

# OFFICE OF THE INSPECTOR-GENERAL OF INTELLIGENCE AND SECURITY

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Office of the Inspector-General of Intelligence and Security (OIGIS) provides independent assurance for the Prime Minister, senior ministers and Parliament as to whether Australia's intelligence agencies act legally and with propriety by inspecting, inquiring into and reporting on their activities.

OIGIS currently has specialised review mechanisms for the following agencies:

- Australian Security Intelligence Organisation
- Australian Secret Intelligence Service
- Australian Geospatial-Intelligence Organisation
- Defence Intelligence Organisation
- Australian Signals Directorate
- Office of National Intelligence

Additional funding was received during 2017-18 to implement the recommendation of the 2017 Independent Intelligence Review to expand the jurisdiction of the Inspector-General of Intelligence and Security (IGIS) to oversee the intelligence functions of four additional agencies (contingent on legislative change):

- Australian Federal Police
- Australian Criminal Intelligence Commission
- Department of Home Affairs
- Australian Transaction Reports and Analysis Centre

The OIGIS undertakes proactive inspections and conducts formal inquiries of its own initiation, in response to complaints or at the request of ministers. The *Inspector-General of Intelligence and Security Act 1986* provides for the use of strong coercive powers, immunities and protections during formal inquiries.

The OIGIS recognises its oversight must be as visible and transparent as possible. It notes that sharing lessons learnt can lead to improvements in public administration and that, given the strong public interest in intelligence and security matters, it is important to establish and maintain the credibility of oversight. Accordingly, the office will continue to make public as much of its work as is possible within appropriate security constraints.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the OIGIS for its operations and to deliver programs and services on behalf of the government.

For more detailed information on special accounts and special appropriations, refer to Budget Paper No. 4: Agency Resourcing.

Table 1.1 is presented on a resourcing (appropriations and cash available) basis, while the budgeted expenses by Outcome 1 table in section 2 and the financial statements in section 3 are presented on an accrual basis.

**Table 1.1: Entity resource statement – Budget estimates for 2019-20 as at Budget April 2019**

	2018-19 (a) Estimated actual \$'000	2019-20 Estimate \$'000
<b>DEPARTMENTAL</b>		
<b>Annual appropriations – ordinary annual services (b)</b>		
Prior year appropriations available	19,123	17,816
Departmental appropriation (c)	9,642	12,356
s74 External Revenue (d)	26	27
Departmental capital budget (e)	275	2,483
<b>Total departmental annual appropriations</b>	<b>29,066</b>	<b>32,682</b>
<b>Total departmental resourcing</b>	<b>29,066</b>	<b>32,682</b>
<b>Total resourcing for entity</b>	<b>29,066</b>	<b>32,682</b>
	<b>2018-19</b>	<b>2019-20</b>
<b>Average staffing level (number)</b>	42	55

Prepared on a resourcing (appropriations available) basis.

Note: All figures shown above are GST exclusive and may not match figures in the cash flow statement.

(a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3 and 4) 2018-19 as they had not been enacted at the time of publication.

(b) Appropriation Bill (No. 1) 2019-20.

(c) Excludes departmental capital budget (DCB).

(d) Estimated External Revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

(e) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

## 1.3 BUDGET MEASURES

The OIGIS has no budget measures in the 2019-20 Budget.

## Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs that contribute to government outcomes over the budget and forward years.

OIGIS's outcome is described below together with its related program.

### **Note**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in annual reports – to provide an entity's complete performance story.

The most recent corporate plan for OIGIS can be found at:  
<https://www.igis.gov.au/publications-reports/corporate-plan>

The most recent annual performance statement can be found at:  
<https://www.igis.gov.au/publications-reports/annual-reports>

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

**Outcome 1: Independent assurance for the Prime Minister, senior ministers and Parliament as to whether Australia's intelligence and security agencies act legally and with propriety by inspecting, inquiring into and reporting on their activities.**

### Budgeted expenses for Outcome 1

Table 2.1.1 shows how much the OIGIS intends to spend (on an accrual basis) on achieving Outcome 1, broken down by program, as well as by administered and departmental funding sources.

