

## HOUSE OF ASSEMBLY MANAGEMENT COMMISSION

### MINUTES

The sixteenth meeting of the House of Assembly Management Commission was held in the Red Room, Province House, on Thursday, February 27, 2014, at 2:00 p.m.

Present were the following members of the Commission: Ms Margaret Miller, Hon. Michel Samson, Mr Lloyd Hines, Hon. Frank Corbett, Hon. Labi Kousoulis, Hon. Chris d'Entremont, Mr Chuck Porter, Mr Gordon D. Hebb, Q.C., counsel to the Commission, Mr Neil Ferguson, Chief Clerk and Hon. Kevin Murphy, Chair. Also present were Annette M. Boucher, Q.C., Assistant Clerk and Deborah Lusby, Director of Administration, Office of the Speaker.

#### 1) Minutes of the May 30, 2013 meeting

The minutes of the May 30, 2013 meeting were approved at the December 19, 2013 Commission meeting. Following approval it was noticed that at the end of the fourth full paragraph at page 7 of the minutes immediately before adjournment the word "**CARRIED**" was omitted. The transcript of the meeting was reviewed and it was recorded that the amended resolution was voted on and carried.

It was moved by Mr Lloyd Hines and seconded by Hon. Chris d'Entremont that the approved House of Assembly Management Commission May 30, 2013 minutes be amended by adding the word "**CARRIED**" at the end of the fourth full paragraph at page 7 before adjournment.

**CARRIED**

#### 2) Minutes of the December 19, 2013 meeting

It was moved by Hon. Chris d'Entremont and seconded by Hon. Michel Samson that the December 19, 2013 minutes be approved as circulated.

**CARRIED**

#### 3) Clarification of timing regarding when MLA becomes a member

The Chief Clerk noted that there is a technical issue with the Commission reimbursing an MLA for expenses incurred after they are elected but before they are declared elected pursuant to subsection 159(1) of the *Elections Act*. Generally there is a 10 day delay between ordinary polling day and the date

when the MLA is declared a member. In some cases the delay can be more than 10 days.

It was moved by Hon. Michel Samson and seconded by Hon. Frank Corbett that Section 7 of the *House of Assembly Management Commission Regulations* be amended by adding the following subsection:

(4) Subject to subsections (1) and (3), a claim for payment of travel expenses may include the period between the date of the election at which the member was elected and the date the member became a member.

**CARRIED**

#### **4) House of Assembly Management Commission Annual Report**

The 2013 draft report was circulated to Commission members in advance of the meeting. In accordance with clause 11(1)(f) of the *House of Assembly Management Commission Act* the report is to be tabled in the House of Assembly once approved by the Commission.

It was moved by Mr Lloyd Hines and seconded by Ms Margaret Miller that the 2013 Annual Report of the House of Assembly Management Commission be approved as circulated and be tabled in the House of Assembly.

**CARRIED**

#### **5) House of Assembly Management Commission Audit Committee**

Lauchie McKenzie, Chair of the Audit Committee, indicated that the written report of the Audit Committee had been circulated to Commission members in advance of the meeting, but there were a few points he wished to highlight.

Section 22 of the *House of Assembly Management Commission Act* requires the House of Assembly to have its accounts audited annually. Clause 22(5)(a) requires the audit to consist of a financial statement audit conducted in accordance with generally accepted accounting principles and auditing standards. Clause 22(5)(b) requires the Auditor General to express an opinion on whether expenses are in accordance with the policies of the Commission and the public service of the Province. Clause 22(5)(c) requires the auditor to express an opinion on whether the Chief Clerk's assessment of the internal controls of the House are accurate and effective.

These are three distinct elements. In addition Section 23 requires the Auditor General conduct a compliance audit of the accounts of the House of Assembly at least once during every General Assembly.

Mr McKenzie noted that Clauses 22(5)(b) and 22(5)(c) and Section 23 functions are obvious given the need for assurances that MLA expenses are proper and that the appropriate controls and safeguards exist to ensure ongoing compliance. However the necessity and appropriateness of clause 22(5)(a) requiring a financial audit to monitor MLA expenses is less apparent. He then explained the challenges in producing the financial statements given that the House of Assembly is basically a cost center rather than a stand-alone entity. He further stated that the time, effort and cost of complying with clause 22(5)(a) was significant. The Audit Committee believes that the requirement of subsections 22(b) and (c) and Section 23 adequately ensures the ongoing accountability of expenditures made by the House of Assembly and the Audit Committee requests that in view of the Auditor General's agreement with this as set out in a recommendation in his January 20, 2014 letter to the Speaker outlining the audit results for the year ending March 31, 2013, that the requirement of audited financial statements as set out in clause 22(5)(a) of the *House of Assembly Management Commission Act* be removed from the legislation.

Mr McKenzie also raised the need to change the deadline of September 1<sup>st</sup> at clause 11(3)(c) of the *House of Assembly Management Commission Act* to November 30<sup>th</sup> as the Auditor General, the auditor for the House of Assembly, cannot complete the annual financial audit on the September 1<sup>st</sup> annually because of the timing of all the other audits his office is required to complete.

It was moved by Hon. Michel Samson and seconded by Hon. Frank Corbett that it be recommended to the Government that the *House of Assembly Management Commission Act* be amended to remove the financial statement audit at clause 22(5)(c) and that the date of September 1<sup>st</sup> at clause 11(3)(c) be changed to November 30<sup>th</sup>.

**CARRIED**

#### **6) Office of the Auditor General's letter of January 20, 2014**

This letter sets out the results of the 2012-2013 audit and the General Assembly compliance audit. The letter was circulated in advance of the meeting to the Commission members. The Chief Clerk noted that the most significant item contained therein was the recommendation to remove the financial statement audit at clause 22(5)(c) of the *House of Assembly Management Commission Act*.

#### **7) 2013-14 Quarter Financial Review**

Ms Lusby pointed out that some amounts exceeded the 75% budget allowances at December 31<sup>st</sup> due to the election – transition allowances for MLAs who were not re-elected or did not re-offer, as well as expenses related to closing former MLA offices and apartments were the reason for the over-budget amount.

The meeting adjourned at 2:29 p.m.

The House of Assembly Management Commission went into an in camera meeting pursuant to Section 9 of the *House of Assembly Management Commission Act* at 2:29 p.m.

At 2:32 p.m. the decision made in camera was reported as follows: that the Sergeant-at-Arms contract of employment be extended with a 1.5% salary increase, for two years to expire in March 2016.

These minutes were approved by the Management Commission on July 10, 2014.

**Certified**

---

Speaker

---

Chief Clerk