



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

QUARTERLY FINANCIAL REPORT FOR THE THIRD QUARTER OF 2021-2022

UNAUDITED
PRESENTED TO THE BOARD OF INTERNAL ECONOMY

AS AT DECEMBER 31, 2021

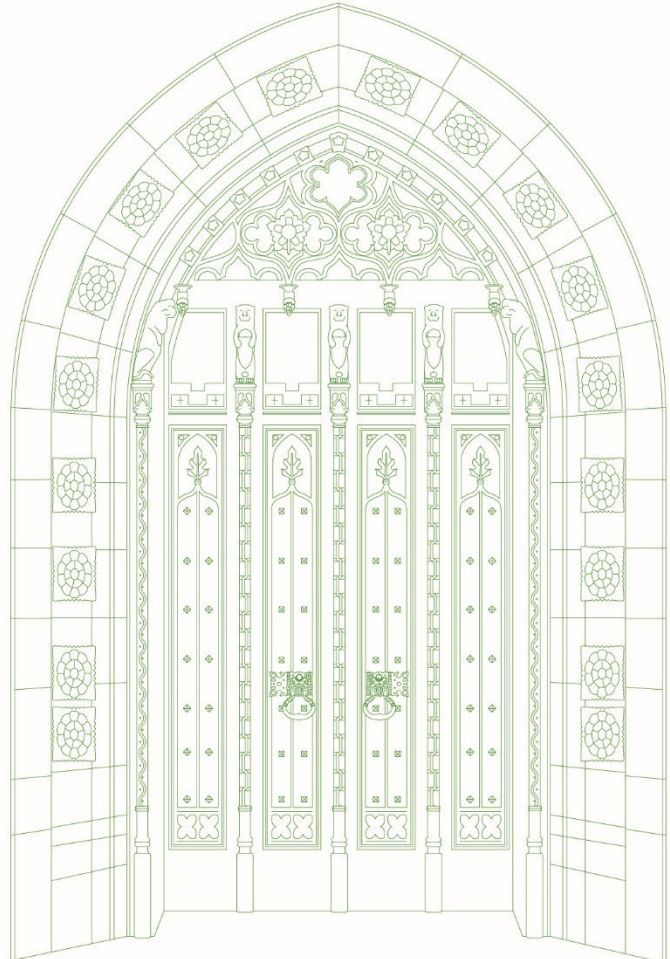


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1. Introduction

The *Quarterly Financial Report* (QFR) 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's Main Estimates and other items for that same fiscal year, which have been approved by the Board. The accounting method used by the Administration to prepare the QFR differs slightly from the standards set by the Canadian Institute of Chartered Accountants for the preparation of year-end audited financial statements. The QFR excludes various non-cash expenditures recognized by generally accepted accounting principles (e.g. accommodations and services received without charge), which would be included in accrual-based reports such as the financial statements.

3. Corporate Risks

New operational risks have emerged since the beginning of the COVID-19 pandemic, and those risks are continuously being monitored and managed. The House has demonstrated great agility in ensuring the health and safety of Members, their employees and the employees of the Administration, while maintaining its continued operations and supporting the work of Members in their constituencies.

To mitigate the impact of pandemic-related operational risks as "One House", various protocols were implemented. The House also made significant investments in technology and implemented the appropriate COVID-19 preventative measures. Managing operational risks during the pandemic has been a priority, and significant efforts have been undertaken to maintain services to stakeholders.

Financial risks have also been identified during the pandemic and are being managed effectively, as evident by the positive financial results as at December 31, 2021. The Administration is continuously managing and monitoring expenditures and ensuring that sufficient funds are available to support the ongoing operations of the House.

4. Highlights of Quarterly Results as at December 31

As at the end of the third quarter (i.e. December 31, 2021), the House is operating within its authorities and continues to closely monitor the impacts of the pandemic, the general election and the convoy demonstration. The House is managing its finances as expected, and there are no material items of concern to report.

