



## LEGISLATIVE ASSEMBLY MANAGEMENT COMMITTEE

### BRIEFING NOTE: QUARTER 4 FINANCIAL UPDATE – YEAR ENDED MARCH 31, 2023

#### PURPOSE

To present the Legislative Assembly Management Committee with an overview of the unaudited financial results for the year ended March 31, 2023.

#### DISCUSSION

The Legislative Assembly Administration is in the process of wrapping up the year end and preparing for the annual external audit of the financial statements later this summer. This report provides a preliminary overview of the results and variances from budget.

Throughout the year, the Legislative Assembly Administration has monitored the projected spend with an aim to reallocate funding to strategic priorities as inevitable underspend due to delays and vacancies impact the original plan.

#### Operating Summary

The unaudited results for the Legislative Assembly show as net underspend of \$4.6 million (5.1%) compared to budget. This is primarily due to a conservative approach to budgeting for the expenditures related to Members' Services. This budget is built on the assumption that all MLAs are entitled to and funded for the full amounts of any allowable expenses. Throughout the year, as the activities and constituency office (CO) operations vary between Members, not all the budget is required by every Member or CO. As a result, the budget has a built-in underspend which enables the Legislative Assembly's budget to have capacity to fund all required activities should they be required or requested. Appendix 1 shows a detailed breakdown of the various areas of operation.

#### *Members' Services*

Overall, as noted above, Members' Services is planned to have an annual underspend. For fiscal year 2022-23, this underspend was \$3.7 million (8.4%). Members' indemnities was the largest underspend primarily due to underutilization of the benefits component of this budget, the timing of committee appointments, as well as a positive variance in travel, supplies, and network costs.

The positive variance in Members' constituency support is due to a significant savings compared to budget in leasing and CO operating costs as well as wage and benefit savings resulting from vacancies.

The savings in Parliamentary Committees and Interparliamentary Relations directly relate to having fewer in person meetings and attendance at conferences which reduced the travel as well as staff costs.

### *Caucus Support Services*

Overall, Caucus Support Services had an underspend of \$760 thousand (8.9%) compared to budget. This reflects a variance in the salaries and office operating costs in individual caucus operations. The overspend has been offset in the 2023-24 budget for the individual caucuses.

### *Legislative Assembly Administration*

Overall, the Legislative Assembly Administration was \$172 thousand (0.04%) underspent for the fiscal year. Throughout the year, the Administration monitors the projected spend to reallocated available budget towards strategic priorities. For this report, the budget column does not reflect any additional funds allocated throughout the year which presents in many instances as an overspend. In all instances, this overspend and underspend were anticipated. Through the Budget and Forecast Review Committee and the Clerk's Leadership Group, the funds were reallocated from one area to another to maximize the use of the Administration budget and maintain momentum with projects and agility in responding to shifting service requirements.

Across the Administration, cost of living increases which were higher than originally budgeted accounted for overspend in wages. The significant overspend in Financial Services resulted from the costs associated with the leadership transition. The Parliamentary Dining Room was significantly busier than anticipated, however, staff shortages and increased food costs led to higher than anticipated expenses. The variance in Human Resources was a planned reallocation of funds to support the addition of staff and consulting expenses to start the Enterprise Resource Planning (ERP) software system replacement project. The underspend in Capital Planning and Development is a due to increased vacancies which in turn contributed to the delay in the completion of several capital projects. These delayed capital projects then impacted the General Centralized Expenses by reducing the amortization costs.

These significant underspend amounts were part of the funds reallocated throughout the year. Lastly, the overspend in Hansard Services is due to higher than anticipated levels of activities compounded by increased wage rates resulting from the cost of living increases approved mid-year by the Legislative Assembly Management Committee.

### **Capital Summary**

As reported throughout the fiscal year, limited staff resources combined with supply chain issues contributed to the significant underspend of \$4.475 million (47.2%) in the overall capital budget (Appendix 1). The small positive variances in Caucus Support Services reflect a budget for furniture that was not completely spent during the year.

The Sergeant-at-Arms underspend reflects the accumulation of savings across various projects such as replacement dispatch, mailroom x-ray, and other equipment. Within Legislative Assembly Administration capital budget, there are variances in furniture and equipment budgets, but the primary underspend relates to \$3.9 million in building projects which are underway but not completed in fiscal 2022-23. While all projects were impacted from staffing and supply chain challenges, this was most impactful in the building projects.

After a late start this past year, the life and safety projects in the main building got underway mid-year. The impact of this late start is that while the projects are now on track to be completed this fiscal. As staff

work through the first quarter, projects will be reviewed to determine the resourcing capacity and timing for the start and completion of the next series of capital projects.

