



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

QUARTERLY FINANCIAL REPORT FOR THE FIRST QUARTER OF 2021-2022

UNAUDITED
PRESENTED TO THE BOARD OF INTERNAL ECONOMY

AS AT JUNE 30, 2021

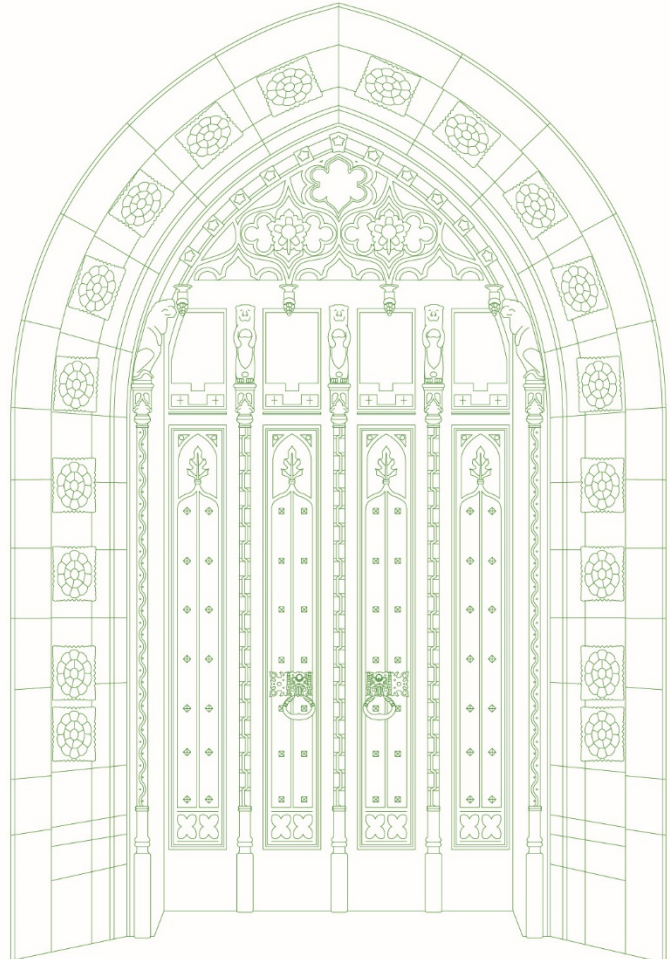


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1. Introduction

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 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 is dedicated to providing a range of quality services and expert advice to Members of Parliament to support them in their parliamentary duties. 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 provide outstanding services to Members and their staff, regardless of circumstance. The House Administration 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.

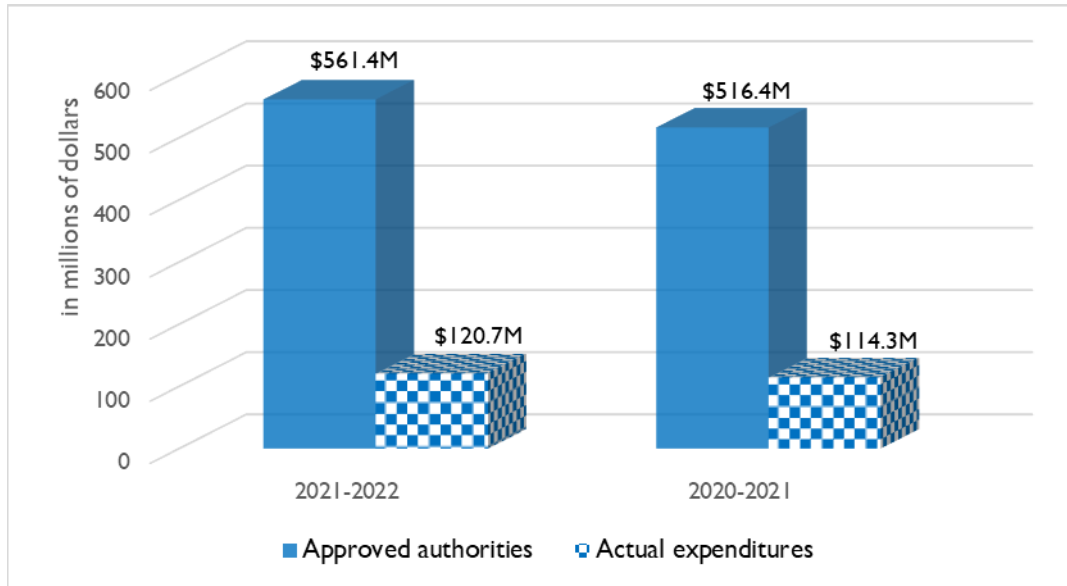
Since the beginning of the COVID-19 pandemic in March 2020, the House of Commons has demonstrated great agility in adapting to the situation and has continued to support a strong democracy. It remains vitally important to ensure the health and safety of Members, their employees and the employees of the House Administration, while ensuring the continued operations of the House of Commons and supporting the work of Members in their constituencies.

