

Security Intelligence Review Committee

Quarterly Financial Report

Statement outlining results, risks and significant changes in operations,
personnel and program
For the quarter ended September 30, 2012

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 Accounting Standard 1.3. This quarterly financial report should be read in conjunction with the Main Estimates and Supplementary Estimates and with the previous Quarterly Financial Statements .

This quarterly report has not been subject to an external audit or review.

AUTHORITY, MANDATE AND PROGRAM AUTHORITIES

The Security Intelligence Review Committee (SIRC or the Committee) is a small, independent, external review body that reports to the Parliament of Canada on the operations of the Canadian Security Intelligence Service (CSIS or the Service). SIRC was established in 1984, at the same time as CSIS, and derives its powers from the Canadian Security Intelligence Service Act (CSIS Act) .

Parliament has authorized CSIS to gather intelligence in the interests of protecting national security. SIRC ensures that these powers are used appropriately and in accordance with the law, in order to protect Canadians' rights and freedoms. To do this, SIRC examines past operations of the Service and investigates complaints. It has the authority to examine all information concerning CSIS activities, no matter how sensitive and highly classified that information may be. The results of this work, redacted to protect national security and personal privacy, are summarized in its Annual Report to Parliament.

Further information on SIRC's program activities can be located in Part II of the Main Estimates.

BASIS OF PRESENTATION

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the department's spending authorities granted by Parliament and those used by the department, consistent with the Main Estimates and Supplementary Estimates for 2012-13 the fiscal year. This quarterly report has been prepared using a special purpose financial reporting framework (using a cash basis) designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before monies can be spent by the Government. Approvals are given in the form of annually approved limits through appropriations acts or through legislation in the form of statutory spending authority for specific purposes.

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The Department uses the full accrual method of accounting to prepare and present its departmental financial statements which are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

HIGHLIGHTS OF FISCAL QUARTER AND FISCAL YEAR TO DATE (YTD) RESULTS

Statement of Authorities

As of September 30, 2012, the total authorities available for the year have decreased by \$480 thousand when compared to the same quarter of 2011-12.

As per the Statement of Authorities, the net decrease of \$480 thousand, from \$3.1 million for 2011-12 to \$2.7 million for 2012-13 is mainly related to a reduction in cost of professional services related to undertakings before the Federal Court in 2011-12 which are not required in 2012-13.

The reduction in expenditures for professional services is due to the cost for retaining outside lawyers being less than expected and a reduction in travel and per diem costs for the committee.

Statement of Departmental Budgetary Expenditures by Standard Object

As of September 30, 2012, the expenditure for the quarter ended September 30, 2012, has decreased by \$214 thousand compared to the same period for fiscal year 2011-12. Furthermore, the year-to-date used at quarter end as of September 30, 2012 has decreased by \$195 thousand compared to the same quarter of 2011-12.

As per the Statement of Departmental Budgetary Expenditures by Standard Object, the decrease of \$195 thousand in the year-to-date used at quarter-end can mainly be attributed to changes in personnel, related to the absence of severance pay cash-out compared to last fiscal year where new collective agreements were endorsed and a decrease of full time employees in the Security Intelligence Review Committee's office as a result of reduced spending and fiscal restraint.

RISKS AND UNCERTAINTIES

This Departmental Quarterly Financial Report (QFR) reflects the results of the current fiscal period in relation to the Main Estimates for which full supply was released on June 29, 2012. The department received no additional funding authorities in Supplementary Estimates A.

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Although the Budget 2010 announced that the operating budgets of departments would be frozen at their 2010-11 levels for the fiscal years 2011-12 and 2012-13, SIRC has experienced a 6% reduction in its 2011-12 budget and absorbed an additional reduction of 10% in its 2012-13 budget. Options for implementing the reduction are limited due to the nature of the organization's budget - i.e. approximately 70% of SIRC's budget is attributed to salary and salary related costs.

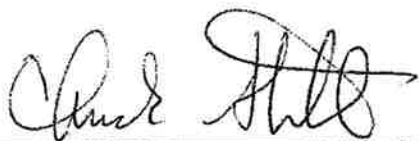
SIGNIFICANT CHANGES IN RELATION TO OPERATIONS, PERSONNEL AND PROGRAMS

On June 14, 2012, the Honourable Charles Strahl, P.C. was appointed the Chairman of SIRC.

Bill C-38, the Jobs, Growth and Long-term Prosperity Act, received Royal Assent on June 29, 2012. The Act transferred specific responsibilities, formerly assigned to the Inspector General of CSIS, to SIRC.

SIRC is reviewing this expansion of its mandate in order to determine the most effective means of meeting these new obligations. To allow SIRC to fulfill its new responsibilities, Public Safety Canada is transferring two FTEs to SIRC. These positions will be staffed as soon as possible following the transfer of funds.

Approved by:



Hon. Charles Strahl, P.C.
Chair



Susan Pollak
Executive Director
Chief Financial Officer

Ottawa, Canada
November 29, 2012

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STATEMENT OF AUTHORITIES (unaudited)

	Fiscal year 2012-2013		Fiscal year 2011-2012	
	Planned expenditures for the year ending March 31, 2013	Used during the quarter ended September 30, 2012	Planned expenditures for the year ending March 31, 2012	Used during the quarter ended September 30, 2011
		Year to date used at quarter end		Year to date used at quarter end
Vote 1 - Net operating expenditures	2,376	475	2,843	685
Budgetary statutory authorities	293	74	305	77
Total budgetary authorities	2,669	549	3,149	762
TOTAL AUTHORITIES	2,669	549	3,149	762
		1,090		1,285
		1,090		1,285

**includes only Authorities available for use and granted by Parliament at quarter-end

Note: Details may not add to totals due to rounding

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For the quarter ended September 30, 2012

TABLE 1: Departmental budgetary expenditures by Standard Object (unaudited)

	Fiscal year 2012-2013			Fiscal year 2011-2012		
	Total available for use for the year ending March 31, 2013	Used during the quarter ended September 30, 2012	Year to date used at quarter end	Total available for use for the year ending March 31, 2012	Used during the quarter ended September 30, 2011	Year to date used at quarter end
Expenditures						
Personnel	1,960	415	842	2,002	629	1,065
Transportation and communications	133	49	84	177	30	56
Information	21	5	8	29	13	19
Professional and special services	435	69	137	813	81	123
Rentals	20	9	11	19	2	10
Repair and Maintenance Utilities,	10	-	1	5	1	3
Materials and Supplies Acquisition of	20	2	6	24	3	4
Machinery and Equipment	70	-	1	70	3	4
Other subsidies and payments	-	-	-	11	-	1
Total gross budgetary expenditures	2,669	549	1,090	3,149	762	1,285
TOTAL AUTHORITIES	2,669	549	1,090	3,149	762	1,285

**includes only Authorities available for use and granted by Parliament at quarter-end

Note: Details may not add to totals due to rounding