

National Security and Intelligence Review Agency

Future-Oriented Statement of Operations (unaudited)

FOR THE YEARS ENDING MARCH 31, 2021 AND MARCH 31, 2022

National Security and Intelligence Review Agency
Future-Oriented Statement of Operations (unaudited)
For the year ending March 31
(in thousands of dollars)

	Forecast results 2020-21	Planned results 2021-22
Expenses		
National Security and Intelligence Reviews and Complaints Investigations	7,273	12,616
Internal Services	10,423	15,619
Total expenses	17,696	28,235
Revenues		
Miscellaneous revenues	-	-
Total revenues		
Net cost of operations before government funding and transfers	17,696	28,235

The accompanying notes form an integral part of the Future-Oriented Statement of Operations.

Notes to the Future-Oriented Statement of Operations (unaudited)

1. Methodology and significant assumptions

The Future-Oriented Statement of Operations has been prepared on the basis of government priorities and departmental plans as described in the Departmental Plan.

The information in the forecast results for fiscal year 2020-21 is based on actual results as at October 31, 2020 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for fiscal year 2021-22.

The main assumptions underlying the forecasts are as follows:

- The National Security and Intelligence Review Agency (NSIRA) will continue to experience important growth in the upcoming year. Significant recruitment efforts will be made across all business lines to reach 100 full-time equivalents (FTEs). The accommodation, infrastructure and systems investments projects will continue in order to support NSIRA's new expanded mandate and workforce.

These assumptions are made as at December 1, 2020.

2. Variations and changes to the forecast financial information

Although every attempt has been made to forecast final results for the remainder of 2020-21 and for 2021-22, actual results achieved for both years are likely to differ from the forecast information presented, and this variation could be material.

In preparing the Future-Oriented Statement of Operations, NSIRA has made estimates and assumptions about the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated.

Factors that could lead to material differences between the Future-Oriented Statement of Operations and the historical statement of operations include:

- The timing and the amount of acquisitions and disposals of property, plant and equipment, which may affect gains, losses and amortization expense;
- The implementation of new collective agreements; and
- Other changes to the operating budget, such as new initiatives or technical adjustments later in the fiscal year.

After the Departmental Plan is tabled in Parliament, NSIRA will not be updating forecasts for any changes in financial resources made in ensuing supplementary

estimates. Variances will be explained in the Departmental Results Report.

3. Summary of significant accounting policies

The Future-Oriented Statement of Operations has been prepared using the Government of Canada's accounting policies in effect for fiscal year 2020-21, and is based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

a) Expenses

Expenses are generally recorded when goods are received or services are rendered and include expenses related to personnel, professional and special services, repair and maintenance, utilities, materials and supplies, as well as amortization of tangible capital assets. Provisions to reflect changes in the value of assets or liabilities, such as provisions for bad debts, loans, investments and advances and inventory obsolescence, as well as utilization of inventories and prepaid expenses, and other are also included in other expenses where applicable.

b) Revenues

Other Revenues are recognized in the period giving rise to the revenues occurred. Revenues that are non-respendable are not available to discharge the department's liabilities. Although the deputy head is expected to maintain accounting control, he or she has no authority over the disposition of non-respendable revenues. As a result, non-respendable revenues are considered to be earned on behalf of the Government of Canada and are therefore presented as a reduction of the department's gross revenues where applicable.

4. Parliamentary Authorities

The department is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the department differs from financial reporting according to generally accepted accounting principles because authorities are based mainly on cash flow requirements. Items recognized in the Future-Oriented Statement of Operations in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, the department has different net cost of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

**a) Reconciliation of net cost of operations to requested authorities
(in thousands of dollars)**

	Forecast results 2020-21	Planned results 2021-22
Net cost of operations before government funding and transfers	17,696	28,235
Adjustment for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(199)	(535)
Services provided without charge by other government departments	(978)	(994)
Increase in vacation pay and compensatory leave	49	(3)
Increase in employee future benefits	(129)	(4)
Refunds of prior year's expenditures	(370)	(349)
Total items affecting net cost of operations but not affecting authorities	(1,627)	(1,886)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets	1,644	3,840
Change in inventory	-	-
Change in prepaid expenses	6	6
Total items not affecting net cost of operations but affecting authorities	1,650	3,846
Requested authorities forecasted to be used	17,719	30,195

b) Authorities provided/requested (in thousands of dollars)

	Forecast results for 2020-21	Planned results for 2021-22
Authorities requested		
Vote 1: Operating Expenditures	22,801	28,490
Statutory amounts	1,484	1,705
Total authorities requested	24,285	30,195
Less: Estimated unused authorities and other adjustments	6,566	-
Requested authorities forecasted to be used	17,719	30,195

The authorities presented reflect current forecasts of statutory items; approved initiatives included in Estimates documents; and estimates of amounts to be allocated from Treasury Board Central Votes.