**Table 2.1.1: Budgeted expenses for Outcome 1**

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
<b>Program 1.1: Other departmental – OIGIS</b>					
Departmental expenses					
Departmental appropriation	9,642	12,356	11,936	12,127	12,321
Expenses not requiring appropriation in the budget year (a)	1,750	2,353	2,584	1,808	1,790
<b>Departmental total</b>	<b>11,392</b>	<b>14,709</b>	<b>14,520</b>	<b>13,935</b>	<b>14,111</b>
<b>Total expenses for Outcome 1</b>	<b>11,392</b>	<b>14,709</b>	<b>14,520</b>	<b>13,935</b>	<b>14,111</b>

	2018-19	2019-20
<b>Average staffing level (number)</b>	42	55

(a) Expenses not requiring appropriation in the budget year are made up of depreciation expenses, amortisation expenses, make-good expenses, audit fees, information technology and other services provided free of charge.

**Performance criteria for Outcome 1**

Table 2.1.2 shows the performance criteria for the program associated with Outcome 1. It also summarises how the program is delivered.

**Table 2.1.2: Performance criteria for Outcome 1**

<p><b>Outcome 1: Independent assurance for the Prime Minister, senior ministers and Parliament as to whether Australia's intelligence and security agencies act legally and with propriety by inspecting, inquiring into and reporting on their activities.</b></p>		
<p><b>Program 1.1: Office of the Inspector-General of Intelligence and Security</b></p> <p>The objectives of the program are to meet the responsibilities and exercise the functions outlined in the <i>Inspector-General of Intelligence and Security Act 1986</i> and in other relevant legislation, and to conduct activities to facilitate the role of providing independent assurance as to whether Australia's intelligence agencies are acting legally and with propriety.</p>		
<p><b>Delivery</b></p>	<ul style="list-style-type: none"> <li>• Assisting ministers in overseeing the activities of the intelligence agencies.</li> <li>• Assisting the government in assuring the Parliament that intelligence and security matters are open to scrutiny.</li> <li>• Assisting the government in assuring the public that intelligence and security matters are open to scrutiny.</li> <li>• Ensuring effective arrangements for conducting inquiries, inspections and investigations of complaints.</li> </ul>	
<p><b>Performance information</b></p>		
<p><b>Year</b></p>	<p><b>Performance criteria</b></p>	<p><b>Targets</b></p>
<p>2018-19</p>	<p>The four key performance indicators are:</p> <ul style="list-style-type: none"> <li>• Range of inspection work undertaken.</li> <li>• Finalisation of complaints in a timely manner.</li> <li>• Level of acceptance by intelligence agencies of conclusions and recommendations of inquiries conducted.</li> <li>• Extent to which there has been change within the intelligence agencies as a result of activities of OIGIS.</li> </ul> <p>Performance will be measured by both quantitative and qualitative information.</p>	<ul style="list-style-type: none"> <li>• At least 75% of each agency's activity categories inspected.</li> <li>• 90% of complaints acknowledged within five business days and 85% of visa-related complaints finalised within two weeks.</li> <li>• 100% of inquiry recommendations accepted.</li> <li>• 100% of inquiry recommendations implemented.</li> <li>• At least 15 outreach activities completed per year.</li> </ul>
<p>2019-20</p>	<ul style="list-style-type: none"> <li>• Ministers receive as much information as possible about the work of the IGIS and the activities of the Australian Intelligence Agencies.</li> <li>• The Parliament receives as much information as possible about the work of the IGIS and the activities of the Australian Intelligence Agencies.</li> <li>• The public receives as much information about the work of the IGIS and the activities of the Australian Intelligence Agencies as is commensurate with OIGIS's secrecy obligations.</li> <li>• IGIS has effective working relationships with the agencies overseen.</li> <li>• IGIS has a well developed and implemented inspection program.</li> <li>• IGIS has a well developed and implemented inquiry capability.</li> </ul>	<ul style="list-style-type: none"> <li>• Ministers provided with relevant and timely information about the independent oversight activities of the IGIS.</li> <li>• References to IGIS submissions (written and oral) in the reports of the Parliamentary Joint Committee on Intelligence and Security and other committees indicate the submissions are seen as relevant and useful.</li> <li>• At least 15 outreach activities completed each year to groups outside Australia's intelligence community.</li> <li>• IGIS or SES staff meet with SES staff from each agency at least every six months to discuss key issues and arrangements for oversight.</li> </ul>

