



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

QUARTERLY FINANCIAL REPORT FOR THE THIRD QUARTER OF 2020-2021

UNAUDITED
PRESENTED TO THE BOARD OF INTERNAL ECONOMY

AS AT DECEMBER 31, 2020

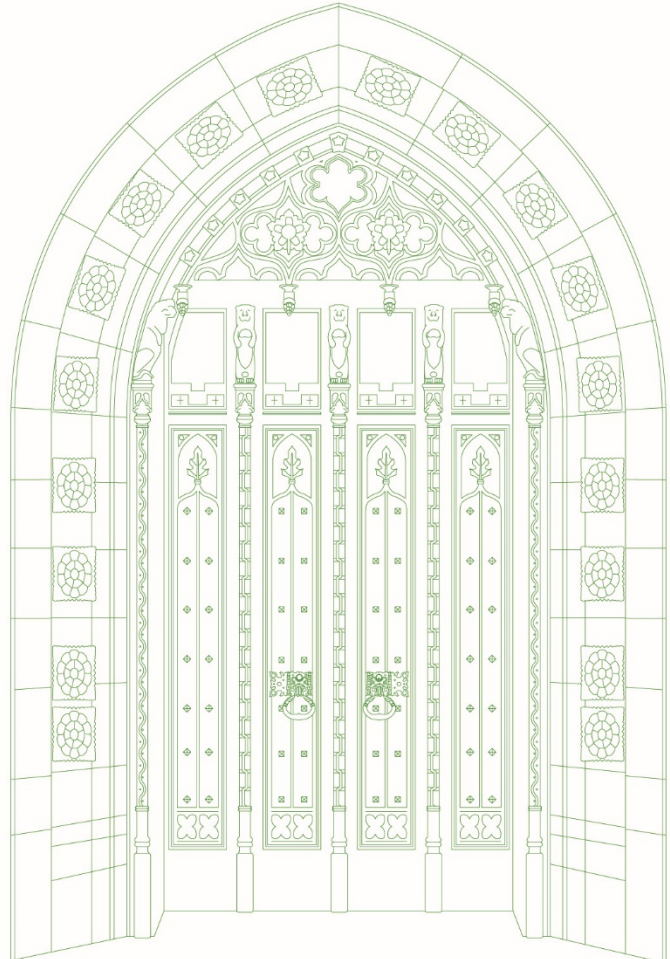


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1. Introduction

The *Quarterly Financial Report* is presented to the Board of Internal Economy (Board) 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

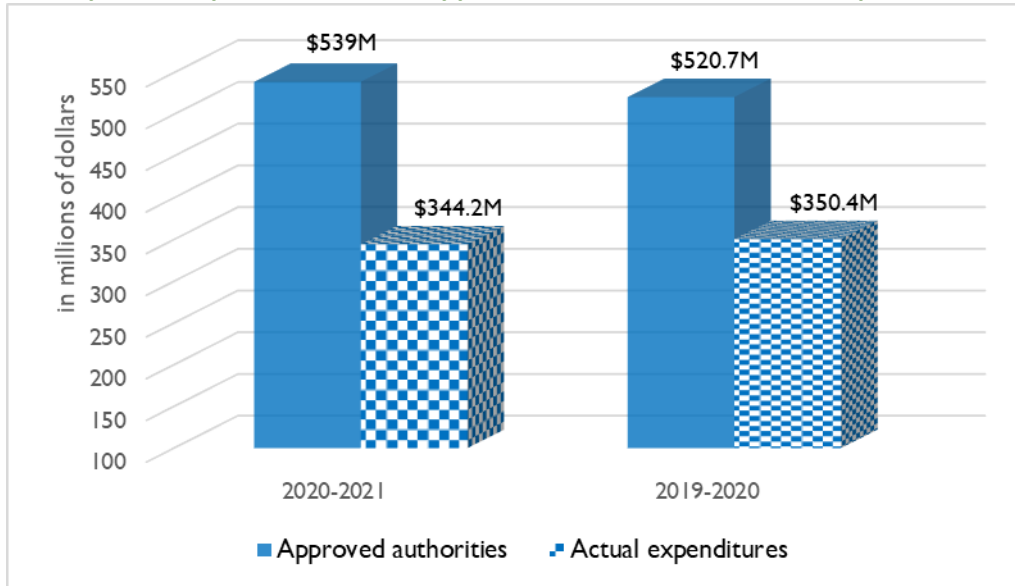
The House of Commons Administration's ability to quickly respond to various pressures on its clients and employees, its environment, and its systems and technologies allows it to continue to deliver on initiatives under the Long-Term Vision and Plan (LTVP). The House Administration therefore supports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

