



# Accountability Report 2015-16

A Report to British Columbians



*8<sup>th</sup> Commonwealth Youth Parliament delegates, November 2016*

Legislative Assembly of British Columbia ~ December 2016

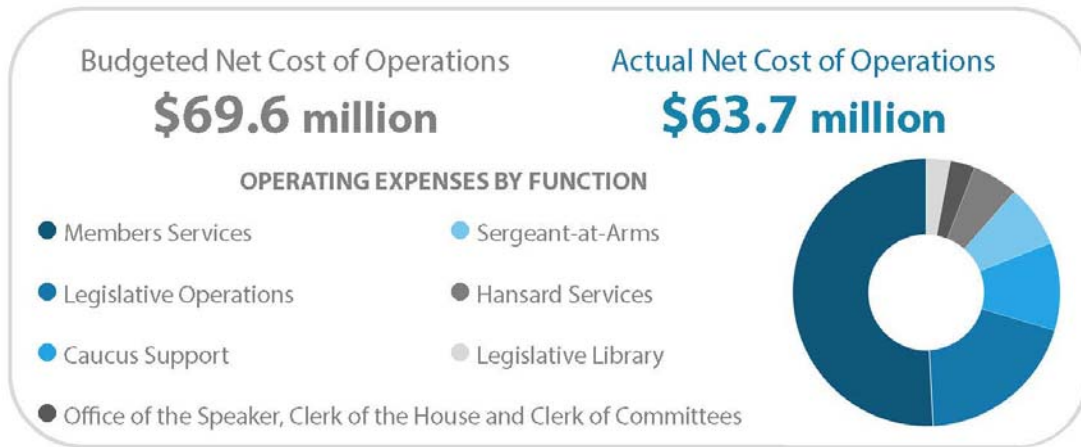


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# Financial and Operational Highlights 2015-16



**85** MEMBERS OF THE LEGISLATIVE ASSEMBLY

**74** SITTING DAYS

**38** BILLS ADOPTED

**13** ACTIVE PARLIAMENTARY COMMITTEES



**265,876**

Visitors to the Parliament Buildings

**507**

students participated in the Speaker in Schools program

**1,435**

# of British Columbians who participated in Parliamentary committee consultations



**810**

Broadcast Hours for Parliamentary Proceedings (audio and video)

The **Legislative Assembly Management Committee** serves as the Assembly's management board.  
**Guiding Principles: Openness, Transparency and Accountability**



# 2015-16 in Review

December 2016

To the Honourable Legislative Assembly of the Province of British Columbia

Honourable Members:

I have the honour to present the Legislative Assembly Management Committee's *Accountability Report 2015-16*, which summarizes our continuing work to strengthen the Legislative Assembly's financial management and make the Assembly more open and accountable to British Columbians.



We also ensured a secure and accessible environment for Members, staff, and British Columbians, with more barrier-free and secure entrances and enhanced security throughout the Legislative Precinct. We designated a new BC Emergency Services Garden of Honour on the Precinct grounds as a place of reflection for families, friends and visitors to pay tribute to first responders who have made the ultimate sacrifice in service to the province.

The Legislative Assembly launched a renewed website with more information available online for Members and citizens, and opportunities to connect through social media on the work of the Assembly, its Members, and its parliamentary committees. We continued our outreach to schools and young people through the Speaker in the Schools program for students in grades 4 through 7, which includes a model legislature exercise and a simulation of the stages of how a bill becomes law on topics chosen by students. Our Legislative Internship Program and the BC Teachers' Institute on Parliamentary Democracy contributed significantly to the understanding of university graduates and teachers about parliamentary democracy.

One of my priorities as Speaker is mentoring new women Members and encouraging more women to be involved in our political process. As we approach the 100<sup>th</sup> anniversary in April 2017 of women gaining the right to vote in our province, British Columbians can be proud that their Legislative Assembly leads the country with 38 percent of our Members being women. That is the highest level in Canada's history. The Legislative Assembly's Members provide a rich diversity of role models who work hard to make our province a better place. Their record and achievements serve to inspire young people – and all of us – to continue to make a positive difference in our communities.

Respectfully submitted on behalf of the Committee,

Honourable Linda Reid  
Speaker of the Legislative Assembly of British Columbia

# A Program for Progress

After the May 2013 general provincial election, a new Legislative Assembly Management Committee was established under the leadership of a new Speaker. The Committee committed to strengthen the Assembly's management, openness, and accountability through a multi-year strategy to modernize financial administration, accountability, and transparency in the Assembly's use of taxpayers' funds.



I am pleased with the strong contributions Legislative Assembly staff have made in supporting the Committee's multi-year strategy. This program for achieving progress in implementing the Committee's commitments and decisions includes:

- *Expanded advice and reporting for good governance and decision-making* – with the creation of an Audit Working Group, and strengthened senior financial executive capacity and professional staff to support public and open meetings of the Legislative Assembly Management Committee.
- *Prudent budget management* – through a public and rigorous annual budget process for the Legislative Assembly, with systematic reporting and approval procedures.
- *Accountability and transparency* – by the public disclosure of Committee decisions, meeting documents, budget and quarterly expenditure information, public release of the Assembly's Financial Statements as independently audited by the Office of the Auditor General, and the implementation of Committee decisions to expand Members' quarterly disclosure of receipts for travel and constituency office expenditures.
- *Modernized financial controls and policies* – with rigorous and systemic internal controls to ensure the prudent administration of Assembly expenditures.
- *Ensuring a secure and accessible environment* – including enhanced security and access for Members, staff, and citizens, and the development of a robust business continuity and emergency preparedness program.

I am also pleased that the Committee's support for my initiative to undertake the first ever independent Legislative Assembly Support Programs Accountability Review in 2014 resulted in opportunities for efficiencies, cost savings, and ways to improve service delivery, which contributed to the Committee's decision to hold the Assembly's authorized expenditures for 2016-17 at the 2014-15 level.

As careful stewards of public funds, the Committee's prudent management and priority-setting enabled the Assembly to return \$5.9 million of its \$69.6 million operating budget and \$1.3 million of its \$2.8 million capital budget to the Consolidated Revenue Fund.

In the year ahead, initiatives under way will advance the modernization of financial and administrative controls, and ensure that the Legislative Assembly is well prepared to deliver cost-effective activities and services to support the Assembly and its Members after the May 2017 provincial general election.

Craig James  
Clerk of the Legislative Assembly of British Columbia

# Legislative Assembly Management Committee

## Members



Hon. Linda Reid, MLA  
Richmond East  
Speaker and Chair



Hon. Michael de Jong, Q.C.,  
MLA  
Abbotsford West  
Government House Leader



Mike Farnworth, MLA  
Port Coquitlam  
Opposition House Leader



Eric Foster, MLA  
Vernon-Monashee  
Government Caucus Whip



Shane Simpson, MLA  
Vancouver-Hastings  
Official Opposition Caucus  
Chair



Jackie Tegart, MLA  
Fraser-Nicola  
Government Caucus Chair

## Legislative Assembly Executive Staff

Craig James, Clerk of the Legislative Assembly of British Columbia

Kate Ryan-Lloyd, Deputy Clerk and Clerk of Committees

Gary Lenz, Sergeant-at-Arms

Hilary Woodward, Executive Financial Officer

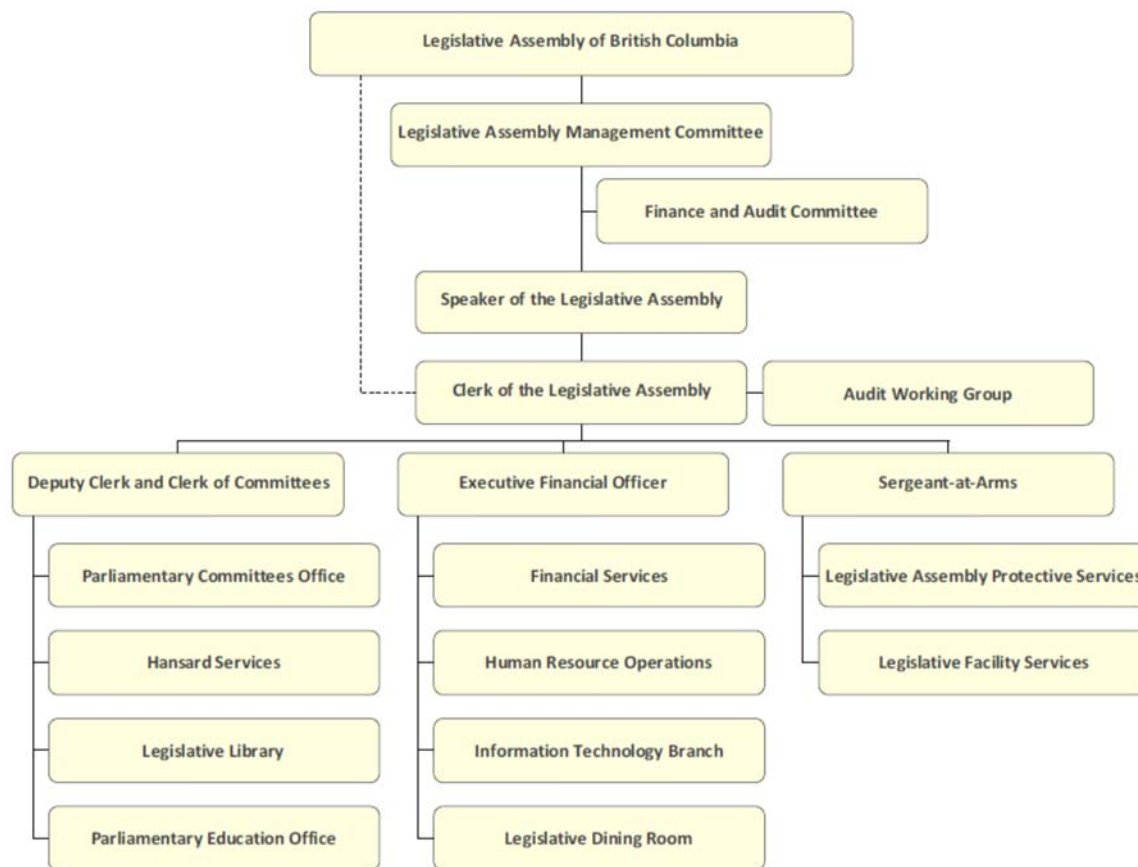


# Governance of the Legislative Assembly

## Legislative Assembly Management Committee

The [Legislative Assembly Management Committee Act](#) provides for an all-party Legislative Assembly Management Committee (the Committee) as the Assembly's parliamentary management board. Chaired by the Speaker of the Legislative Assembly, the Committee is responsible for: the sound administration of the Assembly's operations; the provision of effective administrative and financial policies and support for Members in the discharge of their parliamentary and constituency responsibilities; and prudent Assembly budgets and expenditures on behalf of all British Columbians.

## Legislative Assembly Governance Structure



## Finance and Audit Committee

The Finance and Audit Committee, comprised of the Speaker, the government and opposition Caucus Chairs, and the Clerk of the Legislative Assembly, provides systematic oversight of Assembly finances and controls, and a deliberate approach to ensuring value for taxpayers' money.

## Speaker of the Legislative Assembly

The Speaker of the Legislative Assembly is elected by its Members at the start of each Parliament to serve as the Presiding Officer and Chair of the Legislative Assembly Management Committee. Under the Committee's direction, the Speaker is responsible for the day to day administration of the Assembly, the provision of security within the Legislative Precinct, and the management of the use of the Precinct.

