



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER OF 2020-2021

UNAUDITED
PRESENTED TO THE BOARD OF INTERNAL ECONOMY

AS AT JUNE 30, 2020

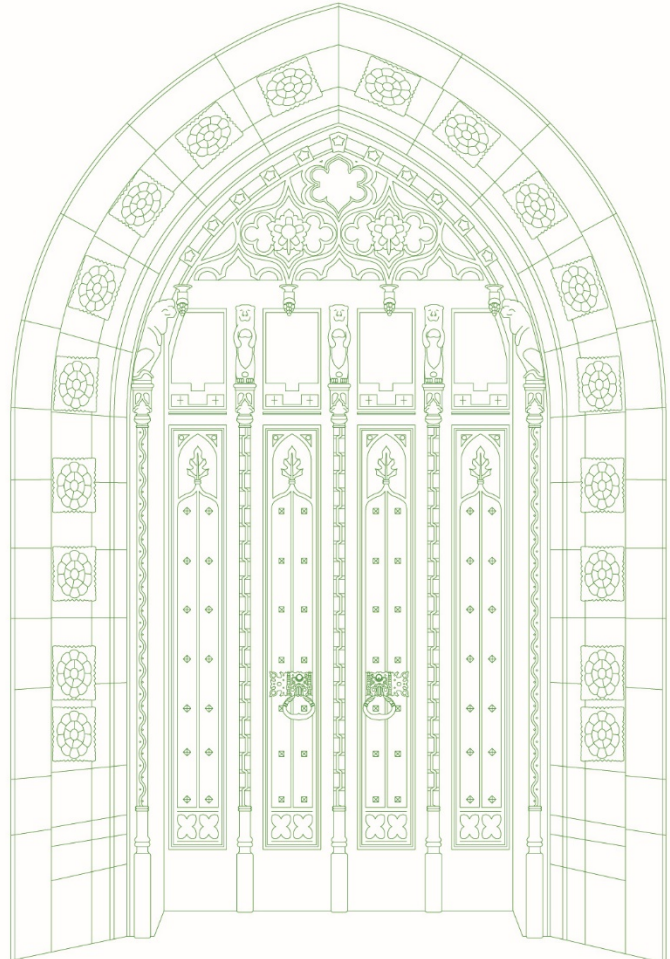


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1. Introduction

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 (in this case 2020-2021) with the year-to-date financial information of the same quarter of the previous fiscal year (in this case 2019-2020).

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

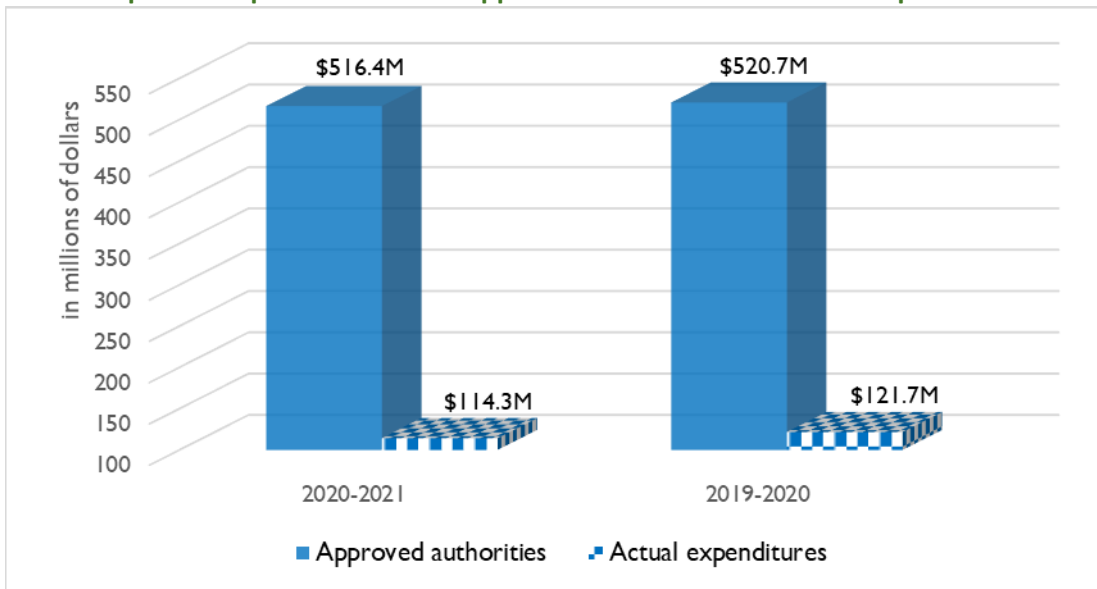
The House Administration's ability to quickly respond to various pressures on its clients and employees, its environment, and its systems and technologies allows it to continue to deliver on initiatives under the Long-Term Vision and Plan (LTVP). The House Administration therefore supports readiness 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. The House Administration continues to monitor this unprecedented and evolving situation in order to respond appropriately. The House is committed to supporting the parliamentary work of Members, while ensuring their safety as well as the safety of their employees and all House Administration employees.

