

National Security and Intelligence Review Agency Secretariat

Quarterly financial report for the quarter ended December 31st, 2023

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 [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.

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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 the NSIRA Secretariat's management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Secretariat's spending authorities granted by Parliament and those used by the Secretariat, 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

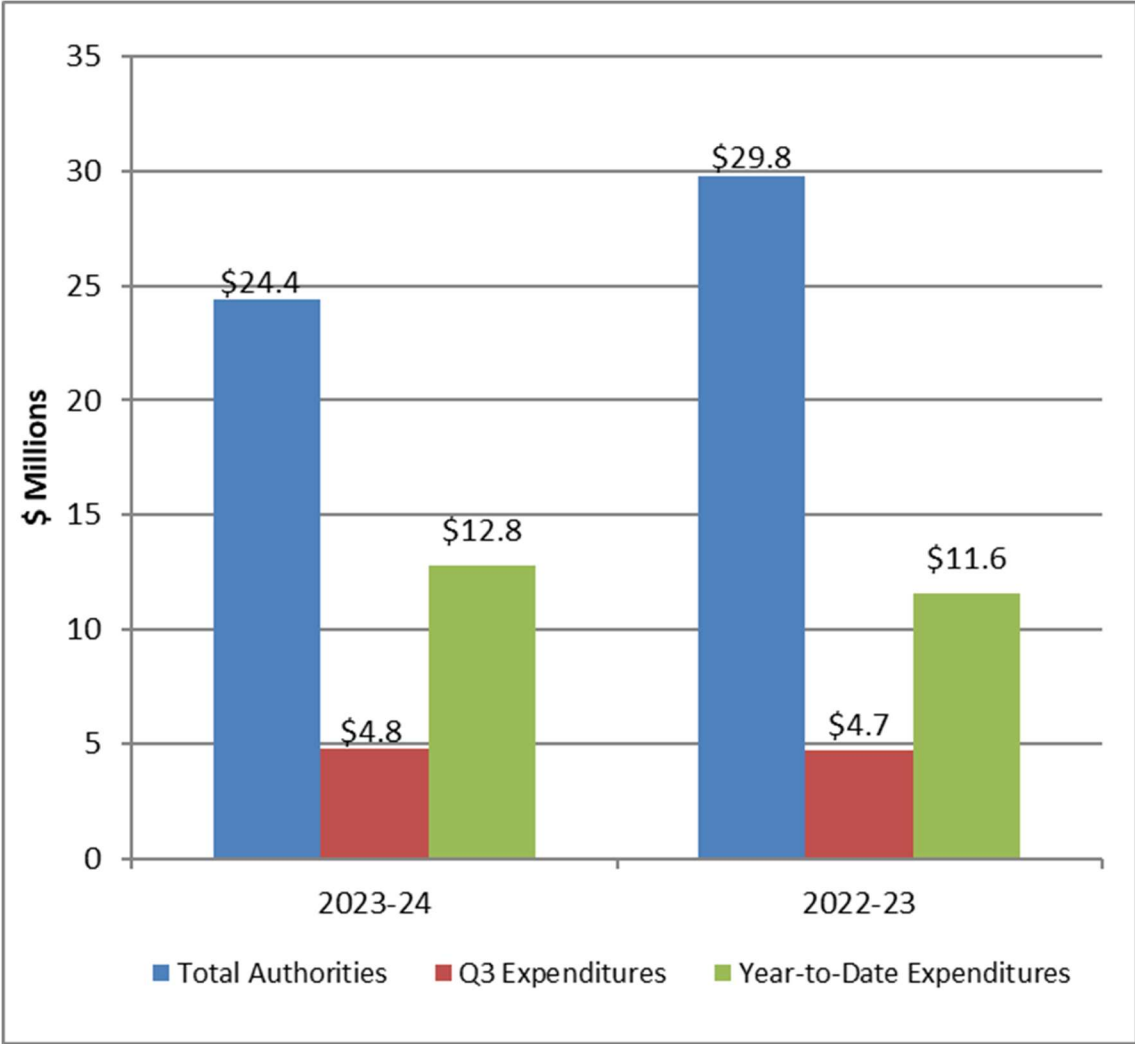
This section highlights the significant items that contributed to the net increase or decrease in authorities available for the year and actual expenditures for the quarter ended December 31, 2023.

NSIRA Secretariat spent approximately 52% of its authorities by the end of the third quarter, compared with 39% in the same quarter of 2022–23 (see graph 1).

