



Finance and Audit Committee Decision Note

MLA Constituency Office Allowance Payment Process

Issue: MLA Constituency Office Allowance Payment Process

Prepared for: Finance and Audit Committee – March 12, 2015

Prepared by: The Legislative Assembly Audit Working Group – March 10, 2015

Purpose:

The purpose of this document is to present to the Finance and Audit Committee for consideration a revised MLA Constituency Office allowance payment process which will streamline the Financial Services accounting processes and provide accurate and timely reporting for Constituency Offices.

Discussion:

Current Payment Process:

The current MLA Constituency Office allowance payment process pays the \$119,000 annual allowance in monthly installments after deductions of amounts paid on behalf of the constituency offices, such as CO staff salaries and benefits. Each installment is paid as an advance, and is an estimate based on the prior month's salary reduction. This process is very manual (tracked in an Excel spreadsheet) and time consuming, requiring numerous adjustments and calculations. There is also an increased risk of error due to the manual nature of the process.

Proposed Payment Process:

Financial Services proposes to provide the MLA Constituency Office allowance on a real-time basis, after the last pay period within a month but before the end of that month. This will remove the need to estimate salary amounts as the actual salaries for a given month will have already been processed. Financial Services will also be able to integrate the process into their accounting software – this will enhance reporting options and reduce the risk of error. Real-time reports will be provided to constituency offices to enhance their budgeting and forecasting.

To transition to this process, Financial Services proposes to provide MLA Constituency Office allowance payments for April and May 2015 at a set amount of \$4,500. Starting in June 2015, payments will then be made at the end of the month, after the last pay period in that month. The total annual allowance paid will remain at \$119,000.

Anticipated Impact:

There is no net impact to the amount of money a constituency office will receive annually. For the transition period, funding will be front-loaded to ensure that constituency offices have sufficient funds to meet their business needs, and real-time detailed constituency office allowance reports will be available after the transition to allow for accurate budgeting and forecasting.

Recommendation:

That the Finance and Audit Committee approval the revised MLA Constituency Office allowance payment process, starting on April 1, 2015.

Hilary Woodward, EFO

(Date)

Craig James, Clerk of the Legislative Assembly

(Date)