



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

2018-2019 YEAR-END FINANCIAL REPORT

UNAUDITED
PRESENTED TO THE BOARD OF INTERNAL ECONOMY

AS AT MARCH 31, 2019



Table of Contents

1. Introduction	2
2. Basis of Presentation	2
3. Corporate Risks	2
4. Highlights of Fiscal Year-end Results as at March 31	3
4.1 Authorities Analysis	4
4.2 Expenditures Analysis	5
4.3 Budget Utilization as at March 31	8
4.4 Year-end Financial Situation	9

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 (2018-2019) with the financial information of the previous year (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

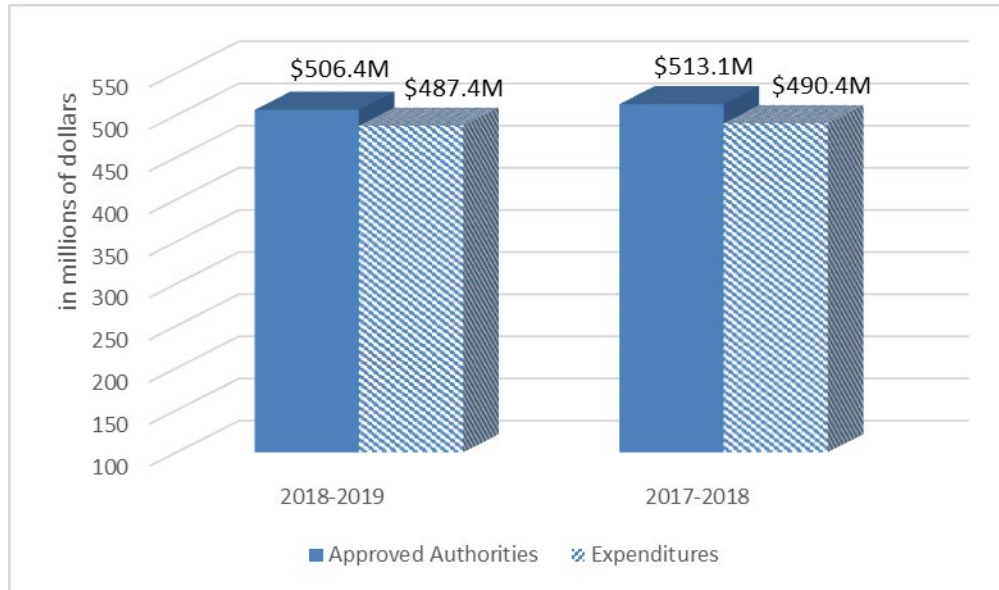
The House Administration's ability to quickly respond to various pressures on its clients and employees, its environment, and its systems and technologies allows it to continue to deliver on initiatives under the Long-Term Vision and Plan (LTVP). The House Administration therefore supports readiness 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 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 2018-2019 and 2017-2018.

Graph 1. Comparison Between Approved Authorities and Actual Expenditures



Total authorities have shown a modest decrease compared to 2017-2018, and expenditures have decreased 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 fiscal year ended on March 31

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

Table 1. Comparison of Year-end Approved Authorities Ended March 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	104,371	127,160	(22,789)	(17.9)
Statutory	Employee Benefits Plans — Members and House Officers, and House Administration	39,106	35,219	3,887	11.0
Statutory	Subtotal	143,477	162,379	(18,902)	(11.6)
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		506,388	513,096	(6,708)	(1.3)

In 2018-2019, the House of Commons' total authorities of \$506.4M consist of the following items:

- \$507M obtained through the Main Estimates;
- \$15.9M obtained through the Supplementary Estimates; and
- a decrease of \$16.5M for statutory items to equal actual expenditures as per Treasury Board directives.

As reflected in the table above, the House of Commons' total authorities available for use in 2018-2019 decreased by \$6.7M (1.3%) compared to 2017-2018. The most significant changes to the authorities relate to a decrease of \$25M for the Member's pension plans (the MPRA and MPRCA accounts), offset by:

- \$10.6M for the LTVP;
- \$6.1M adjustment in statutory authorities for employee benefit plans as well as for Members' sessional allowances, travel and telecommunications; and
- \$1M for conferences, associations and assemblies.

