



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

QUARTERLY FINANCIAL REPORT FOR THE SECOND QUARTER OF 2019-2020

UNAUDITED
PRESENTED TO THE BOARD OF INTERNAL ECONOMY
AS AT SEPTEMBER 30, 2019

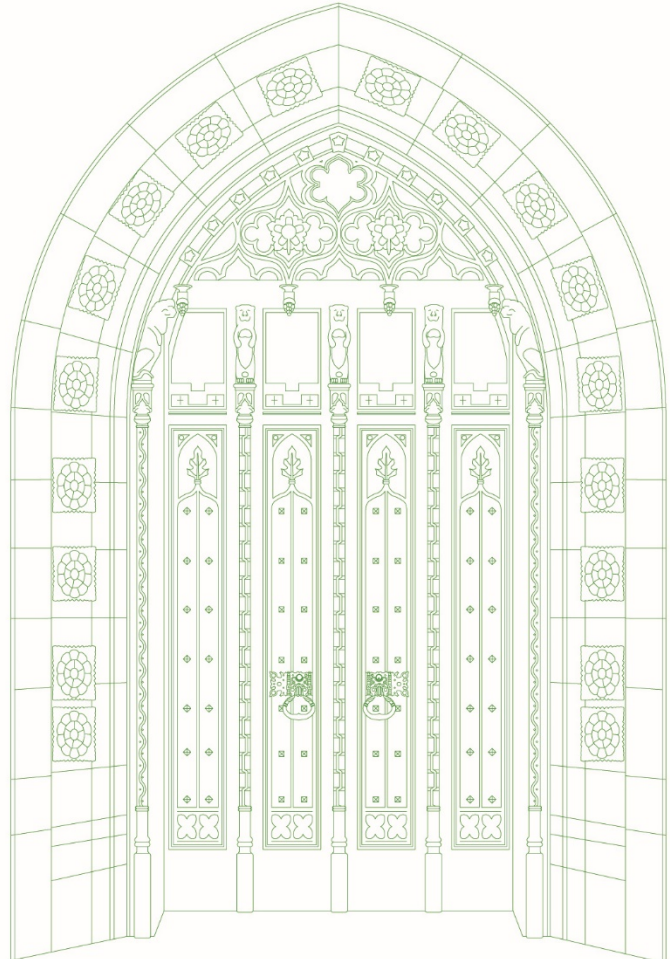


Table of Contents

1. Introduction	2
2. Basis of Presentation	2
3. Corporate Risks	2
4. Highlights of Quarterly Results as at September 30	3
4.1 Authorities Analysis	4
4.2 Expenditures Analysis	5
4.3 Budget Utilization as at September 30	7

1. Introduction

The *Quarterly Financial Report* is presented to the Board of Internal Economy in support of an effective oversight of public funds. It compares the year-to-date financial information of the current fiscal year (in this case 2019-2020) with the year-to-date financial information of the same quarter of the previous fiscal year (in this case 2018-2019).

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

2. Basis of Presentation

This report has been prepared using an expenditure basis of accounting, which is consistent with the *Public Accounts of Canada*. The authorities include the House of Commons' Main Estimates and other items for that same fiscal year, which have been approved by the Board of Internal Economy.