4. Highlights of Quarterly Results as at June 30

The following graph provides a comparison between authorities approved for use by the Board and actual expenditures as at June 30 of fiscal years 2020-2021 and 2019-2020.

Graph 1. Comparison Between Approved Authorities and Actual Expenditures



Total authorities and expenditures for 2020-2021 have slightly decreased compared to 2019-2020. 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 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 June 30 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	41,815	41,418	397	1
Statutory	Subtotal	156,325	153,557	2,768	1.8
Non-statutory	Members and House Officers	169,138	172,808	(3,670)	(2.1)
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	8,985	7,715	1,270	16.5
Non-statutory	House Administration	181,920	186,639	(4,719)	(2.5)
Non-statutory	Subtotal	360,044	367,163	(7,118)	(1.9)
Total		516,369	520,720	(4,350)	(0.8)

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

For 2020-2021, the House of Commons' total approved authorities of \$516.4M were obtained through the Main Estimates.

As shown in the table above, the House of Commons' total approved authorities available for use in fiscal year 2020-2021 decreased by \$4.4M (0.8%) compared to 2019-2020. The most significant changes to the authorities relate to the operating budget carry-forward of \$17.4M which had been included in the first quarter of 2019-2020 but has not yet been approved for 2020-2021. This decrease is offset by:

- \$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
- \$1.3M for conferences, associations and assemblies.

4.2 Expenditures Analysis

Table 2. Comparison of Year-to-date Expenditures for the Quarter Ended June 30 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	21,583	26,181	(4,598)	(17.6)
Statutory	Employee Benefit Plans — Members and House Officers, and House Administration	10,454	10,355	99	1
Statutory	Subtotal	32,037	36,535	(4,499)	(12.3)
Non-statutory	Members and House Officers	36,114	37,344	(1,229)	(3.3)
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	(280)	796	(1,076)	(135.2)
Non-statutory	House Administration	46,469	47,040	(570)	(1.2)
Non-statutory	Subtotal	82,304	85,180	(2,876)	(3.4)
Total		114,340	121,715	(7,375)	(6.1)

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 June 30 of Fiscal Years 2020-2021 and 2019-2020

(in thousands of dollars)

Expenditures	2020-2021	2019-2020	Variance (\$)	Variance (%)
Salaries and Benefits	96,640	97,101	(462)	(0.5)
Transportation and Telecommunications	3,003	9,006	(6,003)	(66.7)
Advertising and Printings Services	2,136	1,881	255	13.6
Professional and Special Services	2,513	4,559	(2,045)	(44.9)
Rentals and Licences	5,068	4,950	118	2.4
Repairs and Maintenance	1,109	587	522	88.9
Utilities, Materials and Supplies	553	2,538	(1,985)	(78.2)
Computers, Office Equipment, Furniture and Fixtures	3,389	2,277	1,112	48.8
Transfer Payments	23	43	(20)	(46.6)
Other	357	438	(81)	(18.5)
Total Gross Expenditures	114,789	123,379	(8,590)	(7)
Less Revenues Netted Against Expenditures	(449)	(1,664)	1,216	(73)
Total Net Expenditures	114,340	121,715	(7,375)	(6.1)

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

Expenditures for 2020-2021 have decreased by \$7.4M (6.1%) when compared to the previous fiscal year. The most significant changes to the expenditures by standard object are explained below.

