

National Security and Intelligence Review Agency

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

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
 - Significant changes to year-to-date 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 [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.

National Security and Intelligence Review Agency

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

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

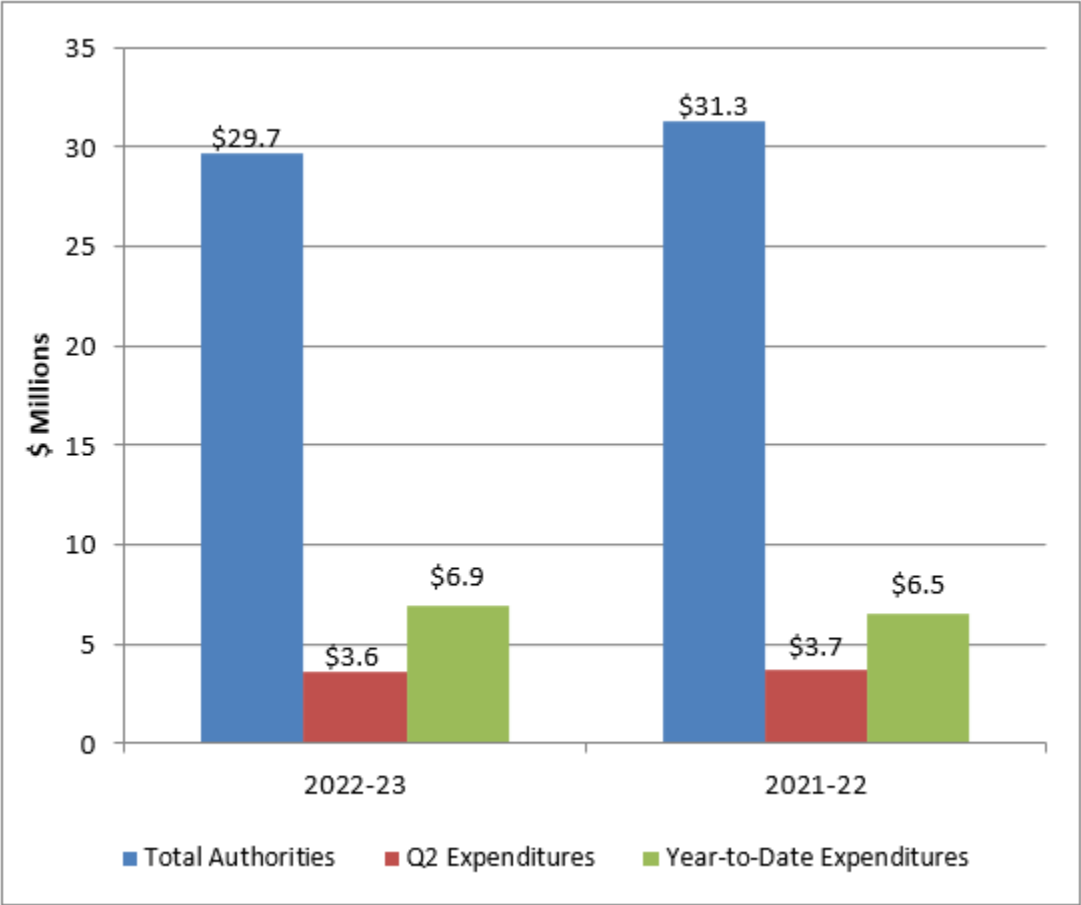
This section highlights the significant items that contributed to the net increase or decrease in authorities available for the year and actual expenditures for the quarter ended September 30, 2022.

NSIRA spent approximately 23% of its authorities by the end of the second quarter, compared with 21% in the same quarter of 2021–22 (see graph 1).

National Security and Intelligence Review Agency

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

Graph 1: Comparison of total authorities and total net budgetary expenditures, Q2 2022–23 and Q2 2021–22