## Clerk of the Legislative Assembly

The Clerk of the Legislative Assembly is the senior permanent officer and procedural advisor to the Speaker and all Members. The Clerk manages the provision of professional and procedural advice and support to the Legislative Assembly Management Committee and the Finance and Audit Committee, and is responsible for the Assembly's administrative and financial operations.

## Audit Working Group

An Audit Working Group comprised of the Assembly Executive – the Clerk, the Deputy Clerk and Clerk of Committees, the Sergeant-at-Arms, and the Executive Financial Officer – and Arn van Iersel, former Comptroller General and Acting Auditor General, supports the Legislative Assembly Management Committee and the Finance and Audit Committee, with the development of information, analysis, and advice to assist Committee Members with decision-making on financial and administrative issues.

# Goals and Performance

The Legislative Assembly Management Committee sets the strategic direction for the Assembly's program areas. This direction has been summarized into four primary goals:

- Deliver programs which support the key functions of the Assembly and its Members.
- Provide effective, responsible and accountable financial management and administration.
- Ensure that Members and British Columbians are well-informed about the work of their Legislative Assembly.
- Create a safe and secure environment for Members, staff and citizens.

The Assembly measures the achievement of these goals through the use of key performance indicators and targets. The following section of the report provides an overview of the Assembly's goals, objectives, key activities, and performance results.

## General Performance Indicators

Indicator	2012/13 Actual	2013/14** Actual	2014/15 Actual	2015/16 Actual
Number of Legislative Assembly sitting days (fiscal year)	44	41	70	74
Number of sitting hours (Legislative Chamber and for concurrent Estimates debate in committee rooms)	416	383	598	633
Number of active parliamentary committees	14	10	13	13
Number of active parliamentary committees meeting hours	258	153	243	216
Number of visitors to the Parliament Buildings	*	*	273,319	265,876
Number of visitors who participated in a Legislative Assembly tour of the Parliament Buildings	90,249	86,701	87,080	88,397

\* Information not available

\*\* Provincial general election held May 14, 2013.

### GOAL 1

**The Legislative Assembly's key functions to legislate, authorize expenditures and taxes, and undertake legislative oversight are supported.**

The Legislative Assembly Management Committee ensures that the Assembly and its Members have the financial and administrative support and resources to fulfill their responsibilities for examining legislative, expenditure, and taxation initiatives before they become law, and inquiring into government's policies, programs, and spending plans.

## Strategic Objectives

- That the Legislative Assembly, its parliamentary committees, and its Members are supported with advice and services which are timely, effective, and aligned with the priorities of the Assembly and its Members.
- That the Legislative Assembly's finances and administration are governed by sound and transparent management.
- That by 2017-18 the Legislative Assembly will have successfully launched the opening of the 41st Parliament after the May 2017 general election, and implemented Members' orientation programs and administrative services to enable Members to effectively assume their parliamentary and constituency responsibilities in the new Parliament.

## Decisions and Key Activities

The Legislative Assembly Management Committee's decisions in 2015-16 included the following:

- *Prudent budget management* – the Committee agreed to maintain the Assembly's budget authorization for 2016-17 at the 2014-15 level for the second year in a row.
- *Sound and transparent financial management* – the Committee approved the Assembly's 2014-15 Financial Statements which were audited and confirmed by the Office of the Auditor General to be reliable and fair for the second year in a row; adopted a Capital Project Review and Approval Policy; and agreed to release the 2014-15 Legislative Assembly Accountability Report.
- *Leading preparations for the 41st Parliament* – the Committee oversaw preparations for the next Parliament after the May 2017 provincial general election, including approval of an updated Constituency Offices budget to provide constituency office funding for all electoral districts, to be indexed to the year over year change in the BC Consumer Price Index and implemented after the general election.

The Clerk of the Legislative Assembly is the Assembly's Chief Executive Officer, and is the principal procedural advisor to the Speaker and all Members, with responsibilities for the proper implementation of Committee decisions and the management of operational services, facilities, and non-partisan Assembly staff. Key activities to support the Committee's decisions by the Office of the Clerk in 2015-16 involved:

- *Implementing Legislative Assembly Management Committee decisions* – with regular meetings of the Audit Working Group to provide ongoing support to the Committee and the Finance and Audit Committee, to address financial and management issues, and to ensure effective implementation of their decisions.
- *Managing Assembly departments and reporting structures for economy and efficiency* – by ensuring cost-effective service delivery, and by regular Executive and Senior Management Team meetings to integrate advice and support for Assembly deliberations and administration.
- *Carrying out preparations for the 41st Parliament* – by planning for the dissolution of the 40th Parliament, the procedural and operational launch of the new Parliament, including planning for the coordination and administration of the oath of office ceremonies for Members, and developing effective orientation programs and administrative services for Members and their staff.
- *Developing a ten-year capital plan* – by undertaking a parliamentary precinct needs assessment, and identifying potential multi-year capital plan priorities, projects, and costings.

Led by the Deputy Clerk and Clerk of Committees, the Parliamentary Committees Office supports the Clerk in providing procedural, operational, communications, and research services to the Speaker, Members, and the Clerk to support the deliberative processes and general operations of the Assembly and its parliamentary committees, including interparliamentary groups. Its key activities in 2015-16 were:

- Providing advice and operational assistance to support and implement priorities and policies of the Speaker and the Legislative Assembly Management Committee – including integrated management, communications, and research services for the Committee, the Finance and Audit Committee, and the Audit Working Group.
- *Supporting the fulfillment of all the terms of reference provided to its committees by the Legislative Assembly* – ensuring that committee inquiries were completed and reports were deposited within mandated timelines as established in a committee’s terms of reference or by statute.

## Intermediate Outcomes

- The Legislative Assembly is able to conduct its business (budget, legislative, and oversight functions) effectively.
- Parliamentary documents, including committee reports, are accurate and publicly distributed in a timely manner.

## Performance Measures/Indicators

Indicator	2012/13 Actual	2013/14* Actual	2014/15 Actual	2015/16 Actual
Number of bills processed accurately through all stages (number of government, members’, and private bills adopted annually)	45	8	37	38
Number of bills introduced	55	37	64	63
Number of parliamentary documents ( <i>Orders of the Day, Votes and Proceedings, Hansard transcripts, and parliamentary committee reports</i> ) accurately prepared for distribution	379	316	527	497

\* Provincial general election held May 14, 2013.



## Goal 2

### Effective, responsive and accountable financial management and administration.

Over the last several years the Committee has been leading a comprehensive reform of the Assembly's governance and financial administration. Results to date include a strong control environment, prudent and thorough budget management, openness and transparency, and enhanced accountability. The Legislative Assembly of BC now has one of the most transparent and comprehensive financial accountability frameworks in Canada.

Each year, the Assembly conducts a rigorous budget process involving multiple layers of analysis, discussion, review, and approval before public release by the Legislative Assembly Management Committee.

On a quarterly basis, the Assembly prepares financial reports which are presented to the Legislative Assembly Management Committee for review and are then posted online. In addition, the Assembly produces detailed quarterly reports for Member compensation, Member travel, Member constituency office expenses, parliamentary committee travel, and executive travel. British Columbia is one of only a few Canadian jurisdictions that publicly posts Member expense receipts online.

On an annual basis, the Assembly prepares independently audited financial statements and a management discussion and analysis document which, along with an update on performance measures, key activities, and Legislative Assembly Management Committee decisions, are included in the annual Accountability Report. In addition, the Assembly releases information on employee compensation and travel, as well as vendor payments, as part of the province's annual Public Accounts.

With a strong financial accountability framework in place, the Assembly will continue efforts to improve financial administration and to perform these functions in more efficient and effective ways. This will be achieved through increased automation and the streamlining of key financial processes.



### Strategic Objectives

- That by 2017-18 the Legislative Assembly has completed its major financial reform initiatives, including an updated financial/accounting system, revised financial and operating policies, an automated system for financial disclosure, and integrated constituency office expenses for improved reporting.
- That by 2017-18 the Legislative Assembly and its support functions have moved primarily to electronic documents and processes for business, with electronic approvals, e-forms, electronic document preparation, distribution, and review, a commensurate reduction in printing costs, and continued integrity of parliamentary processes and information.

## Decisions and Key Activities

The Legislative Assembly Management Committee's financial and management decisions included:

- *Budget oversight* – as part of its ongoing oversight of the Assembly budget, the Committee approved the Legislative Assembly's 2016-17 budget for Vote 1 and changed the name from "Legislation" to "Legislative Assembly" to be consistent with the naming convention used for other votes.
- *Expenditure oversight* – as part of its ongoing oversight of Assembly expenditures, the Committee approved the Legislative Assembly's 2014-15 Third and Fourth Quarter Financial results, and the 2015-16 First and Second Quarter Financial results.
- *Audit plan* – to support a comprehensive review of Assembly administrative processes, policies, and controls, the Committee approved a draft Risk Based Audit Plan 2015/16-2017/18.
- *Governance audit* – the Committee approved the Governance Framework Internal Audit Report, which was identified as an internal audit project in the Assembly's previous internal audit plan, and outlined possible areas for consideration regarding further governance enhancements for the Assembly.
- *Review of financial policies* – the Committee agreed to refer the matter of the Members' Capital City Living Allowance, which provides funds for Members living outside the Capital Regional District to have a second temporary home in the capital region while serving as a Member, to the Finance and Audit Committee for consideration.

The Financial Services Branch supports the Legislative Assembly through the provision of advice and services on budgets, financial management and planning, accounting, reporting, public disclosure of Members' compensation and expenses, and administrative procedures. Key activities by the Financial Services Branch to support the Committee in 2015-16 involved:

- *Carrying out decisions by the Legislative Assembly Management Committee and the Clerk on reforms to financial administration* – by working with a consultant to perform a detailed review of the Legislative Assembly's accounting and payroll software resulting in recommendations for improvement and a two year implementation plan, implementing accounting software improvements such as audit trail functionality and a more secure electronic fund transfer process, deploying new control procedures across the Assembly, creating a new policy framework for the Legislative Assembly, writing and implementing several new financial policies, and supporting the work of the Assembly's external and internal auditors.
- *Preparing for the May 2017 election* – by leading a comprehensive review and update of the *Transition Guide for Members of the Legislative Assembly*, and by developing an orientation package for new Members.
- *Continuing to provide financial accountability* – through the preparation of the Legislative Assembly's annual budget, annual independently audited financial statements, an annual management discussion and analysis report, quarterly Member compensation and expense reports (with redacted receipts), quarterly financial updates, and internal monthly monitoring reports.
- *Providing comprehensive support and information to the Legislative Assembly Management Committee, the Finance and Audit Committee, and the Audit Working Group* – including detailed analysis and reports for consideration during the budget process, systematic financial information and reports, briefing notes, and financial, process, and policy advice.

- *Promoting best practices in financial controls and processes* – by regularly delivering presentations to Legislative Assembly branches and constituency offices on a variety of topics including budgeting, year-end accounting procedures, the public disclosure process, and day-to-day financial controls.
- *Reorganization of financial and administrative structure* – with strengthened professional financial services support, and a transfer of payroll and benefit administration to Human Resource Operations.

