

Office of the Intelligence Commissioner

Quarterly Financial Report
For the Quarter Ended September 30, 2021

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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 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, 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](#).

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 and the operating budget carry-forward. 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.

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 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.

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2. Highlights of Fiscal Quarter and Fiscal Year-to-Date (YTD) Results

This section highlights the financial results for the fiscal year-to-date and the quarter ended September 30, 2021. It also provides explanations of variances compared with the same period for the previous 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 (in thousands of dollars)

	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 Q2 2021–22 (Sept 30, 2021)	Year-to-date expenditures as at Q2 2020–21 (Sept 30, 2020)	Variance between year- to-date expenditures
Vote 1 Program Expenditures	2,467	1,580	887	824	503	321
Statutory authorities	165	165	-	82	82	-
Total	2,632	1,745	887	906	585	321

	2021–22 Q2 expenditures	2020–21 Q2 expenditures	Variance between 2021–22 Q2 and 2020–21 Q2 expenditures
Vote 1 Program Expenditures	431	275	156
Statutory authorities	41	39	2
Total	472	314	158

Statement of Authorities

The authorities available to the ICO at the end of September 2021 were greater than the authorities available were at the end of September 2020 by \$887 thousand. The ICO requested and received in 2021–22 a permanent increase in authorities of \$394 thousand to further support the IC in the effective discharge of his legislative mandate. The additional increase in authorities of \$493 thousand over the previous year resulted from the late approval of full supply in 2020 because of COVID-19. At the end of the second quarter of 2020, the ICO had received only 9/12 of its authorities included in the Main Estimates, a reduction of \$493 thousand.

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Statement of Departmental Budgetary Expenditures by Standard Object

The year-to-date budgetary expenditures, as at September 30, 2021, have increased by \$321 thousand (64%) compared to the same period in the previous year:

- Vote 1 expenditures increased by \$321 thousand; and
- statutory payments remained the same.

For the fiscal quarter ended September 30, 2021, budgetary expenditures have increased by \$158 thousand (50%) compared to the same period in the previous year:

- Vote 1 expenditures increased by \$156 thousand; and
- statutory payments increased by \$2 thousand.

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

Standard object	Changes to voted and statutory expenditures	Variance between 2021–22 year-to-date and 2020–21 year-to-date expenditures (April 1 to September 30)	Variance between 2021–22 Q2 and 2020–21 Q2 expenditures (July 1 to September 30)
Vote 1: Program expenditures (in thousands of dollars)			
1 Personnel	The decrease in year-to-date personnel costs of \$119 thousand is primarily due to delays in invoicing by other government departments for salaries paid to former employees employed by ICO. The increase in current year quarterly expenditures is due to the greater use of term employees.	(119)	34
4 Professional Services	Year-to date variance is due to timing differences in the payment of annual costs for secure communications, paid in the 1 st quarter in 2021–22 but in the 4 th quarter in 2020–21. A slight increase in the overall cost of professional services in the 2 nd quarter of 2021–22 (\$10 thousand) was offset by the cost of a one-time study in the 2 nd quarter of 2020–21 (\$22 thousand)	292	(12)

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5 Rentals	Occupancy costs for 2021–22 were paid in the 2 nd quarter. There were no billings for occupancy costs in either the 1 st or the 2 nd quarter in 2020–21.	148	148
Other (Telecommunications, information, repairs, supplies, and equipment)	Slight overall reduction from the 2 nd quarter of 2020–21.	-	(14)
Subtotal Vote 1		321	156
Statutory expenditures			
1 Personnel	ICO's share of employee benefit contributions	0	2
Total		321	158

3. Risks and Uncertainties

The ICO will continue to carefully manage its resources in order that independent quasi-judicial reviews of the conclusions reached by Ministers in issuing certain ministerial authorizations and determinations can 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, there have been no meaningful changes in relation to operations, personnel and programs during the second quarter.

5. Approval by Senior Officials

Approved by:

Original signed by

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

Ottawa, Canada
November 24, 2021

Original signed by

Guylaine A. Dansereau
Chief Financial Officer

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Appendix A – 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 Sept 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 Sept 30, 2020	Year-to-date used at quarter-end
Vote 1 - Program Expenses	2,467	431	824	1,580	275	503
Statutory authorities – Contributions to employee benefit plans	165	41	82	165	39	82
Total Budgetary authorities	2,632	472	906	1,745	314	585
Total authorities	2,632	472	906	1,745	314	585

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Appendix B – 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 Sept 30, 2021	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2021	Expended during the quarter ended Sept 30, 2020	Year-to-date used at quarter-end
Expenditures:						
Personnel	1,277	243	337	999	207	456
Transportation and communications	42	3	6	26	7	7
Information	25	1	7	19	6	6
Professional and special services	893	74	398	437	86	106
Rentals	305	148	150	232	0	2
Repair and maintenance	52	0	1	2	0	0
Utilities, materials and supplies	26	2	6	19	5	5
Acquisition of land, buildings and works	0	0	0	0	0	0
Acquisition of machinery and equipment	12	1	1	11	3	3
Other subsidies and payments	0	0	0	0	0	0
Total gross budgetary expenditures	2,632	472	906	1,745	314	585
Total net budgetary expenditures	2,632	472	906	1,745	314	585