The House Administration will continue to adapt its operations, as required, in order to ensure that the needs of the House of Commons and its Members continue to be met in this unprecedented environment. Working under the guidance of the Speaker and the Board, the House Administration will also continue to monitor the situation with regard to the public health threat in order to be able to quickly adjust its services to Members so that they can continue to serve Canadians. This ongoing need for adaptability comes with some financial risk, which will be regularly monitored and reported to the Board to ensure the prudent use of available resources.

4. Highlights of Quarterly Results as at June 30

The following graph provides a comparison between the authorities that the Board approved for use and the actual expenditures as at June 30 for fiscal years 2021-2022 and 2020-2021.

Graph 1. Comparison Between Approved Authorities and Actual Expenditures



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 2021-2022 and 2020-2021

(in thousands of dollars)

Type	Description	2021-2022	2020-2021	Variance (\$)	Variance (%)
Statutory	Remuneration – Members (under the <i>Parliament of Canada Act</i>)	100,461	99,010	1,451	1.5
Statutory	Contributions – MPRA and MPRCA Accounts	16,200	15,500	700	4.5
Statutory	Employee Benefit Plans – Members and House Officers, and House Administration	43,524	41,815	1,709	4.1
Statutory	Subtotal	160,185	156,325	3,860	2.5
Non-statutory	Members and House Officers	185,079	169,138	15,940	9.4
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	7,715	8,985	(1,270)	(14.1)
Non-statutory	House Administration	208,429	181,920	26,509	14.6
Non-statutory	Subtotal	401,224	360,044	41,180	11.4
Total		561,409	516,369	45,040	8.7

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

For 2021-2022, the House of Commons' total approved authorities of \$561.4M are composed of the following items:

- \$543.7M from the Main Estimates; and
- \$17.7M from the Supplementary Estimates.

As shown in the table above, the House of Commons' total approved authorities available for use in fiscal year 2021-2022 increased by \$45M (8.7%) compared to 2020-2021. The most significant changes relate to the inclusion of the operating budget carry-forward of \$17.7M in the first quarter of 2021-2022; this carry-forward was not included in the first quarter of 2020-2021 due to the pandemic, which caused a delay in seeking Board approval. Aside from this timing difference, additional changes, compared to last year, are as follows:

- \$6.6M for security support enhancements for Members;
- \$5.6M for economic increases for certain House Administration employees;
- \$4.2M for the sustainment of IT systems and facility assets relating to the Long-Term Vision and Plan;
- \$3.1M for the sustainment of end-user software subscriptions;
- \$2.1M for the stabilization of the House Administration's enhanced services;
- \$1.7M for cost of living increases for Members and House Officers;
- \$1.7M for Employee Benefit Plans (EBPs);

- \$1.3M for an adjustment in statutory authorities related to the sessional allowance and additional salaries of Members and House Officers; and
- \$1.2M for the Elector Supplement adjustment made following the 2019 general election.

It should be noted that the Board also approved economic increases in 2021-2022 for certain House Administration employees; however, these increases are being risk-managed through existing resources and have therefore not led to an increase in authorities.

4.2 Expenditures Analysis

Table 2. Comparison of Year-to-date Expenditures for the Quarter Ended June 30 of Fiscal Years 2021-2022 and 2020-2021

(in thousands of dollars)

Type	Description	2021-2022	2020-2021	Variance (\$)	Variance (%)
Statutory	Remuneration – Members (under the <i>Parliament of Canada Act</i>)	18,946	18,232	714	3.9
Statutory	Contributions – MPRA and MPRCA Accounts	3,969	3,351	618	18.5
Statutory	Employee Benefit Plans – Members and House Officers, and House Administration	10,881	10,454	427	4.1
Statutory	Subtotal	33,796	32,037	1,759	5.5
Non-statutory	Members and House Officers	37,480	36,114	1,366	3.8
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	139	(280)	419	(149.7)
Non-statutory	House Administration	49,278	46,469	2,808	6.0
Non-statutory	Subtotal	86,897	82,304	4,593	5.6
Total		120,693	114,340	6,353	5.6

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

Expenditures for 2021-2022 have increased by \$6.4M (5.6%) compared to the previous fiscal year. Changes to the expenditures are based on the spending trends observed during two fiscal years when COVID-19-related measures have been and continue to be implemented.