**Table 2.1.2: Performance criteria for Outcome 1 (continued)**

Program 1.1 (continued): Office of the Inspector-General of Intelligence and Security		
Performance information		
Year	Performance criteria	Targets
	<ul style="list-style-type: none"> <li>IGIS has efficient complaint and public interest disclosure management processes.</li> </ul>	<ul style="list-style-type: none"> <li>An inspection plan approved by the IGIS in place for each of the six agencies within current IGIS jurisdiction.</li> <li>An interim inspection plan in place for the four agencies expected to be added to IGIS jurisdiction by the time relevant amendments to the <i>Inspector-General Intelligence Security Act 1986</i> commence.</li> <li>100% of inquiry recommendation accepted (i.e. the relevant agency accepts a substantive issue requiring attention has been identified in the recommendation).</li> <li>90% of complaints acknowledged, triaged and allocated within five working days.</li> </ul>
2020-21 and beyond	As per 2019-20.	As per 2019-20.
<b>Purpose</b>	<p>The IGIS is to assist ministers in overseeing and reviewing the activities of the intelligence agencies for legality and propriety and for consistency with human rights. The IGIS is also required to assist the government in assuring the Parliament and the public that intelligence and security matters relating to Commonwealth agencies are open to scrutiny.</p>	

## **Section 3: Budgeted financial statements**

Section 3 presents budgeted financial statements that provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences between entity resourcing and financial statements**

Table 1.1 provides a consolidated view of all the resources available to the OIGIS in 2019-20. This includes appropriations receivable that are yet to be drawn down to cover payables and provisions in the budgeted departmental balance sheet (Table 3.2). The comprehensive income statement (Table 3.1) shows only the operating appropriations provided in 2019-20.

#### **3.1.2 Explanatory notes and analysis of budgeted financial statements**

##### **Comprehensive income statement**

The OIGIS is budgeting for a break-even operating result, adjusted for depreciation and amortisation expense, in 2019-20 and the forward years.

Additional funding was received during 2017-18 to implement recommendations of the 2017 Independent Intelligence Review to enable the OIGIS to oversee the intelligence functions of four additional agencies and to enhance its ability to maintain oversight of the additional powers granted to the intelligence agencies in recent years.

The most significant component of the operating expenditure is employee related. This reflects the nature of the entity's activities and functions as well as the expansion of the office from an average staffing level of 42 in 2018-19 to 55 by 2019-20.

Other significant operating expenses are expected to include annual information and communications technology (ICT) operating costs, office lease expense or contribution, and security clearance fees.

Depreciation and amortisation expenses will increase significantly as a result of capital expenditure on classified ICT systems and secure fit-out costs associated with relocating the office in 2018-19.

##### **Departmental capital budget statement**

The capital budget for 2019-20 is \$2.483 million.

##### **Departmental statement of changes in equity**

Under the government's net cash arrangements, whereby depreciation expenses are no longer funded, the equity position is expected to continue to decrease by the amount of the budgeted depreciation expense for the year. This decline is offset by capital budget appropriations.

### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	7,111	9,348	9,500	9,736	9,917
Suppliers	2,557	3,035	2,463	2,418	2,404
Depreciation and amortisation (a)	1,724	2,326	2,557	1,781	1,790
<b>Total expenses</b>	<b>11,392</b>	<b>14,709</b>	<b>14,520</b>	<b>13,935</b>	<b>14,111</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Other	26	27	27	27	-
<b>Total own-source revenue</b>	<b>26</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>-</b>
<b>Total own-source income</b>	<b>26</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>-</b>
<b>Net (cost of)/contribution by services</b>	<b>(11,366)</b>	<b>(14,682)</b>	<b>(14,493)</b>	<b>(13,908)</b>	<b>(14,111)</b>
Revenue from government	9,642	12,356	11,936	12,127	12,321
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(1,724)</b>	<b>(2,326)</b>	<b>(2,557)</b>	<b>(1,781)</b>	<b>(1,790)</b>
<b>Total comprehensive income/(loss)</b>	<b>(1,724)</b>	<b>(2,326)</b>	<b>(2,557)</b>	<b>(1,781)</b>	<b>(1,790)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(1,724)</b>	<b>(2,326)</b>	<b>(2,557)</b>	<b>(1,781)</b>	<b>(1,790)</b>

