

# 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, 2013

### INTRODUCTION

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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 Reports*.

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

### AUTHORITY, MANDATE AND PROGRAM AUTHORITIES

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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

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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 (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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SIRC 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

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#### **Statement of Authorities**

SIRC's 2013-14 Quarterly Financial Reports for the first and second quarter presented the authorities included in its *Main Estimates* and *Supplementary Estimates (A)*. In addition to the authorities included in the previous reports, this report includes *Supplementary Estimates (B)*. As a result, SIRC's total authorities are not at the same level when comparing 2013-14 to 2012-13.

The decreases and increases in authorities by standard objects are mostly explained by the distribution of the Operating Budget Carry Forward (OBCF). On a yearly basis, the OBCF is allocated where the needs are.

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

The expenditures for the quarter ended December 31, 2013 have decreased by \$73 thousand (from \$827 thousand in 2012-13 to 754 thousand in 2013-14). However, the year-to-date used at quarter end has increased by \$14 thousand (\$1,917 million in 2012-13 to \$1,931 million in 2013-14).

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 full time equivalents (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 and Special Services which are now being performed internally, and a decrease in leave and severance payouts compared to 2012-13.

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### RISKS AND UNCERTAINTIES

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This *Departmental Quarterly Financial Report* (QFR) reflects the results of the current fiscal period in relation to the 2013-14 *Main Estimates* (full supply was released on June 20, 2013) and the 2013-14 *Supplementary Estimates (B)* (supply was released on December 16, 2013). SIRC did not request any funding through the 2013-14 *Supplementary Estimates (A)*.

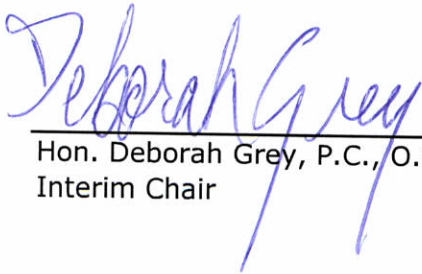
SIRC continues to adapt its operations to the rapid pace of change in the security intelligence environment and turnover at the committee member level which could have significant impacts on SIRC's investigations of complaints.

### SIGNIFICANT CHANGES IN RELATION TO OPERATIONS, PERSONNEL AND PROGRAMS

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Effective January 2014, the Honourable Deborah Grey has been appointed as Interim Chair of SIRC following the resignation of the Honourable Chuck Strahl.

Approved by:



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Hon. Deborah Grey, P.C., O.C.  
Interim Chair



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Michael E. Doucet  
Executive Director  
Chief Financial Officer

Ottawa, Canada  
February 28, 2014

**Security Intelligence Review Committee**

For the quarter ended December 31, 2013

**STATEMENT OF AUTHORITIES (unaudited)**

*(In thousands of dollars)*

	Fiscal year 2013-2014			Fiscal year 2012-2013		
	Planned expenditures for the year ending March 31, 2014	Used during the quarter ended December 31, 2013	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2013	Used during the quarter ended December 31, 2012	Year to date used at quarter end
<b>Vote 1 - Net operating expenditures</b>	2,694	674	1,691	2,740	754	1,697
<b>Contributions to employee benefit plans</b>	320	80	240	293	73	220
<b>Total budgetary authorities</b>	3,014	754	1,931	3,033	827	1,917
<b>TOTAL AUTHORITIES</b>	3,014	754	1,931	3,033	827	1,917

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

Note: Details may not add to totals due to rounding

**Security Intelligence Review Committee**

For the quarter ended December 31, 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 December 31, 2013	Year to date used at quarter end	Total available for use for the year ending March 31, 2013	Used during the quarter ended December 31, 2012	Year to date used at quarter end
<b>Expenditures</b>						
Personnel	2,333	569	1,584	2,301	632	1,474
Transportation and communications	140	58	132	196	63	147
Information	31	12	25	41	23	31
Professional and special services	399	84	141	375	84	221
Rentals	20	7	12	20	5	16
Repair and maintenance	10	3	3	10	1	2
Utilities, materials and supplies	46	7	15	20	8	14
Acquisition of machinery and equipment	35	14	19	70	11	12
<b>Total gross budgetary expenditures</b>	<b>3,014</b>	<b>754</b>	<b>1,931</b>	<b>3,033</b>	<b>827</b>	<b>1,917</b>
<b>TOTAL AUTHORITIES</b>	<b>3,014</b>	<b>754</b>	<b>1,931</b>	<b>3,033</b>	<b>827</b>	<b>1,917</b>

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