



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

QUARTERLY FINANCIAL REPORT FOR THE THIRD QUARTER OF 2019-2020

UNAUDITED
PRESENTED TO THE BOARD OF INTERNAL ECONOMY

AS AT DECEMBER 31, 2019

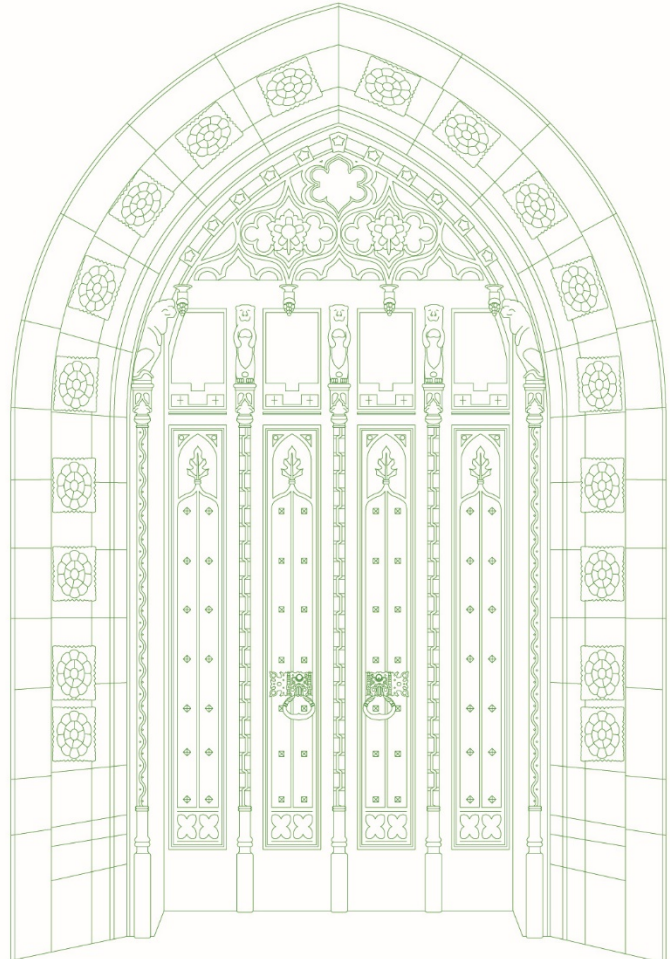


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1. Introduction

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 (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

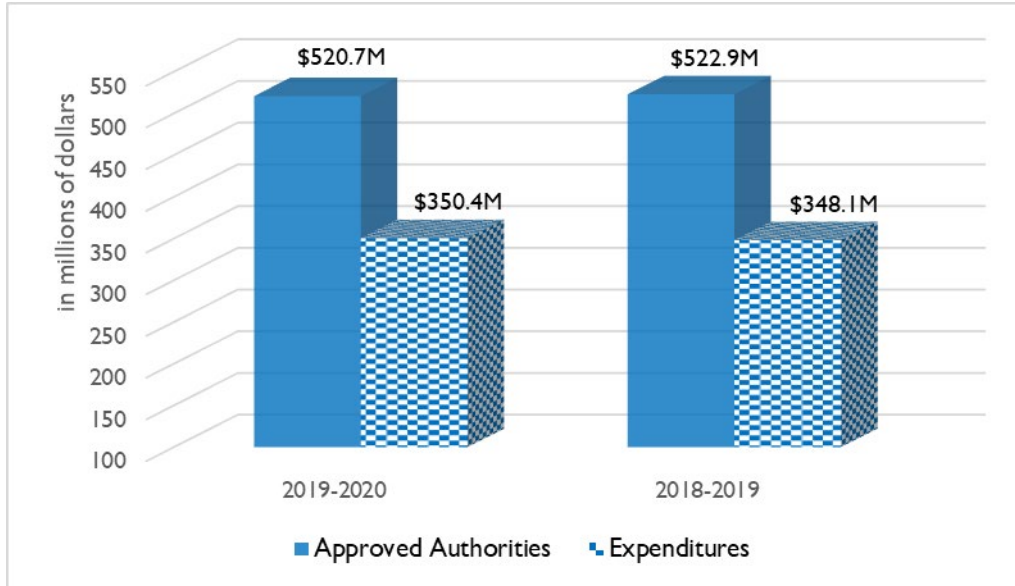
The House Administration's ability to quickly respond to various pressures on its clients and employees, its environment, and its systems and technologies allows it to continue to deliver on initiatives under the Long-Term Vision and Plan (LTVP). The House Administration therefore supports readiness 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 December 31

