

Security Intelligence Review Committee

Quarterly Financial Report

Statement outlining results, risks and significant changes in operations,
personnel and program

For the quarter ended December 31, 2015

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 previous Quarterly Financial Reports.

A summary description of the Security Intelligence Review Committee (SIRC) program activities can be found in Part II of the *Main Estimates*. For information on the mandate of SIRC, please visit its website at <http://www.sirc-csars.gc.ca>.

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

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* for the 2015-16 fiscal year. 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 moneys 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.

SIRC uses the full accrual method of accounting to prepare and present its annual departmental financial statements that 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

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, 2015.

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Statement of Authorities

Authorities available for use:

SIRC's total authorities for 2015-16 decreased by \$97,484 when compared to 2014-15 (from \$2,919,126 in 2014-15 to \$2,821,642 in 2015-16). The decrease is mainly related to a reduction of \$97,026 in SIRC's Operating Budget Carry Forward (OBCF) from \$122,300 in 2014-15 to \$25,274 in 2015-16. This decrease is partially offset by small increases in the *Main Estimates* mostly due to salary increases.

Authorities used during the quarter:

SIRC's 2015-16 expenditures for the quarter ended December 31, 2015 have decreased by \$57,842 when compared to the 2014-15 expenditures for the same quarter (from \$719,960 in 2014-15 to \$662,118 in 2015-16). Further information related to this decrease is provided in the section below addressing the Statement of Departmental Budgetary Expenditures by Standard Object.

Year-to-date authorities used:

Overall, SIRC's 2015-16 expenditures for the quarter ended December 31, 2015 have decreased by \$218,461 when compared to the 2014-15 expenditures for the same quarter (from \$2,115,228 in 2014-15 to \$1,896,767 in 2015-16). Further information related to this decrease is provided in the section below addressing the Statement of Departmental Budgetary Expenditures by Standard Object.

Statement of Departmental Budgetary Expenditures by Standard Object

Authorities available for use:

Please refer to the explanation provided under the Statement of Authorities section for related information.

Authorities used during the quarter:

SIRC's 2015-16 expenditures for the quarter ended December 31, 2015 have decreased by \$57,842 when compared to the 2014-15 expenditures for the same quarter. This is predominantly due to decreases of \$40,076 in personnel and \$8,252 in other subsidies and payments. Please refer to the Year-to-date section for explanations on the standard objects as they are similar.

Year-to-date authorities used:

The decrease of \$218,461 in the year-to-date used at quarter-end in comparison to 2014-15 is mainly explained by:

Personnel

The decrease in personnel of \$93,488 is mainly due to a deferral in salary spending to the fourth quarter for an employee on secondment.

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Other subsidies and payments

A decrease of \$73,540 is primarily due to a one-time transition payment that took place in the first quarter of 2014-15 for implementing salary payment in arrears by the Government of Canada.

Transportation and communications

The decrease in transportation and communications of \$35,104 is mainly due to a reduction in travel costs related to the participation of employees in an international conference for review agencies in 2014-15.

RISKS AND UNCERTAINTIES

This Departmental Quarterly Financial Report (QFR) reflects the results of the current fiscal period in relation to the *2015-16 Main Estimates* (full supply was released on June 19, 2015). SIRC did not request any funding through the *2015-16 Supplementary Estimates (A) or (B)*. Additional funding has been requested in *Supplementary Estimates (C)*.

SIRC continues to adapt its operations to the rapid pace of change in the security intelligence environment and turnover at the committee member level which could have significant impacts on SIRC's investigations of complaints.

SIGNIFICANT CHANGES IN RELATION TO OPERATIONS, PERSONNEL AND PROGRAMS

SIRC's activities will increase in volume and complexity due to the Canadian Security Intelligence Services expanded mandate. SIRC received TB approval in January 2016 to access funds through Supplementary Estimates for these activities. The government will be undertaking a review of intelligence oversight in 2016.

Approved by Senior Officials: (original signed by)

Original signed by _____

Hon. Pierre Blais, P.C.

Chair

Original signed by _____

Michael E. Doucet

Executive Director

Chief Financial Officer

Ottawa, Canada

February 22, 2016

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STATEMENT OF AUTHORITIES *(unaudited) (note 2)*

	Fiscal year 2015-2016			Fiscal year 2014-2015		
	Total available for use for the year ending March 31, 2016 (note 1)	Used during the quarter ended December 31, 2015	Year to date used at quarter end	Total available for the year ending March 31, 2015 (note 1)	Used during the quarter ended December 31, 2014	Year to date used at quarter end
<i>(In thousands of dollars)</i>						
Vote 1 - Net operating expenditures	2,505	583	1,686	2,610	617	1,883
Contributions to employee benefit plans	317	79	211	309	103	232
Total budgetary authorities	2,822	662	1,897	2,919	720	2,115
TOTAL AUTHORITIES	2,822	662	1,897	2,919	720	2,115

Note 1: Includes only Authorities available for use and granted by Parliament at quarter-end

Note 2: Details may not add to totals due to rounding

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TABLE 1: Departmental budgetary expenditures by Standard Object *(unaudited) (note 2)*

(In thousands of dollars)

	Fiscal year 2015-2016			Fiscal year 2014-2015		
	Planned expenditures for the year ending March 31, 2016 (note 1)	Used during the quarter ended December 31, 2015	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2015 (note 1)	Used during the quarter ended December 31, 2014	Year to date used at quarter end
Expenditures						
Personnel	2,229	503	1,540	2,202	543	1,633
Transportation and communications	165	58	135	152	56	170
Information	27	13	27	17	13	25
Professional and special services	309	73	151	438	72	149
Rentals	40	8	20	47	16	41
Purchased repair and maintenance	-	3	3	-	2	2
Utilities, materials and supplies	26	6	17	63	6	14
Acquisition of machinery and equipment	26	0	4	-	5	7
Other subsidies and payments	-	(2)	0	-	6	73
Total gross budgetary expenditures	2,822	662	1,897	2,919	720	2,115
TOTAL AUTHORITIES	2,822	662	1,897	2,919	720	2,115

Note 1: Includes only Authorities available for use and granted by Parliament at quarter-end

Note 2: Details may not add to totals due to rounding