

# Treasury Board and Finance— Reporting on Selected Payments to MLAs Follow Up

## SUMMARY

### What we examined

In 2008, we audited systems the Department of Treasury Board and Finance used to prepare its report of payments to MLAs and people directly associated with them.<sup>1</sup> We recommended in our *October 2008 Report* (starting on page 372), that the Department:

- use current technology in preparing its report
- improve the timeliness of the report

This year, we conducted follow-up audit work to assess the Department's progress in implementing our recommendations.

### What we found

The Department has implemented both recommendations by implementing new processes to collect and compile information from the departments and Legislative Assembly Office (LAO). The Department also set specific timelines for departments to submit MLA payment information and for MLAs to review and approve the annual report of these payments. As a result, the Department has significantly reduced the time it takes to have the report ready for tabling in the Legislative Assembly.

### Why this is important to Albertans

Albertans need to know they can have confidence in the accuracy, completeness and timeliness of the Department's reports of payments the government makes to MLAs.

## AUDIT OBJECTIVE AND SCOPE

Our audit objective was to determine if the Department had implemented the recommendations from our *October 2008 Report*.

We conducted our field work from July to August 2012, and focused on the Department's actions since our *October 2008 Report*. We substantially completed our audit on September 12, 2012. Our audit was conducted in accordance with the *Auditor General Act* and the standards for assurance engagements set by the Canadian Institute of Chartered Accountants.

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<sup>1</sup> Report of Selected Payments to Members and Former Members of the Legislative Assembly and Persons Directly Associated with Members of the Legislative Assembly (published annually)

## BACKGROUND

The Department prepares an annual report<sup>2</sup> that it tables in the Legislative Assembly, detailing the payments made to current and former MLAs and persons directly associated with them. The report outlines payments for Remuneration and Benefits, Reimbursements for Expenses and Other Payments.

The two main sources of data used by the Department to compile the report are data from the LAO and government departments. The LAO pays salaries, benefits, fees and expenses of MLAs who sit on legislative or government boards, commissions and committees. The LAO has its own payroll system outside of the government's financial system, the Integrated Management Information System (IMAGIS). The departments reimburse the LAO for MLA costs associated with government work such as salaries, benefits or attending government board meetings. The departments pay the MLAs directly for government related expenses. Department transactions are recorded in the IMAGIS.

The Department compiles a preliminary report, which each department reviews to ensure all MLA transactions are included. The preliminary report is sent to each MLA for review. After MLA approval, the final report is tabled in the Legislative Assembly.

## FINDINGS

### Efficient compilation—implemented Background

In our *October 2008 Report* (page 376), we recommended that the Department use current technology to regularly and efficiently compile the material for public reporting.

#### Our audit findings

The Department implemented new technology and processes to regularly and efficiently compile the material for public reporting by:

- implementing a SharePoint site so that departments can electronically report payment information
- developing a procedures manual that specifies the nature and type of expenses to be included in the report
- collaborating with Service Alberta to develop reports to assist departments in collecting the required payment information directly from IMAGIS
- training department staff on the revised reporting process

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<sup>2</sup> The report is prepared to satisfy the reporting requirements under Section 37(4) of the *Legislative Assembly Act* and Section 16(1) of the *Conflicts of Interest Act*.

## Timely reporting—implemented

### Background

In our *October 2008 Report* (page 377), we recommended that the Department arrange for all final reviews of the report to take place within six months of the year-end, so that the report can be ready for tabling in the Legislative Assembly. Prior reports were tabled more than a year after the fiscal year-end, even though the information in the report is widely available and routinely reported.<sup>3</sup>

### Our audit findings

The Department arranged for all final reviews of the report to take place within six months of the year-end by setting specific timelines for the departments to submit MLA payment information and for MLAs to review and approve the report. The Department required all departments to submit 2010–2011 fiscal year-end MLA payment information by July 2011. All departments complied and submitted the information within the required response time. The Department sent its preliminary report to MLAs for their review and approval in August and September 2011. As a result, the report was ready for tabling in the Legislative Assembly within six months of year-end.

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<sup>3</sup> For example, a Minister's office expenses are publicly posted by each ministry. Also, the Government of Alberta makes public the consolidated financial statements by June 30 of each year, three months after the fiscal year.