Total authorities for 2021-2022 are \$561.4M against which a total of \$366.8M has been expended at the end of the quarter. This compares to 2020-2021 where, at the end of the third quarter, total authorities and expenditures were \$539.0M and \$344.2M, respectively.

Authorities (Budget) (section 4.1) for 2021-2022 are \$561.4M, an increase of \$22.5M (4.2%) compared to 2020-2021 mainly due to:

- funding for cost of living increases for the Members' and House Officers' budgets;
- an increase to the Members' sessional allowance and additional salaries, along with funding for security support enhancements for Members;
- the sustainment of IT systems, facility assets and software subscriptions; and
- funding for the stabilization of enhanced services provided by the Administration.

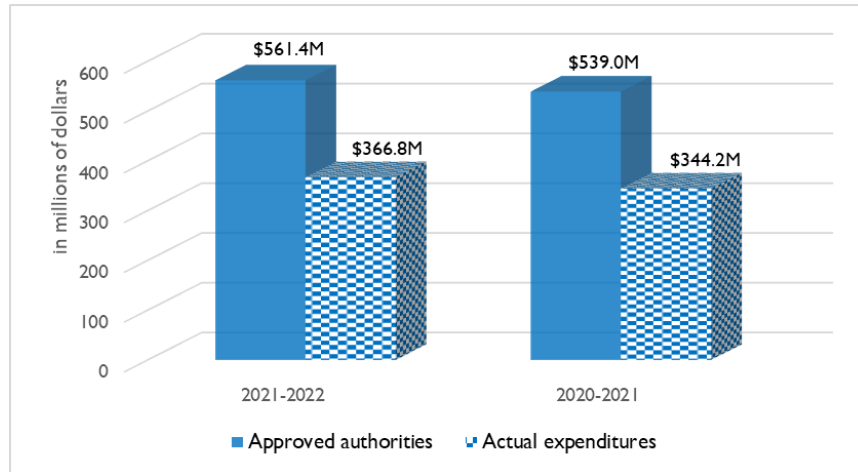
Actual expenditures (section 4.2) in 2021-2022 are \$366.8M, an increase of \$22.6M (6.6%) compared to 2020-2021 mainly due to:

- economic increases approved for certain Administration employees;
- an increase in travel and other expenditures due to the gradual easing of public health restrictions related to the pandemic;
- election-related costs such as severance payments for former Members and their employees.

The budget utilization in 2021-2022 is in line with that of the previous year, showing a marginal increase of 1.4%, which was planned and approved.

The following graph provides a comparison between the authorities that the Board approved for use and the actual expenditures as at December 31 for fiscal years 2021-2022 and 2020-2021.

Graph 1. Comparison Between Approved Authorities and Actual Expenditures



The House 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.

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 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	42,631	894	2.1
Statutory	Subtotal	160,185	157,141	3,045	1.9
Non-statutory	Members and House Officers	185,079	175,576	9,502	5.4
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	7,715	7,755	(40)	(0.5)
Non-statutory	House Administration	208,429	198,483	9,946	5.0
Non-statutory	Subtotal	401,224	381,815	19,409	5.1
Total		561,409	538,956	22,453	4.2

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

For 2021-2022, the House's 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's total approved authorities available for use in fiscal year 2021-2022 increased by \$22.5M (4.2%) compared to 2020-2021. The most significant changes relate to the following:

- \$6.6M for security support enhancements for Members;
- \$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 Administration's enhanced services;
- \$1.7M for cost of living increases for Members and House Officers;
- \$1.5M for the increase of the operating budget carry-forward;
- \$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.

The Board also approved economic increases in 2021-2022 for certain Administration employees; however, these increases are risk-managed through existing resources.