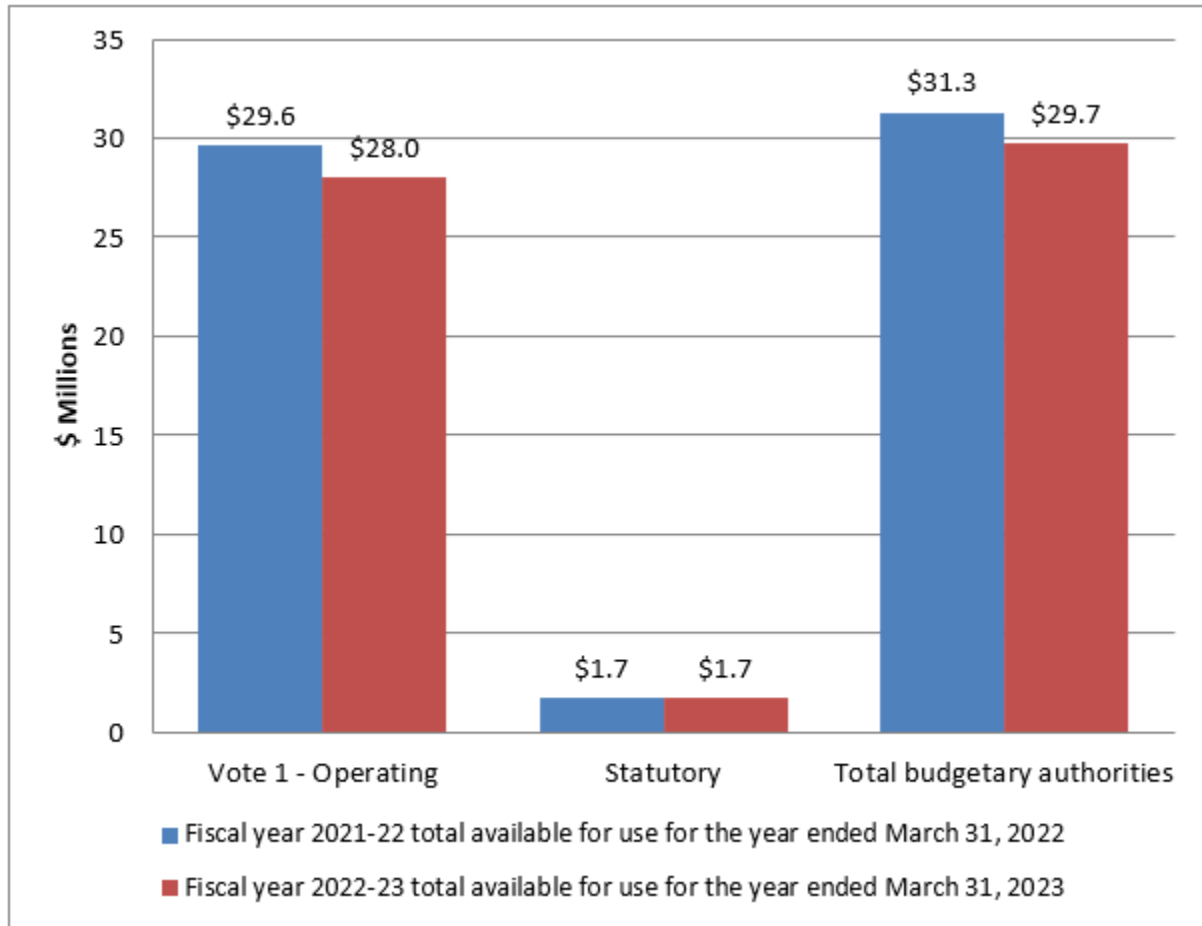
Significant changes to authorities

As at September 30, 2022, Parliament had approved \$29.7 million in total authorities for use by NSIRA for 2022–23 compared with \$31.3 million as of September 30th, 2021, for a net decrease of \$1.6 million or 5.1% (see graph 2).

National Security and Intelligence Review Agency

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

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



Details may not sum to totals due to rounding

The decrease of \$1.6 million in authorities is mostly explained by a gradual reduction in NSIRA's ongoing operating funding.

Significant changes to quarter expenditures

The second quarter expenditures totalled \$3.6 million for a decrease of \$0.1 million when compared with \$3.7 million spent during the same period in 2021–2022. Table 1 presents budgetary expenditures by standard object.

National Security and Intelligence Review Agency

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

Table 1

Variations in expenditures by standard object (in thousands of dollars)	Fiscal year 2022-23: expended during the quarter ended September 30, 2022	Fiscal year 2021-22: expended during the quarter ended September 30, 2021	Variance \$	Variance %
Personnel	2,903	2,441	462	19%
Transportation and communications	70	24	46	192%
Information	0	15	(15)	(100%)
Professional and special services	578	840	(262)	(31%)
Rentals	39	17	22	129%
Repair and maintenance	33	205	(172)	(84%)
Utilities, materials and supplies	12	9	3	33%
Acquisition of machinery and equipment	4	158	(154)	(97%)
Other subsidies and payments	3	28	(25)	(90%)
Total gross budgetary expenditures	3,642	3,737	(95)	(3%)

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

Personnel

The increase of \$462,000 in personnel is due to an increase in average salary and an increase of 2 full time equivalent (FTE) positions.

Transportation and communications

The increase of \$46,000 relates to increased travel, as travel restrictions due to COVID-19 are no longer in place in Canada.

Information

The decrease of \$15,000 is explained by a decrease in the use of communications consultants.

Professional and special services

The decrease of \$262,000 is explained by the timing of payment for NSIRA's IT support services. In fiscal year 2021-2022 most of the payments went through in the second quarter however in fiscal year 2022-2023, the majority of the payments went through in the first quarter.

