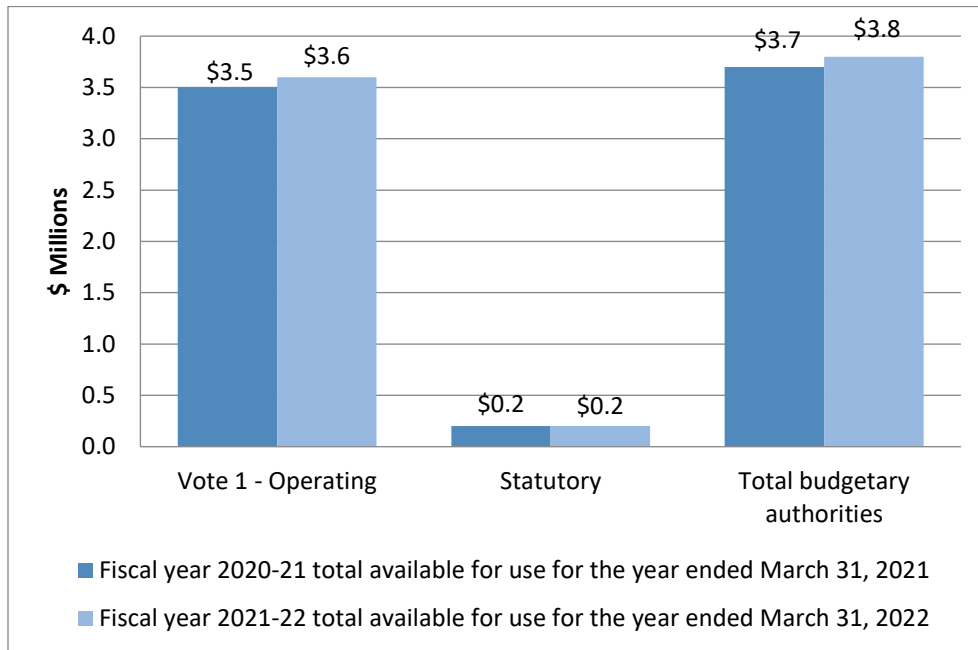
Graph 1: Comparison of Total Authorities and Total Net Budgetary Expenditures as of Q3 2021-2022 and 2020-2021



Significant changes to authorities

As depicted in graph 2 below (as at December 31, 2021) and Annex A, presented at the end of this document, the Secretariat has authorities available for use of \$3.8 million in 2021-22 compared to \$3.7 million as of December 31, 2020, resulting in minimal variance year over year.

Graph 2: Variance in Authorities as at December 31, 2021



Significant changes to quarter expenditures

The third quarter expenditures totaled \$367K for a decrease of \$297K (45%) when compared to \$664K spent during the same period in 2020-21. Table 1 below presents budgetary expenditures by standard object.

Table 1 – Material variances to expenditures by standard object quarterly comparison

Material Variances to Expenditures by Standard Object (in thousands of dollars)	Fiscal year 2021-22 Expended during the quarter ended 31-December-2021	Fiscal year 2020-21 Expended during the quarter ended 31-December-2020	Variance \$	Variance %
Personnel	334	357	(23)	(6%)
Transportation and communications	2	1	1	77%
Information	-	3	(3)	(111%)
Professional and special services	5	279	(274)	(98%)
Rentals	23	15	8	52%
Repair and maintenance	-	-	-	0%
Utilities, materials and supplies	0	1	(1)	(91%)
Acquisition of machinery and equipment	1	6	(5)	(86%)
Other subsidies and payments	2	2	0	0%
Total gross budgetary expenditures	367	664	(297)	(45%)

* Details may not add to totals due to rounding

Personnel

The total decrease of \$23K is related to regular turnover within the Secretariat.

Professional and special services

The decrease in professional and special services of \$274K is due to an invoice payment for administrative support services being received in Q4 in 2021-22, instead of Q3 in 2020-21.

Significant changes to year-to-date expenditures

The year-to-date expenditures totaled \$1.538M for an increase of \$133K (9%) when compared to \$1.405M spent during the same period in 2020-21. Table 2 below presents budgetary expenditures by standard object.

