

National Security and Intelligence Review Agency

Statement of Management Responsibility Including Internal Control over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2022, and all information contained in these financial statements rests with the management of the National Security and Intelligence Review Agency (NSIRA). These financial statements have been prepared by management using the Government of Canada's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the NSIRA's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the NSIRA's *Departmental Results Report*, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the NSIRA and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an ongoing process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

A risk-based assessment of the system of ICFR for the year ended March 31, 2022 was completed in accordance with the Treasury Board *Policy on Financial Management* and the results and action plans are summarized in the annex.

The financial statements of the National Security and Intelligence Agency have not been audited.

John Davies, Deputy Head
Ottawa, Canada
September 9, 2022

Pierre Souigny, Chief Financial Officer

National Security and Intelligence Review Agency

Statement of Financial Position (*Unaudited*)

As at March 31

(in thousands of dollars)

	2022	2021
		Restated (Note 11)
Liabilities		
Accounts payable and accrued liabilities (Note 4)	1,220	1,519
Vacation pay and compensatory leave	556	215
Employee future benefits (Note 5b)	228	316
Total liabilities	2,004	2,050
Financial assets		
Due from Consolidated Revenue Fund	692	946
Accounts receivable and advances (Note 6)	637	632
Total net financial assets	1,329	1,578
Departmental net debt	675	472
Non-financial assets		
Prepaid expenses	70	92
Tangible capital assets (Note 7)	4,734	2,148
Total non-financial assets	4,804	2,240
Departmental net financial position	4,129	1,768
Contractual obligations (Note 8)		

The accompanying notes form an integral part of these financial statements.

John Davies, Deputy Head
Ottawa, Canada
September 9, 2022

Pierre Souigny, Chief Financial Officer

National Security and Intelligence Review Agency

Statement of Operations and Departmental Net Financial Position *(Unaudited)* For the Year Ended March 31

(in thousands of dollars)

	2022	2022	2021
	Planned Results		Restated (Note 11)
Expenses			
National Security and Intelligence Reviews and Complaints Investigations	12,616	8,360	5,769
Internal Services	15,619	7,805	5,894
Total expenses	28,235	16,165	11,663
Net cost from continuing operations	28,235	16,165	11,663
Net cost of operations before government funding and transfers	28,235	16,165	11,663
Government funding and transfers			
Net cash provided by Government of Canada		17,553	12,401
Change in due from Consolidated Revenue Fund		(254)	(590)
Services provided without charge by other government departments (Note 9a)		1,242	1,007
Transfer of overpayments		15	(60)
Net cost of operations after government funding and transfers		(2,361)	(1,095)
Departmental net financial position – Beginning of year		1,768	673
Departmental net financial position – End of year		4,129	1,768

Segmented information (Note 10)

The accompanying notes form an integral part of these financial statements.

National Security and Intelligence Review Agency

Statement of Change in Departmental Net Debt (*Unaudited*) For the Year Ended March 31

(in thousands of dollars)

	<u>2022</u>	<u>2021</u>
		Restated (Note 11)
Net cost of operations after government funding and transfers	(2,361)	(1,095)
Change due to tangible capital assets		
Acquisition of tangible capital assets	3,114	1,352
Amortization of tangible capital assets	(528)	(171)
Total change due to tangible capital assets	2,586	1,181
Change due to prepaid expenses	(22)	(17)
Net increase (decrease) in departmental net debt	203	69
Departmental net debt - Beginning of year	472	403
Departmental net debt - End of year	675	472

The accompanying notes form an integral part of these financial statements.

National Security and Intelligence Review Agency

Statement of Cash Flows (*Unaudited*) For the Year Ended March 31

(in thousands of dollars)

	2022	2021
Operating activities		Restated (Note 11)
Net cost of operations before government funding and transfers	16,165	11,663
Non-cash items:		
Amortization of tangible capital assets	(528)	(171)
Services provided without charge by other government departments (Note 9a)	(1,242)	(1,007)
Transfer of overpayments	15	60
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances	5	542
Increase (decrease) in prepaid expenses	(22)	(17)
Decrease (increase) in accounts payable and accrued liabilities	299	41
Decrease (increase) in vacation pay and compensatory leave	(341)	108
Decrease (increase) in future employee benefits	88	(170)
Cash used in operating activities	14,439	11,049
Capital investing activities		
Acquisitions of tangible capital assets (Note 7)	3,114	1,352
Cash used in capital investing activities	3,114	1,353
Net cash provided by Government of Canada	17,553	12,401

The accompanying notes form an integral part of these financial statements.