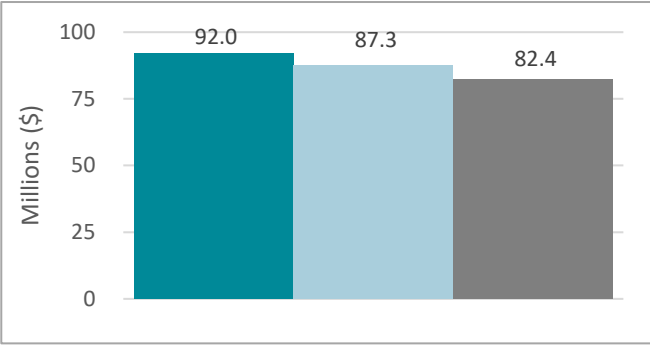


# EXECUTIVE FINANCIAL SUMMARY

## For the period ending March 31, 2023 (Unaudited)

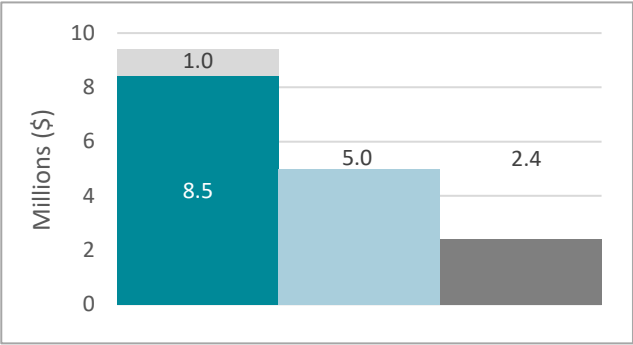
### Operating Expenses - Total

\$4.7 M Underspend



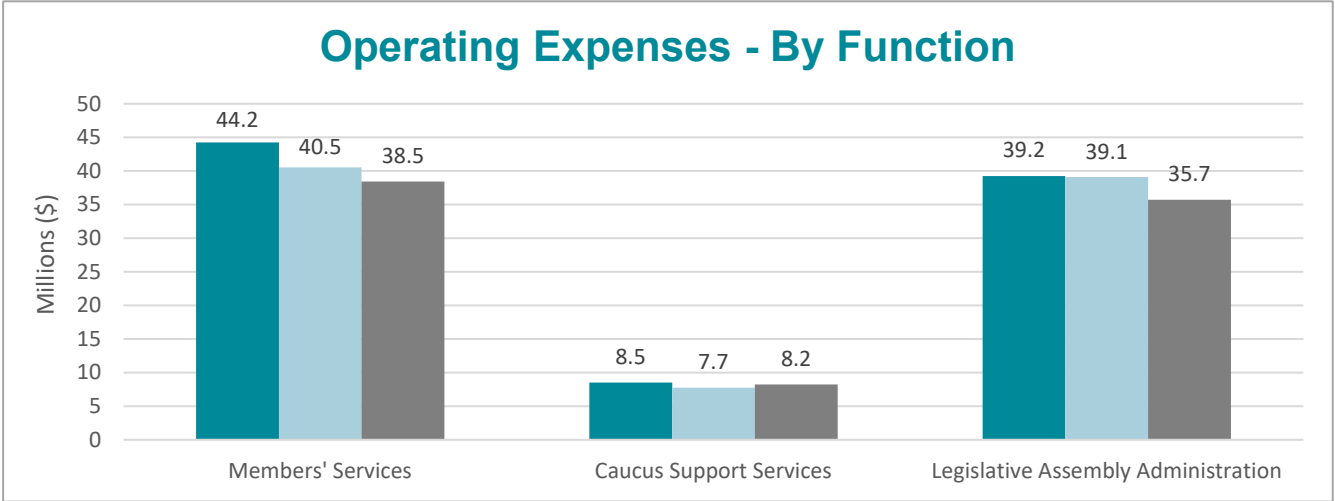
### Capital Expenses - Total

\$4.5 M Underspend



■ 2022/23 Budget ■ 2022/23 Actual ■ 2021/22 Actual ■ Contingency Reserve

### Operating Expenses - By Function



**Members' Services:** Savings of \$3.7 million (8.3%) due to anticipated underspend across the CO network. Budget assumptions include full spend for each CO office, travel and other expenditures.

