



LEGISLATIVE ASSEMBLY MANAGEMENT COMMITTEE Q2 FINANCIAL UPDATE – PERIOD ENDED SEPTEMBER 30, 2023

PURPOSE

To present the Legislative Assembly Management Committee with an overview of the actual and forecast financial results for the second quarter of the fiscal period ending September 30, 2023.

DISCUSSION

The Legislative Assembly Administration remains optimistic in forecasting to complete the various projects planned for the current fiscal year.

Throughout the year, the Legislative Assembly Administration monitors the projected spend with an aim to reallocate funding to strategic priorities and other unplanned initiatives as funds become available. At the end of the second quarter, a couple of areas have been identified with funding/budget challenges due to assumptions from the previous year. These variances are being monitored and, should they continue without funding, options may come forward at the next meeting of the Subcommittee on Finance and Audit for consideration and subsequent recommendation to the Legislative Assembly Management Committee.

Operating Summary

As of September 30, the projected underspend for the full fiscal year is \$719k related to salaries and benefits, employee travel, unused contingency funds set aside for Enterprise Resource Planning (ERP), cancelled satellite services, and reduced committee travel for Members being projected; partially offset by anticipated increase in professional services within Information Technology.

The presentation of the report reflects the newly approved Vote 1 reporting structure which aims to present the Legislative Assembly financial information in more programmatic grouping to better reflect the activities of Legislative Assembly operations. The Administration will likely be making some small adjustments to the expense allocations as the fiscal year progresses and the 2024-25 budget is built to better reflect the intended categories and reflect the cost of the expense categories.

Caucus Operations: This category reflects the operations of the caucuses and their staff. The results at the end of the second quarter reflect the operations for 4 caucuses and 2 Independent Members. Currently no savings have been identified.

Constituency Operations: The constituency operations category reflects the funding allocated to each Member for the running of their constituency offices. While budgeted centrally, this section also reflects the leasing costs for constituency offices. In the next reporting cycle and the 2024-25 budget, the Administration intends to also reflect technology and security costs associated with constituency offices in this category. There is presently no variance to the budget forecasted.

Members' Remuneration: This expense category is the accumulation of the salaries and benefits paid to Members throughout the year. At this time, there is no variance from budget projected in the Q2 forecast.

Independent Respectful Workplace Office: This category includes the budget and expenses associated with this program area.

Parliamentary Operations: This category is a summary of the parliamentary support activities within the Legislative Assembly. At the end of the second quarter, the operations are forecasting a small favourable variance of \$118k to budget for the fiscal year due mainly to reduced employee and Member travel for committee meetings.

Legislative Assembly Administration: This category contains the departments within the Legislative Assembly Administration, the non-partisan structure that supports the Legislative Assembly and its Members. At the end of the second quarter, here is a projected underspend of \$191k. The projected underspend in Legislative Assembly Administration is due to anticipated savings in salary and benefit costs and cancelled satellite services within Hansard Services.

General Centralized and Accounting: This final category includes the non-operational and accounting entries, such as amortization. In addition, any general contingencies or offsets (such as the 2023-24 FTE vacancy offset of approximately \$2 million) are included in this section. Throughout the year, budgets or expenses may be transferred in or out of this section to reflect the actual activities of the Assembly. The current projection is for an underspend of \$410k due to unused contingency funds for ERP development.

Capital Summary

As noted in the Q1 forecast, the Legislative Assembly's capital plan for fiscal year 2023-24 includes the completion of several multi-year projects which began but did not substantially complete in the prior year, such as the seismic and structural remediation of the front steps and the construction of the new rear fire exits. Unlike capital funding in some government ministries, the Assembly's budget process does not carry over capital funds from one year to the next. The current accounting approach requires the Legislative Assembly to use current year capital funds to finish the approved capital projects or to re-allocate projects that cross a fiscal year. Historically, the Legislative Assembly's inability to access multi-year capital planning resulted in many replacement or renewal projects being delayed and/or deferred once a project was at risk of not completing within a single fiscal year.

For this year, the Assembly Administration has committed to complete priority projects already underway, to build new project management capacity, and to focus resources on project planning and delivery. As a result, in Q2 of the 2023-24 fiscal year, project planning on many projects previously approved as 2022-23 funded projects have completed or are progressing as planned. This continues to put pressure on the current year budget and further monitoring will be done to ensure sufficient funding is available to begin, expedite or complete other current year projects. The Q2 capital budget continues to forecast an overspend of \$1.6 million, as we work towards completion of the scheduled projects. Due to delivery delays and other external factors, we will continue to monitor this overspend through Q3.

