

Board of Internal Economy

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Main points

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

The Board should:

- ◆ define and receive reports that provide the information it requires to assess its own performance. It should use these reports to monitor its progress in achieving its goals and objectives.
- ◆ prepare an annual report on its operations. An annual report is a necessary accountability document for all public sector agencies.
- ◆ complete and test 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 (Board) assists Members of the Legislative Assembly (MLAs) to perform their responsibilities. 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, the Children's Advocate, the Information and Privacy Commissioner, and the Conflict of Interest Commissioner.

In 2006-07, 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 2006-07: Volume 2: Details of Revenue and Expenditure* (www.gov.sk.ca/finance/paccts).

The following is a list of major programs and spending:

	<u>Original Estimates</u>	<u>Actual</u>
	(in millions of dollars)	
Payments and Allowances to MLAs	\$ 11.3	\$ 10.9
Legislative Assembly Services	4.0	3.8
Administration	3.0	3.1
Committees of the Assembly	0.1	0.1
Caucus Operations	1.7	1.7
Amortization	0.1	0.1
	<u>\$ 20.2</u>	<u>\$ 19.7</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 Executive 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

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

Our audit conclusions and findings

In our opinion, for the year ended March 31, 2007:

- ◆ **the Board had adequate rules and procedures to safeguard public resources except where we report otherwise 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**

The chapter provides an update on a recommendation previously made by the Standing Committee on Public Accounts (PAC) that is not yet implemented.

Better reports required

The Board needs to define the reports it requires to make decisions.

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.

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:

- ◆ **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 a public sector agency, 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 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 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, 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 ensure that it can continue to deliver its critical services in the event of a disaster.

¹ **Business Continuity Plan (BCP)**-Plan 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)-Plan 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.

During the year, the Board made progress in developing its business continuity plan. 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 all key staff are aware of the priorities. The Board also needs to test the plan and improve its documentation of its procedures for invoking the plan, for central coordination of the plan, and on-going maintenance.

We also reported this matter in previous years.

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

Status of outstanding recommendations of the Standing Committee on Public Accounts

The following table provides an update on a recommendation previously made by the Standing Committee on Public Accounts (PAC) that is not yet implemented².

PAC REPORT YEAR ³	OUTSTANDING RECOMMENDATION	STATUS
Board of Internal Economy		
2003	CR1. The Standing Committee on Public Accounts recommends to the Assembly that those chapters of the Provincial Auditor's Reports dealing with the Board of Internal Economy be referred to the Board for its review and consideration.	Not implemented (as at March 31, 2006). PAC has recommended to the Legislative Assembly that this matter be referred to the Board of Internal Economy. To date, the referral has not been made.

² For the definitions of the key terms used in the table, see Chapter 25 – Standing Committee on Public Accounts pages 398 to 399.

³ PAC Report Year refers to the year that PAC first made the recommendation in its report to the Legislative Assembly.

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