



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

QUARTERLY FINANCIAL REPORT FOR THE SECOND QUARTER OF 2021-2022

UNAUDITED
PRESENTED TO THE BOARD OF INTERNAL ECONOMY

AS AT SEPTEMBER 30, 2021

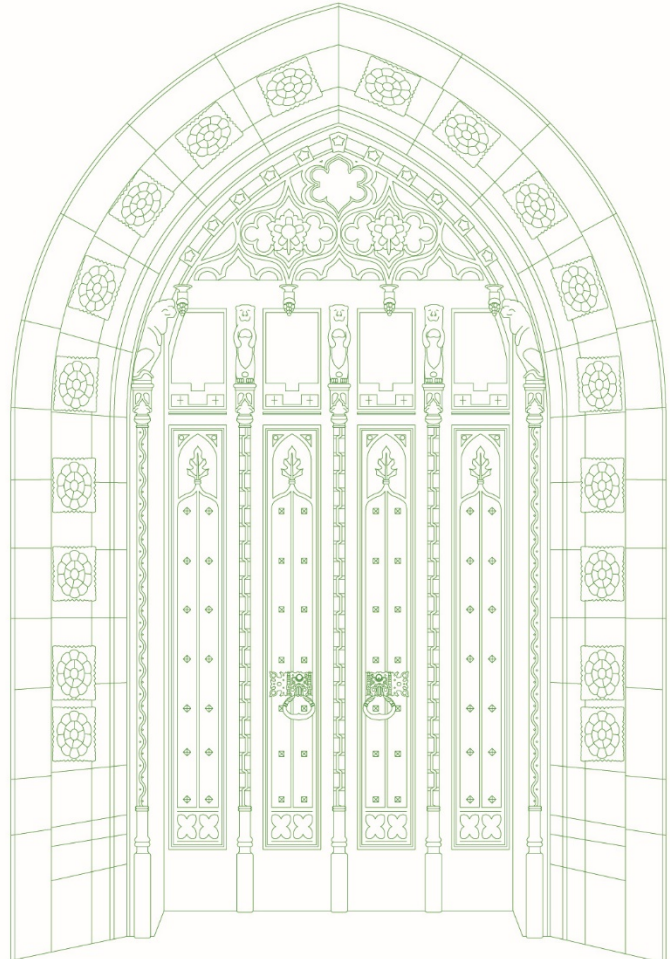


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1. Introduction

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 with the year-to-date financial information of the same quarter of the previous fiscal year.

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.

3. Corporate Risks

The House of Commons Administration is dedicated to providing a range of quality services and expert advice to Members of Parliament to support them in their parliamentary duties. 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 provide outstanding services to Members and their staff, regardless of circumstance. The House Administration 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.

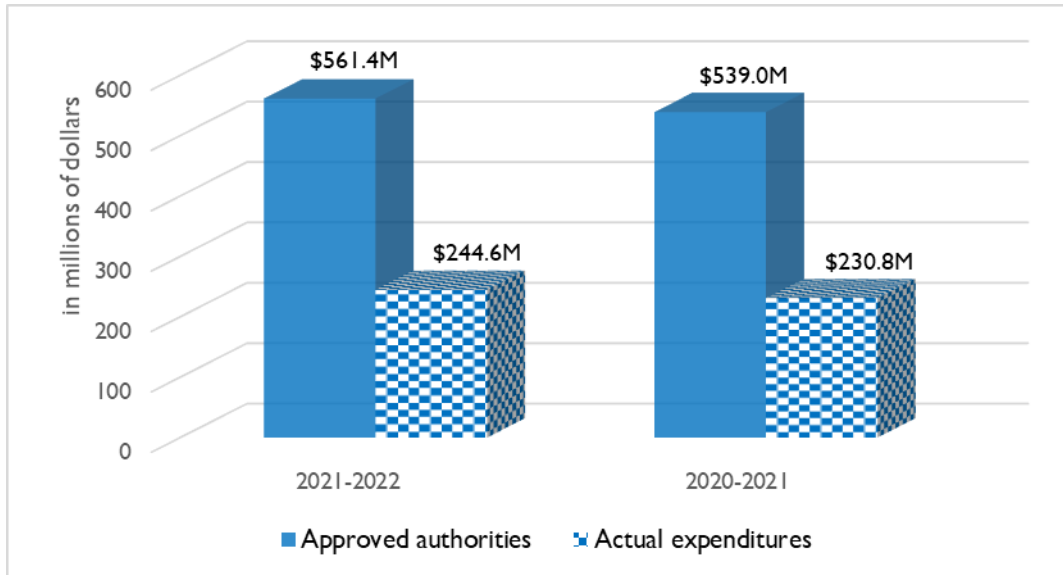
Since the beginning of the COVID-19 pandemic in March 2020, the House of Commons has demonstrated great agility in adapting to the situation and has continued to support a strong democracy. It remains vitally important to ensure the health and safety of Members, their employees and the employees of the House Administration, while ensuring the continued operations of the House of Commons and supporting the work of Members in their constituencies.

