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Overview of the Processes for Managing the Budgets of Committees of the Canadian Parliament

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The following table and appendices present an overview of the processes for the preparation, approval, and reporting of the budgets provided to the committees of the Senate and House of Commons of Canada.

| Senate | House of Commons |
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| 1. Setting the Overall Budgetary Envelope for Committee Activity | |
| <p>The Standing Committee on Internal Economy, Budgets and Administration is responsible for developing the overall budget of the Senate including the budgetary envelope for funding committee activities.</p> <p>During the fiscal year, COIE</p> <ul style="list-style-type: none"> - reviews financial reports from the Senate's Administration on the status of the overall committee budgetary envelope; and - determines if the budgetary envelope is sufficient to support the overall level of committee activity, and if additional funding is required COIE will either reallocate within the overall budget of the Senate or seek supplementary appropriations. <p>The Senate's Committees Directorate prepares a comprehensive annual report on committee activity which includes information on the expenditures of each committee. The report is available on the Parliamentary Internet.</p> | <p>The Board of Internal Economy (BOIE)</p> <ul style="list-style-type: none"> - approves the overall funding envelope to pay for the activities of committees; - delegates to the Liaison Committee (a committee comprised of the chair of each standing committee and the co-chair from the House of Commons of each standing joint committee) the authority to allocate budgets to the each standing and standing joint committee; - reviews and decides on requests from the Liaison Committee for supplementary funding; - approves the financial policies applicable to all committees; and - delegates financial signing authorities to committees. <p>The House's Committees Directorate prepares for BOIE and subsequent tabling in the House of Commons an annual report on the activities and expenditures of the committees. The report provides statistics on the activities and the expenditures of each committee.</p> |
| 2. Allocating Budgets to Individual Committees | |
| <p>With respect to the budgets for each standing committee, COIE</p> <ul style="list-style-type: none"> - determines the form of the committee budget proposals and reports; - reviews the budgetary requests prepared by each committee; and - reports a recommended budgetary | <p>With respect to the budgets for standing committees, the Liaison Committee</p> <ul style="list-style-type: none"> - determines the form and content of proposed committee budgets; - reviews the budget requests and allocates funds to the standing committees and standing joint committees; |

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| <p>allocation for the approval of the Senate.</p> <p>The individual committee budgets are allocated by the Senate on the recommendation of the COIE.</p> <p>When a committee needs funds on an emergency basis and either the Senate or COIE is unable to consider the budget submission of the committee, COIE's Steering subcommittee may authorize the committee to incur expenses up to \$10,000.</p> <p>See Appendix A for a summary of the process for setting committee budgets.</p> | <ul style="list-style-type: none"> - manages the overall budgetary envelope for standing committees; - requests supplementary funding from BOIE as required; and - recommends to BOIE changes to financial policies for committees. <p>The Liaison Committee may establish a subcommittee on budgets. This subcommittee</p> <ul style="list-style-type: none"> - ensures that the budgetary process adopted by the Liaison Committee is respected; - reviews the work plans, requests for funds and budgetary forecasts of each committee; - reviews in detail the proposed budgets submitted by standing committees and allocates budgets to each committee; - prepares requests for supplementary allocation to the budget envelope; and - reports to the Liaison Committee. <p>It should be noted that the Liaison Committee and its Subcommittee on Committee Budgets have essentially the same authority. Hereafter, any reference to the Liaison Committee may refer to the subcommittee.</p> <p>See Appendix A for a summary of the process for setting standing committee budgets.</p> <p>With respect to the budgets of special committees and legislative committees approved by the House, BOIE has retained the responsibility to review the proposed budgets and the authority to approve the budget for these committees.</p> <p><i>NOTE</i> For the current minority parliament, the rules for committee budgets have changed</p> <ul style="list-style-type: none"> - the global budgetary envelope for committees has doubled to \$5,000,000; and |
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| | <p>- committees can authorize studies with budget of up to \$40,000 without prior approval of the Liaison Committee. For studies exceeding \$40,000 the committee must obtain prior approval of the Liaison Committee.</p> |
| <p>3. Preparing and Managing the Work Plans and Budgets of Committees</p> | |
| <p>The committee chair, working with the committee's steering subcommittee and assisted by the committee clerk, is responsible for</p> <ul style="list-style-type: none"> - preparing the committee's budgetary requests; - seeking the adoption of the proposed budget by the committee; and - presenting the budget to COIE. <p>The committee by recorded resolution grants signing authority to make commitments and to certify accounts for payment to one or more of its members, the committee clerk or to some combination thereof.</p> <p>The Senate Administration monitors the expenses of each committee and the Clerk of the Senate is required report to COIE any expense not within the terms and conditions of a committee's budget.</p> <p>Monthly, the Senate Administration provides a financial report to the chair of each committee.</p> <p>The committee clerk acts as the financial advisor to the committee and plays an active role in preparing and managing the committee's budget. Specifically the committee clerk</p> <ul style="list-style-type: none"> - prepares the budgetary requests; - ensures that commitments do not exceed the approved budget; and | <p>The committee chair, assisted by the committee clerk, is responsible for</p> <ul style="list-style-type: none"> - preparing the committee's budgetary requests (See Appendices Band C.); - seeking the adoption of the proposed budget by the committee; - presenting the budget to the Liaison Committee for any activities requiring funding beyond the basic operational budget allocated to each committee at the beginning of the fiscal year; - managing the budgets allocated to the committee; - exercising financial authorities delegated by BOIE; - approving the initiation of expenditures as authorized by committee motion; - signing service contracts; - certifying invoices to authorize payments beyond the financial authority delegated to the committee clerk (commitment of expenditures up to \$5,000 and certification of the receipt of goods and services up to \$10,000; and - personally discharging any financial obligation made without proper authority or where insufficient funds remain in the approved budget. <p>The committee clerk for a House committee has the same functions as the Senate committee clerk. However the committee clerk is assisted by an administration and logistics officer; there is no such support in the Senate.</p> |