3. Corporate Risks

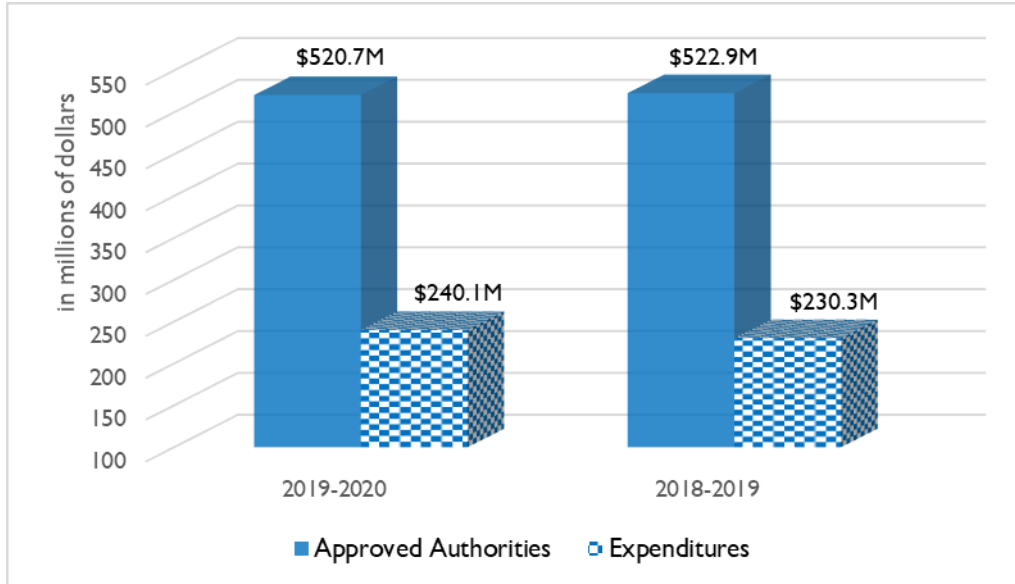
The House Administration's ability to quickly respond to various pressures on its clients and employees, its environment, and its systems and technologies allows it to continue to deliver on initiatives under the Long-Term Vision and Plan (LTVP). The House Administration therefore supports readiness through defined strategies and associated resource allocations to ensure business resilience, as well as the uninterrupted and efficient operations of the House of Commons. Such strategies and allocations enable more effective and efficient communications with Members, their employees and the House Administration employees.

Seeing that the House of Commons is one of Canada's top employers, the House Administration is looking to reinforce the importance of recruiting and retaining qualified and engaged personnel in a highly competitive labour market by focusing its efforts on employee engagement, succession planning and performance management.

4. Highlights of Quarterly Results as at September 30

The following graph provides a comparison between authorities approved for use by the Board of Internal Economy and actual expenditures as at September 30 of fiscal years 2019-2020 and 2018-2019.

Graph 1. Comparison Between Approved Authorities and Actual Expenditures



Total authorities have shown a modest decrease compared to 2018-2019, while expenditures have slightly increased. The House of Commons continuously strives to minimize requests for incremental funding whenever possible, thus promoting an efficient use of resources and avoiding the need to seek approval for additional resources. The House of Commons does however face some financial uncertainty this fiscal year due to the general election, which will directly impact in-year spending trends for Members, House Officers and the House Administration. Such impacts will be closely monitored and considered when making decisions regarding funding throughout the year.

4.1 Authorities Analysis

Approved authorities for the quarter ended on September 30

Approved by the Board of Internal Economy by the end of the respective quarter.

Table 1. Comparison of Approved Authorities for Quarter Ended September 30 of Fiscal Years 2019-2020 and 2018-2019

(in thousands of dollars)

Type	Description	2019-2020	2018-2019	Variance (\$)	Variance (%)
Statutory	Members and House Officers	112,139	120,174	(8,035)	(6.7)
Statutory	Employee Benefit Plans — Members and House Officers, and House Administration	41,418	39,834	1,584	4
Statutory	Subtotal	153,557	160,008	(6,451)	(4)
Non-statutory	Members and House Officers	172,808	168,515	4,293	2.5
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	7,715	9,160	(1,445)	(15.8)
Non-statutory	House Administration	186,639	185,236	1,403	0.8
Non-statutory	Subtotal	367,163	362,911	4,251	1.2
Total		520,720	522,919	(2,200)	(0.4)

Note: Figures may not add to total due to rounding.

For 2019-2020, the House of Commons' total approved authorities of \$520.7M are composed of the following items:

- \$503.4M obtained through the Main Estimates; and
- \$17.4M that will be requested through the Supplementary Estimates.

As reflected in the table above, the House of Commons' total approved authorities available for use in fiscal year 2019-2020 decreased by \$2.2M (0.4%) compared to 2018-2019. The most significant changes to the authorities relate to a decrease of \$9.3M for the Member's pension plans (the MPRA and MPRCA accounts), offset mainly by:

- \$3.4M for cost of living increases for Members and House Officers;
- \$1.5M in economic increases for the House Administration;
- \$1.4M increase of the carry-forward; and
- \$0.6M in major investments.