In March 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a global pandemic. Although the pandemic has had a significant impact on House of Commons business, the House has been successful in adapting to the situation, all while continuing operations, providing required services, and ensuring the safety of Members, their staff, and House Administration employees. Decisions were made following public health recommendations to modify service delivery, and resources were dedicated to supporting online work and collaboration as well as new service offerings, including virtual committee meetings and hybrid sittings of the House of Commons. The technology used to facilitate parliamentary proceedings during the pandemic is constantly evolving, and the House Administration continues to anticipate and adapt to the needs of the House of Commons. The unique challenges posed by the pandemic have introduced financial risks this year, and the House Administration continues to monitor this unprecedented and evolving situation in order to respond appropriately.

4. Highlights of Quarterly Results as at December 31

The following graph provides a comparison between authorities approved for use by the Board and actual expenditures as at December 31 of fiscal years 2020-2021 and 2019-2020.

Graph 1. Comparison Between Approved Authorities and Actual Expenditures



Total authorities for 2020-2021 have increased compared to 2019-2020, while expenditures have decreased. 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 Administration will continue to monitor the financial impacts of the COVID-19 pandemic and to 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 December 31 of Fiscal Years 2020-2021 and 2019-2020

(in thousands of dollars)

Type	Description	2020-2021	2019-2020	Variance (\$)	Variance (%)
Statutory	Members and House Officers	114,510	112,139	2,371	2.1
Statutory	Employee Benefit Plans — Members and House Officers, and House Administration	42,631	41,418	1,213	2.9
Statutory	Subtotal	157,141	153,557	3,584	2.3
Non-statutory	Members and House Officers	175,576	172,808	2,768	1.6
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	7,755	7,715	40	0.5
Non-statutory	House Administration	198,483	186,639	11,844	6.3
Non-statutory	Subtotal	381,815	367,163	14,652	4.0
Total		538,956	520,720	18,236	3.5

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

For 2020-2021, the House of Commons' total approved authorities of \$539M are composed of the following items:

- \$516.4M from the Main Estimates; and
- \$22.6M from the Supplementary Estimates.

As shown in the table above, the House of Commons' total approved authorities available for use in fiscal year 2020-2021 increased by \$18.2M (3.5%) compared to 2019-2020. The most significant changes relate to the following:

- \$5.9M for economic increases for certain House Administration employees;
- \$4.4M in major investments, which include \$1.3M for the LTVP;
- \$3.1M for cost of living increases for Members and House Officers;
- \$1.7M in budget adjustments for House Officers following the general election;
- \$1.2M for an adjustment in statutory authorities related to the sessional allowance and additional salaries of Members and House Officers; and
- \$1.2M in Employee Benefit Plans (EBPs).