Human Resource Operations supports the Legislative Assembly through the delivery of effective human resource and payroll services to meet the needs of, and support, the Assembly's exceptional people resources. Human Resource Operations' core functions are payroll and benefits, human resources advisory services, talent management and employee safety, health and wellness. These core functions cover a wide breadth of programs and services including recruitment, performance management, learning and development, employee relations and payroll and benefit administration. In addition to regular operational requirements, its key activities included:

- *Continuing to align the delivery of human resources services with leading practices of the public sector and other legislatures* – by reviewing and providing fair, transparent, consistent, and up-to-date human resources policies, guidelines and practices, and sound organizational structures and position classifications.
- *Enhancing recruitment and retention* – through advertising of positions using the B.C. Public Service Agency's job opportunities website, other parliamentary jurisdictions, and public sector organizations; training programs and talent management to attract and retain a strong, diverse, and capable Assembly team; and supporting the Legislative Lights program led by the Deputy Clerk and Clerk of Committees to recognize achievements, leadership and long service by Assembly staff.
- *Learning and development* – a respectful workplace training program, titled Human Rights at Work, was rolled out to all staff. This workshop supports the Assembly's commitment to fostering and maintaining a respectful and positive workplace.
- *Integrating payroll and human resources functions* – payroll services joined Human Resource Operations in May 2015, allowing the integration of related people services, and improving overall business processes.
- *Using technology to enhance practices and programs* – Human Resource Operations participated in a business process optimization project with Financial Services in order to improve the use of technology within the branch. The outcome of that process is a plan to improve technology use in four phases: phase one will be to implement the HR module of the Human Resource Information System; phase two will be to implement online pay advices; phase three will be to implement online timesheets; and, finally, phase four will be to implement online leave management.

## Intermediate Outcomes

- The annual financial statements of the Legislative Assembly present fairly, in all material respects, the financial position, and the result of its operations.
- Members and staff are provided with timely and accurate payments consistent with approved Legislative Assembly policies.
- The public receives timely and accurate reports for Members' travel and constituency office expenses.

- The Legislative Assembly demonstrates responsible management practices by staying within the approved budget appropriation.

## Performance Measures/Indicators

Measure/Indicator	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target
The external auditor has provided an unreserved (unmodified) opinion on the financial statements (Yes or No)	N/A	Yes	Yes	Yes	Yes
Percentage of expense disclosure (Members' travel and constituency office expenses, parliamentary committee travel, and executive travel) released within three months of the close of the quarterly reporting period)	N/A	N/A	100%	100%	100%
The Legislative Assembly has maintained expenditures within its annual budget appropriation (Yes or No)	Yes	Yes	Yes	Yes	Yes

## Goal 3

### Members and British Columbians are well-informed about the work of their Legislative Assembly.

The work and decisions of the Legislative Assembly and its Members affect the lives of all British Columbians. The Assembly is increasing the availability of parliamentary information, by using technology to support cost-effective initiatives such as digitizing information, and using the Assembly's website and social media to engage stakeholders and gather evidence for parliamentary committee inquiries.

### Strategic Objective

- That the public outreach of the Legislative Assembly be improved through the innovative use of new technologies, and enhanced electronic public access to Assembly documents, reports, and proceedings.

### Decisions and Key Activities

The Legislative Assembly Management Committee's decisions regarding information services and technology included the following:

- *Enhanced digital services* – the Committee adopted the Legislative Library's strategic plan for 2015-2020, with a focus on expanding the Library's digital access and services for Members, staff, and British Columbians.
- *Legislative Assembly website redesign* – the Committee was briefed on work to renew the Assembly's website, featuring a new design, integrated content, improved site navigation, a layout optimized for mobile devices, and opportunities to connect through social media with British Columbians on the work of the Assembly and its parliamentary committees, including public consultations.

Hansard Services supports the work of the Legislative Assembly by publishing the official reports of House and parliamentary committee proceedings, and by producing live broadcasts and webcasts of those proceedings. Key activities by Hansard Services in 2015-16 were:

- *Improved services to members and the public* – through upgrading live webstreaming services to a higher resolution image delivered through an improved video player that better supports portable devices, and by integrating new video-conferencing technologies into our broadcasting systems to help facilitate more cost-effective public consultation initiatives.
- *Legislative Assembly website redesign* – migrating over 19,000 transcript and index files into the new SharePoint environment, adding innovative features such as scheduled publishing of live video links, and integrating web content and accessibility across multiple pages.

The Legislative Library provides research support and library collection services to Members, their staff, and Assembly departments. The Legislative Library's key activities included the following:

- *Strategic plan* – the Library's strategic plan was completed, and received approval from the Legislative Assembly Management Committee. The plan places an emphasis on digital collections and services, outreach to clients, and accountability, and provides a guide for Library activities over the next several years.



- *Extended hours* – increased Library hours by opening earlier in the morning, and issued the Local News Update earlier in the day, in order to better match the needs and work schedules of clients, fulfilling one of the action items in the strategic plan.
- *Digitization* – continued extensive digitization efforts to support a major goal of the strategic plan. The 1933-52 BC Sessional Papers were supplied to UBC, and now form an important part of the UBC Open Collection. As well, microfilm reels of the Daily Colonist were lent to the University of Victoria. This valuable source now contains probably the largest online newspaper in BC. All of the material for these projects have been supplied by the Library, and both collections are accessible to the public. The Library also maintained its in-house digitization project, adding almost 30,000 files to its collection of early BC government publications.
- *Legislative Assembly website redesign* – strengthened the availability of Library products through the Assembly website, to enhance accessibility for Library information services.

The Parliamentary Education Office provides programs, print, and on-line information on the Assembly's parliamentary roles and activities to Members and British Columbians. Its key activities were:

- *Enhancing public awareness of the roles and responsibilities of the Assembly and Members* – through cost-effective, innovative programs and easily accessible on-line information materials for citizens and visitors.
- *Encouraging school, teacher, and student engagement* – by the B.C. Teachers' Institute on Parliamentary Democracy, University Program Days, a pilot program with Royal BC Museum, a renewed Speaker in the Schools program, and strengthened information for schools and students on the work of the Assembly and Members.
- *Strengthening financial administration and enhancing inventory management* – developing best practices, implementing a new business model, and implementing generally accepted accounting principles for the operation of the Parliamentary Gift Shop.
- *Legislative Assembly website redesign* – with increased website accessibility and information on parliamentary education and visitor services.

The Information Technology Branch provides reliable and secure information technology and support services to Members and their parliamentary and constituency office staff, and Assembly staff, and ensures on-line Assembly information for citizens. The branch's key activities involved:

- *Ensuring secure, efficient and cost-effective information networks* – by developing infrastructure systems which are adaptable to new technologies, responsive to the evolving requirements of the Assembly and its Members, and positioned to support business continuity and emergency preparedness.
- *Supporting Assembly website services for Members and the public* – by including enhanced information on Assembly and parliamentary committee activities, regular updates to the *Members' Guide to Policy and Resources* website, and on-line information on Members' compensation and expenses.
- *Launched the Legislative Assembly's new website* – with support to Assembly branches as they took over responsibility for updating their content.

Key activities by the Parliamentary Committees Office to ensure that Members and British Columbians have access to timely and high-quality information on the work of committees included the following:

- *Increased electronic and public access to parliamentary committee documents* – by posting on the Committees' website electronic versions of meeting materials and submissions for the

following committees: the Select Standing Committee on Finance and Government Services; the Select Standing Committee on Health; the Special Committee to Review the *Freedom of Information and Protection of Privacy Act*; the Select Standing Committee on Public Accounts; the Select Standing Committee on Children and Youth; and the Legislative Assembly Management Committee.

- *Enhanced engagement and consultation with British Columbians* – through parliamentary committee travel, tele/videoconferencing, and on-line submissions. The office supported and coordinated the increased use of Assembly social media such as Facebook and Twitter to better promote organizational initiatives and parliamentary committee activities.
- *Legislative Assembly website redesign* – expanding website access to parliamentary committee documents and meeting information, and enhancing on-line public engagement and consultation services.

## Intermediate Outcomes

- Members and British Columbians receive sufficient and appropriate information to be well informed about the work of the Assembly and its parliamentary committees.
- There is appropriate access to the work of the Legislative Assembly, including parliamentary and committee proceedings.

## Performance Measures/Indicators

Measure/Indicator	2012/13 Actual	2013/14 Actual**	2014/15 Actual	2015/16 Actual
Total number of Legislative Assembly web pages	*	*	195,000	198,000
Total number of web pages viewed	*	*	7,412,344	7,274,490
Total number of visits to the website	*	*	1,769,106	1,344,536
Annual number of broadcast hours for parliamentary proceedings (audio and video)	643	536	789	810
Number of British Columbians who participated in parliamentary committee consultations (number of presentations, submissions, and applications)	1,744	757	3,435	1,435
Number of library information requests received from Members and Legislative Assembly staff	*	*	*	2246
Percentage of Library resources (books, publications, and data bases) that are available to Members in digital form	*	*	*	35%
Number of participants in parliamentary education workshops	349	365	400	529
Number of students who participated in the Speaker in the Schools program	*	*	395	507

\* Information not available.

\*\* Provincial general election held May 14, 2013.

## Goal 4

### A safe and secure environment for Members, staff and citizens.

A secure and accessible environment enables the Legislative Assembly and its Members to carry out their functions of holding government to account, and scrutinizing legislation, taxation, and spending initiatives. The Sergeant-at-Arms ensures a secure and accessible environment, and provides cost-effective building services for the work of the Assembly, Members, and staff.

### Strategic Objectives

- That Members, their parliamentary and constituency office staff, and Assembly staff are afforded a secure and accessible environment in which to conduct their business.
- That a robust Business Continuity, Earthquake Preparedness, and Disaster Recovery program is implemented by 2016-17 and maintained.
- That by 2016-17 a detailed space inventory of the Legislative Assembly is undertaken, including the upcoming space needs of the Assembly and its Members, as an initial step toward the development by 2017-18 of a comprehensive multi-year Parliament Buildings renewal plan.
- That by 2018-19, the Legislative Assembly has developed and implemented a sustainability program based on public sector best practices and targets for the environmentally responsible management of its facilities and operations.

### Decisions and Key Activities

The Legislative Assembly Management Committee's decisions to ensure a safe and secure environment included the following:

- *Long-term space planning* – to provide effective facilities and services for the Assembly and Members after the May 2017 provincial general election, the Committee agreed that the Finance and Audit Committee develop a proposal for the review and approval of the Legislative Assembly Management Committee regarding long-term space planning for the precinct, including recommendations and options.
- *Enhancing accessibility* – the Committee continued its work to upgrade accessibility across the Assembly's facilities, including an automated door opener on the south end entrance of the Douglas Fir Committee Room.
- *Ensuring a secure environment* – in support of its November 2014 decisions to enhance security, the Committee approved the cost and implementation plan for the creation of a second controlled access point at the main entrance of the Parliament Buildings, including metal detectors and x-ray equipment – individuals accessing the public galleries to observe parliamentary debates, and individuals attending committee proceedings are required to undergo security screening.

The Legislative Assembly Protective Services branch provides a safe and accessible environment for Members, staff, and British Columbians. Its goals for 2015-16 were to complete the seven point security plan adopted by the Committee in November 2014, to allow Members and staff to conduct their business without disruption in a safe and secure environment, to safeguard the iconic Parliament Buildings, to balance security requirements with the rights of the public to have access to the parliamentary precinct, while ensuring their safety, and to strengthen the business continuity,

earthquake preparedness, and disaster recovery plans for the Legislature. Key activities in 2015-16 involved:

- *Continuing to strengthen strategic partnerships with security partners* – with new Memoranda of Understanding with the RCMP and the Victoria Police Department respecting investigations, physical security of parliamentary precinct and constituency offices, real time intelligence, and police services at the Parliament Buildings.
- *Enhanced security equipment, training, and procedures* – with annual testing of the precinct security plan, the implementation and operation of x-ray screening and metal detector portal/magnetometer equipment at the main entry points of the Legislative Assembly, increased support for security at Members’ constituency offices, a training strategy report prepared with the Justice Institute of British Columbia, and the provision of protective ballistic vests, uniforms, and firearms to branch members who hold the designation of Special Provincial Constable status.
- *Emergency preparedness and business continuity* – through continued contingency planning, business continuity plan test exercises, training, and procurement of equipment and supplies to maintain business operations in the event of emergency situations.