4.2 Expenditures Analysis

Expenditures for the quarter ended on September 30

Table 2. Comparison of Year-to-date Expenditures for Quarter Ended September 30 of Fiscal Years 2019-2020 and 2018-2019

(in thousands of dollars)

Type	Description	2019-2020	2018-2019	Variance (\$)	Variance (%)
Statutory	Members and House Officers	50,042	49,073	969	2
Statutory	Employee Benefit Plans — Members and House Officers, and House Administration	20,709	19,917	792	4
Statutory	Subtotal	70,751	68,990	1,761	2.6
Non-statutory	Members and House Officers	74,690	72,438	2,252	3.1
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	1,947	1,198	749	62.5
Non-statutory	House Administration	92,721	87,661	5,060	5.8
Non-statutory	Subtotal	169,357	161,297	8,060	5
Total		240,109	230,287	9,822	4.3

Note: Figures may not add to total due to rounding.

Table 3. Comparison of Year-to-date Expenditures by Standard Object for Quarter Ended September 30 of Fiscal Years 2019-2020 and 2018-2019

(in thousands of dollars)

Expenditures	2019-2020	2018-2019	Variations (\$)	Variations (%)
Salaries and Benefits	190,713	187,847	2,866	1.5
Transportation and Telecommunications	15,732	16,844	(1,112)	(6.6)
Advertising and Printings Services	4,875	4,018	857	21.3
Professional and Special Services	10,273	9,308	965	10.4
Rentals and Licences	8,378	7,520	858	11.4
Repairs and Maintenance	3,198	2,255	943	41.8
Utilities, Materials and Supplies	4,336	4,367	(31)	(0.7)
Computers, Office Equipment, Furniture and Fixtures	7,229	3,458	3,771	109.1
Transfer Payments	373	245	128	52.3
Other	629	284	345	121.4
Total Gross Expenditures	245,737	236,146	9,591	4.1
Less Revenues Netted Against Expenditures	(5,629)	(5,859)	230	(3.9)
Total Net Expenditures	240,109	230,287	9,822	4.3

Note: Figures may not add to total due to rounding.

Expenditures for 2019-2020 increased by \$9.8M (4.3%) at the end of September compared to the previous fiscal year. The most significant changes to the expenditures by standard object are explained below.

Salaries and Benefits

The increase in personnel expenditures of \$2.9M in 2019-2020 is mainly due to:

- additional employees hired in support of the LTVP initiatives and major investments, such as Managed Computing for Constituencies, advisory services to Members as employers, and in-person support to Members and their staff through multidisciplinary on-site service centres;
- cost of living increases, including the annual increases to Members' staff salaries, the increases to Members' sessional allowance and additional salaries, in accordance with the *Parliament of Canada Act*, as well as the economic increases for the House Administration Management Group; and
- additional House Administration employees hired in support of election preparedness activities, including the Members' Orientation Program.

The increase is offset by:

- a decrease in cost of living due to retroactive payments made in 2018-2019 for the economic increases related the 10th round of collective bargaining.

Transportation and Telecommunications

The decrease of \$1.1M is mostly due to a decrease in travel expenditures as a result of the general election, as well as a decrease in telecommunication expenditures due to differences in the timing of payments from one year to another.

Professional and Special Services

The increase of \$1M is mainly due to differences in the timing of payments for the assessment and support of the IT security posture of the organization.

Repairs and Maintenance

The increase of \$0.9M is mainly due to costs related to the LTVP.

Computers, Office Equipment, Furniture and Fixtures

The increase of \$3.8M is mainly due to the LTVP and to investments in activities related to Managed Computing for Constituencies.

4.3 Budget Utilization as at September 30

Table 4. Budget Utilization for Quarter Ended September 30 of Fiscal Years 2019-2020 and 2018-2019

(in thousands of dollars)

Type	Description	2019-2020 Authorities	2019-2020 Expenditures	2019-2020 % Spent	2018-2019 Authorities	2018-2019 Expenditures	2018-2019 % Spent
Statutory	Members and House Officers	112,139	50,042	44.6	120,174	49,073	40.8
Statutory	Employee Benefit Plans — Members and House Officers, and House Administration	41,418	20,709	50	39,834	19,916	50
Statutory	Subtotal	153,557	70,751	46.1	160,008	68,989	43.1
Non-statutory	Members and House Officers	172,808	74,690	43.2	168,515	72,438	43
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	7,715	1,947	25.2	9,160	1,199	13.1
Non-statutory	House Administration	186,639	92,721	49.7	185,236	87,661	47.3
Non-statutory	Subtotal	367,163	169,357	46.1	362,911	161,298	44.4
Total		520,720	240,109	46.1	522,919	230,287	44

Note: Figures may not add to total due to rounding.

As at September 30, 2019, the utilization of authorities has increased slightly by 2.1% compared to the previous fiscal year.