

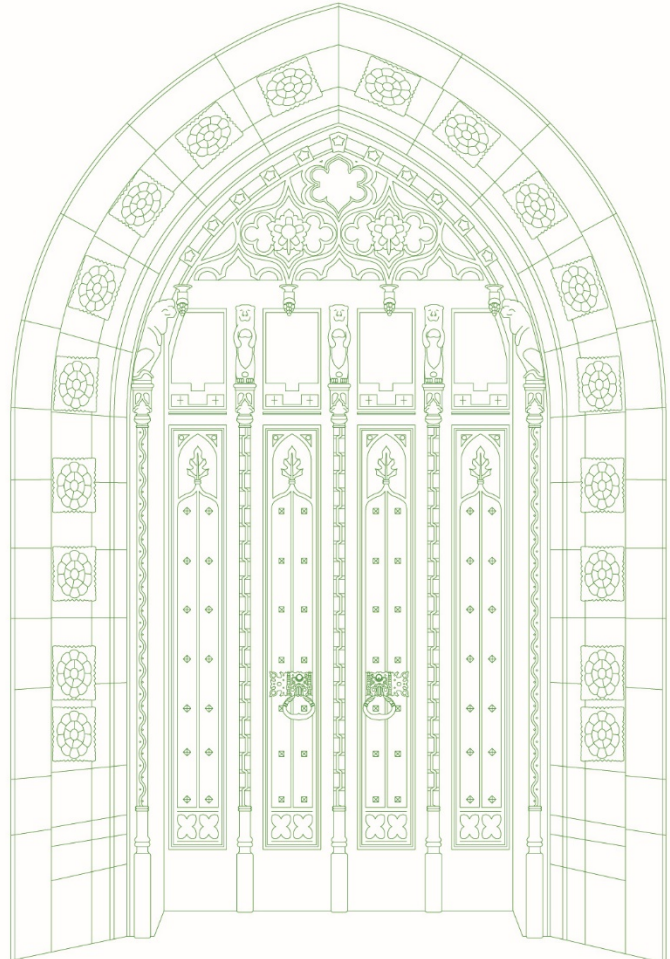


HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# QUARTERLY FINANCIAL REPORT FOR THE SECOND QUARTER OF 2020-2021

UNAUDITED  
PRESENTED TO THE BOARD OF INTERNAL ECONOMY

AS AT SEPTEMBER 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 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**

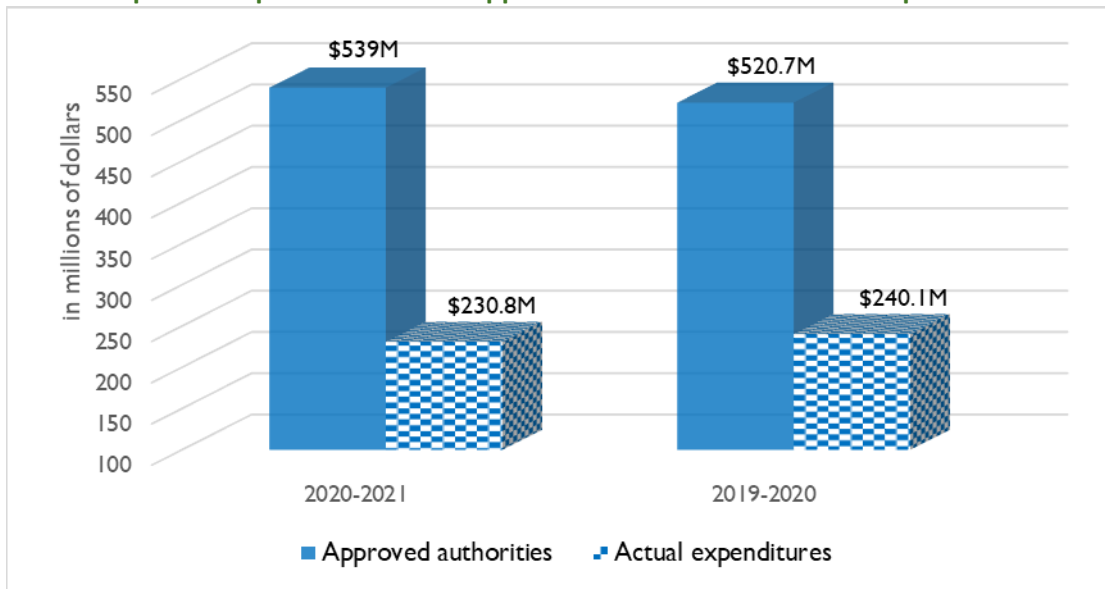
The House of Commons Administration's ability to quickly respond to various pressures on its clients and employees, its environment, and its systems and technologies allows it to continue to deliver on initiatives under the Long-Term Vision and Plan (LTVP). The House Administration therefore supports 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 September 30

