

Office of the Intelligence Commissioner

Quarterly Financial Report
For the Quarter Ended September 30, 2022

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Statement Outlining Results, Risks and Significant Changes in Operations, Personnel and Program

1. 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 Treasury Board. This quarterly report should be read in conjunction with the Main Estimates. This report has not been subject to external audit or review.

The Office of the Intelligence Commissioner (ICO) is an independent oversight body. The mandate of the Intelligence Commissioner (IC) is set out in the *Intelligence Commissioner Act*. The IC is an integral part of the decision-making process for certain national security and intelligence activities before they can be conducted. The IC is responsible for performing quasi-judicial reviews of the conclusions of the Minister of National Defence and the Minister of Public Safety, and, where applicable, the Director of the Canadian Security Intelligence Service to determine whether they are reasonable. These conclusions are the basis on which certain authorizations are issued or determinations are made in relation to some activities to be conducted by either the Communications Security Establishment or Canadian Security Intelligence Service.

Further information on the ICO can be found on the [departmental 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 ICO's spending authorities as approved in the Main Estimates for the 2022–23 fiscal year as well as transfers from Treasury Board central votes that are approved by the end of the quarter. This quarterly report has been prepared using a special purpose financial reporting framework, 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 authority for specific purposes.

When Parliament is dissolved for the purposes of a general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

The ICO uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental results reporting

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process. However, the spending authorities voted by Parliament remain on an expenditure basis.

2. Highlights of Fiscal Quarter and Fiscal Year-to-Date Results

This section highlights the financial results for the fiscal year-to-date and the quarter ended September 30, 2022. It also provides explanations of variances compared with the same period for the previous year that exceed a materiality threshold of \$5 thousand for program expenditures and statutory authorities.

Highlights of the Fiscal Quarter and Fiscal Year-to-Date Results (in thousands of dollars)

	2022–23 Budgetary authorities to March 31, 2023	2021–22 Budgetary authorities to March 31, 2022	Variance in budgetary authorities	Year-to-date expenditures as at Q2 2022–23 (Sept 30, 2022)	Year-to-date expenditures as at Q2 2021–22 (Sept 30, 2021)	Variance between year- to-date expenditures
Vote 1 Program Expenditures	2,487	2,467	20	1,103	824	279
Statutory authorities	167	165	2	83	82	1
Total	2,654	2,632	22	1,186	906	280

	2022–23 Q2 expenditures	2021–22 Q2 expenditures	Variance between 2022–23 Q2 and 2021–22 Q2 expenditures
Vote 1 Program Expenditures	567	431	136
Statutory authorities	42	41	1
Total	609	472	137

Statement of Authorities

At the end of the second quarter, September 30, 2022, the ICO had received \$2,654 thousand, its full voted and statutory authorities. The authorities also include the operating budget carry-forward of \$118 thousand received in the second quarter of 2022–23. At the end of the second quarter, September 30, 2021, the ICO had received \$2,632 thousand, its full voted and statutory authorities. The authorities also include the operating budget carry-forward of \$99 thousand received in the second quarter of 2021–22.

The increase of \$22 thousand in voted and statutory authorities over those of the previous year results from the increase of \$19 thousand in the operating budget carry-forward in the current year as well as a slight increase in statutory authorities of \$2 thousand.

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Statement of Departmental Budgetary Expenditures by Standard Object

The year-to-date budgetary expenditures, as at September 30, 2022, have increased by \$280 thousand (31%) compared to the same period in the previous year:

- Vote 1 expenditures increased by \$279 thousand; and
- statutory payments increased by \$1 thousand.

For the fiscal quarter ended September 30, 2022, budgetary expenditures have increased by \$137 thousand (29%) compared to the same period in the previous year:

- Vote 1 expenditures increased by \$136 thousand; and
- statutory payments increased by \$1 thousand.

The following table provides an explanation of these changes by standard object.

Standard object	Changes to voted and statutory expenditures	Variance between 2022–23 year-to-date and 2021–22 year-to-date expenditures (April 1 to September 30)	Variance between 2022–23 Q2 and 2021–22 Q2 expenditures (July 1 to September 30)
Vote 1: Program expenditures (in thousands of dollars)			
1 Personnel	The increase in year-to-date and second quarter personnel costs of \$189 thousand and \$69 thousand is primarily due to delays in invoicing by other government departments for salaries paid to former employees employed by ICO during the first six months of 2021–22.	189	69
4 Professional Services	Year-to date variance is primarily due to increases in the cost of translation and secure communications offset by a reduction in information management technology costs. The reduction in the overall cost of professional services in the 2 nd quarter of 2022–23 is mainly due to one-time information management technology costs in the 2 nd quarter of 2021–22.	7	(19)

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6 Repair and maintenance	Costs in the second quarter of 2022–23 related to security and office upgrades and enhancements.	72	73
Other: (Transportation and communications, information, rentals, supplies, and equipment)	Slight overall increase in 2022–23 year-to-date and 2 nd quarter costs over 2021–22.	11	13
Subtotal Vote 1		279	136
Statutory expenditures			
1 Personnel		1	1
Total		280	137

3. Risks and Uncertainties

The ICO continued to carefully manage its resources in order that independent quasi-judicial reviews of the conclusions reached by Ministers in issuing certain ministerial authorizations and determinations can continue to be conducted effectively and within statutory time limits.

4. Significant Changes in Relation to Operations, Personnel and Programs

Her Excellency the Governor General in Council, on the recommendation of the Prime Minister, under subsections 4(1), 4(3) and 4(4) of the *Intelligence Commissioner Act*, appointed the Honourable Simon Noël, as Intelligence Commissioner. The appointment is effective October 1, 2022, to September 30, 2027.

There have been no other significant changes in relation to operations, personnel, and programs.

5. Approval by Senior Officials

Approved by:

Original signed by

The Honourable Simon Noël, K.C.
Intelligence Commissioner

Ottawa, Canada
November 29, 2022

Original signed by

Guylaine A. Dansereau
Chief Financial Officer

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Appendix A – Statement of Authorities (unaudited)

(in thousands of dollars)	Fiscal year 2022–23			Fiscal year 2021–22		
	Total available for use for the year ending March 31, 2023	Used during the quarter ended Sept 30, 2022	Year-to-date used at quarter-end	Total available for use for the year ended March 31, 2022	Used during the quarter ended Sept 30, 2021	Year-to-date used at quarter-end
Vote 1 - Program Expenses	2,487	567	1,103	2,467	431	824
Statutory authorities – Contributions to employee benefit plans	167	42	83	165	41	82
Total Budgetary authorities	2,654	609	1,186	2,632	472	906
Total authorities	2,654	609	1,186	2,632	472	906

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Appendix B – Departmental Budgetary Expenditures by Standard Object (unaudited)

(in thousands of dollars)

	Fiscal year 2022–23			Fiscal year 2021–22		
	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended Sept 30, 2022	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended Sept 30, 2021	Year-to-date used at quarter-end
Expenditures:						
Personnel	1,279	313	527	1,277	243	337
Transportation and communications	27	4	7	42	3	6
Information	30	9	11	25	1	7
Professional and special services	848	55	405	893	74	398
Rentals	311	147	149	305	148	150
Repair and maintenance	114	73	73	52	0	1
Utilities, materials and supplies	23	8	14	26	2	6
Acquisition of land, buildings and works	0	0	0	0	0	0
Acquisition of machinery and equipment	22	0	0	12	1	1
Other subsidies and payments	0	0	0	0	0	0
Total gross budgetary expenditures	2,654	609	1,186	2,632	472	906
Total net budgetary expenditures	2,654	609	1,186	2,632	472	906