4.2 Expenditures Analysis

Table 2. Comparison of Year-to-date Expenditures for the Quarter Ended December 31 of Fiscal Years 2020-2021 and 2019-2020

(in thousands of dollars)

Type	Description	2020-2021	2019-2020	Variance (\$)	Variance (%)
Statutory	Members and House Officers	69,554	74,926	(5,372)	(7.2)
Statutory	Employee Benefit Plans — Members and House Officers, and House Administration	31,362	31,064	298	1.0
Statutory	Subtotal	100,916	105,989	(5,074)	(4.8)
Non-statutory	Members and House Officers	111,184	107,298	3,886	3.6
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	321	2,005	(1,684)	(84.0)
Non-statutory	House Administration	131,777	135,110	(3,333)	(2.5)
Non-statutory	Subtotal	243,282	244,413	(1,131)	(0.5)
Total		344,198	350,402	(6,204)	(1.8)

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

Table 3. Comparison of Year-to-date Expenditures by Standard Object for the Quarter Ended December 31 of Fiscal Years 2020-2021 and 2019-2020

(in thousands of dollars)

Expenditures	2020-2021	2019-2020	Variance (\$)	Variance (%)
Salaries and Benefits	293,431	286,293	7,138	2.5
Transportation and Telecommunications	13,882	22,148	(8,267)	(37.3)
Advertising and Printing Services	7,840	6,039	1,801	29.8
Professional and Special Services	9,650	15,664	(6,014)	(38.4)
Rentals and Licences	12,810	10,749	2,061	19.2
Repairs and Maintenance	5,478	4,387	1,091	24.9
Utilities, Materials and Supplies	3,298	6,366	(3,068)	(48.2)
Computers, Office Equipment, Furniture and Fixtures	8,437	10,130	(1,693)	(16.7)
Transfer Payments	518	396	122	30.7
Other	752	767	(15)	(1.9)
Total Gross Expenditures	356,096	362,940	(6,844)	(1.9)
Less Revenues Netted Against Expenditures	(11,898)	(12,538)	640	(5.1)
Total Net Expenditures	344,198	350,402	(6,204)	(1.8)

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

Expenditures for 2020-2021 have decreased by \$6.2M (1.8%) when compared to the previous fiscal year. Changes to the expenditures by standard object are based on the spending trends observed during two fiscal years, neither of which reflects typical spending patterns: 2020-2021 when COVID-19-related measures began to be implemented and 2019-2020 when a general election was held. The most significant changes are explained below.

Salaries and Benefits

The net increase of \$7.1M in personnel expenditures is mainly due to additional spending on Members' employees' salaries and to Members' sessional allowance and additional salaries, in accordance with the *Parliament of Canada Act*, as well as to the economic increases for certain House Administration employees. The increase is offset by a reduction in the number of employees of Members and House Officers, as well as by staffing delays and a decrease in overtime and part-time costs for House Administration employees in 2020-2021 due to the COVID-19 pandemic.

Transportation and Telecommunications

The net decrease of \$8.3M is mainly due to a decrease in travel expenditures in support of Members carrying out their parliamentary functions as well as reduced activities and travel for associations and committees as a result of COVID-19. This decrease is partially offset by an increase in telecommunication expenditures due to differences in the timing of payments from one year to another.

Advertising and Printing Services

The increase of \$1.8M is mainly due to costs for external printing resulting from the temporary closure of the printing facility at the start of the COVID-19 pandemic, as well as to an increase in advertising expenses this year.

Professional and Special Services

The net decrease of \$6.0M is mainly due to a decrease in training and hospitality costs across the House of Commons, as well as to a reduction in temporary help services for Members and House Officers, resulting from COVID-19. In addition, part of the decrease can be attributed to differences in the timing of certain payments made to external partners from one year to another, as well as to reduced project spending. The decrease is partially offset by costs incurred in support of virtual House proceedings and committees.

Rentals and Licences

The increase of \$2.1M is mainly due to an increase in constituency office lease costs, as well as to the difference in the timing of payments from one year to another.

Repairs and Maintenance

The increase of \$1.1M is mainly due to renovations in the parliamentary precinct, as well as to costs associated with the reconfiguration of constituency offices, in accordance with the health and safety requirements for reopening offices, as a result of COVID-19.