The Legislative Facility Services branch ensures timely and cost-effective maintenance and building services to support the effective work of the Assembly, its parliamentary committees, and Members. Key activities of Legislative Facility Services in 2015-16 were:

- Identifying future occupant requirements and cost-effective options to meet the changing needs of Members and staff – by developing a detailed ten-year infrastructure capital plan.
- *Improving the efficiency and effectiveness of facilities services* – by in-house support for ongoing service requirements and contract arrangements for additional and peak needs.

## Intermediate Outcomes

- Members, staff and visitors are able to conduct their business at the Legislature and at constituency offices without disruption in a safe and secure environment.
- The Legislative Assembly is well prepared for a significant business interruption (e.g., a systems failure, terror threat, or earthquake).

## Performance Measures/Indicators

Measure/Indicator	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target
The precinct security plan is up to date and has been tested within the year (Yes or No)	N/A	N/A	Yes	Yes	Yes
The annual total number of business continuity plan test exercises	N/A	N/A	Two	Two	Two

# Management Discussion and Analysis

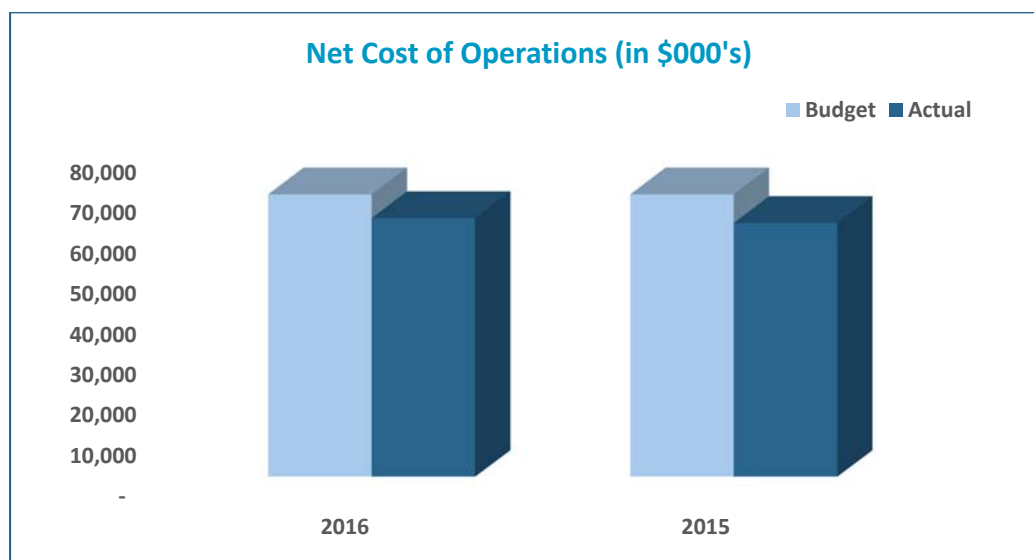
For the year ended March 31, 2016

This Management Discussion and Analysis (MD&A) reflects the continued commitment of the Legislative Assembly of British Columbia (the Legislative Assembly) to enhanced accountability and transparency. It complements the 2016 Financial Statements by providing further financial analysis and forward-looking information relating to the financial position and results of operations of the Legislative Assembly.

The MD&A should be read in conjunction with the Legislative Assembly's audited Financial Statements for the year ended March 31, 2016. The financial information in this report has been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS), all totals and percentages have been rounded, and all year references are for the year ended March 31.

## Financial Results

The Legislative Assembly's net cost of operations for 2016 was \$63.7 million (\$62.5 million in 2015) which was \$5.9 million (\$7.1 million in 2015) lower than the budget of \$69.6 million (same in 2015). Of the \$2.8 million capital budget (\$3.4 million in 2015), the Legislative Assembly incurred \$1.5 million in capital expenditures (\$990 thousand in 2015).

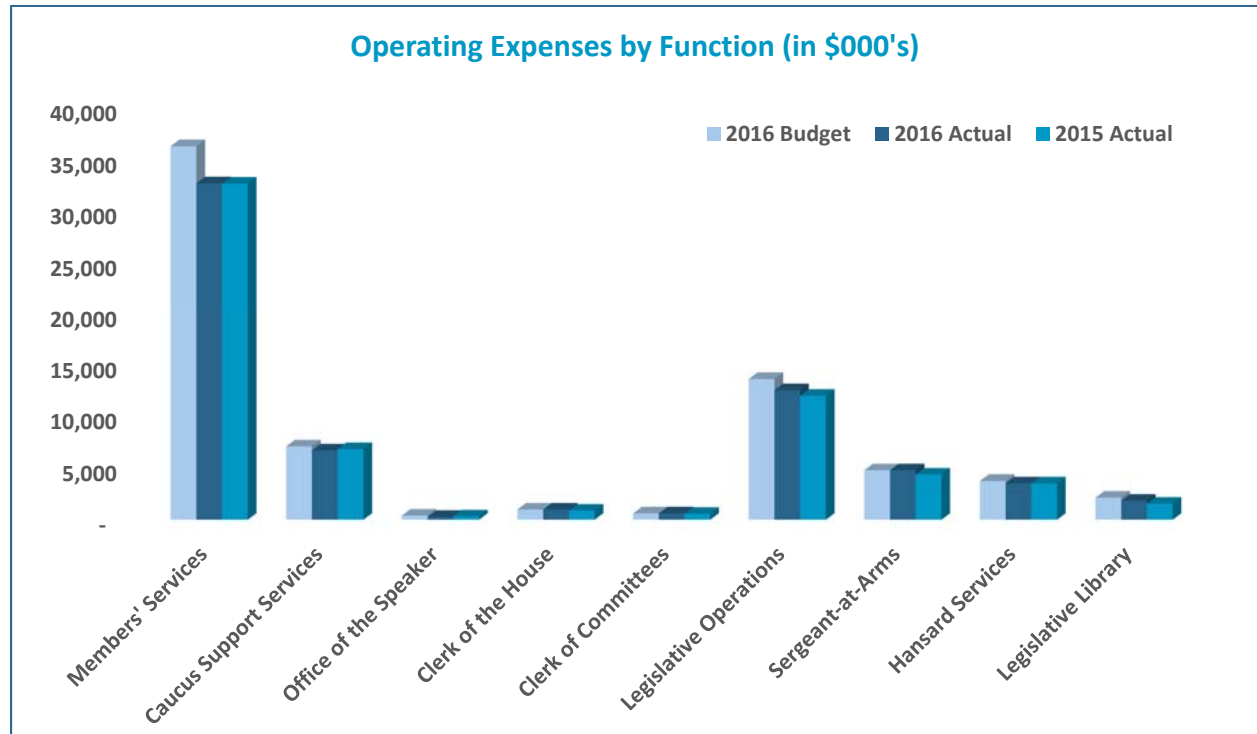


In 2016, the Legislative Assembly reported a surplus of \$287 thousand (deficit of \$277 thousand in 2015). As explained in note 15 of the Financial Statements, these results represent a timing difference between the recognition of revenue and expenses related to non-financial assets (tangible capital assets, prepaid expenses, and inventories held for use). As such, these results should not be interpreted as positive or negative.



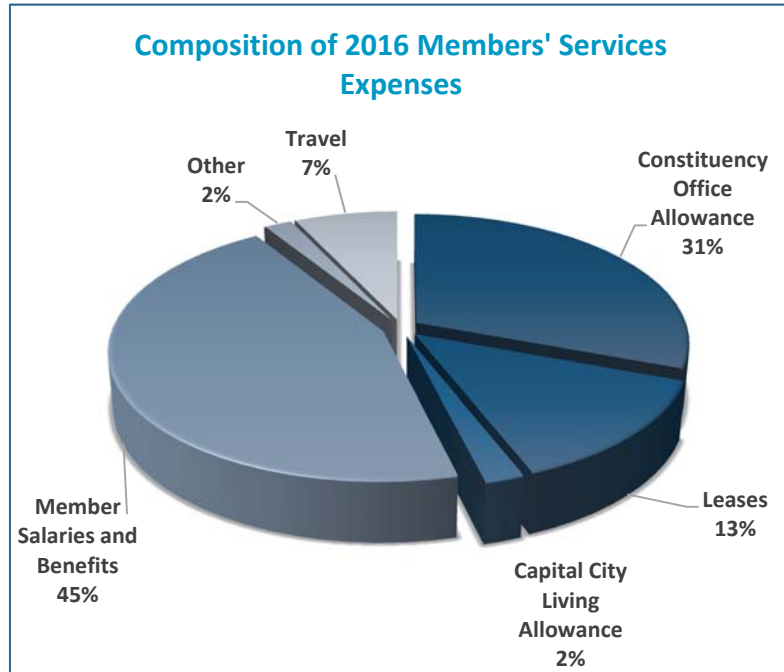
## Operating Expenses by Function

Total 2016 expenses were \$64.3 million, an increase of \$1.2 million from 2015 (\$63.1 million), and \$5.8 million less than budgeted. The number of sitting days increased by 4 in 2016 to 74 (70 in 2015) and resulted in additional expenses such as salaries and expenses in Members' Services and Legislative Operations. Furthermore, Legislative Operations had a higher complement of staff in 2016 to fill vacated positions from 2015. As a result, Members' Services and Legislative Operations expenses were higher in 2016 by \$28 thousand and \$531 thousand respectively. The Legislative Library's spending also increased by \$291 thousand, when compared to 2015, as vacated positions were filled during the year in accordance with new strategic initiatives approved in 2016.



Members' Services consists of all expenses relating to Members and their constituency offices. The largest component is Members' salaries and benefits at 45% of the Members' Services budget, followed by the constituency office allowance of \$119,000 annually per office at 31% of the Members' Services budget.

Members' Services expenses were budgeted to be \$36.3 million. Actual expenses were \$32.7 million in 2016, consistent with 2015 and \$3.6 million lower than budget. The underspend was primarily a result of lower than expected Member travel, lower than expected benefit costs, and the resignation of two Members, leading to their seats being temporarily vacated for a significant portion of the year.



The Government Caucus and the Opposition Caucus, along with Independent Members, receive an annual formula-driven budget to fund their legislative offices and responsibilities (Caucus Support Services). The formula is based on the number of Members within each caucus. As a result, there are minimal variances in annual expenses and budgets within each Parliament. Caucus Support Services expenses were \$127 thousand lower than the previous year primarily as a result of the temporarily vacated seats noted above.