National Security and Intelligence Review Agency

Notes to the Financial Statements *(Unaudited)* For the Year Ended March 31

1. Authority and objectives

The agency was established, effective July 12, 2019 under the National Security and Intelligence Review Agency Act (NSIRA Act).

The agency is a division of the federal public administration as set out in column 1 of Schedule I.1 of the Financial Administration Act and reports to Parliament through the Prime Minister.

The mandate of the agency is to review all Government of Canada national security and intelligence activities to ensure that they are lawful, reasonable and necessary. The agency also investigates public complaints regarding key national security agencies and activities.

To achieve its strategic outcome and deliver results for Canadians, NSIRA articulates its plans and priorities based on the core responsibility and program inventory included below:

National Security and Intelligence Reviews and Complaints Investigations

The National Security and Intelligence Review Agency reviews Government of Canada national security and intelligence activities to assess whether they are lawful, reasonable and necessary. It investigates complaints from members of the public regarding activities of CSIS, CSE or the national security activities of the RCMP, as well as certain other national security-related complaints. This independent scrutiny contributes to the strengthening of the framework of accountability for national security and intelligence activities undertaken by Government of Canada institutions and supports public confidence in this regard.

Internal Services

Internal support services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

2. Summary of significant accounting policies

These financial statements are prepared using NSIRA's accounting policies stated below, which are 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.

National Security and Intelligence Review Agency

Notes to the Financial Statements *(Unaudited)* For the Year Ended March 31

Significant accounting policies are as follows:

(a) Parliamentary authorities

NSIRA is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to NSIRA do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Departmental Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the "Expenses" and "Revenues" sections of the Statement of Operations and Departmental Net Financial Position are the amounts reported in the Future-Oriented Statement of Operations included in the 2021-2022 Departmental Plan. The planned results amounts in the "Government funding and transfers" section of the Statement of Operations and Departmental Net Financial Position and in the Statement of Change in Departmental Net Debt were prepared for internal management purposes and have not been previously published.

(b) Net cash provided by Government of Canada

NSIRA operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by NSIRA is deposited to the CRF, and all cash disbursements made by NSIRA are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government.

(c) Amounts due from or to the CRF

Amounts due from or to the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that NSIRA is entitled to draw from the CRF without further authorities to discharge its liabilities.

(d) Expenses

- ✓ Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.
- ✓ Services provided without charge by other government departments for accommodation, employer contributions to the health and dental insurance plans and workers' compensation are recorded as operating expenses at their carrying value.

(e) Employee future benefits

- ✓ **Pension benefits:** Eligible employees participate in the Public Service Pension Plan, a pension plan administered by the Government. NSIRA's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. NSIRA's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.
- ✓ **Severance benefits:** The accumulation of severance benefits for voluntary departures ceased for applicable employee groups. The remaining obligation for employees who did not withdraw benefits is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

National Security and Intelligence Review Agency

Notes to the Financial Statements *(Unaudited)* For the Year Ended March 31

(f) Accounts receivable

Accounts receivable are initially recorded at cost and when necessary, an allowance for valuation is recorded to reduce the carrying value of accounts receivable to amounts that approximate their net recoverable value.

(g) Non-financial assets

All tangible capital assets having an initial cost of \$10,000 or more are recorded at their acquisition cost. Tangible capital assets do not include immovable assets located on reserves as defined in the *Indian Act*, works of art, museum collection and Crown land to which no acquisition cost is attributable; and intangible assets.

Inventories are valued at cost and are comprised of spare parts and supplies held for future program delivery and are not primarily intended for resale. Inventories that no longer have service potential are valued at the lower of cost or net realizable value.

(h) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets, liabilities, revenues and expenses reported in the financial statements and accompanying notes at March 31. The estimates are based on facts and circumstances, historical experience, general economic conditions and reflect the Government's best estimate of the related amount at the end of the reporting period. The most significant items where estimates are used are contingent liabilities, the liability for employee future benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

(i) Related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except for the following:

- i. Services provided on a recovery basis are recognized as revenues and expenses on a gross basis and measured at the exchange amount.
- ii. Certain services received on a without charge basis are recorded for departmental financial statement purposes at the carrying amount.

