

National Security and Intelligence Review Agency

Quarterly financial report for the quarter ended June 30th, 2023

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

Table of Contents

- Introduction
- Mandate
- Basis of presentation
- Highlights of the fiscal quarter and fiscal year-to-date results
 - Significant changes to authorities
 - Significant changes to quarter expenditures
- Risks and uncertainties
- Significant changes in relation to operations, personnel and programs
- Approval by senior officials
- Appendix

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 [2023–24 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.

National Security and Intelligence Review Agency

Quarterly financial report for the quarter ended June 30th, 2023

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 2023–24 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

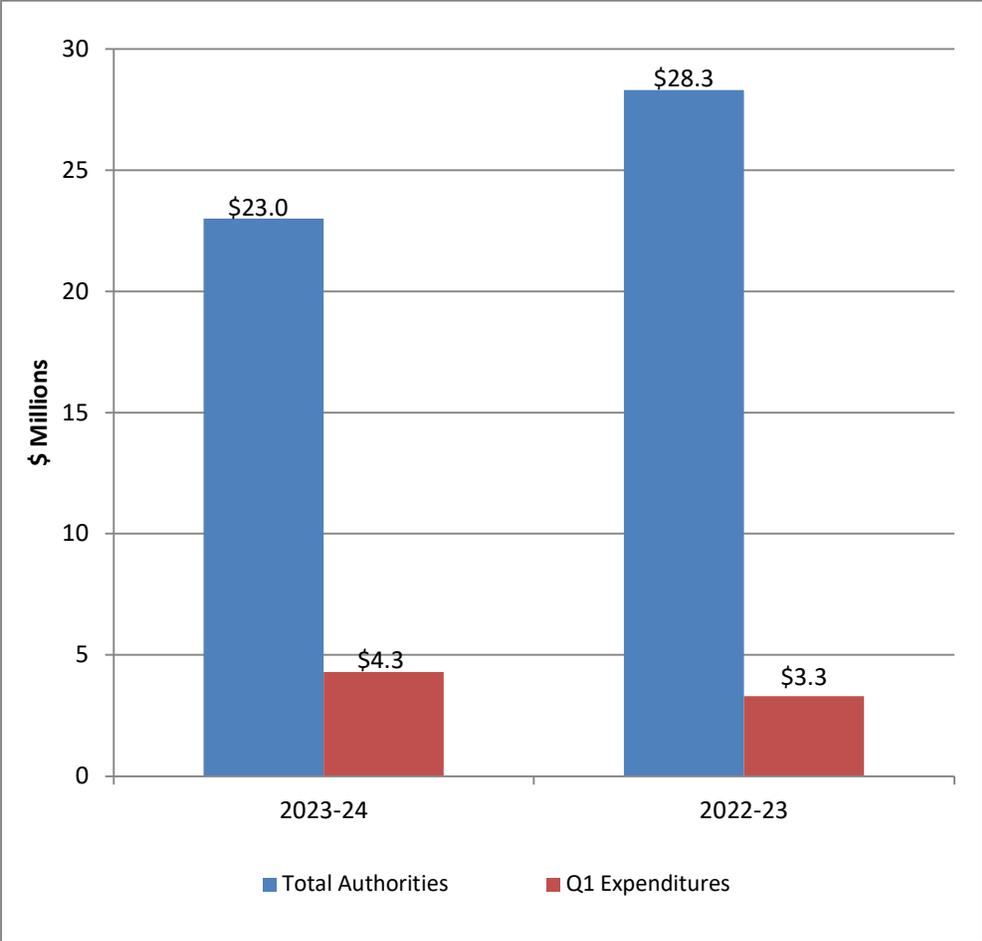
This section highlights the significant items that contributed to the net increase or decrease in authorities available for the year and actual expenditures for the quarter ended June 30, 2023.

NSIRA spent approximately 19% of its authorities by the end of the first quarter, compared with 12% in the same quarter of 2022–23 (see graph 1).