The following graph provides a comparison between authorities approved for use by the Board and actual expenditures as at September 30 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 September 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	42,631	41,418	1,213	2.9
<b>Statutory</b>	<b>Subtotal</b>	<b>157,141</b>	<b>153,557</b>	<b>3,584</b>	<b>2.3</b>
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
<b>Non-statutory</b>	<b>Subtotal</b>	<b>381,815</b>	<b>367,163</b>	<b>14,652</b>	<b>4.0</b>
<b>Total</b>		<b>538,956</b>	<b>520,720</b>	<b>18,236</b>	<b>3.5</b>

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 September 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	45,172	50,042	(4,870)	(9.7)
Statutory	Employee Benefit Plans — Members and House Officers, and House Administration	20,908	20,709	199	1.0
<b>Statutory</b>	<b>Subtotal</b>	<b>66,080</b>	<b>70,751</b>	<b>(4,671)</b>	<b>(6.6)</b>
Non-statutory	Members and House Officers	73,236	74,690	(1,454)	(1.9)
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	110	1,947	(1,837)	(94.4)
Non-statutory	House Administration	91,346	92,721	(1,375)	(1.5)
<b>Non-statutory</b>	<b>Subtotal</b>	<b>164,691</b>	<b>169,357</b>	<b>(4,666)</b>	<b>(2.8)</b>
<b>Total</b>		<b>230,771</b>	<b>240,109</b>	<b>(9,337)</b>	<b>(3.9)</b>

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 September 30 of Fiscal Years 2020-2021 and 2019-2020**

(in thousands of dollars)

Expenditures	2020-2021	2019-2020	Variance (\$)	Variance (%)
Salaries and Benefits	195,034	190,713	4,321	2.3
Transportation and Telecommunications	7,587	15,732	(8,146)	(51.8)
Advertising and Printing Services	4,826	4,875	(49)	(1.0)
Professional and Special Services	5,515	10,273	(4,759)	(46.3)
Rentals and Licences	9,288	8,378	909	10.9
Repairs and Maintenance	3,936	3,198	739	23.1
Utilities, Materials and Supplies	1,625	4,336	(2,711)	(62.5)
Computers, Office Equipment, Furniture and Fixtures	6,146	7,229	(1,083)	(15.0)
Transfer Payments	329	373	(44)	(11.9)
Other	729	629	101	16.0
<b>Total Gross Expenditures</b>	<b>235,016</b>	<b>245,737</b>	<b>(10,722)</b>	<b>(4.4)</b>
Less Revenues Netted Against Expenditures	(4,244)	(5,629)	1,384	(24.6)
<b>Total Net Expenditures</b>	<b>230,771</b>	<b>240,109</b>	<b>(9,337)</b>	<b>(3.9)</b>

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

Expenditures for 2020-2021 have decreased by \$9.3M (3.9%) when compared to the previous fiscal year. The most significant changes to the expenditures by standard object are explained below.