As noted in the Q1 forecast memo, Financial Services continues to work with the Ministry of Finance to develop a budget and forecast process that will allow for multi-year projects to be funded in a more fluid and predictive manner as occurs elsewhere in the provincial public sector.

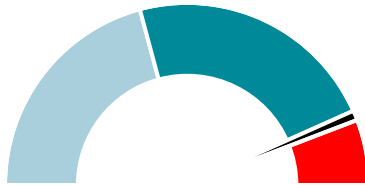
EXECUTIVE FINANCIAL SUMMARY

For the period ending September 30, 2023

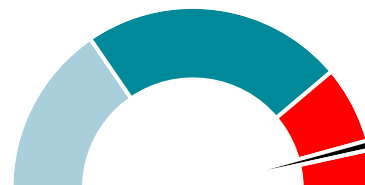
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Operating Expenses



Capital Expenses

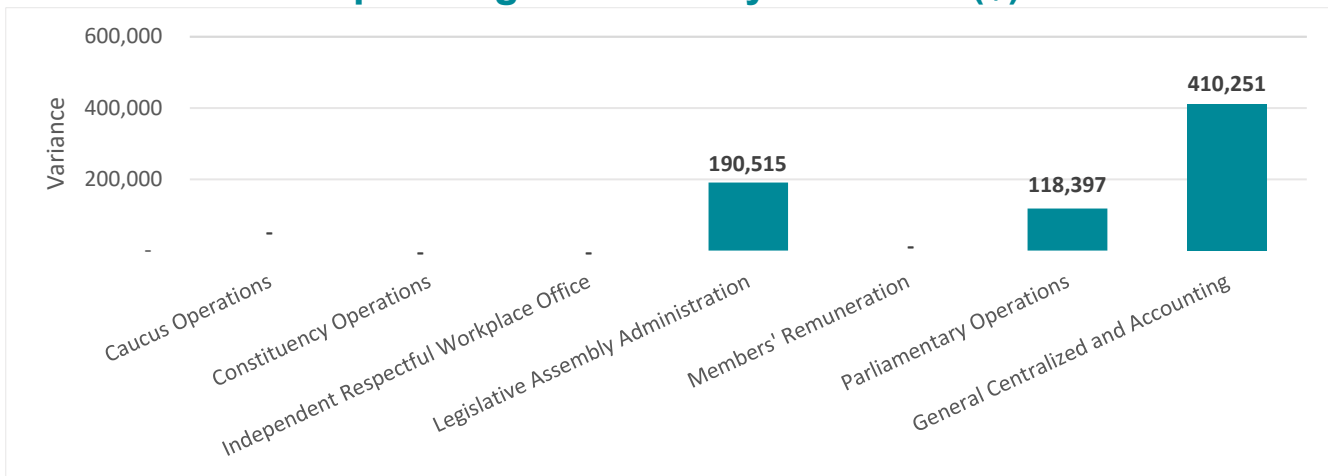


■ Actuals YTD ■ Remaining Budget ■ Forecast

Operating: Projecting \$719 thousand underspend related to salaries and benefits, employee travel, unused contingency funds set aside for Enterprise Resource Planning (ERP), cancelled satellite services, and reduced committee travel for Members being projected; partially offset by anticipated increase in professional services within Information Technology.

Capital: Projecting \$1.65 million overspend in capital expenditures as a result of carrying over projects from the previous fiscal year for completion within Precinct Services.

Operating Variance by Function (\$)



■ Under Budget ■ Over Budget

The projected underspend in Legislative Assembly Administration is due to anticipated savings in salary and benefit costs and cancelled satellite services within Hansard Services. Parliamentary Operations is anticipating an underspend due to reduced employee and Member travel for committee meetings, less advertising requirements for public consultations, and lower than expected legal costs. General Centralized and Accounting is projecting an underspend due to unused contingency funds for ERP development.