National Security and Intelligence Review Agency

Quarterly financial report for the quarter ended June 30th, 2023

Graph 1: Comparison of total authorities and total net budgetary expenditures, Q1 2023–24 and Q1 2022–23



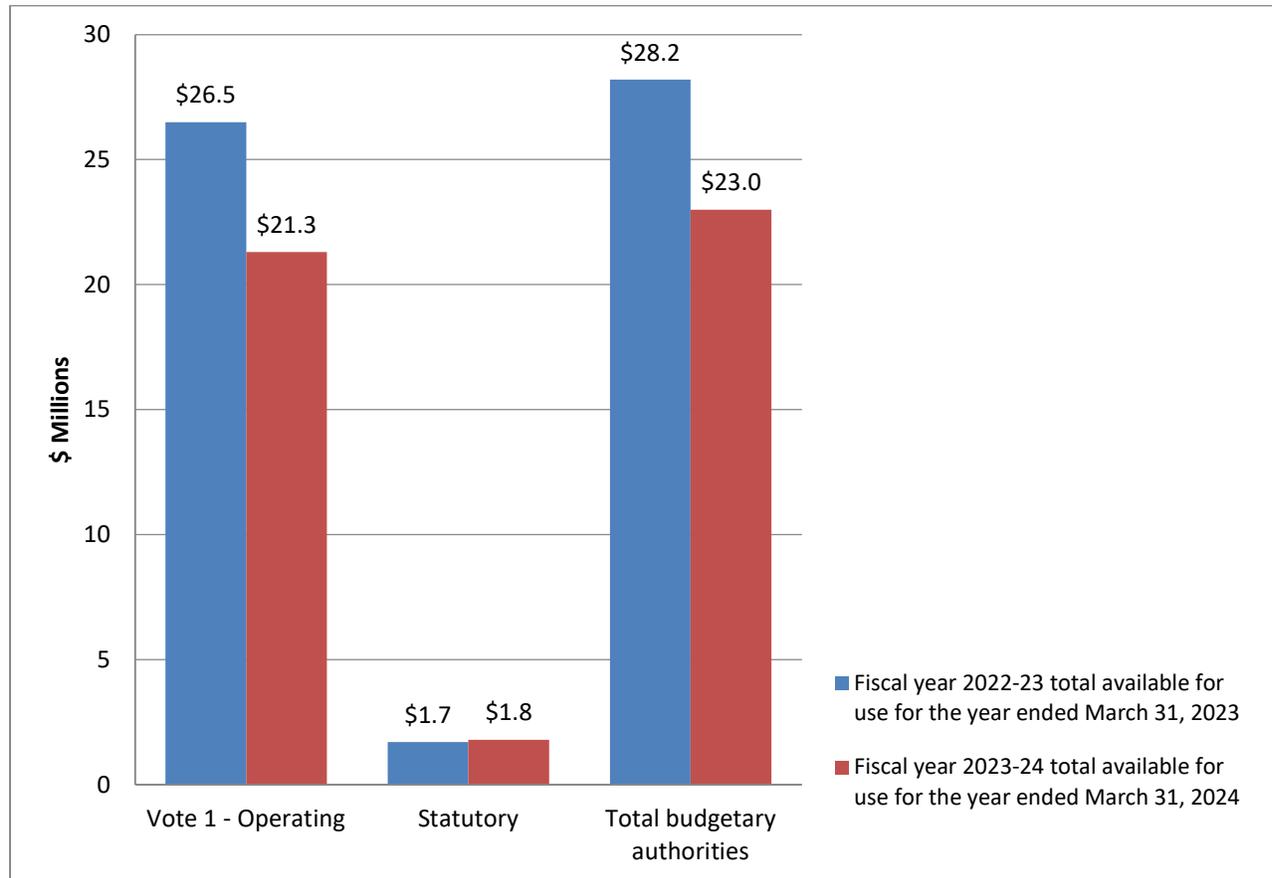
Significant changes to authorities

As of June 30, 2023, Parliament had approved \$23.0 million in total authorities for use by NSIRA for 2023–24 compared with \$28.3 million as of June 30th, 2022, for a net decrease of \$5.3 million or 8.1% (see graph 2).

National Security and Intelligence Review Agency

Quarterly financial report for the quarter ended June 30th, 2023

Graph 2: Variance in authorities as at June 30, 2023



Details may not sum to totals due to rounding

The decrease of \$5.3 million in authorities is mostly explained by a reduction in capital funding for infrastructure projects.

Significant changes to quarter expenditures

The first quarter expenditures totalled \$4.3 million for an increase of \$1 million when compared with \$3.3 million spent during the same period in 2022–23.

Table 1 presents budgetary expenditures by standard object.

