



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

2018-2019 QUARTERLY FINANCIAL REPORT (Q3)

UNAUDITED
PRESENTED TO THE BOARD OF INTERNAL ECONOMY

AS AT DECEMBER 31, 2018



Table of Contents

1. Introduction	2
2. Basis of Presentation	2
3. Corporate Risks	2
4. Highlights of Quarterly Results as at December 31	3
4.1 Authorities Analysis	4
4.2 Expenditures Analysis	5
4.3 Budget Utilization as at December 31	8

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 at the end of each quarter of the current fiscal year (in this case 2018-2019) with the year to date financial information at the end of the same quarter of the previous fiscal year (in this case 2017-2018).

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

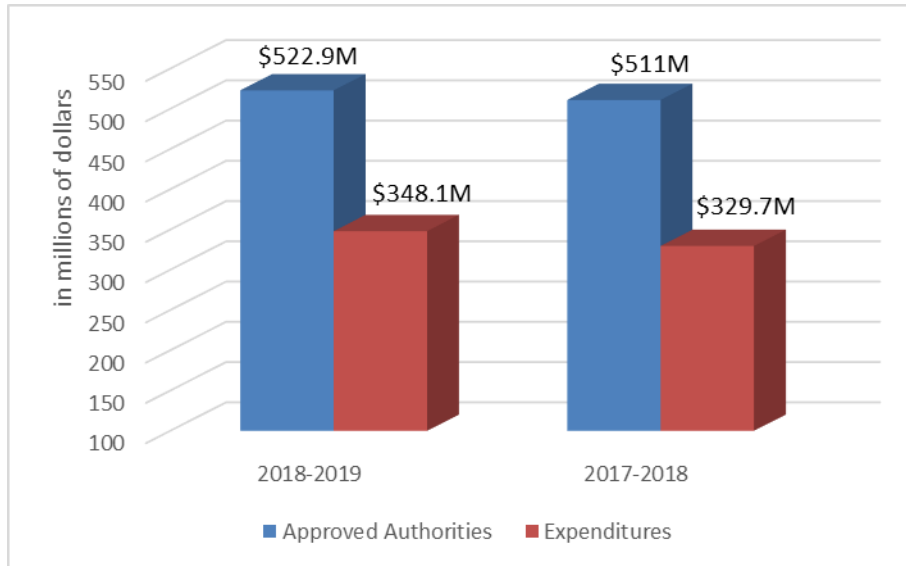
The House Administration's ability to quickly respond to various pressures on its clients and employees, its environment, and its systems and technologies allows it to continue to deliver on initiatives under the Long-Term Vision and Plan (LTVP). The House Administration therefore supports readiness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

The following graph provides a comparison between authorities approved for use by the Board of Internal Economy and actual expenditures as at December 31 of fiscal years 2018-2019 and 2017-2018.

Graph 1. Comparison Between Approved Authorities and Actual Expenditures



Total authorities have shown a modest increase compared to 2017-2018, and expenditures have increased accordingly. It should be noted that the delay in the move to West Block has resulted in surpluses that have been reallocated to cover costs associated with other initiatives, such as the economic increases for House Administration employees. The House of Commons continuously strives to minimize requests for incremental funding whenever possible, thus promoting an efficient use of resources and avoiding the need to seek approval for additional resources.

4.1 Authorities Analysis

Approved Authorities for the Quarter Ended on December 31

Approved by the Board of Internal Economy by the end of the respective quarter.

Table 1. Comparison of Approved Authorities for Quarter Ended December 31 of Fiscal Years 2018-2019 and 2017-2018

(in thousands of dollars)

Type	Description	2018-2019	2017-2018	Variance (\$)	Variance (%)
Statutory	Members and House Officers	120,174	120,093	81	0.1
Statutory	Employee Benefit Plans — Members and House Officers, and House Administration	39,834	40,203	(369)	(0.9)
Statutory	Subtotal	160,008	160,296	(288)	(0.2)
Non-statutory	Members and House Officers	168,515	167,221	1,294	0.8
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	9,160	8,310	850	10.2
Non-statutory	House Administration	185,236	175,186	10,050	5.7
Non-statutory	Subtotal	362,911	350,717	12,194	3.5
Total		522,919	511,013	11,906	2.3

In 2018-2019, the House of Commons' total approved authorities of \$522.9M are composed of the following items:

- \$507M obtained through the Main Estimates; and
- \$15.9M that will be requested through the Supplementary Estimates.

As reflected in the table above, the House of Commons' total approved authorities available for use in fiscal year 2018-2019 increased by \$11.9M (2.3%) compared to 2017-2018. The most significant changes to the authorities relate to the following:

- \$10.6M for the LTVP; and
- \$1M for conferences, associations and assemblies.