National Security and Intelligence Review Agency

Notes to the Financial Statements *(Unaudited)* For the Year Ended March 31

3. Parliamentary authorities

NSIRA receives most of its funding through annual Parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through Parliamentary authorities in prior, current or future years. Accordingly, NSIRA has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year authorities used

(in thousands of dollars)

	2022	2021
		Restated (Note 11)
Net cost of operations before government funding and transfers	16,165	11,663
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(528)	(171)
Services provided without charge by other government departments	(1,242)	(1,007)
Increase / (decrease) in vacation pay and compensatory leave	(341)	108
Increase / (decrease) in employee future benefits	88	(170)
Refund of prior years' expenditures	41	481
Total items affecting net cost of operations but not affecting authorities	(1,982)	759
Adjustments for items not affecting net cost of operations but affecting authorities		
Acquisition of tangible capital assets	3,114	1,352
Increase / (decrease) in prepaid expenses	(22)	(17)
Accounts receivable and advances	15	12
Total items not affecting net cost of operations but affecting authorities	3,107	1,347
Current year authorities used	17,290	12,251

(b) Authorities provided and used

(in thousands of dollars)

Authorities provided:

Vote 1 – Operating expenditures

Statutory amounts

Less:

Lapsed: Operating

Current year authorities used

	2022	2021
Vote 1 – Operating expenditures	30,851	22,592
Statutory amounts	1,176	962
Lapsed: Operating	(14,737)	(11,303)
Current year authorities used	17,290	12,251

National Security and Intelligence Review Agency

Notes to the Financial Statements *(Unaudited)* For the Year Ended March 31

4. Accounts payable and accrued liabilities

The following table presents details of NSIRA's accounts payable and accrued liabilities.

(in thousands of dollars)

	2022	2021
Accounts payable - Other government departments and agencies	436	444
Accounts payable - External parties	784	1,075
Total accounts payable	1,220	1,519
Total accounts payable and accrued liabilities	1,220	1,519

5. Employee future benefits

(a) Pension benefits

NSIRA's employees participate in the Public Service Pension Plan (the "Plan"), which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of two percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

Both the employees and the Agency contribute to the cost of the Plan. Due to the amendment of the *Public Service Superannuation Act* following the implementation of provisions related to Economic Action Plan 2012, employee contributors have been divided into two groups - Group 1 related to existing plan members as of December 31, 2012 and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2021-22 expense amounts to \$1,072,922 (\$877,610 in 2020-21). For Group 1 members, the expense represents approximately 1.01 times (1.01 times in 2020-21) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2020-21) the employee contributions.

NSIRA's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the Consolidated Financial Statements of the Government of Canada, as the Plan's sponsor.

National Security and Intelligence Review Agency

Notes to the Financial Statements *(Unaudited)* For the Year Ended March 31

(b) Severance benefits

Severance benefits provided to NSIRA's employees were previously based on an employee's eligibility, years of service and salary at termination of employment. However, since 2011 the accumulation of severance benefits for voluntary departures progressively ceased for substantially all employees. Employees subject to these changes were given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service. By March 31, 2018, substantially all settlements for immediate cash out were completed. Severance benefits are unfunded and, consequently, the outstanding obligation will be paid from future authorities.

The changes in the obligations during the year were as follows:

<i>(in thousands of dollars)</i>	2022	2021
Accrued benefit obligation - Beginning of year	316	146
Expense for the year	(7)	170
Benefits paid during the year	(81)	-
Accrued benefit obligation - End of year	228	316

6. Accounts receivable and advances

The following table presents details of NSIRA's accounts receivable and advances balances:

<i>(in thousands of dollars)</i>	2022	2021
Receivables - Other government departments and agencies	546	581
Receivables - External parties	60	51
Employee advances	31	-
Net accounts receivable	637	632

National Security and Intelligence Review Agency
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

7. Tangible capital assets

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization Period
Informatics hardware	3 to 10 years
Other equipment	3 to 30 years
Leasehold improvements	Over the useful life of the improvement or the lease term, whichever is shorter
Assets under construction	once in service, in accordance with asset type

Capital Asset Class	Cost					Accumulated Amortization					Net Book Value	
	Opening Balance	Acquisitions	Adjustments (1)	Disposal and Write-Offs	Closing Balance	Opening Balance	Amortization	Adjustments (1)	Disposals and Write-Offs	Closing Balance	2022	2021 Restated (Note 11)
(in thousands of dollars)												
Informatics hardware	279	56	-	-	335	189	78	-	-	267	68	90
Other equipment	1,095	29	-	-	1,124	306	115	-	-	421	703	789
Leasehold improvements	-	136	869	-	1,005	-	335	-	-	335	670	-
Assets under construction	1,269	2,893	(869)	-	3,293	-	-	-	-	-	3,293	1,129
Total	2,643	3,114	-	-	5,757	495	528	-	-	1,023	4,734	2,148

(1) Adjustments include assets under construction that were transferred to the other categories upon completion of the assets.

