

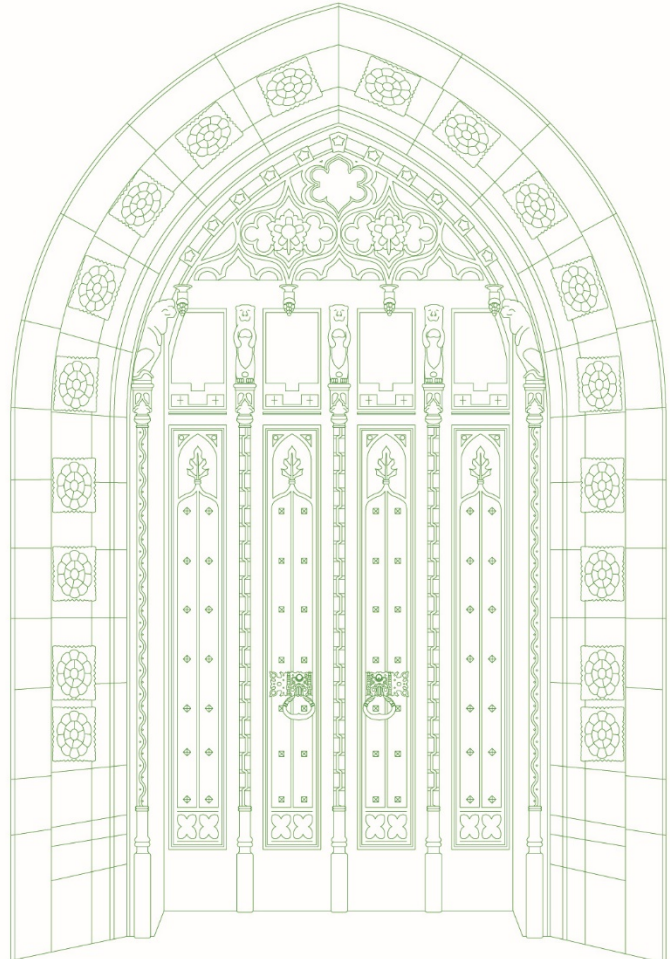


HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# 2019-2020 YEAR-END FINANCIAL REPORT

UNAUDITED

PRESENTED TO THE BOARD OF INTERNAL ECONOMY  
FOR THE YEAR ENDED MARCH 31, 2020



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## **1. Introduction**

This year-end financial report is presented to the Board of Internal Economy in support of an effective oversight of public funds. It compares the financial information of the current fiscal year (2019-2020) with the financial information of the previous fiscal year (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.

In terms of authorities, organizations are required to reallocate the budget at year-end so that no over-expenditures for a core responsibility (i.e. Members and House Officers, and House Administration) are presented in the *Public Accounts of Canada*. The overall total approved authorities available remain unchanged. These budgetary year-end adjustments are not reflected in this report.

## **3. Corporate Risks**

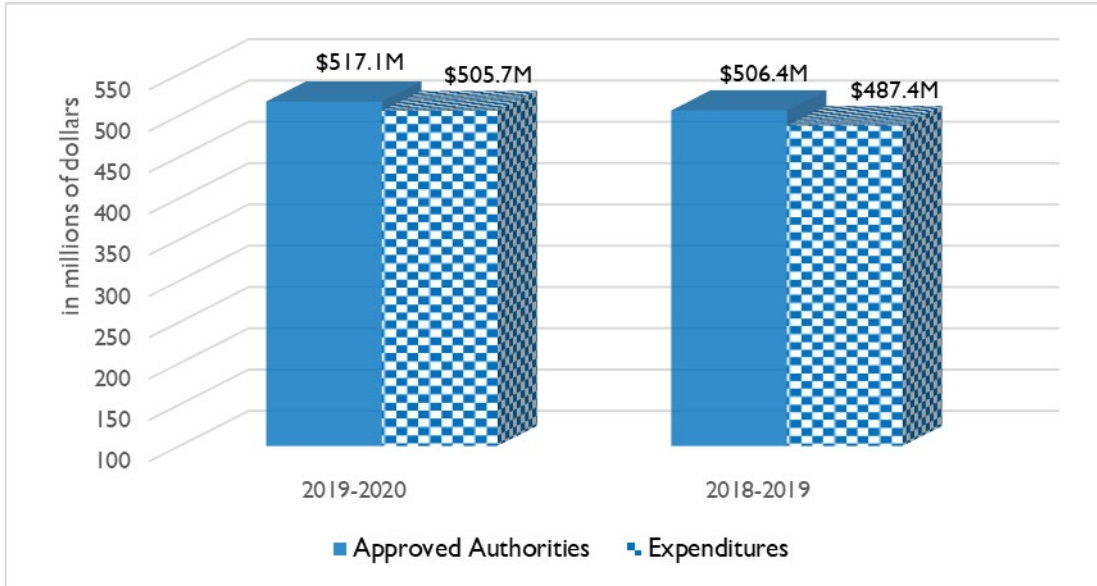
The House Administration's ability to quickly respond to various pressures on its clients and employees, its environment, and its systems and technologies allows it to continue to deliver on initiatives under the Long-Term Vision and Plan (LTVP). The House Administration therefore supports readiness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