Utilities, Materials and Supplies

The net decrease of \$3.1M is mainly due to the temporary closure of food service facilities, which caused reductions in catering services and attendance in cafeterias and restaurants, the temporary closure of the printing facility, as well as the reduced demand for office supplies across the House of Commons. All reductions in demand and activities can be attributed to COVID-19. The decrease is partially offset by the purchase of consumable items, such as face masks and hand sanitizer, used across the House of Commons.

Computers, Office Equipment, Furniture and Fixtures

The net decrease of \$1.7M is mainly due to changes in the timing of lifecycle activities, as well as to changes to the LTVP, which include differences in the timing of certain payments from one year to the other. The decrease is partially offset by costs incurred to support virtual House proceedings and committees, and by costs incurred for equipment that enables House Administration employees to work remotely during the COVID-19 pandemic.

Revenues

The net decrease of \$0.6M is due to a reduction in catering, cafeteria and restaurant revenues following the temporary closure of food service facilities as a result of COVID-19, offset by an increase in services provided to federal government departments such as Public Services and Procurement Canada and to other parliamentary institutions.

4.3 Budget Utilization as at December 31

Table 4. Budget Utilization for the Quarter Ended December 31 of Fiscal Years 2020-2021 and 2019-2020

(in thousands of dollars)

Type	Description	2020-2021 Authorities	2020-2021 Expenditures	2020-2021 % Spent	2019-2020 Authorities	2019-2020 Expenditures	2019-2020 % Spent
Statutory	Members and House Officers	114,510	69,554	60.7	112,139	74,926	66.8
Statutory	Employee Benefit Plans — Members and House Officers, and House Administration	42,631	31,362	73.6	41,418	31,064	75.0
Statutory	Subtotal	157,141	100,916	64.2	153,557	105,989	69.0
Non-statutory	Members and House Officers	175,576	111,184	63.3	172,808	107,298	62.1
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	7,755	321	4.1	7,715	2,005	26.0
Non-statutory	House Administration	198,483	131,777	66.4	186,639	135,110	72.4
Non-statutory	Subtotal	381,815	243,282	63.7	367,163	244,413	66.6
Total		538,956	344,198	63.9	520,720	350,402	67.3

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

The COVID-19 pandemic has had significant impacts on all aspects of the House of Commons' operations. As such, the utilization of authorities in 2020-2021 has shown a decrease of 3.4% when compared to the previous fiscal year.

5. Appendix – Additional Information

Table 5. Year-to-date Expenditures by Standard Object and Program for the Quarter Ended December 31 of Fiscal Years 2020-2021 and 2019-2020

(in thousands of dollars)

	2020-2021 Members, House Officers and Committees, Parliamentary Associations and Parliamentary Exchanges			2019-2020 Members, House Officers and Committees, Parliamentary Associations and Parliamentary Exchanges		
		2020-2021 Centrally Funded**	2020-2021 House Administration		2019-2020 Centrally Funded**	2019-2020 House Administration
Salaries and Benefits*	149,002	4,098	140,331	141,791	8,079	136,423
Transportation and Telecommunications	6,782	5,173	1,927	10,336	9,207	2,605
Advertising and Printings Services	5,820	1,989	32	4,955	986	99
Professional and Special Services	2,337	1,326	5,986	4,171	1,450	10,043
Rentals and Licences	9,436	643	2,731	8,584	581	1,584
Repairs and Maintenance	357	949	4,172	88	559	3,740
Utilities, Materials and Supplies	319	1,724	1,255	692	2,252	3,422
Computers, Office Equipment, Furniture and Fixtures	1,187	3,131	4,119	431	3,383	6,317
Transfer Payments	490	-	28	352	-	45
Other	360	140	252	418	127	222
Total Gross Expenditures	176,090	19,172	160,833	171,818	26,623	164,499
Less Revenues Netted Against Expenditures	(336)	(380)	(11,183)	(742)	(31)	(11,765)
Total Net Expenditures	175,755	18,792	149,650	171,076	26,592	152,734

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

*The sessional allowance and additional salaries for Members and House Officers, as well as the Members' pension plans, are included in *Salaries and Benefits* under *Members and House Officers, 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.