4.2 Expenditures Analysis

Expenditures for the fiscal year ended on March 31

Table 2. Comparison of Year-end Expenditures Ended March 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	104,371	127,160	(22,789)	(17.9)
Statutory	Employee Benefits Plans — Members and House Officers, and House Administration	39,106	35,219	3,887	11.0
Statutory	Subtotal	143,477	162,379	(18,902)	(11.6)
Non-statutory	Members and House Officers	156,999	153,203	3,796	2.5
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	7,040	5,985	1,055	17.6
Non-statutory	House Administration	179,897	168,816	11,081	6.6
Non-statutory	Subtotal	343,936	328,004	15,932	4.9
Total		487,413	490,383	(2,970)	(0.6)

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

(in thousands of dollars)

Expenditures	2018-2019	2017-2018	Variances (\$)	Variances (%)
Salaries and benefits	386,081	384,324	1,757	0.5
Transportation and Telecommunications	42,328	39,834	2,494	6.3
Advertising and Printings Services	10,935	10,527	408	3.9
Professional and Specials Services	27,967	28,037	(70)	(0.2)
Rentals and Licences	19,422	20,647	(1,225)	(5.9)
Repairs and Maintenance	5,841	8,744	(2,903)	(33.2)
Utilities, Materials and Supplies	11,142	11,014	128	1.2
Computers, Office Equipment, Furniture and Fixtures	14,415	16,126	(1,711)	(10.6)
Transfer Payments	1,041	1,023	18	1.8
Other	864	958	(94)	(9.8)
Total Gross	520,036	521,234	(1,198)	(0.2)
Less Revenues Netted Against Expenditures	(32,623)	(30,851)	(1,772)	5.7
Total Net Expenditures	487,413	490,383	(2,970)	(0.6)

Expenditures for 2018-2019 have decreased by \$3M (0.6%) when 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 \$1.8M in 2018-2019 when compared to the previous 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 fulfillment of their parliamentary functions.

This increase is offset by:

- a decrease of \$25M for the Member's pension plans (MPRA and MPRCA) due to a one-time special payment of \$25.2M made in 2017-2018 for an actuarial adjustment as directed in the Actuarial Report on the Pension Plan for the Members of Parliament as at March 31, 2016.

Transportation and Telecommunications

The increase of \$2.5M is mostly due to increases in travel expenditures and telecommunications expenditures in support of Members carrying out their parliamentary functions, as well as an increase in travel expenditures associated with the conferences that were held in 2018-2019.

Rentals and Licences

The decrease of \$1.2M is mainly due to changes in timing of payments associated with annual software licencing for various network and desktop applications.

Repairs and Maintenance

The decrease of \$2.9M is mainly due to the investment for security enhancements in West Block made in 2017-2018, offset by costs related to the LTVP.

Computers, Office Equipment, Furniture and Fixtures

The decrease of \$1.7M is mainly due to reduced equipment purchases made on behalf of other parliamentary institutions on a cost-recovery basis, as well as a decrease in workplace fit-up costs.

Revenues

The \$1.8M increase in revenues is mainly due to an increase in services provided to federal government departments and agencies, as well as other parliamentary institutions, on a cost-recovery basis, such as Public Services and Procurement Canada for the LTVP, offset by a reduction in recoveries from other parliamentary institutions for equipment purchases.

4.3 Budget Utilization as at March 31

Table 4. Budget Utilization for Year Ended March 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	104,371	104,371	100.0	127,160	127,160	100.0
Statutory	Employee Benefits Plans — Members and House Officers, and House Administration	39,106	39,106	100.0	35,219	35,219	100.0
Statutory	Subtotal	143,477	143,477	100.0	162,379	162,379	100.0
Non-statutory	Members and House Officers	168,515	156,999	93.2	167,221	153,203	91.6
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	9,160	7,040	76.9	8,310	5,985	72.0
Non-statutory	House Administration	185,236	179,897	97.1	175,186	168,816	96.4
Non-statutory	Subtotal	362,911	343,936	94.8	350,717	328,004	93.5
Total		506,388	487,413	96.3	513,096	490,383	95.6

The utilization of authorities in 2018-2019 has increased compared to the previous year, showing an increase of 0.7%.

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.

4.4 Year-end Financial Situation

Table 5. Financial situation for fiscal year ended on 31 March

(in thousands of dollars)

Type	Description	2018-2019 Budget	2018-2019 Net Expenditures	2018-2019 Surplus / Deficit
Statutory	Members and House Officers	104,371	104,371	-
Statutory	Employee Benefits Plans — Members and House Officers, and House Administration	39,106	39,106	-
Statutory	Subtotal	143,477	143,477	-
Non-statutory	Members and House Officers	168,515	156,999	11,516
Non-statutory	Committees, Parliamentary Associations and Parliamentary Exchanges	9,160	7,040	2,120
Non-statutory	House Administration	185,236	179,897	5,339
Non-statutory	Subtotal	362,911	343,936	18,975
Total		506,388	487,413	18,975

As at March 31, 2019, total statutory and voted expenditures were \$487.4M, leaving a surplus of \$19M. This amount corresponds to the lapse that will be reported in the *Public Accounts of Canada*. It should be noted that the surplus represents 5.5% of the Main Estimates' voted authorities, whereas the maximum allowable operating budget carry forward is limited to 5% of the Main Estimates, or \$17.4M.