2023-24 Operating Expenditures by Function

Department	2023/24 Budget	2023/24 Forecast	Variance		2023/24 Actual YTD
			\$	%	
B.C. Green Caucus	600,908	600,908	-	0.0%	285,771
B.C. NDP Caucus	4,362,000	4,362,000	-	0.0%	1,646,020
B.C. United Caucus	3,578,000	3,578,000	-	0.0%	1,239,835
Conservative Party of B.C.	329,000	329,000	-	0.0%	7,728
Independent - Rustad	97,000	97,000	-	0.0%	97,000
Independent - Walker	112,000	112,000	-	0.0%	-
Caucus Operations	9,078,908	9,078,908	-	0.0%	3,276,353
Constituency Operations	23,862,000	23,862,000	-	0.0%	12,166,886
Members' Remuneration	19,489,000	19,489,000	-	0.0%	9,067,146
Independent Respectful Workplace Office	250,000	250,000	-	0.0%	72,353
Interparliamentary Relations	279,000	279,000	-	0.0%	73,749
Office of the Speaker	365,000	374,510	(9,510)	-2.6%	147,206
Parliamentary Committee Operations	859,000	731,093	127,907	14.9%	276,243
Parliamentary Documents	200,000	200,000	-	0.0%	54,076
Parliamentary Operations	1,703,000	1,584,603	118,397	7.0%	551,274
Client and Support Services	8,071,070	7,670,312	400,758	5.0%	3,718,193
Information Services	10,381,820	10,593,282	(211,462)	-2.0%	6,321,526
Parliamentary Support Services	9,511,110	9,501,978	9,132	0.1%	4,476,073
Precinct Services	6,491,000	7,021,915	(530,915)	-8.2%	2,900,253
Security Services	9,255,000	8,731,998	523,002	5.7%	3,743,081
Legislative Assembly Administration	43,710,000	43,519,485	190,515	0.4%	21,159,126
General Centralized and Accounting	2,248,092	1,837,842	410,251	18.2%	1,574,799
Grand Total	100,341,000	99,621,838	719,162	0.7%	47,867,937

exceeds budget by 5% or more

exceeds budget by less than 5%

2023-24 Capital Expenditures by Function

Department	2023/24 Budget	2023/24 Forecast	Variance		2023/24 Actual
			\$	%	
B.C. Green Caucus	17,000	17,000	-	0%	-
B.C. NDP Caucus	54,000	54,000	-	0%	1,399
B.C. United Caucus	34,000	34,000	-	0%	-
Conservative Party of B.C.	9,000	9,000	-	0%	-
Independent - Rustad	1,000	-	1,000	100%	-
Independent - Walker	1,000	1,000	-	0%	-
Caucus Operations	116,000	115,000	1,000	1%	1,399
Client and Support Services	135,000	85,000	50,000	37%	1,650
Information Services	2,450,000	2,051,990	398,010	16%	1,508,490
Parliamentary Support Services	400,000	380,115	19,885	5%	38,599
Precinct Services	5,801,750	8,059,412	(2,257,662)	-39%	2,095,294
Security Services	189,000	186,500	2,500	1%	57,374
Legislative Assembly Administration	8,975,750	10,763,017	(1,787,267)	-20%	3,701,406
General Centralized and Accounting Expenditures	234,250	100,000	134,250	57%	-
Total	9,326,000	10,978,017	(1,652,017)	-18%	3,702,805

Capital Expenditures Analysis

Caucus Operations is projecting an underspend (\$1 thousand) as Independent - Rustad did not utilize capital funds before moving to the Conservative Party of BC, so these funds will not be exhausted.

At this time, Precinct Services is projecting an overspend (\$2.26 million) due to delays of ongoing projects from fiscal year 2023 within Capital Planning and Development. The work continues into the current fiscal year, but insufficient funding was allocated to the current year budget. An analysis is underway to determine if budget allocations from other capital funding envelopes will be used to offset this pressure and mitigate the overage. This anticipated overspend is partially offset by contingency funding (\$195 thousand) set aside for the vertical signage on the wall on Belleville Street. Client and Support Services is projecting an underspend (\$50 thousand) within Financial Services. Information Services projected underspend stemming from the Legislative Information Management System project being cancelled and reduced costs for the Precinct Security Modernization project will be utilized to offset Precinct Services. Parliamentary Support Services is projecting to be under budget for the Critical Equipment Replacement project. Security Services is projecting an underspend due to CREST radios being re-classified as an operating expense.

General Centralized and Accounting Expenditures is projecting an underspend in capital contingency funds at this time.

For more information regarding this update please contact:

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