The following graph provides a comparison between authorities approved for use by the Board of Internal Economy and actual expenditures as at December 31 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 directly impacts in-year spending trends for Members, House Officers and the House Administration. In addition, the costs related to the economic increases, including the retroactive payments for some House Administration employees, will be internally funded. 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 December 31

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

Table 1. Comparison of Approved Authorities for Quarter Ended December 31 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 up 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 obtained 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 December 31

Table 2. Comparison of Year-to-date Expenditures for Quarter Ended December 31 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	74,926	76,376	(1,450)	(1.9)
Statutory	Employee Benefit Plans — Members and House Officers, and House Administration	31,064	29,875	1,189	4
Statutory	Subtotal	105,989	106,251	(262)	(0.2)
Non-statutory	Members and House Officers	107,298	109,141	(1,843)	(2)
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	2,005	3,563	(1,558)	(43.7)
Non-statutory	House Administration	135,110	129,105	6,005	4.7
Non-statutory	Subtotal	244,413	241,809	2,604	1.1
Total		350,402	348,060	2,342	0.7

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

Table 3. Comparison of Year-to-date Expenditures by Standard Object for Quarter Ended December 31 of Fiscal Years 2019-2020 and 2018-2019

(in thousands of dollars)

Expenditures	2019-2020	2018-2019	Variances (\$)	Variances (%)
Salaries and Benefits	286,293	283,580	2,712	1
Transportation and Telecommunications	22,148	28,712	(6,564)	(22.9)
Advertising and Printings Services	6,039	6,496	(457)	(7)
Professional and Special Services	15,664	15,846	(182)	(1.2)
Rentals and Licences	10,749	11,375	(626)	(5.5)
Repairs and Maintenance	4,387	2,981	1,406	47.2
Utilities, Materials and Supplies	6,366	7,753	(1,387)	(17.9)
Computers, Office Equipment, Furniture and Fixtures	10,130	5,439	4,691	86.3
Transfer Payments	396	551	(155)	(28.1)
Other	767	940	(173)	(18.4)
Total Gross Expenditures	362,940	363,673	(733)	(0.2)
Less Revenues Netted Against Expenditures	(12,538)	(15,613)	3,075	(19.7)
Total Net Expenditures	350,402	348,060	2,342	0.7

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

Expenditures for 2019-2020 increased by \$2.3M (0.7%) at the end of December 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 \$2.7M 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 for Members' sessional allowance and additional salaries, in accordance with the *Parliament of Canada Act*; and
- additional House Administration employees hired in support of election preparedness activities, including the Members' Orientation Program.

The increase is offset by:

- a net decrease in cost of living due to retroactive payments made in 2018-2019 for the economic increases for House Administration employees, as well as a decrease in Members' staff salaries due to the general election.

Transportation and Telecommunications

The decrease of \$6.6M 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.

Repairs and Maintenance

The increase of \$1.4M is mainly due to activities related to the LTVP and the maintenance and support of the IT infrastructure.

Utilities, Materials and Supplies

The decrease of \$1.4M is mainly the result of reduced demand in catering and reduced attendance in cafeterias and restaurants during dissolution, as well as a reduced demand for required supplies.

Computers, Office Equipment, Furniture and Fixtures

The increase of \$4.7M is mainly due to the LTVP, and to investments in activities related to Managed Computing for Constituencies as well as in the IT infrastructure.

Revenues

The decrease of \$3.1M is mainly due to a decrease in services provided to federal government departments such as Public Services and Procurement Canada for the LTVP, as well as to a decrease in catering, cafeteria and restaurant revenues due to a reduction in activities during dissolution.

4.3 Budget Utilization as at December 31

Table 4. Budget Utilization for Quarter Ended December 31 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	74,926	66.8	120,174	76,376	63.6
Statutory	Employee Benefit Plans — Members and House Officers, and House Administration	41,418	31,064	75	39,834	29,875	75
Statutory	Subtotal	153,557	105,989	69	160,008	106,251	66.4
Non-statutory	Members and House Officers	172,808	107,298	62.1	168,515	109,141	64.8
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	7,715	2,005	26	9,160	3,563	38.9
Non-statutory	House Administration	186,639	135,110	72.4	185,236	129,105	69.7
Non-statutory	Subtotal	367,163	244,413	66.6	362,911	241,809	66.6
Total		520,720	350,402	67.3	522,919	348,060	66.6

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

As at December 31, 2019, the utilization of authorities has increased slightly by 0.7% compared to the previous fiscal year.