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Main points

The Board of Internal Economy (Board) is generally 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 should ensure that the reports it receives provide the information it requires 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 (Board) helps Members of the Legislative Assembly (MLAs) with their responsibilities. It provides funding and support services to MLAs, to the Legislative Assembly, its committees, the Legislative Library, the Office of the Legislative Council, and the Law Clerk. It also informs the public of the Legislature's activities. As well, the Board provides administrative services for the Offices of the Ombudsman, the Children's Advocate, the Information and Privacy Commissioner, and the Conflict of Interest Commissioner.

In 2003-04, the Board received \$18.3 million from the General Revenue Fund and spent this money on its programs. Information about the Board's expenditures appears in the *Public Accounts 2003-04: Volume 2: Details of Revenue and Expenditure* (see <http://www.gov.sk.ca/finance/paccts/>).

The following is a list of major programs and spending:

	Original Estimates	Actual
	(in millions of dollars)	
Payments and Allowances to MLAs	\$ 10.7	\$ 10.4
Legislative Assembly Services	4.0	4.1
Administration	2.0	2.2
Caucus Operations	1.5	1.5
Other	0.3	0.1
	<u>\$ 18.5</u>	<u>\$ 18.3</u>

Key risks the Board faces

The Board plays a key role in helping MLAs with their important responsibilities. How MLAs carry out their duties influences the quality and effectiveness of government and the public's confidence in our parliamentary system of government. Responsibilities 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 responsibilities, the Board faces many risks. Four key risks the Board needs to manage are:

- ♦ 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 responsibilities 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, 2004:

- ♦ **the Board had adequate rules and procedures to safeguard public resources except where we report otherwise in this chapter; 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 its plan and define the reporting it requires to make decisions.

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

Management prepared a draft strategic plan in 2002. The plan was considered by the Board in February, 2003. The plan has been discussed by the Board but not yet approved. Management is waiting for further direction to revise and update the strategic plan. We look forward to the Board completing this work.

The Board has not defined its reporting requirements. The Board does not receive periodic 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).

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

We have reported this matter in previous years.

1. We recommend that the Board of Internal Economy:

- ◆ set and approve its operational goals and objectives;
- ◆ set performance targets and measures;
- ◆ monitor its progress in achieving its goals and objectives; and
- ◆ define and document the operational reports it expects to receive from management.

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 the performance of public sector agencies, MLAs 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 objective, and how successful the agency has been in achieving those goals and objectives. Annual reports normally provide this information.

To be a good accountability document, an annual report 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. To ensure that the information in the report is relevant and understandable, it 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 have reported this matter in previous years.

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