**Note: Impact of net cash appropriation arrangements**

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
<b>Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less depreciation/amortisation expenses previously funded through revenue appropriations (a)	1,724	2,326	2,557	1,781	1,790
<b>Total comprehensive income/(loss) – as per the statement of comprehensive income</b>	<b>(1,724)</b>	<b>(2,326)</b>	<b>(2,557)</b>	<b>(1,781)</b>	<b>(1,790)</b>

Prepared on Australian Accounting Standards basis.

(a) From 2010-11, the government introduced net cash appropriation arrangements. Bill (No.1) revenue appropriations for the depreciation and amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the departmental capital budget, or DCB) provided through Bill (No.1) equity appropriations. For information regarding DCBs, see Table 3.5: Departmental capital budget statement.



**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	200	200	200	200	200
Trade and other receivables	8,286	8,788	9,291	9,292	9,291
<b>Total financial assets</b>	<b>8,486</b>	<b>8,988</b>	<b>9,491</b>	<b>9,492</b>	<b>9,491</b>
<b>Non-financial assets</b>					
Land and buildings					
Property, plant and equipment	10,192	10,347	8,790	7,284	5,775
<b>Total non-financial assets</b>	<b>10,192</b>	<b>10,347</b>	<b>8,790</b>	<b>7,284</b>	<b>5,775</b>
<b>Total assets</b>	<b>18,678</b>	<b>19,335</b>	<b>18,281</b>	<b>16,776</b>	<b>15,266</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	100	100	100	100	100
Other payables	61	61	61	61	61
<b>Total payables</b>	<b>161</b>	<b>161</b>	<b>161</b>	<b>161</b>	<b>161</b>
<b>Provisions</b>					
Employee provisions	1,558	2,058	2,558	2,558	2,558
<b>Total provisions</b>	<b>1,558</b>	<b>2,058</b>	<b>2,558</b>	<b>2,558</b>	<b>2,558</b>
<b>Total liabilities</b>	<b>1,719</b>	<b>2,219</b>	<b>2,719</b>	<b>2,719</b>	<b>2,719</b>
<b>Net assets</b>	<b>16,959</b>	<b>17,116</b>	<b>15,562</b>	<b>14,057</b>	<b>12,547</b>
<b>EQUITY (a)</b>					
Contributed equity	12,385	14,868	15,871	16,147	16,427
Reserves	22	22	22	22	22
Retained surplus (accumulated deficit)	4,552	2,226	(331)	(2,112)	(3,902)
<b>Total equity</b>	<b>16,959</b>	<b>17,116</b>	<b>15,562</b>	<b>14,057</b>	<b>12,547</b>

Prepared on Australian Accounting Standards basis.

(a) Equity is the residual interest in assets after deduction of liabilities.

