

Office of the Intelligence Commissioner

Quarterly Financial Report
For period ending June 30, 2021

TABLE OF CONTENTS

1. Introduction	1
1.1 Background to the Quarterly Financial Report	1
1.2 Authority, Mandate and Program	1
1.3 Basis of Presentation	1
2. Highlights of fiscal quarter and fiscal year to date (YTD) results	3
3. Risks and Uncertainties	4
4. Significant changes in relation to operations, personnel and programs	4
5. Approval by Senior Officials	4
Statement of Authorities (unaudited)	5
Departmental budgetary expenditures by Standard Object (unaudited)	6

Office of the Intelligence Commissioner
Quarterly Financial Report
For the quarter ended June 30, 2021

Statement Outlining Results, Risks and Significant Changes in Operations, Personnel and Program

1. Introduction

1.1 Background to the Quarterly Financial Report

As per the Directive on Accounting Standards, GC 4400, Departmental Quarterly Report, the Office of the Intelligence Commissioner (ICO) is submitting its quarterly report for the quarter ending June 30, 2021.

The 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 financial report has not been subject to external audit or review.

1.2 Authority, Mandate and Program

ICO is an independent oversight body. The mandate of the Intelligence Commissioner (IC) is set out in the *Intelligence Commissioner Act*. The IC is an integral part of the decision-making process for certain national security and intelligence activities before they can be conducted. The IC is responsible for performing quasi-judicial reviews of the conclusions of either the Minister of National Defence or the Minister of Public Safety and Emergency Preparedness, and, where applicable, the Director of the Canadian Security Intelligence Service. These conclusions are the basis on which certain authorizations are issued or determinations are made in relation to some activities to be conducted by either the Communications Security Establishment or Canadian Security Intelligence Service.

Further information on the ICO can be found on the departmental website <https://www.canada.ca/en/intelligence-commissioner.html>

1.3 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 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

Office of the Intelligence Commissioner
Quarterly Financial Report
For the quarter ended June 30, 2021

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

**Office of the Intelligence Commissioner
Quarterly Financial Report
For the quarter ended June 30, 2021**

2. Highlights of fiscal quarter and fiscal year to date (YTD) results

Quarter ending June 30 / Year-to-date

This section highlights the financial results for the fiscal year-to-date ended June 30, 2021. It also provides explanations of variances compared with the same period last year that exceed a materiality threshold of \$5 thousand for program expenditures and statutory votes.

Highlights of the fiscal quarter and fiscal year-to-date results (\$ thousands)

	2021–22 Budgetary authorities to March 31, 2022	2020–21 Budgetary authorities to March 31, 2021	Variance in budgetary authorities	Year-to-date expenditures as at Q1 2021–22 (June 30, 2021)	Year-to-date expenditures as at Q1 2020–21 (June 30, 2020)	Variance in expenditures
Vote 1 Program Expenditures	2,368	1,481	887	393	228	165
Statutory authorities	165	165	-	41	43	(2)
Total	2,533	1,646	887	434	271	163

2.1 Statement of authorities

In 2021–22 the ICO received its full voted and statutory authorities by the end of June. In 2020–21 however, primarily due to the COVID-19, departments and agencies were granted nine twelfths of their Main Estimates by the end of June. This temporary reduction in available authorities in the previous year amounted to \$493 thousand.

The ICO sought and received additional funding to help ensure that the IC would have sufficient resources to effectively deliver on his legislative mandate. This permanent increase in authorities was \$394 thousand.

2.2 Statement of departmental budgetary expenditures by standard object

For the fiscal quarter ended June 30, 2021, budgetary expenditures have increased by \$163 thousand (60%) compared to the same period in the previous year:

- Vote 1 expenditures increased by \$163 thousand; and
- statutory payments remained the same.

**Office of the Intelligence Commissioner
Quarterly Financial Report
For the quarter ended June 30, 2021**

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

Standard object	Changes to voted and statutory expenditures (fiscal quarter ended June 30, 2021 compared with fiscal quarter ended June 30, 2020)	
Vote 1: Program Expenditures		\$ (000)
1 Personnel	The decrease results from late billings from other government departments for employees hired by ICO in the new year.	(155)
2 Transportation	immaterial	3
3 Information	Early payment of data access charges	6
4 Professional Services	First time payment of secure communications	304
5 Rentals	immaterial	-
6 Repair and Maintenance	immaterial	1
7 Utilities, materials and supplies	immaterial	4
Subtotal Vote 1		163
Statutory expenditures		-
Total expenditures		163

3. Risks and Uncertainties

The ICO will continue to carefully manage its resources in order that, regardless of the volume and complexity of quasi-judicial reviews, the IC's mandate will continue to be discharged effectively and within the timeframes established by the legislation.

4. Significant changes in relation to operations, personnel and programs

Other than delays in billings by other government departments for significant expenditure items (for example salaries and rent), there have been no significant changes in relation to operations, personnel and programs during the first quarter.

5. Approval by Senior Officials

Approved by:

Original signed by

The Honourable Jean-Pierre Plouffe, C.D.
Intelligence Commissioner

Ottawa, Canada
August 24, 2021

Original signed by

Guylaine A. Dansereau
Chief Financial Officer

Office of the Intelligence Commissioner
Quarterly Financial Report
For the quarter ended June 30, 2021

Statement of Authorities (unaudited)

(in thousands of dollars)	Fiscal year 2021–22			Fiscal year 2020–21		
	Total available for use for the year ending March 31, 2022	Used during the quarter ended June 30, 2021	Year-to-date used at quarter-end	Total available for use for the year ended March 31, 2021	Used during the quarter ended June 30, 2020	Year-to-date used at quarter-end
Vote 1 – Program Expenses	2,368	393	393	1,481	228	228
Statutory authorities – Contributions to employee benefit plans	165	41	41	165	43	43
Total Budgetary authorities	2,533	434	434	1,646	271	271
Total authorities	2,533	434	434	1,646	271	271

Office of the Intelligence Commissioner
Quarterly Financial Report
For the quarter ended June 30, 2021

Departmental budgetary expenditures by Standard Object (unaudited)

(In thousands of dollars)

	Fiscal year 2021–22			Fiscal year 2020–21		
	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended June 30, 2021	Year to date used at quarter-end	Planned expenditures for the year ended March 31, 2021*	Expended during the quarter ended June 30, 2020	Year to date used at quarter-end
Expenditures:						
Personnel	1,277	94	94	999	249	249
Transportation and communications	42	3	3	26	0	0
Information	25	6	6	19	0	0
Professional and special services	794	324	324	338	20	20
Rentals	305	2	2	232	2	2
Repair and maintenance	52	1	1	2	0	0
Utilities, materials and supplies	26	4	4	19	0	0
Acquisition of land, buildings and works	0	0	0	0	0	0
Acquisition of machinery and equipment	12	0	0	11	0	0
Other subsidies and payments	0	0	0	0	0	0
Total gross budgetary expenditures	2,533	434	434	1,646	271	271
Total net budgetary expenditures	2,533	434	434	1,646	271	271

* In the absence of full supply of Main Estimates, planned expenditures have been reduced to reflect the funds received through the first and second interim supply bill.