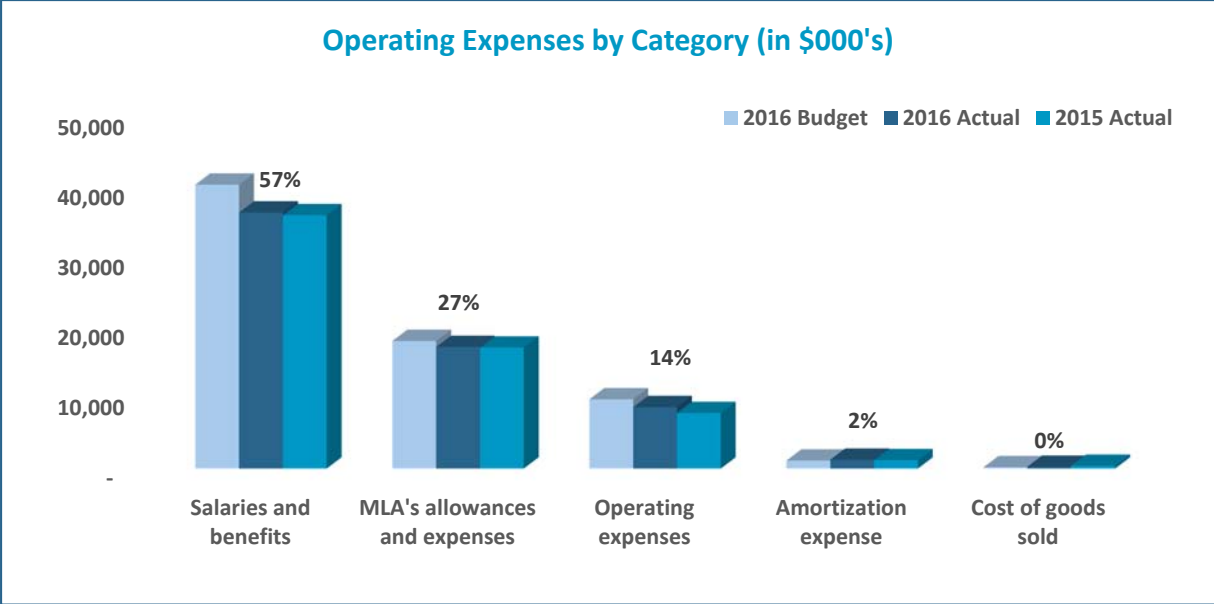
Legislative Operations expenses were \$1.1 million under budget in 2016 as a result of unused consulting funds, unfilled staff positions, and unspent budgeted contingency funds.

The Sergeant-at-Arms' budget of \$4.9 million was fully spent, and was \$425 thousand higher than the prior year (\$4.4 million in 2015), mainly due to the costs of implementing new security measures for the Legislative Precinct.

Variances compared to the budget and 2015 were insignificant for all other departments.

### Operating Expenses by Category

The Legislative Assembly's most significant expense category is Salaries and Benefits, accounting for more than 57% of the Legislative Assembly's total expenses, followed by Members' Allowances and Expenses at over 27%. The Salaries and Benefits category contains Members' salaries and benefits.

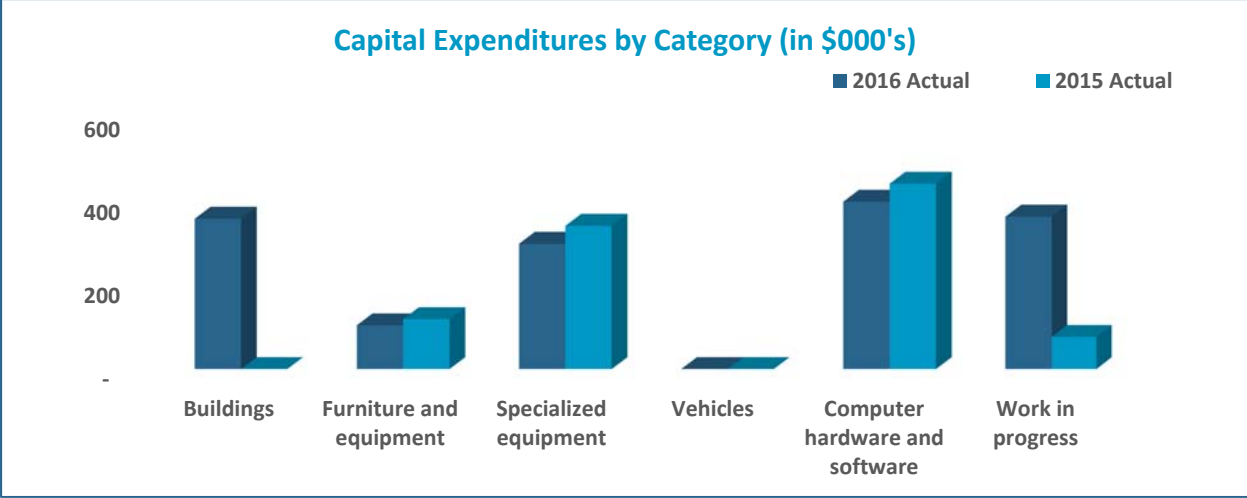


Assembly Salaries and Benefits increased by \$392 thousand compared to 2015 and was \$4.0 million under budget as a result of unfilled positions and lower than expected benefit costs. Members' Allowances and Expenses, which includes the constituency office allowance, were consistent with the previous year.

Operating Expenses is comprised of office administration, utilities, telecommunications, and travel. These expenses were \$841 thousand higher than 2015, and \$1.1 million under budget due to lower than expected repairs and maintenance to Legislative Assembly buildings and equipment, lower than expected expenses for professional consulting services, and unspent contingency funds.

### Capital Expenditures by Category

Capital spending varies in amount and by category annually depending on need and priority.



The Legislative Assembly’s capital assets include the Parliament Buildings and surrounding structures, building improvements, office furniture, computers, servers, maintenance equipment, and specialized broadcasting equipment. Significant capital additions during 2016 included security upgrades to the Legislative Precinct, security equipment, upgraded audio systems in the Chamber and committee meeting rooms, the renewed Legislative Assembly website, desktop computers, and server upgrades.

When compared to 2015, capital spending was higher in 2016 by \$550 thousand. The increase in spending was attributable to a streamlined capital project approval process which now occurs during the budget approval process.

## Revenues

The Legislative Assembly generates revenue from the public and Members through its Parliamentary Dining Room and Parliamentary Gift Shop operations. Combined revenue of over \$505 thousand was generated by these operations in 2016 (\$490 thousand in 2015). A small amount of revenue is also earned by leasing space on the Legislative Precinct to the media and government agencies.

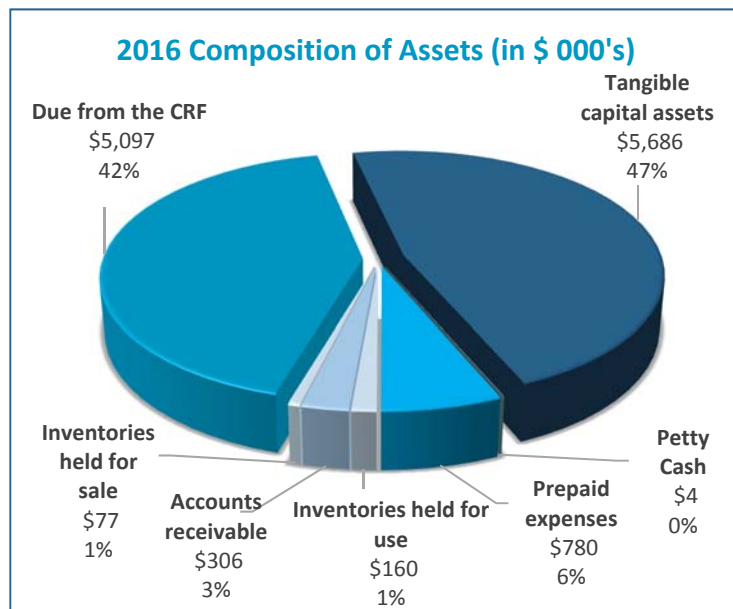
## Financial Position

### Assets

The Legislative Assembly’s most significant asset balance is Tangible Capital Assets. Capital spending was higher than the amortization amount in 2016, resulting in a net increase of \$274 thousand to Tangible Capital Assets. Major capital additions included security upgrades to the front entrance, security equipment, upgraded audio systems, the new Legislative Assembly website, desktop computers, and server upgrades.

The Due from the Consolidated Revenue Fund (CRF) balance is equal to the sum of the Legislative Assembly’s liabilities, less its financial assets. It represents the net amount owed to the Legislative Assembly for expenses incurred for which Vote 1 appropriation funds had not yet been received. This balance fluctuates annually based on the changes in liabilities and financial assets.

The Legislative Assembly bank account is replenished by the Ministry of Finance throughout the year as payments are made; therefore, it maintains a zero balance. The remainder of the Legislative Assembly’s assets are relatively minor and did not change significantly in 2016 from 2015.

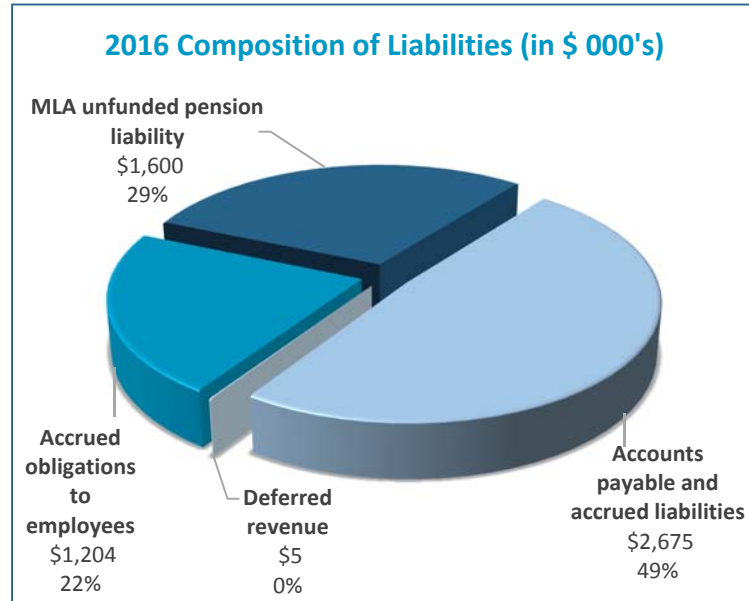


## Liabilities

The Accounts Payable and Accrued Liabilities balance increased by \$747 thousand for 2016, mainly as a result of the timing of the biweekly payroll split at the fiscal year-end. For fiscal 2016, nine days of unpaid work was accrued at March 31<sup>st</sup> compared with seven days at March 31<sup>st</sup> of the previous year.

Accrued Obligations to Employees is composed of the employee retirement allowance and the employee leave liability (vacation, etc.). The change in both amounts was insignificant between 2015 and 2016.

The estimated present value of the Legislative Assembly's obligation to the MLA superannuation account and the net assets available remained unchanged, resulting in no change to the MLA Unfunded Pension Liability. The deferred revenue balance is insignificant.



## Looking Ahead

This section provides a best estimate of the future financial results of the Legislative Assembly, based on assumptions and information currently available.

The tables and narrative below summarize actual results for the previous two years, the Legislative Assembly's 2017 budget, and forecasted and projected results for 2017 to 2019. The 2017 forecast and 2018 to 2019 projections reflect the Legislative Assembly's planned actions based on assumptions and estimates; actual results may vary significantly from the information presented.

### Projected Operating Costs

The Legislative Assembly is forecasting to fully expend its 2017 operating budget with the exception of contingency amounts set aside to cover unanticipated costs, lower than expected salaries and benefits costs, and savings resulting from the Legislature not being recalled for a fall sitting.

The projected 2018 budget is expected to increase by \$9.2 million compared to the 2017 budget in anticipation of the additional costs required during an election year to transition to a new Parliament. Examples of additional costs that arise during an election year are transitional assistance payments to former Members, constituency office start up costs and allowances, orientation and training costs for new Members and their constituency assistants, office relocations within the Parliament Building, and the costs of refreshing computer and other equipment. Projected expenses for 2019 are expected to return to a level consistent with 2017, plus expected increases for salaries and inflation.

