

Board of Internal Economy

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Main points

Unlike most other public agencies, the Board of Internal Economy does not provide the Legislative Assembly with an annual report on its performance. We think it should do so as the Board plays a key role in fostering public confidence in our parliamentary system of government. Also, during the year, the Board of Internal Economy did not do a timely review of its interim financial operations.

Introduction

Under The *Legislative Assembly and Executive Council Act, 2007*, the Board of Internal Economy (Board) is responsible for all matters of financial and administrative policy affecting the Legislative Assembly, its members, and Legislative Assembly Service (LAS).¹ The Act makes the Board responsible:

- ◆ to oversee generally the finances of the Legislative Assembly including its revenues, expenses, assets, and liabilities
- ◆ to review and approve the administrative, human resources, and management policies and systems of the LAS
- ◆ to advise on and give directions in relation to any matter that it considers necessary for the efficient and effective operation of the LAS

The Act also expects the Board to set out how and for what members are paid. It calls these directives.²

Through the LAS, the Board provides funding and support services to Members, the Legislative Assembly, and its committees.

Also, the LAS provides certain administrative services for the Offices of the Ombudsman, the Children's Advocate, the Information and Privacy Commissioner, the Conflict of Interest Commissioner, and the Office of the Chief Electoral Officer.

¹ The Legislative Assembly Service is defined by section 70, The *Legislative Assembly and Executive Council Act, 2007*. This also is referred to as the "Office of the Legislative Assembly"

² The Board's directives are publicly available at www.legassembly.sk.ca/legassembly/Docs/BOIE_Directives_04012008.pdf. (October 9, 2008)

Financial overview

The following is a list of major programs and spending of the Legislative Assembly:³

	<u>Original Estimates</u>	<u>Actual</u>
	(millions of dollars)	
Payments and Allowances		
to individual members	\$ 11.6	\$ 12.3
Legislative Assembly Services	4.1	3.8
Central Management and Services	3.3	3.2
Caucus Operations	1.7	1.8
Committees of the Assembly	0.4	0.3
	<u>\$ 21.1</u>	<u>\$ 21.4</u>

Audit conclusions and findings

In our opinion for the year ended March 31, 2008:

- ♦ the Board had adequate rules and procedures to safeguard public resources except for matters reported 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 except for matters reported in this chapter

Timely review of financial reports needed

The Board does not receive or review interim financial results on a timely basis.

During 2007-08, management prepared financial reports each quarter. These reports compared planned results with actual results and forecast to the end of the year, and they explained significant differences. The Board did not receive any of these reports until February 2008 (i.e., one

³ For further information, see Public Accounts 2007-08: Volume 2: Details of Revenue and Expenditure (www.gov.sk.ca/finance/paccts).

month before its year-end). Because it did not review its interim financial operations on a timely basis, the Board did not oversee the finances of the Assembly throughout the year.

- 1. We recommend that the Board of Internal Economy receive and review the Legislative Assembly's interim financial reports in a timely manner.**

Annual report needed

Since 1998, we have reported that the Board does not prepare an annual report on its performance for the Legislative Assembly.

Sound annual reports provide concise information about the performance of an agency. They include the following information:

- ◆ what the agency is all about
- ◆ how the agency is managing its key risks
- ◆ how successful the agency has been in achieving its goals and objectives (that is, what it has done and where it is now)
- ◆ what it plans to do

Annual reports should be written clearly and available promptly after an agency's year-end.

Starting in 2007-08, the LAS prepared mid-year and end-of-the-year progress reports on the priorities of the LAS for the Board's review and approval. These reports provide some of the information expected in an annual report. However, the Board does not submit these reports to the Assembly or make them publicly available.

Also, although not specifically required, we note that *The Legislative Assembly and Executive Council Act* encourages the Board to report to the Assembly on its responsibilities.⁴ The Board plays a key role in fostering public confidence in our parliamentary system of government. An annual report would contribute to public confidence.

⁴ Section 68 of the Act sets out the Board's responsibilities. Subsection 68 (3) states "If the board considers it desirable, it may report to the Legislative Assembly on any of the matters mentioned in this section."

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

Since 2005, we have reported that the Board needs to complete its business continuity plan to help ensure that it can continue to deliver its critical services in the event of a disaster.

In prior years, the Board made some progress but more work remains. The Board has identified its vital services including operating the Legislative Assembly. However, the Board needs to clearly prioritize its services, test the plan, and improve documentation of its procedures for implementing, coordinating, and maintaining the plan. The Board has identified completion of its business continuity plan as a priority for the 2008-09 fiscal year.

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