The following graph provides a comparison between authorities approved for use by the Board of Internal Economy and actual expenditures as at March 31 of fiscal years 2019-2020 and 2018-2019.

**Graph 1. Comparison Between Approved Authorities and Actual Expenditures**



Total authorities and expenditures have shown a modest increase compared to 2018-2019. 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. In the year of a general election, spending for Members, House Officers and the House Administration does not follow typical patterns. In the case of the 2019 general election, the additional costs associated with the transition to a new parliament were offset by savings as a result of the slowdown of operations, which started during dissolution. Financial pressures could therefore be managed within existing resources without having to seek additional authorities. In addition, the costs related to the economic increases, including the retroactive payments for certain House Administration employees, were internally funded.

## 4.1 Authorities Analysis

**Table 1. Comparison of Approved Authorities for the Year Ended March 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	110,255	104,371	5,885	5.6
Statutory	Employee Benefit Plans — Members and House Officers, and House Administration	39,654	39,106	549	1.4
<b>Statutory</b>	<b>Subtotal</b>	<b>149,910</b>	<b>143,477</b>	<b>6,433</b>	<b>4.5</b>
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
<b>Non-statutory</b>	<b>Subtotal</b>	<b>367,163</b>	<b>362,911</b>	<b>4,252</b>	<b>1.2</b>
<b>Total</b>		<b>517,073</b>	<b>506,388</b>	<b>10,685</b>	<b>2.1</b>

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

For 2019-2020, the House of Commons' total approved authorities of \$517.1M are composed of the following items:

- \$503.4M obtained through the Main Estimates;
- \$17.4M obtained through the Supplementary Estimates; and
- a decrease of \$3.6M to reflect actual statutory authorities at year-end.

As shown in the table above, the House of Commons' total approved authorities available for use in fiscal year 2019-2020 increased by \$10.7M (2.1%) compared to 2018-2019. The most significant changes to the authorities are:

- a \$3.6M adjustment in statutory authorities for Members' sessional allowances, travel and telecommunications, as well as for employee benefit plans;
- \$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

**Table 2. Comparison of Year-to-date Expenditures for the Year Ended March 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	110,255	104,371	5,885	5.6
Statutory	Employee Benefit Plans — Members and House Officers, and House Administration	39,654	39,106	549	1.4
<b>Statutory</b>	<b>Subtotal</b>	<b>149,910</b>	<b>143,477</b>	<b>6,433</b>	<b>4.5</b>
Non-statutory	Members and House Officers	161,570	156,999	4,570	2.9
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	3,476	7,040	(3,564)	(50.6)
Non-statutory	House Administration	190,793	179,897	10,896	6.1
<b>Non-statutory</b>	<b>Subtotal</b>	<b>355,839</b>	<b>343,936</b>	<b>11,903</b>	<b>3.5</b>
<b>Total</b>		<b>505,749</b>	<b>487,413</b>	<b>18,336</b>	<b>3.8</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 Year Ended March 31 of Fiscal Years 2019-2020 and 2018-2019**

(in thousands of dollars)

Expenditures	2019-2020	2018-2019	Variances (\$)	Variances (%)
Salaries and Benefits	403,371	386,081	17,290	4.5
Transportation and Telecommunications	36,506	42,328	(5,822)	(13.8)
Advertising and Printings Services	10,007	10,935	(928)	(8.5)
Professional and Special Services	25,334	27,967	(2,633)	(9.4)
Rentals and Licences	19,751	19,422	329	1.7
Repairs and Maintenance	6,173	5,841	332	5.7
Utilities, Materials and Supplies	9,660	11,142	(1,482)	(13.3)
Computers, Office Equipment, Furniture and Fixtures	19,458	14,415	5,043	35
Transfer Payments	1,111	1,041	70	6.8
Other	1,129	864	265	30.7
<b>Total Gross Expenditures</b>	<b>532,500</b>	<b>520,036</b>	<b>12,464</b>	<b>2.4</b>
Less Revenues Netted Against Expenditures	(26,751)	(32,623)	5,872	(18)
<b>Total Net Expenditures</b>	<b>505,749</b>	<b>487,413</b>	<b>18,336</b>	<b>3.8</b>

