

National Security and Intelligence Review Agency

Quarterly financial report for the quarter ended June 30th, 2022

Statement outlining results, risks and significant changes in operations, personnel and programs

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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 [2022–23 Main Estimates](#).

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

Mandate

The National Security and Intelligence Review Agency (NSIRA) is an independent external review body that reports to Parliament. Established in July 2019, NSIRA is responsible for conducting reviews of the Government of Canada's national security and intelligence activities to ensure that they are lawful, reasonable and necessary. NSIRA also hears public complaints regarding key national security agencies and their activities.

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A summary description NSIRA's program activities can be found in [Part II of the Main Estimates](#). Information on [NSIRA's mandate](#) can be found on its 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 agency's spending authorities granted by Parliament and those used by the agency, consistent with the 2022–23 Main Estimates. This quarterly report has been prepared using a special-purpose financial reporting framework (cash basis) 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 authorities for specific purposes.

Highlights of the fiscal quarter and fiscal year-to-date results

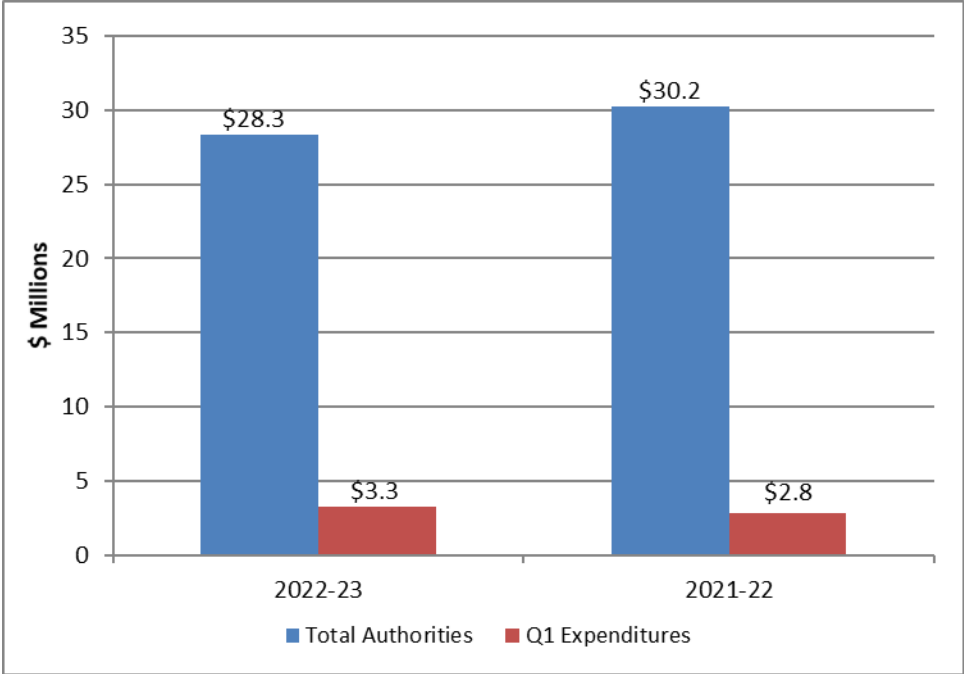
This section highlights the significant items that contributed to the net increase or decrease in authorities available for the year and actual expenditures for the quarter ended June 30, 2022.

NSIRA spent approximately 12% of its authorities by the end of the first quarter, compared with 9% in the same quarter of 2021–22 (see graph 1).

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Graph 1: Comparison of total authorities and total net budgetary expenditures, Q1 2022–23 and Q1 2021–22