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Graph 1: Comparison of total authorities and total net budgetary expenditures, Q3 2023–2024 and Q3 2022–2023



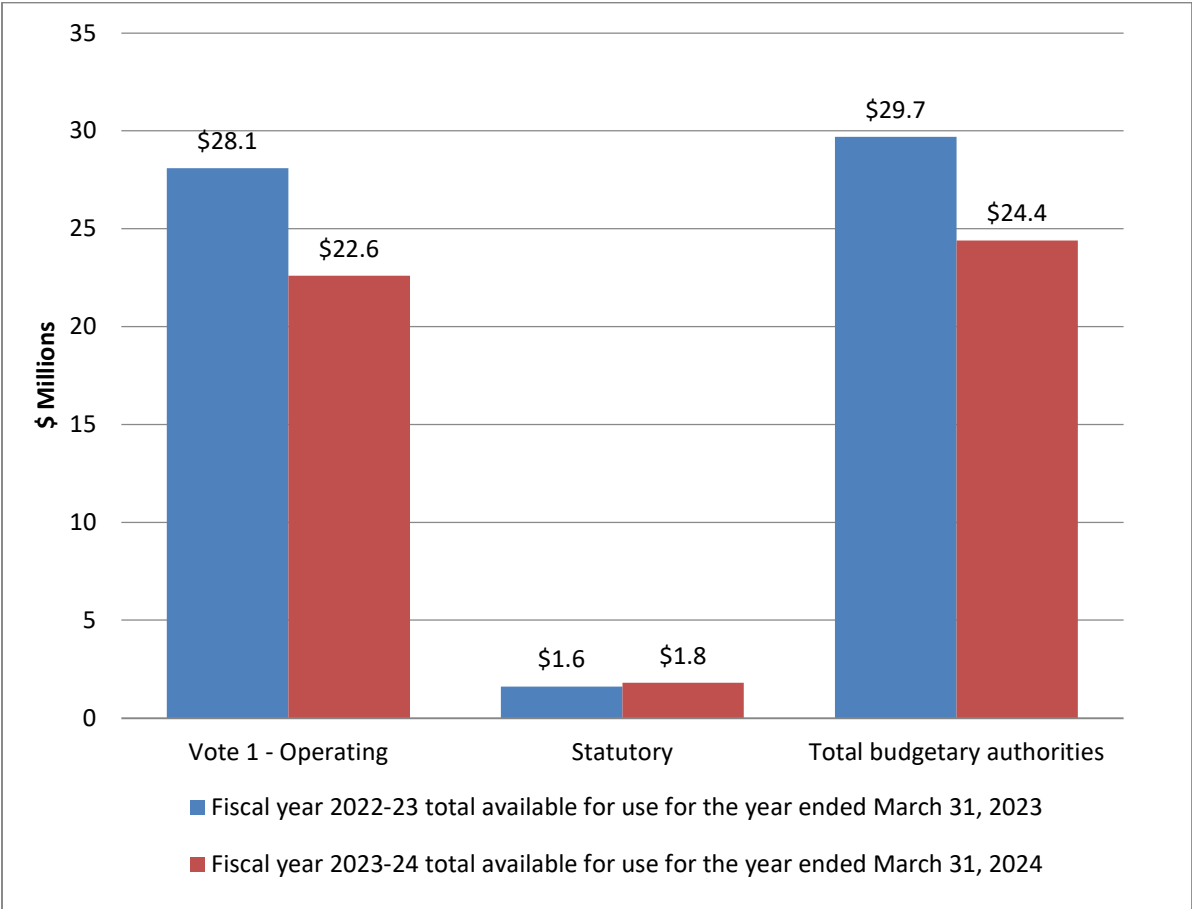
Significant changes to authorities

As at December 31, 2023, Parliament had approved \$24.4 million in total authorities for use by NSIRA Secretariat for 2023–24 compared with \$29.8 million as of December 31, 2022, for a net decrease of \$5.3 million or 18% (see graph 2).

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Graph 2: Variance in authorities as at December 31, 2023



Details may not sum to totals due to rounding

The decrease of \$5.3 million in authorities is mostly explained by a gradual reduction in NSIRA Secretariat’s ongoing operating funding due to an ongoing construction project nearing completion.

Significant changes to quarter expenditures

The third quarter expenditures totalled \$4.8 million for an increase of \$0.1 million when compared with \$4.7 million spent during the same period in 2022–2023. 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 2023-24: expended during the quarter ended December 31, 2023	Fiscal year 2022-23: expended during the quarter ended December 31, 2022	Variance \$	Variance %
Personnel	2,866	2,503	363	15%
Transportation and communications	110	82	28	34%
Information	1	4	(3)	(75%)
Professional and special services	486	1,271	(785)	(62%)
Rentals	78	83	(5)	(6%)
Repair and maintenance	1,161	685	476	69%
Utilities, materials and supplies	(1)	21	(22)	(105%)
Acquisition of machinery and equipment	83	2	81	4050%
Other subsidies and payments	(33)	17	(50)	(294%)
Total gross budgetary expenditures	4,751	4,668	83	2%

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

Professional and special services

The decrease of \$785,000 is due to the timing of invoicing for our Internal Support Services agreement.