4.2 Expenditures Analysis

Table 2. Comparison of Year-to-date Expenditures for the Quarter Ended December 31 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>)	66,410	59,461	6,949	11.7
Statutory	Contributions – MPRA and MPRCA Accounts	11,903	10,093	1,810	17.9
Statutory	Employee Benefit Plans – Members and House Officers, and House Administration	32,643	31,362	1,282	4.1
Statutory	Subtotal	110,956	100,916	10,040	9.9
Non-statutory	Members and House Officers	111,950	111,184	766	0.7
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	514	321	193	60.3
Non-statutory	House Administration	143,405	131,777	11,628	8.8
Non-statutory	Subtotal	255,869	243,282	12,587	5.2
Total		366,825	344,198	22,628	6.6

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

Expenditures for 2021-2022 have increased by \$22.6M (6.6%) compared to the previous fiscal year. Changes to the expenditures are based on the spending trends observed during two fiscal years, neither of which reflects typical spending patterns: 2021-2022 when a general election was held during the pandemic, and 2020-2021 when COVID-19-related measures began to be implemented.

As COVID-19-related restrictions on travel and gatherings imposed by public health authorities are easing and activities are slowly resuming, travel, hospitality and advertising expenditures, mostly in support of Members carrying out their parliamentary functions, are gradually increasing. In addition, with the reopening of constituency offices, staffing is back to pre-pandemic levels. As for the printing services 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 Administration continues to support this new way of doing business in order to manage risks.

In addition to having been impacted by the pandemic, spending trends have been impacted by the general election. More specifically, expenditures related to severance payments for former Members and their employees as well as those related to computer equipment for newly elected Members have increased, while expenditures related to Members' employee salaries have decreased.

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

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 December 31

Table 3. Budget Utilization for the Quarter Ended December 31 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	66,410	66.1	99,010	59,461	60.1
Statutory	Contributions – MPRA and MPRCA Accounts	16,200	11,903	73.5	15,500	10,093	65.1
Statutory	Employee Benefit Plans – Members and House Officers, and House Administration	43,524	32,643	75.0	42,631	31,362	73.6
Statutory	Subtotal	160,185	110,956	69.3	157,141	100,916	64.2
Non-statutory	Members and House Officers	185,079	111,950	60.5	175,576	111,184	63.3
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	7,715	514	6.7	7,755	321	4.1
Non-statutory	House Administration	208,429	143,405	68.8	198,483	131,777	66.4
Non-statutory	Subtotal	401,224	255,869	63.8	381,815	243,282	63.7
Total		561,409	366,825	65.3	538,956	344,198	63.9

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

The utilization of authorities in 2021-2022 has shown an increase of 1.4% compared to the previous fiscal year.

5. Appendix – Additional Information

Table 4. Year-to-date Expenditures by Standard Object and Program for the Quarter Ended December 31 of Fiscal Years 2021-2022 and 2020-2021

(in thousands of dollars)

	2021-2022 Members, House Officers and Committees, Parliamentary Associations and Parliamentary Exchanges			2020-2021 Members, House Officers and Committees, Parliamentary Associations and Parliamentary Exchanges		
		2021-2022 Centrally Funded**	2021-2022 House Administration		2020-2021 Centrally Funded**	2020-2021 House Administration
Salaries and Benefits*	142,431	7,366	150,391	138,909	4,098	140,331
Contributions – MPRA and MPRCA Accounts	11,903	-	-	10,093	-	-
Transportation and Telecommunications	7,419	7,155	1,849	6,782	5,173	1,927
Advertising and Printing Services	5,749	922	37	5,820	1,989	32
Professional and Special Services	2,467	2,255	6,900	2,337	1,326	5,986
Rentals and Licences	9,206	742	3,771	9,436	643	2,731
Repairs and Maintenance	118	500	3,804	357	949	4,172
Utilities, Materials and Supplies	880	2,163	1,666	319	1,724	1,255
Computers, Office Equipment, Furniture and Fixtures	804	1,357	5,649	1,187	3,131	4,119
Transfer Payments	405	-	30	490	-	28
Other	585	219	258	360	140	252
Total Gross Expenditures	181,967	22,678	174,355	176,090	19,172	160,833
Less Revenues Netted Against Expenditures	(52)	(60)	(12,062)	(336)	(380)	(11,183)
Total Net Expenditures	181,915	22,618	162,292	175,755	18,792	149,650

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 Administration to support Members and House Officers.