The recent easing of public health restrictions on travel and gatherings has contributed to a slight uptake in travel and hospitality expenditures, mostly in support of Members carrying out their parliamentary functions. In addition, with the reopening of constituency offices, staffing levels are gradually getting back to pre-pandemic levels. As for the printing facility, it has been operating at full capacity since September 2020, while limited in-person activity on the Hill continues to impact catering services as well as attendance in cafeterias and restaurants.

Following the investments in technology made in the previous year to support virtual House proceedings and committees and to enable telework during the pandemic, the House Administration continues to support this new way of doing business in order to manage risks.

Cost of living increases have also impacted spending trends. These include the increases to the Members' sessional allowance and additional salaries, in accordance with the *Parliament of Canada Act*, as well as the economic increases for certain House Administration employees and the annual increases to Members' employee salaries.

Finally, the implementation of security enhancements for Members began in 2020-2021 and will continue in this fiscal year.

4.3 Budget Utilization as at June 30

Table 3. Budget Utilization for the Quarter Ended June 30 of Fiscal Years 2021-2022 and 2020-2021

(in thousands of dollars)

Type	Description	2021-2022 Authorities	2021-2022 Expenditures	2021-2022 % Spent	2020-2021 Authorities	2020-2021 Expenditures	2020-2021 % Spent
Statutory	Remuneration – Members (under the <i>Parliament of Canada Act</i>)	100,461	18,946	18.9	99,010	18,232	18.4
Statutory	Contributions – MPRA and MPRCA Accounts	16,200	3,969	24.5	15,500	3,351	21.6
Statutory	Employee Benefit Plans – Members and House Officers, and House Administration	43,524	10,881	25.0	41,815	10,454	25.0
Statutory	Subtotal	160,185	33,796	21.1	156,325	32,037	20.5
Non-statutory	Members and House Officers	185,079	37,480	20.3	169,138	36,114	21.4
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	7,715	139	1.8	8,985	(280)	(3.1)
Non-statutory	House Administration	208,429	49,278	23.6	181,920	46,469	25.5
Non-statutory	Subtotal	401,224	86,897	21.7	360,044	82,304	22.9
Total		561,409	120,693	21.5	516,369	114,340	22.1

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

The utilization of authorities in 2021-2022 has shown a slight decrease of 0.6% compared to the previous fiscal year. The decrease is mostly attributable to the inclusion of the operating budget carry-forward in the first quarter of the current fiscal year, when compared to the same quarter of the previous fiscal year.

5. Appendix – Additional Information

Table 4. Year-to-date Expenditures by Standard Object and Program for the Quarter Ended June 30 of Fiscal Years 2021-2022 and 2020-2021

(in thousands of dollars)

	2021-2022 Members, House Officers and Committees, Parliamentary Associations and Parliamentary Exchanges	2021-2022 Centrally Funded**	2021-2022 House Administration	2020-2021 Members, House Officers and Committees, Parliamentary Associations and Parliamentary Exchanges	2020-2021 Centrally Funded**	2020-2021 House Administration
Salaries and Benefits*	48,179	1,433	48,361	46,152	1,125	46,012
Contributions – MPRA and MPRCA Accounts	3,969	-	-	3,351	-	-
Transportation and Telecommunications	1,935	928	465	1,850	810	343
Advertising and Printing Services	1,710	274	1	1,521	610	5
Professional and Special Services	791	280	2,040	457	262	1,794
Rentals and Licences	2,956	612	2,397	3,078	361	1,629
Repairs and Maintenance	19	243	1,000	79	387	643
Utilities, Materials and Supplies	196	774	303	182	171	200
Computers, Office Equipment, Furniture and Fixtures	363	170	1,245	488	1,085	1,816
Transfer Payments	128	-	23	-	-	23
Other	105	92	116	82	173	102
Total Gross Expenditures	60,352	4,806	55,951	57,239	4,984	52,566
Less Revenues Netted Against Expenditures	(19)	(19)	(378)	(308)	(2)	(139)
Total Net Expenditures	60,333	4,787	55,573	56,931	4,982	52,427

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

*The sessional allowance and additional salaries for Members and House Officers are included in *Salaries and Benefits* under *Members, House Officers and 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.