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Main points

The Board of Internal Economy (Board) needs to make further improvements in three areas.

The Board needs to approve the plans and reports it uses to make decisions. The Board should receive reports that provide the information it requires to assess performance.

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

The Board needs to complete its business continuity plan to help it to continue to deliver its vital services in the event of a disaster.

Introduction

The Board of Internal Economy assists Members of the Legislative Assembly (MLAs) to perform their responsibilities. It provides funding and support services to MLAs, to 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, the Children's Advocate, the Information and Privacy Commissioner, and the Conflict of Interest Commissioner.

In 2005-06, the Board received \$19 million from the General Revenue Fund and spent this money on its programs. Information about the Board's expenditures appears in the *Public Accounts 2005-06: Volume 2: Details of Revenue and Expenditure* (www.gov.sk.ca/finance/paccts/).

The following is a list of major programs and expenses:

	<u>Original Estimates</u>	<u>Actual</u>
	(in millions of dollars)	
Payments and Allowances to MLAs	\$ 11.3	\$ 10.9
Legislative Assembly Services	4.4	4.3
Administration	2.2	2.3
Committees of the Assembly	0.1	0.1
Caucus Operations	1.5	1.4
	<u>\$ 19.5</u>	<u>\$ 19.0</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 the 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

- ◆ 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
- ◆ to ensure the public can assess whether the work of the Legislative Assembly and MLAs is relevant and done well

Our audit conclusions and findings

In our opinion, for the year ended March 31, 2006:

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

The Board's plans 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 plans. This information would also provide a sound basis for preparing an annual report.

Management prepared a draft strategic plan in 2002 that 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 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 also reported this matter in previous years.

1. We continue to 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**
- ◆ **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 performance of public sector agencies, MLAs and the public need to know how an 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. To ensure that the information in the report is understandable and relevant, 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 of Internal Economy prepare an annual report on its performance and provide the report to the Legislative Assembly.**

Business continuity plan needs improvement

The Board needs to complete its business continuity plan¹ to help it to continue to deliver its critical services in the event of a disaster.

During the year, the Board made progress in developing its business continuity plan. It identified its responsibilities that would be required to respond to in an emergency. Also, the Board has identified its vital services, including operating the Legislative Assembly, and is completing the development of plans for these services. The Board now needs to clearly prioritize which functions would be recovered and ensure key staff are aware of the priorities. The Board also needs to test the plan and improve the documentation of its procedures for invoking the plan, for central coordination of the plan, and ongoing maintenance.

- 3. We continue to recommend that the Board of Internal Economy complete and implement its business continuity plan.**

¹ **Business Continuity Plan (BCP)**-Plans by an organization to respond to unforeseen incidents, accidents, and disasters that could affect the normal operations of the organization's critical operations or functions.

Disaster Recovery plan (DRP)-Plans by an organization to respond to unforeseen incidents, accidents and disasters that could affect the normal operation of a computerized system (also known as **Contingency Plan**). A DRP or contingency plan is only one component of the Business Continuity plan.

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