**Caucus Support Services:** The \$8.5 million (0.9%) Caucus Support Services budget was underspent by \$760 thousand.

**Legislative Assembly Administration:** Overall underspend of only \$172 thousand (0.5%) resulted from of reallocation of funds mid year to recognize delayed projects and savings from vacancies. Mid-cycle reallocation included recognition of higher cost of living increases, additional Hansard activities, and additional IT projects.

## 2022-23 Operating Expenditures by Function

Department	2022/23 Budget	2022/23 Actual	2021/22 Actual	Budget to Actual Variance	
				\$	%
<b>Members' Services</b>					
Members' Indemnities	20,536,000	17,722,123	16,770,589	2,813,877	13.7%
Members' Constituency Support	22,197,000	21,781,550	20,915,121	415,451	1.9%
Legislative Internship Program	469,000	469,886	417,056	(886)	-0.2%
Parliamentary Committees	750,000	387,395	303,190	362,605	48.3%
Interparliamentary Relations	283,000	155,008	46,585	127,992	45.2%
<b>Total</b>	<b>44,235,000</b>	<b>40,515,962</b>	<b>38,452,540</b>	<b>3,719,038</b>	<b>8.4%</b>
<b>Caucus Support Services</b>					
Official Opposition Caucus	3,463,000	2,661,333	3,413,277	801,667	23.1%
Government Caucus	4,313,000	4,352,058	4,259,860	(39,058)	-0.9%
Third Party Caucus	601,000	604,092	554,574	(3,092)	-0.5%
Independent(s)	122,000	121,517	-	483	-
<b>Total</b>	<b>8,499,000</b>	<b>7,738,999</b>	<b>8,227,712</b>	<b>760,001</b>	<b>8.9%</b>
<b>Legislative Assembly Administration</b>					
Respectful Workplace Office	250,000	8,000	88,024	242,000	96.8%
Office of the Speaker	346,000	315,078	269,986	30,922	8.9%
Office of the Clerk	1,943,000	1,913,089	1,471,377	29,911	1.5%
Clerk of Committees	1,248,000	1,315,443	1,280,656	(67,443)	-5.4%
<b>Legislative Operations</b>					
Legislative Documents	241,000	214,152	123,951	26,848	11.1%
Financial Services	1,981,000	2,534,937	1,715,422	(553,937)	-28.0%
Parliamentary Dining Room	524,000	756,603	448,473	(232,603)	-44.4%
Human Resource Operations	2,153,000	2,342,034	1,849,298	(189,034)	-8.8%
Information Technology	5,831,000	6,056,552	6,216,238	(225,552)	-3.9%
Parliamentary Education Office	1,595,000	1,480,696	1,247,616	114,304	7.2%
Legislative Facility Services	3,872,000	3,887,285	3,684,079	(15,285)	-0.4%
General Centralized Expenses	4,384,000	2,655,261	2,695,353	1,728,739	39.4%
Capital Planning & Development	1,074,000	810,077	946,180	263,923	24.6%
Digital Information Office	613,000	610,892	486,394	2,108	0.3%
Sergeant-at-Arms	6,476,000	6,578,683	6,594,221	(102,683)	-1.6%
Hansard Services	4,312,000	5,144,882	4,391,132	(832,882)	-19.3%
Legislative Library	2,406,000	2,452,957	2,213,613	(46,957)	-2.0%
<b>Total</b>	<b>39,249,000</b>	<b>39,076,621</b>	<b>35,722,013</b>	<b>172,379</b>	<b>0.4%</b>
<b>Grand Total</b>	<b>91,983,000</b>	<b>87,331,582</b>	<b>82,402,264</b>	<b>4,651,418</b>	<b>5.1%</b>

exceeds budget by 5% or more  
exceeds budget by less than 5%

## 2022-23 Capital Expenditures by Function

	2022/23	2022/23	2021/22	Budget to Actual	
	Budget	Actual	Actual	\$	%
Members' Services	-	-	-	-	-
Caucus Support Services	115,367	81,979	103,215	33,388	28.9%
<b>Legislative Assembly Administration</b>					
Legislative Operations	8,090,394	3,931,131	1,697,625	4,159,263	51.4%
Sergeant-at-Arms	385,239	297,434	216,837	87,805	22.8%
Hansard Services	882,000	686,485	377,704	195,515	22.2%
Legislative Library	-	-	6,708	-	-
	<b>9,357,633</b>	<b>4,915,050</b>	<b>2,298,875</b>	<b>4,442,583</b>	<b>47.5%</b>
<b>Total</b>	<b>9,473,000</b>	<b>4,997,029</b>	<b>2,402,089</b>	<b>4,475,971</b>	<b>47.2%</b>

For more information regarding this update please contact:

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