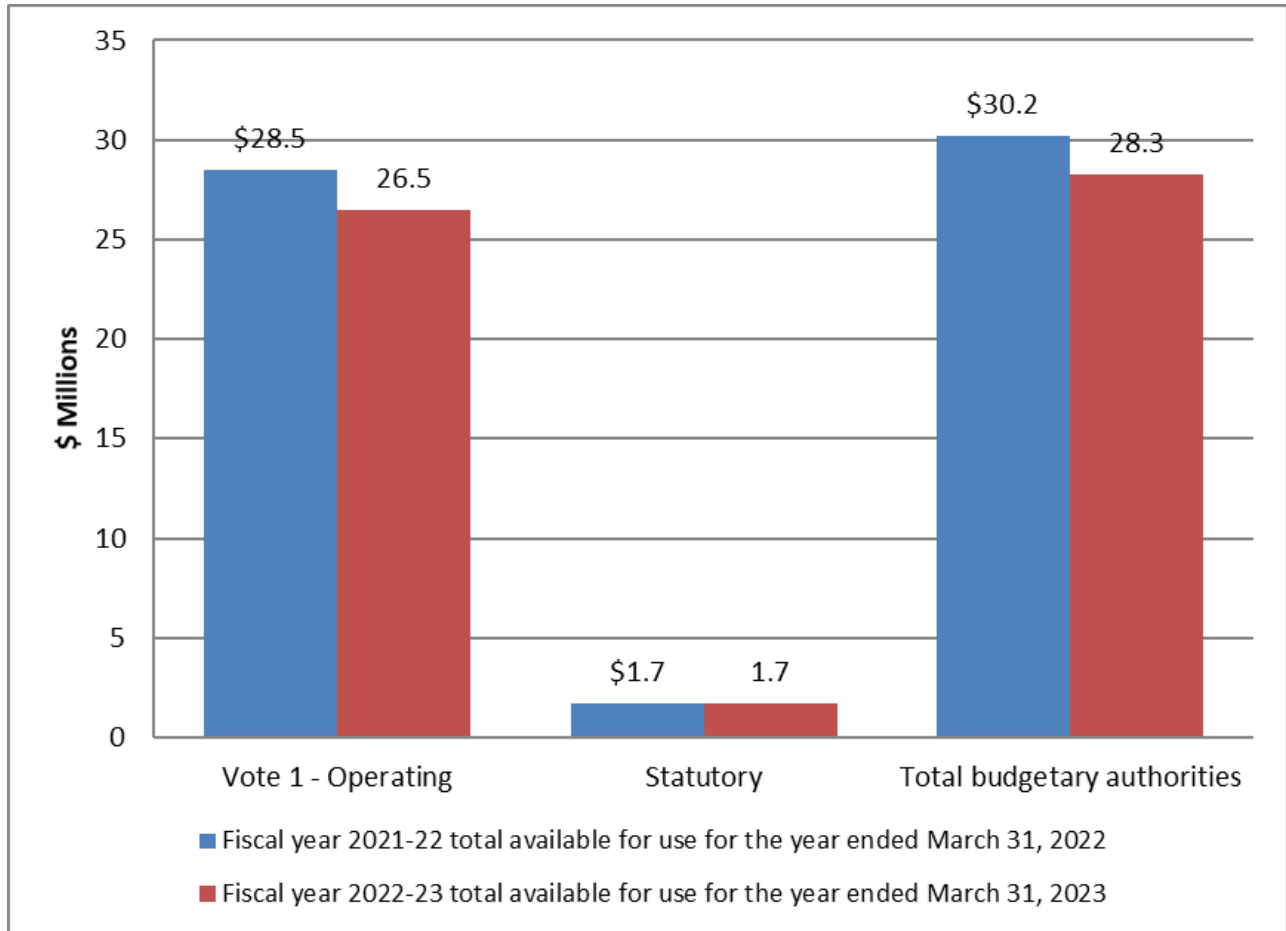
Significant changes to authorities

As at June 30, 2022, Parliament had approved \$28.3 million in total authorities for use by NSIRA for 2022–23 compared with \$30.2 million as of June 30th, 2021, for a net decrease of \$1.9 million or 6.3% (see graph 2).

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Graph 2: Variance in authorities as at June 30, 2022



Details may not sum to totals due to rounding

The decrease of \$1.9 million in authorities is mostly explained by a gradual reduction in NSIRA's ongoing operating funding.

Significant changes to quarter expenditures

The first quarter expenditures totalled \$3.3 million for an increase of \$0.5 million when compared with \$2.8 million spent during the same period in 2021–22.

Table 1 presents budgetary expenditures by standard object.

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Table 1

Variations in expenditures by standard object (in thousands of dollars)	Fiscal year 2022–23: expended during the quarter ended June 30, 2022	Fiscal year 2021–22: expended during the quarter ended June 30, 2021	Variance \$	Variance %
Personnel	2,345	2,312	33	1%
Transportation and communications	44	13	31	238%
Information	5	2	3	150%
Professional and special services	846	196	650	332%
Rentals	10	0	10	
Repair and maintenance	31	8	23	288%
Utilities, materials and supplies	16	3	13	433%
Acquisition of machinery and equipment	9	216	(207)	(96%)
Other subsidies and payments	(2)	12	(14)	(117%)
Total gross budgetary expenditures	3,304	2,762	541	20%

**Details may not sum to totals due to rounding*

Transportation and communications

The increase of \$31,000 relates to increased travel, as travel restrictions due to COVID-19 are no longer in place in Canada.