National Security and Intelligence Review Agency

Notes to the Financial Statements *(Unaudited)*

For the Year Ended March 31

8. Contractual obligations

The nature of the NSIRA's activities may result in some large multi-year contracts and obligations whereby NSRIA will be obligated to make future payments in order to carry out its programs or when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)

	2023	2024	2025	2026	2027	2028 and subsequent	Total
Professional and special services	2,257	418	-	-	-	-	2,675
Repair and maintenance	3,886	-	-	-	-	-	3,886
Rental	117	-	-	-	-	-	117
Transportation and communications	89	-	-	-	-	-	89
Total	6,349	418	-	-	-	-	6,767

National Security and Intelligence Review Agency

Notes to the Financial Statements *(Unaudited)* For the Year Ended March 31

9. Related party transactions

NSIRA is related as a result of common ownership to all government departments, agencies, and Crown corporations. Related parties also include individuals who are members of key management personnel or close family members of those individuals, and entities controlled by, or under shared control of, a member of key management personnel or a close family member of that individual.

NSIRA enters into transactions with these entities in the normal course of business and on normal trade terms.

During the year, NSIRA received common services which were obtained without charge for other government departments as disclosed below.

(a) Common services provided without charge by other government departments

During the year, the NSIRA received services without charge from certain common service organizations, related to accommodation and the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded at the carrying value in NSIRA's Statement of Operations and Departmental Net Financial Position as follows:

(in thousands of dollars)

	2022	2021
Accommodation	486	451
Employer's contribution to the health and dental insurance plans	756	556
Total	1,242	1,007

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Services and Procurement Canada and audit services provided by the Office of the Auditor General are not included in the Department's Statement of Operations and Departmental Net Financial Position.

(b) Other transactions with other government departments and agencies

(in thousands of dollars)

	2022	2021
Expenses	6,844	5,595

National Security and Intelligence Review Agency

Notes to the Financial Statements *(Unaudited)* For the Year Ended March 31

10. Segmented information

Presentation by segment is based on the Department's core responsibility. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in Note 2. The following table presents the expenses incurred and revenues generated for the main core responsibilities, by major object of expense and by major type of revenue. The segment results for the period are as follows:

(in thousands of dollars)

	National Security and Intelligence Reviews and Complaints Investigations	Internal Services	2022	2021
				Restated (Note 11)
Expenses				
Salaries and employee benefits	7,638	2,644	10,282	7,995
Professional and special services	231	3,239	3,470	1,845
Accommodation	-	505	505	451
Transportation and communications Information	30	183	213	88
Acquisition of machinery and equipment	23	46	69	192
Repair and maintenance	4	350	354	864
Amortization of tangible capital assets	-	3,091	3,091	1,258
Rental	-	528	528	171
Utilities, materials and supplies	-	130	130	152
Other	4	26	30	8
Other	430	(2,937)	(2,507)	(1,361)
Total expenses	8,360	7,805	16,165	11,663
Net cost from continuing operations	8,360	7,805	16,165	11,663

National Security and Intelligence Review Agency

11. Adjustments to prior year's results

As a result of a review, NSIRA identified minor rounding discrepancies. These changes have been applied retroactively and comparative information for 2020-21 has been restated. The effect of these adjustments is presented in the table below.

	(in thousands of dollars)		
	2021 As previously stated	Effect of the adjustment	2021 Restated
Statement of Financial Position			
Tangible capital assets	2,149	(1)	2,148
Total non-financial assets	2,241	(1)	2,240
Departmental net financial position	1,769	(1)	1,768
Statement of Operations and Departmental Net Financial Position			
Internal Services	5,893	1	5,894
Total Expenses	11,662	1	11,663
Net cost of operations after government funding and transfers	(1,096)	1	(1,095)
Departmental net financial position - End of year	1,769	(1)	1,768
Statement of Change in Departmental Net Debt			
Net cost of operations after government funding and transfers	(1,096)	1	(1,095)
Acquisition of tangible capital assets	1,353	(1)	1,352
Total change due to tangible capital assets	1,182	(1)	1,181
Statement of Cash Flow			
Net cost of operations before government funding and transfers	11,662	1	11,663
Cash used in operating activities	11,048	1	11,049
Acquisitions of tangible capital assets	1,353	(1)	1,352
Note 3(a) - Parliamentary authorities			
Net cost of operations before government funding and transfers	11,662	1	11,663
Acquisition of tangible capital assets	1,353	(1)	1,352
Total items not affecting net cost of operations but affecting authorities	1,348	(1)	1,347
Note 7 - Tangible capital assets			
Assets under construction – Net Book Value	1,270	(1)	1,269
Total – Net Book Value	2,149	(1)	2,148
Note 10 – Segmented Information			
Salaries and employee benefits	7,994	1	7,995
Acquisition of machinery and equipment	694	170	864
Other	(1,191)	(170)	(1,361)
Total Expenses	11,662	1	11,663
Net cost from continuing operations	11,662	1	11,663

