

Office of the Intelligence Commissioner

Quarterly Financial Report  
For the Quarter Ended September 30, 2023

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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's role is to approve, or not, certain national security and intelligence activities that the Communications Security Establishment (CSE) or the Canadian Security Intelligence Service (CSIS) wish to conduct. These activities may breach Canadian law or infringe on privacy interests of Canadians or persons in Canada. To conduct these activities, CSE and CSIS must first obtain the written authorization of their respective minister or, in selected cases, of the Director of CSIS. The IC then reviews the respective minister's or Director's authorization to determine whether the conclusions it contains are reasonable. Only with approval from the IC can the activities take place.

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 2023–24 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 quarter and fiscal year-to-date ended September 30, 2023. It also provides explanations of variances compared with the same period last year that exceed a materiality threshold of \$5,000 for program expenditures and statutory authorities.

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

	2023–24 Budgetary authorities to March 31, 2024	2022–23 Budgetary authorities to March 31, 2023	Variance in budgetary authorities	Year-to-date expenditures as at Q2 2023–24 (Sept 30, 2023)	Year-to-date expenditures as at Q2 2022–23 (Sept 30, 2022)	Variance in expenditures
Vote 1 Program Expenditures	2,502	2,487	15	1,054	1,103	(49)
Statutory authorities	171	167	4	86	83	3
Total	2,673	2,654	19	1,140	1,186	(46)

	2023–24 Q2 expenditures	2022–23 Q2 expenditures	Variance between 2023–24 Q2 and 2022–23 Q2 expenditures
Vote 1 Program Expenditures	448	567	(119)
Statutory authorities	43	42	1
Total	491	609	(118)

**Statement of Authorities**

At the end of the second quarter, September 30, 2023, the ICO had received its full voted and statutory authorities of \$2,555,000 in addition to its operating budget carry forward of \$118,000. The total budgetary authorities were \$2,673,000.

At the end of the second quarter, September 30, 2022, the ICO had also received its operating budget carry forward of \$118,000 increasing its budgetary authorities to \$2,654,000.

The increase of \$19,000 in budgetary authorities over the previous year is related to salary and employee benefit plan adjustments reflecting collective agreements signed in the core public administration early in 2023–24.

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**Statement of Departmental Budgetary Expenditures by Standard Object**

The year-to-date budgetary expenditures, as at September 30, 2023, have decreased by \$46,000 (4%) compared to the same period in the previous year:

- Vote 1 expenditures decreased by \$49,000; and
- statutory payments increased by \$3,000.

For the fiscal quarter ended September 30, 2023, budgetary expenditures have decreased by \$118,000 (19%) compared to the same period in the previous year:

- Vote 1 expenditures decreased by \$119,000; and
- statutory payments increased by \$1,000.

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

Standard object	Changes to voted and statutory expenditures	Variance between 2023–24 year-to-date and 2022–23 year-to-date expenditures (April 1 to September 30)	Variance between 2023–24 Q2 and 2022–23 Q2 expenditures (July 1 to September 30)
Vote 1: Program expenditures (in thousands of dollars)			
1 Personnel	The increase in year-to-date costs is primarily due to lower personnel costs in the previous year as a result of late billings for the first quarter from other government for employees hired by ICO in 2021–22. The negative variance in the second quarter was primarily due to ICO not recovering seconded salary costs in 2022–23 until year-end.	56	(33)
4 Professional Services	Year-to-date variance is primarily due to decreases in the cost of secure communications and financial management services.	(14)	0

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6 Repair and maintenance	No repair and maintenance expense in 2023–24 year to date. There were repair and maintenance costs in the second quarter of 2022–23 related to security and office upgrades and enhancements.	(73)	(73)
Other: (transportation and communications, information, rentals, supplies, and equipment)	The variance of “other” is primarily due to the prepayment of data access services in fiscal year 2022–23 for usage in 2023–24. The variances of the other standard objects do not exceed the materiality threshold.	(18)	(13)
Subtotal Vote 1		(49)	(119)
Statutory expenditures			
1 Personnel: employee benefit contributions		3	1
Total		(46)	(118)

**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 were conducted effectively and within statutory time limits.

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

There have been no 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 21, 2023

Original signed by

\_\_\_\_\_  
Justin Dubois  
Chief Financial Officer

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**Appendix A – Statement of Authorities (unaudited)**

(in thousands of dollars)	<b>Fiscal year 2023–24</b>			<b>Fiscal year 2022–23</b>		
	Total available for use for the year ending March 31, 2024	Used during the quarter ended Sept 30, 2023	Year-to-date used at quarter-end	Total available for use for the year ended March 31, 2023	Used during the quarter ended Sept 30, 2022	Year-to-date used at quarter-end
Vote 1 - Program Expenses	2,502	448	1,054	2,487	567	1,103
Statutory authorities – Contributions to employee benefit plans	171	43	86	167	42	83
<b>Total authorities</b>	<b>2,673</b>	<b>491</b>	<b>1,140</b>	<b>2,654</b>	<b>609</b>	<b>1,186</b>

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

(in thousands of dollars)

	<b>Fiscal year 2023–24</b>			<b>Fiscal year 2022–23</b>		
	Planned expenditures for the year ending March 31, 2024	Expended during the quarter ended Sept 30, 2023	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended Sept 30, 2022	Year-to-date used at quarter-end
<b>Expenditures:</b>						
Personnel	1,298	281	586	1,279	313	527
Transportation and communications	27	2	5	27	4	7
Information	30	6	9	30	9	11
Professional and special services	853	55	391	848	55	405
Rentals	320	147	147	311	147	149
Repair and maintenance	100	0	0	114	73	73
Utilities, materials and supplies	25	0	2	23	8	14
Acquisition of land, buildings and works	0	0	0	0	0	0
Acquisition of machinery and equipment	20	0	0	22	0	0
Other subsidies and payments	0	0	0	0	0	0
<b>Total gross budgetary expenditures</b>	<b>2,673</b>	<b>491</b>	<b>1,140</b>	<b>2,654</b>	<b>609</b>	<b>1,186</b>
<b>Total net budgetary expenditures</b>	<b>2,673</b>	<b>491</b>	<b>1,140</b>	<b>2,654</b>	<b>609</b>	<b>1,186</b>