The House Administration will continue to adapt its operations, as required, in order to ensure that the needs of the House of Commons and its Members continue to be met in this unprecedented environment. Working under the guidance of the Speaker and the Board, the House Administration will also continue to monitor the situation with regard to the public health threat in order to be able to quickly adjust its services to Members so that they can continue to serve Canadians. This ongoing need for adaptability comes with some financial risk, which will be regularly monitored and reported to the Board to ensure the prudent use of available resources.

4. Highlights of Quarterly Results as at September 30

The following graph provides a comparison between the authorities that the Board approved for use and the actual expenditures as at September 30 for fiscal years 2021-2022 and 2020-2021.

Graph 1. Comparison Between Approved Authorities and Actual Expenditures



Total authorities and expenditures for 2021-2022 have increased compared to 2020-2021. The House of Commons continuously strives to minimize requests for incremental funding whenever possible, therefore promoting an efficient use of resources and avoiding the need to seek approval for additional resources. The House of Commons does however continue to face some financial uncertainty this fiscal year due to the COVID-19 pandemic and the general election, which directly impact in-year spending trends for Members, House Officers and the House Administration. The House Administration will continue to monitor the financial impacts and will consider them when making decisions regarding funding throughout the year.

4.1 Authorities Analysis

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

Table 1. Comparison of Approved Authorities for the Quarter Ended September 30 of Fiscal Years 2021-2022 and 2020-2021

(in thousands of dollars)

Type	Description	2021-2022	2020-2021	Variance (\$)	Variance (%)
Statutory	Remuneration – Members (under the <i>Parliament of Canada Act</i>)	100,461	99,010	1,451	1.5
Statutory	Contributions – MPRA and MPRCA Accounts	16,200	15,500	700	4.5
Statutory	Employee Benefit Plans – Members and House Officers, and House Administration	43,524	42,631	894	2.1
Statutory	Subtotal	160,185	157,141	3,045	1.9
Non-statutory	Members and House Officers	185,079	175,576	9,502	5.4
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	7,715	7,755	(40)	(0.5)
Non-statutory	House Administration	208,429	198,483	9,946	5.0
Non-statutory	Subtotal	401,224	381,815	19,409	5.1
Total		561,409	538,956	22,453	4.2

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

For 2021-2022, the House of Commons' total approved authorities of \$561.4M are composed of the following items:

- \$543.7M from the Main Estimates; and
- \$17.7M from the Supplementary Estimates.

As shown in the table above, the House of Commons' total approved authorities available for use in fiscal year 2021-2022 increased by \$22.5M (4.2%) compared to 2020-2021. The most significant changes relate to the following:

- \$6.6M for security support enhancements for Members;
- \$4.2M for the sustainment of IT systems and facility assets relating to the Long-Term Vision and Plan;
- \$3.1M for the sustainment of end-user software subscriptions;
- \$2.1M for the stabilization of the House Administration's enhanced services;
- \$1.7M for cost of living increases for Members and House Officers;
- \$1.5M for the increase of the operating budget carry-forward;
- \$1.3M for an adjustment in statutory authorities related to the sessional allowance and additional salaries of Members and House Officers; and
- \$1.2M for the Elector Supplement adjustment made following the 2019 general election.

It should be noted that the Board also approved economic increases in 2021-2022 for certain House Administration employees; however, these increases are being risk managed through existing resources and have therefore not led to an increase in authorities.

4.2 Expenditures Analysis

Table 2. Comparison of Year-to-date Expenditures for the Quarter Ended September 30 of Fiscal Years 2021-2022 and 2020-2021

(in thousands of dollars)

Type	Description	2021-2022	2020-2021	Variance (\$)	Variance (%)
Statutory	Remuneration – Members (under the <i>Parliament of Canada Act</i>)	38,030	38,412	(382)	(1.0)
Statutory	Contributions – MPRA and MPRCA Accounts	7,954	6,761	1,194	17.7
Statutory	Employee Benefit Plans – Members and House Officers, and House Administration	21,762	20,908	855	4.1
Statutory	Subtotal	67,746	66,080	1,666	2.5
Non-statutory	Members and House Officers	73,512	73,236	276	0.4
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	500	110	391	356.4
Non-statutory	House Administration	102,838	91,346	11,492	12.6
Non-statutory	Subtotal	176,851	164,691	12,159	7.4
Total		244,597	230,771	13,826	6.0

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

Expenditures for 2021-2022 have increased by \$13.8M (6%) compared to the previous fiscal year. Changes to the expenditures are based on the spending trends observed during two fiscal years, neither of which reflects typical spending patterns: 2021-2022 when a general election was held during the COVID-19 pandemic, and 2020-2021 when COVID-19-related measures began to be implemented.