National Security and Intelligence Review Agency

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

Rentals

The increase of \$22,000 is explained by an increase in the second quarter invoice for NSIRA's Memorandum of Understanding with Treasury Board for support costs of our financial system.

Repair and maintenance

The decrease of \$172,000 is due to fit-up costs for two projects that were completed in fiscal year 2021-2022.

Acquisition of machinery and equipment

The decrease of \$154,000 is explained by a one-time computer equipment purchase in regard to a network extension in fiscal year 2021-2022.

Other subsidies and payments

The decrease of \$25,000 is explained by a reduction in payroll system overpayments.

Significant changes to year-to-date expenditures

The year-to-date expenditures totalled \$6.9 million for an increase of \$0.4 million (7%) when compared with \$6.5 million spent during the same period in 2021–22. Table 2 presents budgetary expenditures by standard object.

National Security and Intelligence Review Agency

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

Table 2

Variations in expenditures by standard object (in thousands of dollars)	Fiscal year 2022-23: year-to-date expenditures as of September 30, 2022	Fiscal year 2021-22: year-to-date expenditures as of September 30, 2021	Variance \$	Variance %
Personnel	5,248	4,753	495	10%
Transportation and communications	114	37	77	208%
Information	5	17	(12)	(71%)
Professional and special services	1,424	1,036	388	37%
Rentals	49	17	32	188%
Repair and maintenance	64	213	(149)	(70%)
Utilities, materials and supplies	28	12	16	133%
Acquisition of machinery and equipment	13	374	(361)	(97%)
Other subsidies and payments	1	40	(39)	(98%)
Total gross budgetary expenditures	6,946	6,499	447	7%

Details may not sum to totals due to rounding

Personnel

The increase of \$495,000 relates to an increase in average salary and an increase of 2 full time equivalent (FTE) positions.

Transportation and communications

The increase of \$77,000 is due to increased travel, as travel restrictions due to COVID-19 are no longer in place in Canada.

Information

The decrease of \$12,000 is explained by a decrease in the use of communications consultants and electronic subscriptions.

Professional and special services

The increase of \$388,000 is mainly due to increases in information technology support services by the Communications Security Establishment (\$173K), IT/Telecom consultants (\$126K) and translations services (\$91K).

National Security and Intelligence Review Agency

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

Rentals

The increase of \$32,000 is mainly explained by an increase in the second quarter invoice for NSIRA's Memorandum of Understanding with Treasury Board for support costs of our financial system, and the billing for the rent of our temporary office swing space.

Repair and maintenance

The decrease of \$149,000 is explained by a decrease in the fit-up costs as a result of the completion of two projects in fiscal year 2021-2022.

Utilities, materials and supplies

The increase of \$16,000 is due to an increase in the purchasing of office supplies and unreconciled MasterCard payments.

Acquisition of machinery and equipment

The decrease of \$361,000 is mainly explained by several one-time computer equipment purchases made in the first and second quarter of 2021-2022.

Other subsidies and payments

The decrease of \$39,000 is explained by a reduction in payroll system overpayments and no salary advances issued over the last year.

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.

National Security and Intelligence Review Agency

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

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.

Significant changes in relation to operations, personnel and programs

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

There have been no changes to the NSIRA Program.

Approved by senior officials:

John Davies
Executive Director

Ottawa, Canada

Date:

Eldon Taylor
Acting Senior Director, Corporate Services,
Acting Chief Financial Officer

National Security and Intelligence Review Agency

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

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 September 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 September 30, 2021	Year to date used at quarter-end
Vote 1 – Net operating expenditures	27,931	3,210	6,082	29,615	3,311	5,647
Budgetary statutory authorities						
Contributions to employee benefit plans	1,728	432	864	1,705	426	852
Total budgetary authorities (note 2)	29,659	3,642	6,946	31,319	3,737	6,499

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 September 30th, 2022

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, 2022 (note 1)	Expended during the quarter ended September 30, 2021	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2021	Expended during the quarter ended September 30, 2020	Year-to-date used at quarter-end
Expenditures						
Personnel	13,245	2,903	5,248	13,222	2,441	4,753
Transportation and communications	597	70	114	673	24	37
Information	372	0	5	375	15	17
Professional and special services	4,914	578	1,424	7,029	840	1,036
Rentals	271	39	49	188	17	17
Repair and maintenance	9,722	33	64	8,737	205	213
Utilities, materials and supplies	173	12	28	103	9	12
Acquisition of machinery and equipment	232	4	13	991	158	374
Other subsidies and payments	133	3	1	0	28	40
Total gross budgetary expenditures (note 2)	29,659	3,642	6,946	31,319	3,737	6,499

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.