National Security and Intelligence Review Agency

Annex to the Statement of Management Responsibility Including Internal Control over Financial Reporting for Fiscal Year 2021-22 (unaudited)

1. Introduction

This document provides summary information on measures taken by the National Security Intelligence Review Agency (NSIRA) to maintain an effective system of internal control over financial reporting (ICFR) including information on internal control management, assessment results and related action plans.

Detailed information on NSIRA authority, mandate, and programs can be found in our Departmental Plan for the 2021 to 2022 fiscal year and our Departmental Results Report for the 2021 to 2022 fiscal year.

<https://nsira-ossnr.gc.ca/publications>

2. Departmental system of internal control over financial reporting

2.1 Internal Control Management

NSIRA has implemented a rigorous governance and accountability structure to support the oversight of its system of internal control, which includes:

- organizational accountability structures as they relate to internal control management to support sound financial management, including the roles and responsibilities of senior departmental managers for control management in their areas of responsibility
- values and ethics
- ongoing communication and training on statutory requirements, and policies and procedures for sound financial management and control
- monitoring of, and regular updates to, internal control management, as well as the provision of related assessment results and action plans to the deputy head and senior departmental management

NSIRA recognizes the importance of setting the tone from the top to help ensure that staff at all levels understand their roles in maintaining effective financial systems of ICFR and are well equipped to exercise these responsibilities effectively

2.2 Service Arrangements relevant to financial statements

NSIRA relies on other organizations for the processing of certain transactions that are recorded in its financial statements, and relies on these service providers to ensure an adequate system of ICFR is maintained over services provided to NSIRA.

National Security and Intelligence Review Agency

Common Arrangements:

- Public Services and Procurement Canada, which administers the payment of salaries and the procurement of goods and services, and provides accommodation services
- Shared Services Canada, which provides IT infrastructure services
- Treasury Board of Canada Secretariat, which provides information on public service insurance and centrally administers payment of the employer's share of contributions toward statutory employee benefit plans

Readers of this annex may refer to the annexes of the above-noted departments for a greater understanding of the systems of internal control over financial reporting related to these specific services.

Specific Arrangements:

- Prior to fiscal 2021-22, in accordance to a Memorandum of Understanding (MOU) between the two organizations, NSIRA relied on the Privy Council Office (PCO) for the performance of financial services, including relevant control measures. Effective, April 1, 2021, NSIRA entered into a new MOU with PCO, which reflected a shift whereby NSIRA would work towards financial services self-sufficiency, by fiscal 2022-23 (including a transition period over fiscal 2021-22).
- Treasury Board of Canada Secretariat provides the agency with a SAP financial system platform to capture and report all financial transactions and a PeopleSoft human resources system platform to manage pay and leave transactions

3. Departmental assessments results during fiscal year 2021-22

Progress during the 2021-22 fiscal year

NSIRA's management team has maintained a system of internal control that ensures that financial information is understandable, relevant, reliable and comparable in concert with the PCO's support as per the MOU. Progress is disclosed in the Annex of PCO's Statement of Management Responsibility.

New or significantly amended key controls

In the current fiscal year, there were no new or significantly amended key controls in existing processes that required reassessment. No significant adjustments were required.

On-going monitoring program

In the current fiscal year, NSIRA's leveraged PCO's rotational on-going monitoring plan disclosed in the Annex of PCO's statement of management responsibility. Starting in fiscal 2022-23 NSIRA will establish its own rotational monitoring plan. See Departmental action plan below for additional information.

National Security and Intelligence Review Agency

4. Departmental action plan

NSIRA's risk-based monitoring plan over the next 3 fiscal years is shown in the following table.

Key Control Areas	2022-23	2023-24	2024-25
Entity-level controls	X		
Procure to pay	X	X	
Payroll	X	X	
Financial Close	X		X
Capital Assets	X		X