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

Material Variances to Expenditures by Standard Object (in thousands of dollars)	YTD Expenditures as of 31-December-2021	YTD Expenditures as of 31-December-2020	Variance \$	Variance %
Personnel	1,015	1,014	1	0%
Transportation and communications	4	1	3	231%
Information	17	4	13	310%
Professional and special services	423	304	119	39%
Rentals	69	70	(1)	(1%)
Repair and maintenance	-	-	-	0%
Utilities, materials and supplies	1	1	0	0%
Acquisition of machinery and equipment	1	10	(9)	(93%)
Other subsidies and payments	6	2	4	235%
Total gross budgetary expenditures	1,538	1,405	133	9%

* Details may not add to totals due to rounding

Professional and special services

The increase in professional and special services of \$119k is due to the increased use of translation services.

Risks and Uncertainties

This Departmental Quarterly Financial Report reflects the results of the current fiscal period in relation to the 2021-22 Main Estimates. The ongoing pandemic presents a number of risks and uncertainties with regards to Committee and Secretariat business. The Secretariat is implementing mitigation measures to ensure continuity of work.

The most important consideration is the security of information. The Committee and Secretariat use highly classified information to conduct reviews, and generally hold hearings at the Top Secret level. In this work, it is incumbent upon the Committee and Secretariat to ensure the proper safeguarding of classified information. For this reason, the organization will continue most activities within secure and accredited facilities while respecting appropriate health and safety protocols. To permit some flexibility in the face of exigent circumstances, the Secretariat has arranged for the Committee to conduct some meetings through the secure video-conference infrastructure of a security and intelligence organization. However, this option is subject to competing operational demands of the organization itself and may only be available intermittently.

In terms of costs, the pandemic has not exerted any additional financial pressures and the Secretariat anticipates continuing operations within its existing funding envelope.

Significant changes in relation to operations, personnel and programs

The Secretariat maintained operations with a blend of remote work and on-site activities during this period due to the COVID-19 pandemic. This allowed the Secretariat to continue to work on existing reviews.

During this reporting period the Secretariat prepared for the appointment of a new Committee. The previous iteration of the Committee was dissolved following the call for a general election August 15, 2021.

Approval by Senior Officials

Lisa-Marie Inman, Executive Director
Ottawa, Ontario

Sean Jorgensen, Director of Operations and Chief Financial Officer
Ottawa, Ontario

Secretariat of the National Security and Intelligence Committee of Parliamentarians
 Quarterly Financial Report
 For the quarter ended December 31, 2021

STATEMENT OF AUTHORITIES (unaudited) (note 2)

<i>(In dollars)</i>	Fiscal year 2021-2022			Fiscal Year 2020-2021		
	Total available for use for the year ending March 31, 2022 (note 1)	Used during the quarter ended December 31, 2021	Year-to-date used at quarter-end	Total available for use for the year ending March 31, 2021 (note 1)	Used during the quarter ended December 31, 2020	Year-to-date used at quarter-end
Vote 1 - Net operating expenditures	3,580,898	307,336	1,359,056	3,494,645	608,833	1,241,195
Budgetary statutory authorities						
Contributions to employee benefits plans	238,048	59,512	178,536	218,588	54,647	163,941
Total budgetary authorities	3,818,946	366,848	1,537,591	3,713,233	663,480	1,405,136
TOTAL AUTHORITIES	3,818,946	366,848	1,537,591	3,713,233	663,480	1,405,136

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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	Fiscal year 2021-2022			Fiscal Year 2020-2021		
	Planned expenditures for the year ending March 31, 2022 (note 1)	Expended during the quarter ended December 31, 2021	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2021 (note 1)	Used during the quarter ended December 31, 2020	Year-to-date used at quarter-end
<i>(In dollars)</i>						
Budgetary expenditures						
Personnel	1,850,836	333,617	1,015,397	1,695,533	356,563	1,013,601
Transportation and communications	54,859	1,576	3,710	96,772	1,295	1,347
Information	26,703	-	17,338	79,373	2,663	4,188
Professional and special services	1,636,468	5,280	423,419	1,510,290	278,996	304,081
Rentals	128,965	23,113	69,340	89,907	15,409	69,453
Repair and maintenance	41,825	-	-	15,622	-	-
Utilities, materials and supplies	9,208	370	1,436	17,771	1,050	1,066
Acquisition of machinery and equipment	68,024	1,000	1,000	207,965	5,847	9,742
Other subsidies and payments	2,058	1,892	5,951	-	1,658	1,658
Total gross budgetary expenditures	3,818,946	366,848	1,537,591	3,713,233	663,480	1,405,136
TOTAL BUDGETARY EXPENDITURES	3,818,946	366,848	1,537,591	3,713,233	663,480	1,405,136

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.