Salaries and Benefits

The decrease of \$0.5M in personnel expenditures is mainly due to a decrease in the number of employees of Members and House Officers as a result of COVID-19, partially offset by cost of living increases, including the annual increases to Members' employee salaries and to Members' sessional allowance and additional salaries, in accordance with the *Parliament of Canada Act*.

Transportation and Telecommunications

The decrease of \$6M is mainly due to a decrease in travel expenditures in support of Members carrying out their parliamentary functions as well as reduced activities for associations and committees as a result of COVID-19.

Professional and Special Services

The decrease of \$2M is mainly due to a reduction in service contracts for the House of Commons, as well as a decrease in training and hospitality costs 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. The decrease is partially offset by costs incurred in support of the Virtual Chamber.

Repairs and Maintenance

The increase of \$0.5M is due to an increase in maintenance and support of the IT infrastructure.

Utilities, Materials and Supplies

The decrease of \$2M is mainly due to the temporary closure of food service facilities which causes 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. The reductions in demand and activities can all be attributed to COVID-19.

Computers, Office Equipment, Furniture and Fixtures

The increase of \$1.1M is mainly due to the purchase of the equipment that enables House Administration employees, as well as Members and their employees, to work remotely during the COVID-19 pandemic. The increase is also attributable to investments in activities related to Managed Computing for Constituencies.

Revenues

The decrease of \$1.2M is mainly due to a reduction in catering, cafeteria and restaurant revenues due to the temporary closure of food service facilities as a result of COVID-19.

4.3 Budget Utilization as at June 30

Table 4. Budget Utilization for the Quarter Ended June 30 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	21,583	18.8	112,139	26,181	23.3
Statutory	Employee Benefit Plans — Members and House Officers, and House Administration	41,815	10,454	25	41,418	10,355	25
Statutory	Subtotal	156,325	32,037	20.5	153,557	36,535	23.8
Non-statutory	Members and House Officers	169,138	36,114	21.4	172,808	37,344	21.6
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	8,985	(280)	(3.1)	7,715	796	10.3
Non-statutory	House Administration	181,920	46,469	25.5	186,639	47,040	25.2
Non-statutory	Subtotal	360,044	82,304	22.9	367,163	85,180	23.2
Total		516,369	114,340	22.1	520,720	121,715	23.4

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

The utilization of authorities in 2020-2021 has shown a slight decrease of 1.3% 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 June 30 of Fiscal Years 2020-2021 and 2019-2020

(in thousands of dollars)

	2020-2021 Members and House Officers, and Committees, Parliamentary Associations and Parliamentary Exchanges			2019-2020 Members and 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*	49,502	1,125	46,012	49,330	1,464	46,307
Transportation and Telecommunications	1,850	810	343	4,323	3,967	716
Advertising and Printings Services	1,521	610	5	1,642	236	3
Professional and Special Services	457	262	1,794	1,361	762	2,436
Rentals and Licences	3,078	361	1,629	2,864	561	1,525
Repairs and Maintenance	79	387	643	33	153	401
Utilities, Materials and Supplies	182	171	200	261	953	1,323
Computers, Office Equipment, Furniture and Fixtures	488	1,085	1,816	204	769	1,304
Transfer Payments	-	-	23	13	-	30
Other	82	173	102	164	70	205
Total Gross Expenditures	57,239	4,984	52,566	60,194	8,936	54,250
Less Revenues Netted Against Expenditures	(308)	(2)	(139)	(307)	(22)	(1,335)
Total Net Expenditures	56,931	4,982	52,427	59,886	8,914	52,915

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, and Committees, Parliamentary Associations and Parliamentary Exchanges*.

**Costs incurred and managed by the House Administration to support Members and House Officers along with the applicable EBP portion.