

Security Intelligence Review Committee

Quarterly Financial Report

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

For the quarter ending September 30, 2013

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 Report.

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

AUTHORITY, MANDATE AND PROGRAM AUTHORITIES

The Security Intelligence Review Committee (SIRC) is an independent, external review body which reports to Parliament on the operations of the Canadian Security Intelligence Service (CSIS). 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 given CSIS powers to ensure the security of Canadians. SIRC ensures that these powers are used legally and appropriately, in order to protect Canadians' rights and freedoms. To do this, SIRC examines past operations of the Service and investigates complaints. It has absolute authority to examine all information concerning CSIS activities, no matter how sensitive and highly classified that information may be. The results of this work, edited 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 the 2013-14 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 moneys 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 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

Statement of Authorities

As of September 30, 2013, the total authorities available for the year have increased by \$97 thousand when compared to the same quarter in 2012-13.

As per the Statement of Authorities, the net increase of \$97 thousand (\$2.7 million in fiscal year 2012-13 compared to \$2.8 million for fiscal year 2013-14) is mainly related to an increase in salaries (standard object personnel). Bill C-38, the *Jobs, Growth and Long-term Prosperity Act*, expanded SIRC's responsibilities. Additional full-time equivalents (FTEs) were transferred from Public Safety Canada to SIRC in order for the organization to fulfill its expanded mandate. This increase is partially offset by a decrease due to the 2011-12 Operating Budget Carry Forward (OBCF) that was included in last year's second quarter (affecting mostly the standard object of professional and special services). As of September 30, 2013, the 2012-13 OBCF had not been allocated to departments by the Treasury Board Secretariat.

Statement of Departmental Budgetary Expenditures by Standard Object

As of September 30, 2013, the expenditure for the quarter ended September 30, 2013, has increased by \$132 thousand compared to the same period for fiscal year 2012-13.

Furthermore, the year-to-date used at quarter end as of September 30, 2013 has increased by \$87 thousand compared to the same quarter of 2012-13.

As per the Statement of Departmental Budgetary Expenditures by Standard Object, the increase in the year-to-date used at quarter-end can mainly be attributed to changes in personnel since the additional FTEs that were transferred from Public Safety were staffed in order for the organization to fulfill its expanded mandate.

These expenditures were partially offset by a decrease in professional services which are now being performed internally.

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 20, 2013. The department received no additional funding authorities in Supplementary Estimates A.

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Bill C-38, the *Jobs, Growth and Long-term Prosperity Act*, has expanded SIRC's responsibilities such that, for the first time, pursuant to section 6(4) of the CSIS Act, the report provided by the Director of CSIS to the Minister of Public Safety will now be reviewed by SIRC who will provide the Minister of Public Safety with a certificate stating the extent to which it is satisfied with the content of the report.

In addition to these new requirements, SIRC will continue 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

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. To allow SIRC to fulfill its new responsibilities, Public Safety Canada transferred two FTEs to SIRC. These positions are now staffed.

Approved by:



Hon. Charles Strahl, P.C.
Chair



Michael E. Doucet
Executive Director
Chief Financial Officer

Ottawa, Canada
November 29, 2013

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STATEMENT OF AUTHORITIES *(unaudited)*

<i>(In thousands of dollars)</i>	Fiscal year 2013-2014			Fiscal year 2012-2013		
	Planned expenditures for the year ending March 31, 2014	Used during the quarter ended September 30, 2013	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2013	Used during the quarter ended September 30, 2012	Year to date used at quarter end
	Vote 1 - Net operating expenditures	2,446	601	1,017	2,376	475
Contributions to employee benefit	320	80	160	293	74	147
Total budgetary authorities	2,766	681	1,177	2,669	549	1,090
TOTAL AUTHORITIES	2,766	681	1,177	2,669	549	1,090

**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, 2013

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

(In thousands of dollars)

	Fiscal year 2013-2014			Fiscal year 2012-2013		
	Total available for use for the year ending March 31, 2014	Used during the quarter ended September 30, 2013	Year to date used at quarter end	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
Expenditures						
Personnel	2,161	570	1,015	1,960	415	842
Transportation and communications	140	55	74	133	49	84
Information	31	10	13	21	5	8
Professional and special services	349	35	57	435	69	137
Rentals	20	2	5	20	9	11
Repair and maintenance	10	-	-	10	-	1
Utilities, materials and supplies	20	4	8	20	2	6
Acquisition of machinery and equipment	35	5	5	70	-	1
Total gross budgetary expenditures	2,766	681	1,177	2,669	549	1,090
TOTAL AUTHORITIES	2,766	681	1,177	2,669	549	1,090

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

Note: Details may not add to totals due to rounding