National Security and Intelligence Review Agency

Quarterly financial report for the quarter ended June 30th, 2023

Table 1

Variations in expenditures by standard object (in thousands of dollars)	Fiscal year 2023-24: expended during the quarter ended June 30, 2023	Fiscal year 2022-23: expended during the quarter ended June 30, 2022	Variance \$	Variance %
Personnel	2,886	2,345	541	23%
Transportation and communications	130	44	86	195%
Information	0	5	(5)	(100%)
Professional and special services	1,165	846	319	38%
Rentals	48	10	38	380%
Repair and maintenance	24	31	(7)	(23%)
Utilities, materials, and supplies	7	16	(9)	(56%)
Acquisition of machinery and equipment	48	9	39	433%
Other subsidies and payments	4	(2)	6	(300%)
Total gross budgetary expenditures	4,312	3,304	1,008	31%

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

Personnel

The increase of \$541,000 is largely caused by an increase in cost per FTE and change in the timing of Member's pay.

Transportation and communications

The increase of \$86,000 is explained by a change in the timing of invoicing for the internet connection.

Professional and special services

The increase of \$319,000 is mainly explained by an increase in the cost of the maintenance and services in support of our classified IT network infrastructure. It also relates to the use of guard services for office accommodation fit-up.

Rentals

The increase of \$38,000 is explained by a change in the timing of invoicing for the rent for temporary office space.

National Security and Intelligence Review Agency

Quarterly financial report for the quarter ended June 30th, 2023

Acquisition of machinery and equipment

The increase of \$39,000 is explained by a one-time purchase of a specialized laptop along with a wall mounted charging station and warranty.

Risks and uncertainties

The Secretariat assisted NSIRA in its work with the departments and agencies subjected to reviews to ensure a timely and unfettered access to all the information necessary for the conduct of reviews. While work remains to be done on this front, we acknowledge the improvements in cooperation and support to the independent review process demonstrated by some reviewees.

There is a risk that the funding received to offset pay increases anticipated over the coming year will be insufficient to cover the costs of such increases and the year-over-year cost of services provided by other government departments/agencies is increasing significantly.

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.

National Security and Intelligence Review Agency

Quarterly financial report for the quarter ended June 30th, 2023

Significant changes in relation to operations, personnel and programs

There have been no new Governor-in-Council appointments during the first quarter.

Mr. Pierre Souigny, NSIRA's Senior Director, Corporate Services and CFO since 2020, has retired. He has been replaced by Mr. Marc-André Cloutier.

Approved by senior officials:

on behalf
of

John Davies
Executive Director

Ottawa, Canada

Date:

Marc-André Cloutier
Director General, Corporate Services,
Chief Financial Officer

National Security and Intelligence Review Agency

Quarterly financial report for the quarter ended June 30th, 2023

Appendix

Statement of authorities (unaudited)

<i>(in thousands of dollars)</i>	Fiscal year 2023-2024			Fiscal year 2022-2023		
	Total available for use for the year ending March 31, 2024 (note 1)	Used during the quarter ended June 30, 2023	Year to date used at quarter-end	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
Vote 1 - Net operating expenditures	21,254	3,873	3,873	26,523	2,872	2,872
Budgetary statutory authorities						
Contributions to employee benefit plans	1,755	439	439	1,728	432	432
Total Budgetary authorities (note 2)	23,009	4,312	4,312	28,251	3,304	3,304

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.

National Security and Intelligence Review Agency

Quarterly financial report for the quarter ended June 30th, 2023

Departmental budgetary expenditures by standard object (unaudited)

<i>(in thousands of dollars)</i>	Fiscal year 2023-2024			Fiscal year 2022-2023		
	Planned expenditures for the year ending March 31, 2024 (note 1)	Expended during the quarter ended June 30, 2023	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended June 30, 2022	Year-to-date used at quarter-end
Expenditures						
Personnel	13,303	2,886	2,886	13,245	2,345	2,345
Transportation and communications	650	130	130	597	44	44
Information	372	0	0	372	5	5
Professional and special services	3,596	1,165	1,165	3,506	846	846
Rentals	271	48	48	271	10	10
Repair and maintenance	4,580	24	24	9,722	31	31
Utilities, materials, and supplies	73	7	7	173	16	16
Acquisition of machinery and equipment	132	48	48	232	9	9
Other subsidies and payments	33	4	4	133	(2)	(2)
Total gross budgetary expenditures (note 2)	23,009	4,312	4,312	28,251	3,304	3,304

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.