4.2 Expenditures Analysis

Expenditures for the Quarter Ended on December 31

Table 2. Comparison of Year-to-date Expenditures for Quarter Ended December 31 of Fiscal Years 2018-2019 and 2017-2018

(in thousands of dollars)

Type	Description	2018-2019	2017-2018	Variance (\$)	Variance (%)
Statutory	Members and House Officers	76,376	74,689	1,687	2.3
Statutory	Employee Benefits Plans — Members and House Officers, and House Administration	29,875	28,982	893	3.1
Statutory	Subtotal	106,251	103,671	2,580	2.5
Non-statutory	Members and House Officers	109,141	103,569	5,572	5.4
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	3,563	3,765	(202)	(5.4)
Non-statutory	House Administration	129,105	118,675	10,430	8.8
Non-statutory	Subtotal	241,809	226,009	15,800	7.0
Total		348,060	329,680	18,380	5.6

Table 3. Comparison of Expenditures by Standard Object Between 2018-2019 and 2017-2018

(in thousands of dollars)

Expenditures	2018-2019	2017-2018	Variances (\$)	Variances (%)
Salaries and benefits	283,580	265,359	18,221	6.9
Transportation and Telecommunications	28,712	27,109	1,603	5.9
Advertising and Printings Services	6,496	5,924	572	9.7
Professional and Specials Services	15,846	16,649	(803)	(4.8)
Rentals and Licences	11,375	12,657	(1,282)	(10.1)
Repairs and Maintenance	2,981	1,967	1,014	51.6
Utilities, Materials and Supplies	7,753	7,544	209	2.8
Computers, Office Equipment, Furniture and Fixtures	5,439	4,743	696	14.7
Transfer Payments	551	856	(305)	(35.6)
Other	940	770	170	22.1
Total Gross	363,673	343,578	20,095	5.8
Less Revenues Netted Against Expenditures	(15,613)	(13,898)	(1,715)	12.3
Total Net Expenditures	348,060	329,680	18,380	5.6

Expenditures for 2018-2019 increased by \$18.4M (5.6%) at the end of December compared to the previous fiscal year. The most significant changes to the expenditures by standard object are explained below.

Salaries and Benefits

Personnel expenditures increased by \$18.2M by the end of the third quarter of 2018-2019 compared to the previous fiscal year. This increase is mainly due to:

- additional employees hired in support of the LTVP and major investments, such as the Digital Strategy to Modernize the Delivery of Parliamentary Information, the Food Services Modernization and Optimization of Services, the House Officers' expenditure disclosure, the Human Resources Services' pay and benefit services, as well as the creation of the Office of the Deputy Clerk, Administration;
- cost of living increases, including the economic increases to finalize the 10th round of collective bargaining, which cover retroactive payments for the past four years; and
- additional staff hired to support Members in the discharge of their parliamentary functions.

Transportation and Telecommunications

The increase of \$1.6M is mostly due to increases of \$1.2M in travel expenditures and of \$0.4M in telecommunications expenditures in support of Members carrying out their parliamentary functions. In addition, the increase is the result of differences in the timing of payments from one year to another.

Rentals and Licences

The decrease of \$1.3M is mainly due to changes in timing of payments associated with annual software licencing for various network and desktop applications. In 2017-2018, payments were made prior to the end of the third quarter, whereas by the end of that same quarter in 2018-2019, payments had not been made.

Repairs and Maintenance

The increase of \$1M is mainly due to the LTVP and investments in facilities.

Revenues

The increase in revenues of \$1.7M is mainly due to earlier recoveries compared to the previous year, as well as slightly higher revenues due to in part to activities related to the LTVP.

4.3 Budget Utilization as at December 31

Table 4. Budget Utilization for Quarter Ended December 31 of Fiscal Years 2018-2019 and 2017-2018

(in thousands of dollars)

Type	Description	2018-2019 Authorities	2018-2019 Expenditures	2018-2019 % Spent	2017-2018 Authorities	2017-2018 Expenditures	2017-2018 % Spent
Statutory	Members and House Officers	120,174	76,376	63.6	120,093	74,689	62.2
Statutory	Employee Benefits Plans — Members and House Officers, and House Administration	39,834	29,875	75.0	40,203	28,982	72.1
Statutory	Subtotal	160,008	106,251	66.4	160,296	103,671	64.7
Non-statutory	Members and House Officers	168,515	109,141	64.8	167,221	103,569	61.9
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	9,160	3,563	38.9	8,310	3,765	45.3
Non-statutory	House Administration	185,236	129,105	69.7	175,186	118,675	67.7
Non-statutory	Subtotal	362,911	241,809	66.6	350,717	226,009	64.4
Total		522,919	348,060	66.6	511,013	329,680	64.5

As at December 31, 2018, the utilization of authorities remains stable compared to the previous year, only showing a slight increase of 2.1%.

As a result of project delays (e.g. the move to West Block), the House of Commons was able to fund other initiatives internally, such as the costs related to the economic increases to finalize the 10th round of collective bargaining. Therefore, the House did not seek additional external funding and was able to manage within previously approved authorities.