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| <p>- identifies supplementary budget requirements.</p> | |
| <p>4. Types of Committee Budgets</p> | |
| <p>Senate committees can have budgets approved for</p> <ul style="list-style-type: none"> - the expenses relating to the examination of legislation; and - the expenses to undertake a special study. <p>Unlike House committees, Senate committees are not allocated a basic operational budget.</p> | <p>There are two types of budgetary allocations.</p> <p>a) <i>Basic Operational Budget</i></p> <p>At the beginning of the year, the Liaison Committee allocates the following budgets to provide for the general and miscellaneous committee studies and operational expenditures of the committees</p> <ul style="list-style-type: none"> - \$5,000 to each standing committee - \$3,500 to each standing joint committee. <p>The Basic Operational Budget may be used as interim funding for major committee projects awaiting approval of budget allocations from the Liaison Committee</p> <p>b) <i>Funding for Project –related Activities</i></p> <p>Because the basic operational budget is small and meant to cover only general operational expenses, the committees must request a budget to finance individual project-related expenses, including travel costs. The committee can submit a budgetary request to the Liaison Committee at any time in the fiscal year.</p> <p>After a project budget is approved, the commitments and expenses are coded to a specific project code created for that project so that financial reports can be created for each project. A committee cannot make transfers between project budgets.</p> |
| <p>5. Expenses Charged to Committee Budgets</p> | |
| <p><i>Costs Charged to Committee Budgets</i></p> <p>The following categories of expenses are charged to the budgets of Senate</p> | <p><i>Costs Charged to Committee Budgets</i></p> <p>The following categories of expenses are charged to committee budgets:</p> |

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| <p>committees:</p> <ul style="list-style-type: none"> - committee trips including the travel expenses of Senators and staff, interpretation, reporting, transcribing, and meeting rooms; - professional services including research assistance, expert advisors, and legal services; and - miscellaneous costs including courier services, books and newspapers, and telecommunications. <p><i>Other Costs Related to Committee Activity</i></p> <p>In addition to the costs charged to individual committee budgets, both the Senate and the House incur other expenses to support committee activity which are charged to the appropriate directorate of Administration of the Senate or the House for example the salaries of the committee clerks.</p> <p>The Senate and the House do not have the same rules for determining which costs are charged to committee budgets and which to central budgets. For example, the Senate charges the costs of witness travel to a central budget whereas the House charges witness travel to each committee.</p> | <ul style="list-style-type: none"> - cost of printing committee reports in excess of 550 copies because committees are provided with up to 550 copies of special reports at no cost to the committee; - service contracts for expert, technical, professional and administrative support; - travel expenses of witnesses appearing before the committee (note witnesses are not paid a fee for appearing before a committee); - videoconferences in lieu of committee travel; - travel expenses of the committee including the cost of holding committee meetings outside the capital such as room rental and translation; - advertising; - hospitality; - cost of meals when committee meets during regular meal periods; and -miscellaneous costs such as equipment rental, postage, courier services, supplies. <p><i>Other Costs Related to Committee Activity</i></p> <p>See the paragraph under the column for the Senate</p> |
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APPENDIX A

1. Summary of the House of Commons' Budget Approval Process for Standing Committees

1. Committee clerk prepares draft budget in consultation with the committee chair;
2. Committee reviews and adopts draft budget;
3. Committee clerk submits the draft budget to Liaison Committee on behalf of the committee;
4. Liaison Committee reviews and allocates a budget;
5. For travel budgets, the clerk of the Liaison Committee submits a request to travel to the House Leaders for their consideration and approval;
6. For travel budgets, the House adopts an Order of Reference.

2. Summary of the Senate's Budget Approval Process for Committees

1. For the budget of a committee for expenses relating to the study of bills, the subject-matter of bills, or estimates (appropriations);
 - a. The committee clerk prepares a proposed budget in consultation with the committee chair and / or the committee's steering subcommittee;
 - b. The proposed budget is reviewed and adopted by the committee;
 - c. The budget is submitted to COIE for its consideration;
 - d. COIE adopts or amends the proposed budget;
 - e. COIE presents the budget to the Senate for its approval.
2. For the budget of a committee to undertake a special study
 - a. Same as steps a to d as above;
 - b. Instead of COIE presenting the proposed budget to the Senate, the committee presents the proposed budget including a report from COIE with its recommendation.