**Table 3.3: Departmental statement of changes in equity – summary of movement (2019-20 budget year)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2019</b>				
Balance carried forward from previous period	4,552	22	12,385	16,959
<b>Adjusted opening balance</b>	<b>4,552</b>	<b>22</b>	<b>12,385</b>	<b>16,959</b>
<b>Comprehensive income</b>				
Surplus/(deficit) for the period	(2,326)	–	–	(2,326)
<b>Total comprehensive income</b>	<b>(2,326)</b>	<b>–</b>	<b>–</b>	<b>(2,326)</b>
<b>Transactions with owners</b>				
Contributions by owners				
Departmental capital budget (DCB)	–	–	2,483	2,483
<b>Sub-total transactions with owners</b>	<b>–</b>	<b>–</b>	<b>2,483</b>	<b>2,483</b>
<b>Estimated closing balance as at 30 June 2020</b>	<b>2,226</b>	<b>22</b>	<b>14,868</b>	<b>17,116</b>
<b>Closing balance attributable to the Australian Government</b>	<b>2,226</b>	<b>22</b>	<b>14,868</b>	<b>17,116</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	20,634	11,856	11,435	12,127	12,602
Other	26	27	27	27	0
<b>Total cash received</b>	<b>20,660</b>	<b>11,883</b>	<b>11,462</b>	<b>12,154</b>	<b>12,602</b>
<b>Cash used</b>					
Employees	6,546	8,848	9,000	9,736	9,917
Suppliers	2,529	3,035	2,463	2,418	2,404
<b>Total cash used</b>	<b>9,075</b>	<b>11,883</b>	<b>11,463</b>	<b>12,154</b>	<b>12,321</b>
<b>Net cash from/(used by) operating activities</b>	<b>11,585</b>	<b>–</b>	<b>(1)</b>	<b>–</b>	<b>281</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	11,860	2,481	1,000	275	281
<b>Total cash used</b>	<b>11,860</b>	<b>2,481</b>	<b>1,000</b>	<b>275</b>	<b>281</b>
<b>Net cash from/(used by) investing activities</b>	<b>(11,860)</b>	<b>(2,481)</b>	<b>(1,000)</b>	<b>(275)</b>	<b>(281)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	275	2,481	1,001	275	–
<b>Total cash received</b>	<b>275</b>	<b>2,481</b>	<b>1,001</b>	<b>275</b>	<b>–</b>
<b>Net cash from/(used by) financing activities</b>	<b>275</b>	<b>2,481</b>	<b>1,001</b>	<b>275</b>	<b>–</b>
Cash and cash equivalents at the beginning of the reporting period	200	200	200	200	200
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>

Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget – Bill (No.1) – DCB	275	2,483	1,003	276	280
<b>Total new capital appropriations</b>	<b>275</b>	<b>2,483</b>	<b>1,003</b>	<b>276</b>	<b>280</b>
<b>Provided for:</b>					
Purchase of non-financial assets	275	2,483	1,003	276	280
<b>Total items</b>	<b>275</b>	<b>2,483</b>	<b>1,003</b>	<b>276</b>	<b>280</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation – DCB (a)	275	2,483	1,003	276	280
Funded internally from departmental resources	11,585	–	–	–	–
<b>Total</b>	<b>11,860</b>	<b>2,483</b>	<b>1,003</b>	<b>276</b>	<b>280</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	11,860	2,481	1,000	275	281
<b>Total cash used to acquire assets</b>	<b>11,860</b>	<b>2,481</b>	<b>1,000</b>	<b>275</b>	<b>281</b>

Prepared on Australian Accounting Standards basis.

(a) Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets (DCBs).

**Table 3.6: Statement of asset movements (2019-20 budget year)**

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
<b>As at 1 July 2019</b>			
Gross book value	11,961	6	11,967
Accumulated depreciation/amortisation and impairment	(1,769)	(6)	(1,775)
<b>Opening net book balance</b>	<b>10,192</b>	<b>–</b>	<b>10,192</b>
<b>CAPITAL ASSET ADDITIONS</b>			
<b>Estimated expenditure on new or replacement assets</b>			
By purchase – appropriation ordinary annual services (a)	2,481	–	2,481
<b>Total additions</b>	<b>2,481</b>	<b>–</b>	<b>2,481</b>
<b>Other movements</b>			
Depreciation/amortisation expense	(2,326)	–	(2,326)
<b>Total other movements</b>	<b>(2,326)</b>	<b>–</b>	<b>(2,326)</b>
<b>As at 30 June 2020</b>			
Gross book value	14,442	6	14,448
Accumulated depreciation/amortisation and impairment	(4,095)	(6)	(4,101)
<b>Closing net book balance</b>	<b>10,347</b>	<b>–</b>	<b>10,347</b>

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2019-20 for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.