Repair and maintenance

The increase of \$476,000 is due to the timing of invoicing for an ongoing capital project.

Utilities, materials and supplies

The decrease of \$22,000 is due to a temporarily unreconciled acquisition card suspense account.

Acquisition of machinery and equipment

The increase of \$81,000 is due to the purchase of software licenses and the corresponding support and maintenance.

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Other subsidies and payments

The decrease of \$50,000 is explained by a prior year refund that was deposited to NSIRA's account in error.

Significant changes to year-to-date expenditures

The year-to-date expenditures totalled \$12.8 million for an increase of \$1.2 million (11%) when compared with \$11.6 million spent during the same period in 2022–23. Table 2 presents budgetary expenditures by standard object.

Table 2

Variations in expenditures by standard object (in thousands of dollars)	Fiscal year 2023-24: year-to-date expenditures as of December 31, 2023	Fiscal year 2022-23: year-to-date expenditures as of December 31, 2022	Variance \$	Variance %
Personnel	8,766	7,751	1,015	13%
Transportation and communications	302	196	106	54%
Information	5	9	(4)	(44%)
Professional and special services	2,155	2,695	(540)	(20%)
Rentals	151	132	19	14%
Repair and maintenance	1,188	749	439	59%
Utilities, materials and supplies	56	49	7	14%
Acquisition of machinery and equipment	135	15	120	800%
Other subsidies and payments	89	18	71	394%
Total gross budgetary expenditures	12,847	11,614	1,233	11%

Details may not sum to totals due to rounding

Personnel

The increase of \$1,015,000 relates to an increase in average salary, an increase in full time equivalent (FTE) positions, and back-pay from the new collective agreement for the EC and AS occupational groups.

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Transportation and communications

The increase in \$106,000 is due to the timing of the invoicing for our internet connections.

Professional and special services

The decrease of \$540,000 is mainly explained by the conclusion of guard services contracts associated to a capital construction project and the timing of invoicing for internal support services.

Repair and maintenance

The increase of \$439,000 is due to the timing of invoicing for an ongoing capital project.

Acquisition of machinery and equipment

The increase of \$120,000 is mainly explained by the one-time purchase of a specialized laptop and licenses.

Other subsidies and payments

The increase of \$71,000 is due to an increase in salary overpayments.

Risks and uncertainties

The NSIRA Secretariat has made progress on accessing the information required to conduct reviews; however, there continues to be risks associated with reviewees' ability to respond to, and prioritize, information requests, hindering NSIRA's ability to deliver its review plan in a timely way. The NSIRA Secretariat will continue to mitigate this risk by providing clear communication related to information requests, tracking their timely completion within communicated timelines, and escalating issues when appropriate.

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.

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

Significant changes in relation to operations, personnel and programs

There have been no changes to the NSIRA Secretariat Program.

Approved by senior officials:

John Davies
Executive Director

Ottawa, Canada
Date:

Martyn Turcotte
Director General, Corporate Services,
Chief Financial Officer

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Appendix

Statement of authorities (unaudited)

<i>(in thousands of dollars)</i>	Fiscal year 2023–24			Fiscal year 2022–23		
	Total available for use for the year ending March 31, 2024 (note 1)	Used during the quarter ended December 31, 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 December 31, 2022	Year to date used at quarter-end
Vote 1 – Net operating expenditures	22,633	4,313	11,531	28,063	4,236	10,318
Budgetary statutory authorities						
Contributions to employee benefit plans	1,755	438	1,316	1,728	432	1,296
Total budgetary authorities (note 2)	24,388	4,751	12,847	29,791	4,668	11,614

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 2023–24			Fiscal year 2022–23		
	Planned expenditures for the year ending March 31, 2024 (note 1)	Expended during the quarter ended December 31, 2023	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended December 31, 2022	Year-to-date used at quarter-end
Expenditures						
Personnel	13,372	2,866	8,766	13,389	2,503	7,751
Transportation and communications	650	110	302	597	82	196
Information	371	1	5	372	4	9
Professional and special services	4,906	486	2,155	4,902	1,271	2,695
Rentals	271	78	151	271	83	132
Repair and maintenance	4,580	1,161	1,188	9,722	685	749
Utilities, materials and supplies	73	(1)	56	173	21	49
Acquisition of machinery and equipment	132	83	135	232	2	15
Other subsidies and payments	33	(33)	89	133	17	18
Total gross budgetary expenditures (note 2)	24,388	4,751	12,847	29,791	4,668	11,614

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.