Projected Net Cost of Operations (in thousands of dollars)	Actual		Budget	Forecast	Projected	
	2015	2016	2017		2018	2019
<b>Expenses</b>						
Members' Services	32,654	32,682	36,075	34,149	44,544	38,166
Caucus Support Services	6,933	6,806	7,196	7,196	7,258	7,323
Office of the Speaker	329	282	382	382	385	388
Clerk of the House	900	1,006	896	896	902	908
Clerk of Committees	592	628	635	635	639	643
Legislative Operations	12,078	12,609	14,058	12,650	14,628	14,337
Sergeant-at-Arms	4,436	4,861	5,026	4,999	5,080	5,124
Hansard Services	3,572	3,574	3,818	3,818	3,855	3,892
Legislative Library	1,578	1,869	2,102	2,060	2,121	2,141
	<b>63,072</b>	<b>64,317</b>	<b>70,188</b>	<b>66,785</b>	<b>79,412</b>	<b>72,922</b>
<b>Revenues</b>						
Parliamentary Dining Room	403	432	486	486	489	494
Parliamentary Gift Shop	87	73	69	69	70	71
Recovery of Prior Year's Expenses	23	57	0	0	0	0
Lease Revenue	42	42	68	68	68	68
	<b>555</b>	<b>604</b>	<b>623</b>	<b>623</b>	<b>627</b>	<b>633</b>
<b>Net cost of operations</b>	<b>62,517</b>	<b>63,713</b>	<b>69,565</b>	<b>66,162</b>	<b>78,785</b>	<b>72,289</b>

#### 2017 Forecast Assumptions

- Forecasted expenses for 2017 are based on branch forecasts at September 30, 2016.

#### 2018 and 2019 Projection Assumptions

- Projected expenses for 2018 and 2019 are from the approved 2017 budget submission.
- Projected benefits are estimated using historic trends.
- Projections include a 1% increase to salaries and benefits per year, and a 1% inflationary increase to operating expenses.
- 2018 is an election year, resulting in higher anticipated expenses.
- Sitting days are expected to remain consistent at about 70 days per year.

### Projected Capital Purchases

The Legislative Assembly is forecasting to fully expend its 2017 capital budget with the exception of contingency amounts set aside for unanticipated capital projects.

Projected capital expenditures for 2018 are expected to increase by \$200 thousand compared to the 2017 budget in anticipation of the additional costs required during an election year to transition to a new Parliament. Examples of additional capital expenditures that arise during an election year are purchases of office furniture, computers, and related equipment.

Projected Capital Purchases (in thousands of dollars)	Actual		Budget	Forecast	Projected	
	2015	2016	2017		2018	2019
<b>Capital Purchases</b>						
Furniture and Equipment	137	91	260	157	256	174
Computer Hardware and Software	466	422	459	474	762	303
Buildings	0	718	990	89	900	900
Vehicles	0	0	0	0	0	0
Specialized Equipment	388	309	713	697	686	566
<b>Total Capital Purchases</b>	<b>990</b>	<b>1,540</b>	<b>2,422</b>	<b>1,417</b>	<b>2,604</b>	<b>1,943</b>

#### 2017 Capital Forecast Assumptions

- Forecasted expenditures for 2017 are based on branch forecasts at September 30, 2016.

#### 2018 and 2019 Capital Projection Assumptions

- Projected capital purchases for 2018 and 2019 are from the approved 2017 budget submission.
- 2018 is an election year, resulting in higher anticipated capital expenditures.

## Risk Management

Like any organization, the Legislative Assembly is subject to various operational, financial, technological, facilities related, and staffing risks. In response, the Legislative Assembly has established internal controls, policies, and processes to assist in mitigating these risks and is actively managing these risks through regular meetings of its Senior Management Team and Audit Working Group. In addition, the Legislative Assembly's internal audit function conducts operational and control audits and reports regularly to the Finance and Audit Committee (FAC). The FAC also receives regular reports from the Legislative Assembly's Executive.

In the coming year, the Legislative Assembly will further formalize its enterprise risk management policy by utilizing an organization-wide risk register in which each branch will identify, assess, and create action plans for known and potential risks. The risk register will be reviewed, discussed, and updated regularly by the Senior Management Team and presented annually to the Finance and Audit Committee for review and consideration.





# Financial Statements

For the year ended March 31, 2016

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## Statement of Management Responsibility

For the year ended March 31, 2016

The financial statements and note disclosures of the Legislative Assembly of British Columbia have been prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS). The integrity and objectivity of these statements and disclosures are management's responsibility. A summary of the significant accounting policies are described in note 2 to the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced, that assets are safeguarded, that transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and that reliable financial information is available on a timely basis for preparation of the financial statements.

The Legislative Assembly Management Committee (LAMC) is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Finance and Audit Committee is appointed by LAMC to review the financial statements, the adequacy of internal controls, the audit process, and financial reporting.

The Office of the Auditor General of British Columbia has performed an independent audit of the financial statements of the Legislative Assembly of British Columbia. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination, and their opinion on the financial statements.

On behalf of the Legislative Assembly of British Columbia,

Craig James  
Clerk of the House

Hilary Woodward, CPA, CA  
Executive Financial Officer

Victoria, British Columbia  
On the 1<sup>st</sup> day of December 2016

## **INDEPENDENT AUDITOR'S REPORT**

*To the Members of the Legislative Assembly Management Committee, and  
To the Speaker of the Legislative Assembly:*

I have audited the accompanying financial statements of the Legislative Assembly of British Columbia (“the entity”), which comprise the statement of financial position as at March 31, 2016, and the statement of operations and change in accumulated surplus, statement of changes in net debt and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In my view, the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



OFFICE OF THE  
**Auditor General**  
of British Columbia

*Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Legislative Assembly of British Columbia as at March 31, 2016 and the results of its operations and changes in accumulated surplus, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



*Victoria, British Columbia*  
December 1, 2016

Carol Bellringer, FCPA, FCA  
Auditor General



## Statement of Financial Position

As at March 31, 2016, with comparative information for March 31, 2015

<i>(in thousands of dollars)</i>	<b>2016</b>	<b>2015</b>
<b>Financial assets</b>		
Cash ( <i>note 3</i> )	4	4
Accounts receivable ( <i>note 4</i> )	306	432
Inventories held for sale	77	89
Due from the CRF ( <i>note 2d</i> )	5,097	4,225
<b>Total financial assets</b>	<b>5,484</b>	<b>4,750</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities ( <i>note 5</i> )	2,675	1,928
Deferred revenue	5	3
Accrued obligations to employees ( <i>note 6</i> )	1,204	1,219
MLA unfunded pension liability ( <i>note 7b</i> )	1,600	1,600
Transitional assistance ( <i>note 8</i> )	-	-
<b>Total liabilities</b>	<b>5,484</b>	<b>4,750</b>
<b>Net debt (<i>note 2h</i>)</b>	<b>-</b>	<b>-</b>
<b>Non-financial assets</b>		
Tangible capital assets ( <i>note 11</i> )	5,686	5,412
Prepaid expenses	780	771
Inventories held for use	160	156
<b>Total non-financial assets</b>	<b>6,626</b>	<b>6,339</b>
<b>Accumulated surplus (<i>note 15</i>)</b>	<b>6,626</b>	<b>6,339</b>

*The accompanying notes are an integral part of these financial statements.*

Authorized for issue on the 1<sup>st</sup> day of December 2016, on behalf of the Legislative Assembly Management Committee.

Hon. Linda Reid  
Speaker

Hon. Michael de Jong, Q.C.  
Government House Leader

Mike Farnworth  
Official Opposition House Leader



## Statement of Operations and Change in Accumulated Surplus

For the year ended March 31, 2016, with comparative information for 2015

<i>(in thousands of dollars)</i>	<b>Budget (note 12)</b>	<b>2016</b>	<b>2015</b>
<b>Expenses (note 14)</b>			
Members' Services	36,279	<b>32,682</b>	32,654
Caucus Support Services	7,211	<b>6,806</b>	6,933
Office of the Speaker	418	<b>282</b>	329
Clerk of the House	1,017	<b>1,006</b>	900
Clerk of Committees	628	<b>628</b>	592
Legislative Operations	13,694	<b>12,609</b>	12,078
Sergeant-at-Arms	4,862	<b>4,861</b>	4,436
Hansard Services	3,818	<b>3,574</b>	3,572
Legislative Library	2,171	<b>1,869</b>	1,578
<b>Total expenses</b>	<b>70,098</b>	<b>64,317</b>	<b>63,072</b>
<b>Revenues</b>			
Miscellaneous revenue (note 13)	533	<b>604</b>	555
<b>Total revenues</b>	<b>533</b>	<b>604</b>	<b>555</b>
<b>Net cost of operations</b>	<b>69,565</b>	<b>63,713</b>	<b>62,517</b>
<b>Government funding</b>			
Appropriation - operating (note 12)	69,565	<b>62,460</b>	61,250
Appropriation - capital (note 12)	2,830	<b>1,540</b>	990
<b>Total government funding</b>	<b>72,395</b>	<b>64,000</b>	<b>62,240</b>
<b>Annual surplus (deficit)</b>	<b>-</b>	<b>287</b>	<b>(277)</b>
<b>Accumulated surplus - beginning of year</b>	<b>-</b>	<b>6,339</b>	<b>6,616</b>
<b>Accumulated surplus - end of year (note 15)</b>	<b>-</b>	<b>6,626</b>	<b>6,339</b>

The accompanying notes are an integral part of these financial statements.



## Statement of Change in Net Debt

For the year ended March 31, 2016, with comparative information for 2015

<i>(in thousands of dollars)</i>	<b>Budget (note 12)</b>	<b>2016</b>	<b>2015</b>
<b>Net debt - beginning of year (note 2h)</b>	-	-	-
<b>Annual (surplus) deficit</b>	-	<b>(287)</b>	277
<b>Change due to tangible capital assets</b>			
Acquisition of tangible capital assets	2,830	<b>1,540</b>	990
Amortization of tangible capital assets	(1,150)	<b>(1,266)</b>	(1,202)
<b>Total change due to tangible capital assets</b>	1,680	<b>274</b>	(212)
Acquisition of inventories held for use	-	<b>130</b>	59
Acquisition of prepaid expenses	-	<b>794</b>	838
Consumption of inventories held for use	-	<b>(126)</b>	(250)
Use of prepaid expenses	-	<b>(785)</b>	(712)
<b>Increase (decrease) in net debt</b>	-	-	-
<b>Net debt - end of year (note 2h)</b>	-	-	-

*The accompanying notes are an integral part of these financial statements.*





## Statement of Cash Flows

For the year ended March 31, 2016, with comparative information for 2015

<i>(in thousands of dollars)</i>	<b>2016</b>	<b>2015</b>
<b>Operating activities</b>		
Annual surplus (deficit)	287	(277)
Items not involving cash:		
Amortization of tangible capital assets	1,266	1,202
Change in non-cash working capital:		
Decrease (increase) in accounts receivable	126	(4)
Decrease (increase) in inventories held for sale	12	20
Decrease (increase) in due from the CRF	(872)	985
Increase (decrease) in accounts payable and accrued liabilities	747	(22)
Increase (decrease) in deferred revenue	2	3
Increase (decrease) in accrued obligations to employees	(15)	172
Increase (decrease) in MLA unfunded pension liability	-	(100)
Increase (decrease) in transitional assistance	-	(1,054)
Decrease (increase) in inventories held for use	(4)	191
Decrease (increase) in prepaid expenses	(9)	(126)
<b><i>Net change in cash from operating activities</i></b>	<b>1,540</b>	<b>990</b>
<b>Capital activities</b>		
Cash used to acquire tangible capital assets	(1,540)	(990)
<b><i>Net change in cash from capital activities</i></b>	<b>(1,540)</b>	<b>(990)</b>
<b>Financing activities</b>		
None	-	-
<b><i>Net change in cash from financing activities</i></b>	<b>-</b>	<b>-</b>
<b>Net change in cash</b>	<b>-</b>	<b>-</b>
<b>Cash, beginning of year</b>	<b>4</b>	<b>4</b>
<b>Cash, end of year</b>	<b>4</b>	<b>4</b>

*The accompanying notes are an integral part of these financial statements.*



# Notes to the Financial Statements

For the year ended March 31, 2016

## 1. Nature of Operations

The Legislative Assembly of British Columbia (Legislative Assembly) is a self-governing, parliamentary institution established under the provincial *Constitution Act, RSBC 1996*. Its 85 Members of the Legislative Assembly (MLAs) are elected by popular vote to represent a constituency in a provincial general election held every four years. The main functions of the Legislative Assembly are: to consider, debate and approve legislation; to consider and approve all financial expenditures by government; and, to provide general oversight of the policies, plans and actions of the executive branch of government.