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

Expenditures for 2019-2020 have increased by \$18.3M (3.8%) 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 in personnel expenditures of \$17.3M 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 onsite service centres;
- cost of living increases, including increases to Members' sessional allowance and additional salaries, in accordance with the *Parliament of Canada Act*, as well as economic increases for certain House Administration employees, which cover retroactive payments for one year; and
- election-related costs such as severance payments for former Members and their staff, and salaries for additional House Administration employees hired in support of election-related activities, including the Members' Orientation Program.

The increase is offset by:

- a decrease in Members' staff salaries due to the general election.

### **Transportation and Telecommunications**

The decrease of \$5.8M is mostly due to a decrease in travel expenditures as a result of the general election and to the fact that no conferences were held in 2019-2020.

### **Professional and Special Services**

The decrease of \$2.6M is mainly due to a reduction in activities as a result of the general election, to a reduction in LTVP activities and to the fact that no conferences were held in 2019-2020. This decrease was partially offset by increased costs in support of various initiatives, such as Video Broadcasting and Webcasting for Committees and Managed Computing for Constituencies.

### **Utilities, Materials and Supplies**

The decrease of \$1.5M is mainly the result of a reduced demand for catering services 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 \$5M is mainly due to election costs to support newly elected Members, and to investments in activities related to Managed Computing for Constituencies as well as Video Broadcasting and Webcasting for Committees. The increase is also due to the LTVP and to investments in the IT infrastructure.

### **Revenues**

The decrease of \$5.9M is mainly due to a decrease in services provided to federal government departments and to other parliamentary institutions this year, such as Public Services and Procurement Canada for the LTVP, as well as to a decrease in catering, cafeteria and restaurant revenues resulting from reduced activities during dissolution.

### 4.3 Budget Utilization as at March 31

**Table 4. Budget Utilization for the Year Ended March 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	110,255	110,255	100	104,371	104,371	100
Statutory	Employee Benefit Plans — Members and House Officers, and House Administration	39,654	39,654	100	39,106	39,106	100
<b>Statutory</b>	<b>Subtotal</b>	<b>149,910</b>	<b>149,910</b>	<b>100</b>	<b>143,477</b>	<b>143,477</b>	<b>100</b>
Non-statutory	Members and House Officers	172,808	161,570	93.5	168,515	156,999	93.2
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	7,715	3,476	45.1	9,160	7,040	76.8
Non-statutory	House Administration	186,639	190,793	102.2	185,236	179,897	97.1
<b>Non-statutory</b>	<b>Subtotal</b>	<b>367,163</b>	<b>355,839</b>	<b>96.9</b>	<b>362,911</b>	<b>343,936</b>	<b>94.8</b>
<b>Total</b>		<b>517,073</b>	<b>505,749</b>	<b>97.8</b>	<b>506,388</b>	<b>487,413</b>	<b>96.3</b>

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

The utilization of authorities in 2019-2020 has shown a marginal increase of 1.5% compared to the previous fiscal year.



## 4.4 Year-end Financial Situation

**Table 5. Year-end Financial Situation for Fiscal Year 2019-2020**

(in thousands of dollars)

Type	Description	2019-2020 Budget	2019-2020 Net Expenditures	2019-2020 Surplus / Deficit
Statutory	Members and House Officers	110,255	110,255	-
Statutory	Employee Benefit Plans — Members and House Officers, and House Administration	39,654	39,654	-
<b>Statutory</b>	<b>Subtotal</b>	<b>149,910</b>	<b>149,910</b>	<b>-</b>
Non-statutory	Members and House Officers	172,808	161,570	11,239
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	7,715	3,476	4,239
Non-statutory	House Administration	186,639	190,793	(4,154)
<b>Non-statutory</b>	<b>Subtotal</b>	<b>367,163</b>	<b>355,839</b>	<b>11,324</b>
<b>Total</b>		<b>517,073</b>	<b>505,749</b>	<b>11,324</b>

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

As at March 31, 2020, total statutory and voted expenditures are \$505.7M, leaving a surplus of \$11.3M. This amount corresponds to the lapse that will be reported in the *Public Accounts of Canada*.