Professional and special services

The increase of \$650,000 is explained by a change in the timing of invoicing for the maintenance and services in support of our classified IT network infrastructure.

Rentals

The increase of \$10,000 is explained by rent for temporary office space and software support licenses.

Repair and maintenance

The increase of \$23,000 is explained by office accommodation fit-up costs.

Utilities, materials and supplies

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The increase of \$13,000 is explained by the acquisition office supplies.

Acquisition of machinery and equipment

The decrease of \$207,000 is explained by a one-time bulk purchase of monitors and other computer equipment made in the first quarter of 2021-22.

Other subsidies and payments

The decrease of \$14,000 is explained by a reduction in emergency salary advances and payroll system overpayments. NSIRA is showing a negative balance here because of the acquisition card rebates.

Risks and uncertainties

The ability of NSIRA to access the information it needs to conduct its reviews and complaints investigations is closely tied to the capacity of the reviewed or investigated departments and agencies to respond to NSIRA's demands. While most pandemic constraints have subsided, there continues to be recruitment challenges in a tight labour market. To address this challenge, NSIRA is experimenting with hybrid workplace approaches, launching internal career development programs and focusing on onboarding practices to attract and retain talent.

NSIRA is closely monitoring pay transactions to identify and address over and under payments in a timely manner and continues to apply ongoing mitigating controls.

Mitigation measures for the risks outlined above have been identified and are factored into NSIRA's approach and timelines for the execution of its mandated activities.

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Significant changes in relation to operations, personnel and programs

There have been two new Governor-in-Council appointments during the first quarter, Dr. Foluke Laosebikan and Mr. Matthew Cassar. Existing member, Mr. Craig Forcese, has been named Vice Chair of NSIRA.

There have been no changes to the NSIRA Program.

Approved by senior officials:

John Davies
Executive Director

Ottawa, Canada
Date:

Pierre Souigny
Senior Director, Corporate Services,
Chief Financial Officer

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Appendix

Statement of authorities (unaudited)

<i>(in thousands of dollars)</i>	Fiscal year 2022–23			Fiscal year 2021–22		
	Total available for use for the year ending March 31, 2023 (note 1)	Used during the quarter ended June 30, 2022	Year to date used at quarter-end	Total available for use for the year ending March 31, 2022 (note 1)	Used during the quarter ended June 30, 2021	Year to date used at quarter-end
Vote 1 – Net operating expenditures	26,523	2,872	2,872	28,490	2,336	2,336
Budgetary statutory authorities						
Contributions to employee benefit plans	1,728	432	432	1,705	426	426
Total budgetary authorities (note 2)	28,251	3,304	3,304	30,195	2,762	2,762

Note 1: Includes only authorities available for use and granted by Parliament as at quarter-end.

Note 2: Details may not sum to totals due to rounding.

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Departmental budgetary expenditures by standard object (unaudited)

<i>(in thousands of dollars)</i>	Fiscal year 2022–23			Fiscal year 2021–22		
	Planned expenditures for the year ending March 31, 2023 (note 1)	Expended during the quarter ended June 30, 2022	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended June 30, 2021	Year-to-date used at quarter-end
Expenditures						
Personnel	13,245	2,345	2,345	13,222	2,312	2,312
Transportation and communications	597	44	44	673	13	13
Information	372	5	5	375	2	2
Professional and special services	3,506	846	846	5,904	196	196
Rentals	271	10	10	188	0	0
Repair and maintenance	9,722	31	31	8,737	8	8
Utilities, materials and supplies	173	16	16	103	3	3
Acquisition of machinery and equipment	232	9	9	991	216	216
Other subsidies and payments	133	(2)	(2)	0	12	12
Total gross budgetary expenditures (note 2)	28,251	3,304	3,304	30,195	2,762	2,762

Note 1: Includes only authorities available for use and granted by Parliament as at quarter-end.

Note 2: Details may not sum to totals due to rounding.