The Legislative Assembly Management Committee (LAMC) is the statutory governing body of the Legislative Assembly and oversees its financial management and administration on behalf of MLAs and British Columbians. Chaired by the Speaker, LAMC is comprised of MLAs representing the government and opposition parties. Both LAMC's and the Speaker's administrative and oversight responsibilities are derived from the *Legislative Assembly Management Committee Act*. The Finance and Audit Committee (FAC) is appointed by LAMC to review the financial statements, the adequacy of internal controls, the audit process, and financial reporting.

The Clerk of the House is the senior permanent officer and procedural advisor to the Speaker and all MLAs, with responsibility for the administration and financial management of the Assembly. The position directs Legislative Assembly management and staff in the provision and delivery of non-partisan services to MLAs.

Legislative Assembly departmental staff provide non-partisan services and support required by MLAs to fulfil their parliamentary duties while serving the Legislative Assembly and providing continuity from one Parliament to another. Advice and support are provided through a wide variety of services such as procedural, legislative, information technology, facilities management, library, educational, security, financial and food services.

## 2. Summary of Significant Accounting Policies

### (a) Basis of accounting

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS). All fiscal year references are for the year ended March 31.

The amounts reported in these financial statements may not be consistent with the amounts presented in the Province of B.C.'s *Public Accounts* due to timing differences and the various adjustments required to create stand-alone, non-consolidated financial statements.

### (b) Adoption of Public Sector Accounting Standards

The Legislative Assembly has not adopted any new accounting standards for the year ended March 31, 2016.

The Public Sector Accounting Board, which sets accounting standards for Canadian public sector entities, has approved the following new accounting standards which will be effective and implemented by the Legislative Assembly for the year ended March 31, 2017:

- Introduction to PSAS
- PS 3210 Assets
- PS 3320 Contingent assets
- PS 3380 Contractual obligations
- PS 3420 Inter-entity transactions

The expected impact of these standards on the Legislative Assembly's financial statements is insignificant.

**(c) Inventories**

Inventories held for sale are recorded at the lower of cost or net realizable value. Cost includes the original purchase cost plus shipping costs. Net realizable value is the estimated selling price less any costs to sell. This category of inventory includes Parliamentary Gift Shop and Parliamentary Dining Room inventory.

Inventories held for use are valued at the lower of replacement value and cost, which includes the original purchase cost plus shipping costs. This category of inventory includes bulk purchases of carpeting to be installed in the Parliament Buildings and educational resources developed for public distribution.

**(d) Due from the Consolidated Revenue Fund**

Amounts due from the Consolidated Revenue Fund (CRF) are the result of timing differences at year-end, and represent the net cash that the Legislative Assembly is entitled to draw from the CRF to discharge its liabilities without further appropriations.

**(e) Tangible capital assets**

Tangible capital assets (TCAs) are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. The Legislative Assembly only capitalizes TCAs that meet the acquisition cost thresholds defined in its policy manual, which is based on the Province of B.C.'s Core Policy and Procedures Manual (CPPM). The acquisition cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

<i>Asset Class</i>	<i>Useful life</i>	<i>Threshold</i>
Buildings	40 years	≥\$50,000
Furniture and equipment	5 years	≥\$1,000
Specialized equipment		
Heavy equipment	10 years	≥\$10,000
Operating equipment	5 years	≥\$1,000
Vehicles	7 years	None

Computer hardware and software		
Hardware, servers, and related software	5 years	≥\$10,000
Personal computer hardware, software, servers, and related peripherals	3 years	≥\$1,000

The CPPM is available on the Ministry of Finance website and provides descriptions of these asset classes.

Amortization for assets under construction does not begin until the asset is available for use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Legislative Assembly's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. Tangible capital asset write-downs are accounted for as expenses in the Statement of Operations.

Under PSAS, intangible assets, works of art, and historical treasures are not recognized in the financial statements.

Leases which transfer substantially all of the benefits and risks of property ownership to the lessee are accounted for as capital leases. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred. The Legislative Assembly did not have any capital leases during the fiscal year.

**(f) Prepaid expenses**

Prepaid expenses include such things as monthly MLA constituency office allowances and constituency office leases, and other service payments that will be charged to expense over the periods the Legislative Assembly is expected to benefit from them.

**(g) Accrued obligations to employees**

i. Employee leave liability

Employee vacation time and banked overtime are accrued as earned and reduced when taken or paid out. Associated employee benefit costs are included in the accrual. The accrual is adjusted to reflect current pay rates. Additional information is provided in note 6.

Regular employees who retire and who are scheduled to receive a pension under the Public Service Pension Plan are granted a full vacation entitlement for the final calendar year of service, regardless of the retirement date. In these cases, a full vacation entitlement is accrued on the employee's last day of work.

ii. Employee retirement allowance

The estimated employee retirement allowance is accrued and recorded as expense in the fiscal year in which employees become eligible to receive the allowance. Each year the estimated liability is adjusted to account for new employees becoming eligible, employee retirements, and employee pay rate changes. An actuarial valuation is not performed. Additional information is provided in note 6.

**(h) Net debt**

The Legislative Assembly has not been required to incur any debt because it is fully funded through its Vote 1 operating and capital appropriations. As a result, its net debt position is zero.

**(i) Pension plans****i. Pension benefits**

The employees and Members of the Legislative Assembly belong to the B.C. Public Service Pension Plan, which is a multi-employer joint trustee plan. This plan is a defined benefit plan, providing a pension on retirement based on age at retirement, length of service, and highest average earnings. Inflation adjustments are contingent upon available funding.

As the assets and liabilities of the plan are not segregated by institution, the Legislative Assembly accounts for the plan as a defined contribution plan. Contributions made by the Legislative Assembly are expensed as incurred.

**ii. Members of the Legislative Assembly Superannuation Account**

Unfunded pension liabilities of the Members of the Legislative Assembly Superannuation Account represent the terminal funding that would be required from the province for the difference between the present value of the obligations for future benefit entitlements and the amount of funds available in the account.

Additional information about pension plans is provided in note 7.

**(j) Transitional assistance**

Transitional Assistance is recorded as an expense in the fiscal year in which the former MLA was defeated in a provincial general election or chose not to run. Funds provided to former MLAs for the Career Retraining Allowance are expensed in the fiscal year in which the retraining occurred. Management records an estimated liability at year-end for the remaining transitional assistance payments. Additional information is provided in note 8.

**(k) Financial instruments**

The Legislative Assembly does not hold any derivatives or equity investments and has not elected to record any other financial instruments at fair value. Financial assets and financial liabilities are measured at cost or amortized cost, less any permanent impairment in value.

A statement of remeasurement gains and losses is not presented as the Legislative Assembly did not have any remeasurement transactions to report.

**(l) Appropriation and revenue recognition**

Appropriations used to purchase non-financial assets (tangible capital assets, prepaid expenses, and inventories held for use) are recognized as revenue when these assets are purchased. All other appropriations are recognized as revenue in the period in which the underlying expense occurs.

Parliamentary Dining Room and Parliamentary Gift Shop sales are recorded as revenue in the period in which the services or goods were provided or sold.

### (m) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed, regardless of when payment is made.

### (n) Foreign currency translation

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transaction.

### (o) Measurement uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of the revenues and expenses. Items requiring the use of significant estimates include the tangible capital asset opening balances, the useful life of tangible capital assets, the employee retirement allowance, and the MLA unfunded pension liability.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Where actual results differ from these estimates and assumptions, the impact is recorded in future accounting periods when the difference becomes known.

## 3. Cash

<i>(in thousands of dollars)</i>	<b>2016</b>	<b>2015</b>
Petty Cash	4	4
Bank balance	-	-
<b>Total</b>	<b>4</b>	<b>4</b>

The Legislative Assembly bank account maintains a zero balance throughout the year. As payments are made, the Ministry of Finance deposits the Legislative Assembly's voted appropriation into the account to bring the account balance to zero.

## 4. Accounts Receivable

The majority of the Legislative Assembly's receivables are due from provincial ministries and MLAs. All receivables are expected to be collected. As such, no provision for doubtful accounts has been recorded.

## 5. Accounts Payable and Accrued Liabilities

<i>(in thousands of dollars)</i>	<b>2016</b>	<b>2015</b>
Accounts payable and accrued liabilities	1,636	1,085
Salaries and benefits payable	811	639
Unreleased minister salary holdbacks	228	204
<b>Total</b>	<b>2,675</b>	<b>1,928</b>

**(a) Accounts payable and accrued liabilities**

This account contains amounts payable to suppliers, and payroll remittances for Employment Insurance, the Canada Pension Plan, and income tax.

**(b) Salaries and benefits payable**

This account contains salary and benefit amounts payable to employees and MLAs at fiscal year-end due to the timing of the biweekly payroll schedule. For fiscal 2016, nine days of unpaid work was accrued as at March 31.

**(c) Unreleased minister salary holdbacks**

Members of the executive council receive additional salary for performing their respective roles set out in the *Members' Remuneration and Pensions Act*. The Legislative Assembly is responsible for the payment of the additional salaries and the full amount is recovered quarterly from the various ministries. As the full amount is recovered, the Legislative Assembly's budget and statement of operations do not contain any amounts related to these additional salaries.

A 20% holdback is applied to the salaries of the executive council as required by the *Balanced Budget and Ministerial Accountability Act (BBMAA)*. The withheld salary amounts are released after the Province of B.C.'s *Public Accounts* for the fiscal year are issued, if collective and individual targets are achieved. As the *Public Accounts* are released after the Legislative Assembly's fiscal year-end, an accrual is necessary to record the amount of ministerial salary withheld during the fiscal year.

All members of the executive council met their individual and collective targets for fiscal 2015 and 2016 and, therefore, received their 20% ministerial salary holdback in July 2015 and August 2016 respectively.

**6. Accrued Obligations to Employees**

<i>(in thousands of dollars)</i>	<b>2016</b>	<b>2015</b>
Employee leave liability	732	754
Employee retirement allowance	472	465
<b>Total</b>	<b>1,204</b>	<b>1,219</b>

**(a) Employee leave liability**

Eligible employees receive an annual vacation entitlement which increases with length of service. One-twelfth of the annual entitlement is earned by the employee each month, and a minimum of fifteen days of current year vacation must be used each year. Employees who have unused vacation days for an employment year may have the unused vacation paid out or carried forward for use in the following year.