### **Salaries and Benefits**

The increase of \$4.3M in personnel expenditures is mainly due to cost of living increases in the amount of \$2.7M for the annual increases to Members' employee salaries and \$0.6M for Members' sessional allowance and additional salaries, in accordance with the *Parliament of Canada Act*, as well as \$2.3M for 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 a decrease in overtime and part-time costs for House Administration employees in 2020-2021 due to the COVID-19 pandemic this year and the general election last year.

### **Transportation and Telecommunications**

The decrease of \$8.1M 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.

### **Professional and Special Services**

The decrease of \$4.8M is mainly due to a reduction in temporary help and translation services for Members and House Officers, as well as a decrease in training and hospitality costs across the House of Commons, 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 project delays. The decrease is partially offset by costs incurred in support of virtual House proceedings and committees.

### **Repairs and Maintenance**

The increase of \$0.7M is mainly due to renovations at 181 Queen Street and to the Confederation and Justice buildings, 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 decrease of \$2.7M 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 decrease of \$1.1M is mainly due to differences in the timing of certain payments from one year to another, as well as to a decrease in equipment purchases related to Managed Computing for Constituencies. 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 decrease of \$1.4M is mainly due to a reduction in catering, cafeteria and restaurant revenues following the temporary closure of food service facilities as a result of COVID-19.

### 4.3 Budget Utilization as at September 30

**Table 4. Budget Utilization for the Quarter Ended September 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	45,172	39.4	112,139	50,042	44.6
Statutory	Employee Benefit Plans — Members and House Officers, and House Administration	42,631	20,908	49.0	41,418	20,709	50.0
<b>Statutory</b>	<b>Subtotal</b>	<b>157,141</b>	<b>66,080</b>	<b>42.1</b>	<b>153,557</b>	<b>70,751</b>	<b>46.1</b>
Non-statutory	Members and House Officers	175,576	73,236	41.7	172,808	74,690	43.2
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	7,755	110	1.4	7,715	1,947	25.2
Non-statutory	House Administration	198,483	91,346	46.0	186,639	92,721	49.7
<b>Non-statutory</b>	<b>Subtotal</b>	<b>381,815</b>	<b>164,691</b>	<b>43.1</b>	<b>367,163</b>	<b>169,357</b>	<b>46.1</b>
<b>Total</b>		<b>538,956</b>	<b>230,771</b>	<b>42.8</b>	<b>520,720</b>	<b>240,109</b>	<b>46.1</b>

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 3.3% 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 September 30 of Fiscal Years 2020-2021 and 2019-2020**

(in thousands of dollars)

	2020-2021 Members and House Officers, Committees, Parliamentary Associations and Parliamentary Exchanges	2020-2021 Funded Through Central Budget**	2020-2021 House Administration	2019-2020 Members and House Officers, Committees, Parliamentary Associations and Parliamentary Exchanges	2019-2020 Funded Through Central Budget**	2019-2020 House Administration
Salaries and Benefits*	99,273	2,588	93,172	97,432	3,015	90,265
Transportation and Telecommunications	4,405	2,183	999	7,986	6,113	1,633
Advertising and Printing Services	3,495	1,317	15	4,200	632	43
Professional and Special Services	1,304	802	3,408	3,436	1,084	5,753
Rentals and Licences	6,199	588	2,500	5,907	701	1,770
Repairs and Maintenance	268	768	2,900	51	281	2,866
Utilities, Materials and Supplies	497	633	495	535	1,527	2,274
Computers, Office Equipment, Furniture and Fixtures	766	2,086	3,294	321	2,269	4,639
Transfer Payments	301	-	28	328	-	45
Other	188	176	365	251	19	359
<b>Total Gross Expenditures</b>	<b>116,697</b>	<b>11,142</b>	<b>107,177</b>	<b>120,447</b>	<b>15,642</b>	<b>109,648</b>
Less Revenues Netted Against Expenditures	(324)	(5)	(3,915)	(425)	(26)	(5,178)
<b>Total Net Expenditures</b>	<b>116,373</b>	<b>11,137</b>	<b>103,262</b>	<b>120,022</b>	<b>15,616</b>	<b>104,471</b>

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.