As COVID-19-related restrictions on travel and gatherings imposed by public health authorities are easing and activities are slowly resuming, travel, hospitality and advertising expenditures, mostly in support of Members carrying out their parliamentary functions, are gradually increasing. In addition, with the reopening of constituency offices, staffing is back to pre-pandemic levels. As for the printing facility, it has been operating at full capacity since September 2020, while limited in-person activity on the Hill continues to impact catering services as well as attendance in cafeterias and restaurants.

Following the investments in technology made in the previous year to support virtual House proceedings and committees and to enable telework during the pandemic, the House Administration continues to support this new way of doing business in order to manage risks.

Spending trends have been impacted by the pandemic, and most recently by the general election. More specifically, spending on Members' employee salaries decreased during the dissolution period, while spending on computer equipment for newly elected Members increased.

Cost of living increases have also impacted spending trends. These include the increases to the Members' sessional allowance and additional salaries, in accordance with the *Parliament of Canada Act*, as well as the economic increases for certain House Administration employees and the annual increases to Members' employee salaries.

Finally, the implementation of security enhancements for Members began in 2020-2021 and will continue in this fiscal year.

4.3 Budget Utilization as at September 30

Table 3. Budget Utilization for the Quarter Ended September 30 of Fiscal Years 2021-2022 and 2020-2021

(in thousands of dollars)

Type	Description	2021-2022 Authorities	2021-2022 Expenditures	2021-2022 % Spent	2020-2021 Authorities	2020-2021 Expenditures	2020-2021 % Spent
Statutory	Remuneration – Members (under the <i>Parliament of Canada Act</i>)	100,461	38,030	37.9	99,010	38,412	38.8
Statutory	Contributions – MPRA and MPRCA Accounts	16,200	7,954	49.1	15,500	6,761	43.6
Statutory	Employee Benefit Plans – Members and House Officers, and House Administration	43,524	21,762	50.0	42,631	20,908	49.0
Statutory	Subtotal	160,185	67,746	42.3	157,141	66,080	42.1
Non-statutory	Members and House Officers	185,079	73,512	39.7	175,576	73,236	41.7
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	7,715	500	6.5	7,755	110	1.4
Non-statutory	House Administration	208,429	102,838	49.3	198,483	91,346	46.0
Non-statutory	Subtotal	401,224	176,851	44.1	381,815	164,691	43.1
Total		561,409	244,597	43.6	538,956	230,771	42.8

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

The utilization of authorities in 2021-2022 has shown a slight increase of 0.8% compared to the previous fiscal year.

5. Appendix – Additional Information

Table 4. Year-to-date Expenditures by Standard Object and Program for the Quarter Ended September 30 of Fiscal Years 2021-2022 and 2020-2021

(in thousands of dollars)

	2021-2022 Members, House Officers and Committees, Parliamentary Associations and Parliamentary Exchanges			2020-2021 Members, House Officers and Committees, Parliamentary Associations and Parliamentary Exchanges		
		2021-2022 Centrally Funded**	2021-2022 House Administration		2020-2021 Centrally Funded**	2020-2021 House Administration
Salaries and Benefits*	92,939	3,331	102,803	92,513	2,588	93,172
Contributions – MPRA and MPRCA Accounts	7,954	-	-	6,761	-	-
Transportation and Telecommunications	4,497	2,018	1,175	4,405	2,183	999
Advertising and Printing Services	4,224	565	14	3,495	1,317	15
Professional and Special Services	1,823	551	4,353	1,304	802	3,408
Rentals and Licences	6,031	615	3,367	6,199	588	2,500
Repairs and Maintenance	48	357	2,903	268	768	2,900
Utilities, Materials and Supplies	544	1,536	823	497	633	495
Computers, Office Equipment, Furniture and Fixtures	504	804	3,784	766	2,086	3,294
Transfer Payments	449	-	33	301	-	28
Other	312	138	128	188	176	365
Total Gross Expenditures	119,326	9,916	119,383	116,697	11,142	107,177
Less Revenues Netted Against Expenditures	(23)	(52)	(3,954)	(324)	(5)	(3,915)
Total Net Expenditures	119,303	9,864	115,430	116,373	11,137	103,262

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

*The sessional allowance and additional salaries for Members and House Officers are included in *Salaries and Benefits* under *Members, House Officers and Committees, Parliamentary Associations and Parliamentary Exchanges*.

**Costs (including the associated EBP portion) incurred and managed by the House Administration to support Members and House Officers.