

## HOUSE OF ASSEMBLY MANAGEMENT COMMISSION

### MINUTES

The twelfth meeting of the House of Assembly Management Commission was held in Committee Room 1, Dennis Building, on Tuesday, January 29, 2013 at 3:00 p.m.

Present were the following members of the Commission: Ms. Becky Kent, Hon. Frank Corbett, Hon. Maurice Smith, Q.C., Ms. Pam Birdsall, Hon. Michel Samson, Hon. Chris d'Entremont, Mr Neil Ferguson (Chief Clerk) and Hon. Gordie Gosse, who acted as Chair. Absent was Mr Andrew Younger. Also present was Annette M. Boucher, Q.C., Assistant Clerk, attending on behalf of counsel to the Commission, and Deborah Lusby, Director of Administration, Office of the Speaker.

1) The Commission met in camera pursuant to subsection 9(1) of the ***House of Assembly Management Commission Act*** and, pursuant to subsection 9(2) of that Act, advises in these Minutes that it made three decisions:

a) Two errors in the EC staff ratings chart approved at the December 19, 2012 in camera meeting were corrected retroactive to December 19, 2012.

b) The vacation provision in the Constituency Assistant contract was changed to mirror the civil servant vacation provisions.

c) That the Chief Legislative Counsel receive the same salary increase received by all senior public servants and that the position salary scale and compa-ratio be adjusted to insure all further salary increases are implemented in a timely fashion without returning to the House of Assembly Management Commission when the same type of increase is granted to senior public servants.

The Commission then commenced the public portion of its meeting.

#### 1) **Annual Report – Audit Committee, House of Assembly Management Commission**

Lauchlin McKenzie, Chair of the Audit Committee, made comments regarding the committee report which was distributed to the members of the House of Assembly Management Commission. He pointed out that the audit committee's

primary focus has been on the audited financial statements for the years ending March 31, 2011 and March 31, 2012. Normally issues relating to the audited financial statements would not be as time-consuming as they have been for this audit committee. The primary reason for this is the requirement at Section 22 of the **House of Assembly Management Commission Act** that there be audited financial statements for the House of Assembly Management Commission. The challenge in meeting this requirement is that the Speaker's Office is not "self-contained" for the purposes of financial processes – there is no general ledger or set of accounts that represents the House of Assembly. What this means is that the Speaker's Office as an entity must interface with various Government entities such as Department of Finance and others, for their general accounting functions. As a result there is not one single "set" of accounts for the House of Assembly. The complication that arises from this reality is that audit rules/standards established by the Canadian Institute of Chartered Accountants' Generally Accepted Auditing Standards require a review of all components of the accounting processes when preparing audited financial statements and therefore to carry out the House of Assembly Management Commission audit a set of financial statements needed to be manually created with the assistance of the Department of Finance, as they did not exist. Therefore, much of the audit committee's initial work was to create the financial statements, which has now been completed. The second complicating element related to the certification of the Chief Clerk, which also should have been straight forward – the current standard audit practices require the CEO to give their assessment and in this case the Chief Clerk is the CEO of the House of Assembly. The challenge that arose is that the Chief Clerk's certification necessarily extended beyond the Speaker's Office due to the fact that certain House of Assembly financial functions reside outside the Speaker's Office within another facet of Government. This was resolved by hiring an outside firm to provide an opinion and having information provided to Chief Clerk all of which was to the satisfaction of the Auditor General

Now that the major challenge of creating financial statements has been met by the audit committee, the committee is starting to question the value of the financial statements in the general context of the audit committee's work as intended by legislation which is whether the MLA expenses are really being monitored and controlled.

Given that so much committee time was spent on the financial statements, the audit and the implementation of the 2010 Auditor General's recommendations, the Chair believes that the House of Assembly will receive good comments from the Auditor General relating to this current audit. The two lay members on the audit committee were thanked by the Chair of the HAMC. Mr McKenzie also thanked the Chief Clerk and the Director of Administration for their assistance to the committee.

## 2) Minutes

It was moved by Pam Birdsall and seconded by Becky Kent that the Minutes of the December 19, 2012 meeting be approved as circulated.

**CARRIED**

## 3) Direct payments to select vendors for MLAs

The Director of Administration identified the common vendors that are used by all or most of the MLAs in Nova Scotia and circulated the list to the committee members. MLAs will continue to receive the invoices directly which they must approve with their signature and then date, and submit the invoices to the Speaker's administration office. It was decided that this new process would be tried on a trial basis with MLAs from each caucus volunteering to try out the system and to see how it works and to iron out any wrinkles that may arise.

## 4) New Process for Asset Additions and Disposals

Forms were distributed by the Director of Administration that must be filled out when acquiring or disposing of assets. One of the issues raised by Andrew Younger was the disposal of computer hard drives. The **House of Assembly Management Commission Regulation 23(9)(b)** requires the MLA to remove the hard drive before disposing of the computer – however, the Chief Information Officer has instituted a policy whereby that office removes and disposes hard drives and other data storage components. The **Regulations** may require a change as the disposal service offered by the CIO is something that the MLAs will likely want to use.

## 5) Living Allowance annualization

The committee discussed an amendment to the **House of Assembly Management Commission Regulations** to allow an un-used monthly living allowance to be carried forward for the following month to rectify the situation that arises with bi-monthly billing and insufficient funds to cover the bills as they are issued every two months. It was moved by Hon Chris d'Entremont and seconded by Hon Frank Corbett that Section 27 of the **House of Assembly Management Commission Regulations** be amended as follows:

That Section 27 of the **House of Assembly Management Commission Regulations** be amended by adding immediately after subsection (1) the following subsection:

(1A) Where the maximum amount that may be claimed pursuant to subsection (1) is not claimed in any month the unclaimed balance may be claimed in a subsequent month.

**CARRIED**

**6) Update on proposed regulation changes re: advertising and late fees**

These items were deferred from the last commission meeting. Given that these items were the subject of the Auditor General’s Report, it was felt that the committee should wait to receive the report prior to taking any corrective action to insure any changes made by the commission respond to what is raised by the Auditor General.

**7) 2012-13 Quarter 3 Financial Review**

The document was circulated to the members and the Director of Administration indicated that all was in order and that the expenses were in line with the projections.

**8) Annual Report – House of Assembly Management Commission**

The draft Annual Report was prepared by Annette M. Boucher as clause 11 (1)(f) of the *House of Management Commission Act* requires the preparation and tabling of the Annual Report in the House of Assembly. It was moved by Hon Chris d’Entremont and seconded by Pam Birdsall that the draft annual report as circulated to the commission members be adopted and tabled in the House of Assembly by the Speaker.

**CARRIED**

The meeting adjourned at 3:39 P.m.

These minutes were approved by the Management Commission on

**Certified**

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Speaker

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Chief Clerk