

Board of Internal Economy

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Main points

This chapter describes our audit conclusions and findings for the Board of Internal Economy for the year ended March 31, 2003. For the most part, the Board is well managed and complying with the law. However, the Board needs to make further improvements in two areas.

First, the Board needs to approve the plans and reports it uses to make decisions. The Board needs to ensure that the reports it receives provide the information it needs to assess performance.

Second, the Board needs to prepare an annual report on its operations. An annual report is a necessary accountability document for all public sector agencies.

Introduction

The Board of Internal Economy assists Members of the Legislative Assembly (MLAs) to perform their duties. It provides funding and support services to MLAs, the Legislative Assembly, and its committees. It also informs the public of the Legislature's activities. The Board provides administrative services for the Offices of the Ombudsman, Children's Advocate, Information and Privacy Commissioner, and Conflict of Interest Commissioner.

In 2002-03, the Board received \$17.5 million from the General Revenue Fund and spent this money on its programs. Information about the Board's expenditures appears in the *Public Accounts 2002-03: Volume 2: Details of Revenue and Expenditure* (to view a copy of this report, see <http://www.gov.sk.ca/finance/paccts>).

The following is a list of programs and spending:

	<u>Original Estimates</u>	<u>Actual</u>
	(in millions of dollars)	
Payments and Allowances to MLAs	\$ 10.3	\$ 10.1
Legislative Assembly Services	3.7	3.8
Administration	2.0	2.0
Caucus Operations	1.4	1.4
Other	<u>0.3</u>	<u>0.2</u>
	<u>\$ 17.7</u>	<u>\$ 17.5</u>

Key risks the Board faces

The Board plays a key role in helping MLAs perform their important duties. How MLAs carry out their duties influences the quality and effectiveness of the Government and the public's confidence in our parliamentary system of government. Duties of MLAs include:

- ◆ making the laws that govern people and the Executive Government;
- ◆ holding the Executive Government accountable for how it carries out its activities; and

- ◆ representing their constituencies in the Legislative Assembly.

In assisting MLAs to carry out their important duties, the Board faces many risks. The Board needs to manage the following four key risks:

- ◆ to ensure the Legislative Assembly and its committees can function effectively;
- ◆ to ensure MLAs can access from the Board appropriate resources, information, and advice to enable them to effectively carry out their duties in the Legislative Assembly;
- ◆ to ensure MLAs can access appropriate resources from the Board to carry out their activities in their constituencies and are accountable for the use of those resources; and
- ◆ to ensure the public can assess whether the work of the Legislative Assembly and MLAs is relevant and done well.

For additional discussion of these key risks and the Board's strategies to manage them, see our 1999 Fall Report – Volume 2.

Our audit conclusions and findings

In our opinion for the year ended March 31, 2003:

- ◆ **the Board had adequate rules and procedures to safeguard public resources except for the need for better plans and reports; and**
- ◆ **the Board complied with the authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.**

Better plans and reports required

The Board needs to approve the plans and reports it uses to make decisions.

The Board's plans should set out its operational goals, objectives, and the performance targets needed to monitor its progress. The reports the Board receives should show the Board's progress in achieving its plans. This information would also provide a sound basis for preparing an annual report.

Management has prepared a strategic plan. The plan has not been approved by the Board. Once approved, management should then give the Board regular reports that show progress towards its goals and objectives.

The Board receives quarterly financial reports that compare planned results to actual results with forecasts to the end of the year. These reports also included explanations of differences.

However, the Board does not receive operational reports that show the effectiveness of the Board's programs and services (i.e., what results the Board expects and how it is progressing towards those expectations).

We also reported this matter in previous years.

1. We continue to recommend that the Board:

- ◆ **set and approve its operational goals and objectives; and**
- ◆ **set performance targets and measures and monitor its progress in achieving its goals and objectives.**

Annual report needed

The Board does not prepare an annual report on its performance for the Legislative Assembly.

The Legislative Assembly and Executive Council Act does not require the Board to prepare an annual report. However, almost all government agencies provide the Legislative Assembly with an annual report. In addition, the Standing Committee on Public Accounts recommended that all departments provide timely annual reports on their activities.

To assess performance of public sector agencies, Members of the Legislative Assembly and the public need to know how the agency is managing its key risks. They also need to receive information about the agency's goals and objectives, and how successful the agency has been in achieving those goals and objectives. Annual reports can provide this information.

To be good accountability documents, annual reports should also describe what the agency is all about, how it manages its key risks, what it has done, where it is now, and what it plans to do. In addition, to ensure that the information in the report is relevant and understandable, the annual report should be written clearly and be available promptly after the agency's year-end.

As we noted earlier, the Board also needs to improve its internal reports. These reports would provide a sound basis for the preparation of an annual report.

The Board plays a key role in fostering public confidence in our parliamentary system of government. An annual report would contribute to public confidence.

We also reported this matter in previous years.

- 2. We continue to recommend that the Board prepare an annual report on its performance and provide the report to the Legislative Assembly.**