The employee leave liability amount contains current year vacation earned and not yet taken to March 31, 2016, vacation hours carried forward from previous years, and banked overtime hours.

Constituency assistants are employees of individual MLAs, and not employees of the Legislative Assembly. Their leave, therefore, is not included in this accrual. Similarly, MLAs do not accrue vacation time.



## **(b) Employee retirement allowance**

A retirement allowance is payable upon retirement to employees who have completed five or more years of combined service with the Legislative Assembly and the B.C. Public Service (with no break in service), are at least 55 years of age, and who are scheduled to receive payments from the B.C. Public Service Pension Plan.

The retirement allowance is calculated based on the employee's years of contributory service and basic salary at retirement. The minimum number of days of retirement allowance payable is 11 days (for those who have worked 5 years) and the maximum is 65.25 days (for those who have worked 30 or more years).

Retirement allowance payments to seven former employees, totalling \$41 thousand, were made in fiscal 2016 (Payments totalling \$20 thousand were made to four former employees in fiscal 2015). The seven former employees who received a retirement allowance payment during the year had an average contributory service of 17 years.

## **7. Pension Plans**

### **(a) B.C. Public Service Pension Plan**

The Legislative Assembly, the majority of its employees, and MLAs contribute to the B.C. Public Service Pension Plan (the Plan). The Plan is a multi-employer, defined benefit, and joint trusteesd plan, established for certain B.C. public service employees. Benefits, such as group health benefits and inflation protection for the basic pension, are not guaranteed and are contingent upon available funding. No unfunded liability exists for the future indexing of pensions as the obligation is limited to the amount of available assets in separate inflation adjustment accounts.

In joint trusteesd plans, control of the plans and their assets is assumed by individual pension boards made up of plan employer and plan member appointed trustees. The B.C. Public Service Pension Board of Trustees (the Board) is fully responsible for the management of the Plan, including investment of the assets and administration of the Plan. The British Columbia Pension Corporation provides benefit administrative services and the British Columbia Investment Management Corporation provides investment management services as agents of the Board.

In the event an unfunded liability is determined by an actuarial valuation (to be performed at least every three years), the Board is required to address it through contribution adjustments shared equally by Plan members and employers. It is expected, therefore, that any unfunded liabilities in the future will be short-term in nature.

The Plan is a multi-employer contributory pension plan. Basic pension benefits are determined using a formula which takes into account years of service and average earnings at retirement. Pension benefits vest immediately for regular employees and after six years for MLAs. The Plan has about 56,000 active Plan members and approximately 43,000 retired Plan members. The latest actuarial valuation, as at March 31, 2014, indicated a \$194 million funding surplus for basic pension benefits. The next valuation will be as at March 31, 2017 with results available in early 2018.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate and as a result

there is no consistent and reliable basis for allocating the obligation, assets, and cost to individual employers participating in the Plan.

During fiscal 2016, the Legislative Assembly contributed \$2.07 million to the Plan on behalf of its employees (\$2.03 million during fiscal 2015). The Legislative Assembly's contribution is 9.43% of each employee's base salary up to the maximum pensionable earnings amount, and 10.93% afterwards (employees contribute 7.93% and 9.43%).

During fiscal 2016, the Legislative Assembly contributed \$4.00 million to the Plan on behalf of MLAs (\$4.01 million during fiscal 2015). The contribution rate to the Plan on behalf of MLAs changed from 39.48% to 39.37% of salary effective July 1, 2015; each MLA contributes 11% of their salary. MLA participation in the Plan was established in 2007 by Part 3 of the *Members' Remuneration and Pension Act* and based on recommendations made by the April 2007 Report by the Independent Commission to Review MLA Compensation. MLAs previously participated in a separate plan which is discussed below in note 7 (b)).

#### **(b) Members of the Legislative Assembly Superannuation Account**

The Legislative Assembly Superannuation Account (the Account) was established under Part 2 of the *Members' Remuneration and Pension Act* (the Act). The Account is administered by the British Columbia Pension Corporation. The Act was amended in July 1995 to discontinue the accrual of benefit entitlements under Part 2 after June 19, 1996.

As eligible MLAs retire, the present value of the amount required to provide an MLA's future pension benefit is transferred from the Account to the B.C. Public Service Pension Plan (the Plan). Pension payments are then paid from the Plan. The Legislative Assembly provides additional funding when the present value of the liability exceeds the accumulated assets in the Account available to fund those MLAs' benefit entitlements. The Act provides basic pension benefits for MLAs based on length of service, highest four-year average earnings and plan members' age at retirement. Benefits, such as group health benefits and inflation protection for the basic pension, are not guaranteed and are contingent upon available funding.

In fiscal 2016 (and in fiscal 2015), no eligible MLAs retired and consequently no amounts were transferred from the Account to the Plan; and, the Legislative Assembly did not make any additional contributions to the Account.

There are currently six MLAs eligible to receive a future pension benefit funded by the Account. As they retire, the Legislative Assembly will need to contribute \$2.1 million to the B.C. Public Service Pension Plan. There is \$0.5 million in the Account to cover this required funding so the net liability to the Legislative Assembly is \$1.6 million (\$1.6 million in fiscal 2015).

## **8. Transitional Assistance**

Employment as an MLA is not considered insurable employment; therefore, MLAs are not eligible to contribute to the federal Employment Insurance plan. Instead, transitional assistance is available to MLAs who choose not to stand for re-election or who are defeated in a provincial general election. To qualify for transitional assistance, MLAs must complete their term of office in a parliament. MLAs who resign, forfeit their seat, or pass away during a parliament are not eligible for this assistance.

For eligible MLAs, transitional assistance payments are based on the current annual MLA basic compensation rate. Transitional assistance continues to the date an MLA receives pension benefits or 15 months have elapsed. The assistance amount is taxable but not pensionable. Benefits coverage continues while former MLAs are in receipt of transitional assistance.

To qualify for the full amount of transitional assistance, an MLA must have served a full term of parliament. Transitional assistance for an MLA elected in a by-election is prorated based on time served.

MLAs in receipt of transitional assistance are responsible for notifying the Legislative Assembly of changes to their employment status. Transitional assistance payments are reduced by the gross amount of MLA reported employment earnings on a monthly basis.

The Legislative Assembly did not pay any transitional assistance during fiscal 2016, and has no further transitional assistance liability related to the May 2013 election. The total transitional assistance amount, excluding benefits, paid to 27 former MLAs during fiscal 2015 was \$1.02 million. These payments ended August 14, 2014, and had been fully accrued in the year-ended March 31, 2014.

MLAs eligible for transitional assistance are also eligible for career counselling, education, and training costs up to \$9,000 during the transitional assistance period. There were no career retraining amounts paid in fiscal 2016 (\$15 thousand was reimbursed to four former MLAs in 2015).

## 9. Contingent Liabilities

The Legislative Assembly may periodically be involved in legal proceedings, claims, and litigation that arise in the normal course of business. As at March 31, 2016, management is not aware of any claims or possible claims against the Legislative Assembly.

Regular management and executive meetings are held in which operations are discussed and contingent liabilities are identified. Management identifies contingent liabilities through review of day-to-day transactions, discussion with legal counsel, and by reviewing the meeting minutes of the Finance and Audit Committee, and the Legislative Assembly Management Committee.

## 10. Contractual Obligations

The Legislative Assembly is committed to minimum annual payments under various contracts for the delivery of services, the use of office equipment, and the rental of office space. In addition, MLAs lease office space throughout B.C. for their constituency offices. These leases are usually four years in length to coincide with the term of parliament. These contractual obligations are included below because they are paid for by the Legislative Assembly.

<i>(in thousands of dollars)</i>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Total</b>
Office leases	4,561	1,283	111	-	-	5,955
Office equipment	638	457	421	210	-	1,726
Service contracts	409	89	65	59	2	624
<b>Total</b>	<b>5,608</b>	<b>1,829</b>	<b>597</b>	<b>269</b>	<b>2</b>	<b>8,305</b>

## 11. Tangible Capital Assets

### (a) Tangible Capital Asset Schedule - March 31, 2016

<i>(in thousands of dollars)</i>	Buildings	Furniture and Equipment	Specialized Equipment	Vehicles	Computer Hardware and Software	Work in Progress	2016 Total
<b>Cost</b>							
Opening Balance	4,298	3,610	4,099	34	4,388	78	16,507
Additions	-	79	178	-	240	1,043	1,540
Disposals	-	-	-	-	-	-	-
Transfers	362	27	124	-	163	(676)	-
Write-Downs	-	-	-	-	-	-	-
Closing Balance	<b>4,660</b>	<b>3,716</b>	<b>4,401</b>	<b>34</b>	<b>4,791</b>	<b>445</b>	<b>18,047</b>
<b>Accumulated Amortization</b>							
Opening Balance	(2,386)	(3,095)	(2,284)	(5)	(3,325)	-	(11,095)
Amortization	(55)	(174)	(566)	(5)	(466)	-	(1,266)
Disposals	-	-	-	-	-	-	-
Write-Downs	-	-	-	-	-	-	-
Closing Balance	<b>(2,441)</b>	<b>(3,269)</b>	<b>(2,850)</b>	<b>(10)</b>	<b>(3,791)</b>	<b>-</b>	<b>(12,361)</b>
<b>Net Book Value</b>	<b>2,219</b>	<b>447</b>	<b>1,551</b>	<b>24</b>	<b>1,000</b>	<b>445</b>	<b>5,686</b>

**(b) Tangible Capital Asset Schedule - March 31, 2015**

<i>(in thousands of dollars)</i>	<b>Buildings</b>	<b>Furniture and Equipment</b>	<b>Specialized Equipment</b>	<b>Vehicles</b>	<b>Computer Hardware and Software</b>	<b>Work in Progress</b>	<b>2015 Total</b>
<b>Cost</b>							
Opening Balance	4,298	3,489	3,750	34	3,942	4	15,517
Additions	-	121	345	-	446	78	990
Disposals	-	-	-	-	-	-	-
Transfers	-	-	4	-	-	(4)	-
Write-Downs	-	-	-	-	-	-	-
Closing Balance	<b>4,298</b>	<b>3,610</b>	<b>4,099</b>	<b>34</b>	<b>4,388</b>	<b>78</b>	<b>16,507</b>
<b>Accumulated Amortization</b>							
Opening Balance	(2,332)	(2,926)	(1,745)	-	(2,890)	-	(9,893)
Amortization	(54)	(169)	(539)	(5)	(435)	-	(1,202)
Disposals	-	-	-	-	-	-	-
Write-Downs	-	-	-	-	-	-	-
Closing Balance	<b>(2,386)</b>	<b>(3,095)</b>	<b>(2,284)</b>	<b>(5)</b>	<b>(3,325)</b>	<b>-</b>	<b>(11,095)</b>
<b>Net Book Value</b>	<b>1,912</b>	<b>515</b>	<b>1,815</b>	<b>29</b>	<b>1,063</b>	<b>78</b>	<b>5,412</b>

**(c) Work in progress**

Assets under construction totalling approximately \$445,000 (\$78,000 at March 31, 2015) have not been amortized. Amortization of these assets will commence when the assets are available for use.

**(d) Assets recognized at nominal value**

During fiscal 2010, the Province of B.C. transferred 401 and 431 Menzies Street, both of which are on the Legislative Precinct, to the Legislative Assembly for a nominal value of two dollars. These buildings are recorded at their cost of one dollar each and are included in the buildings asset class.

**(e) Works of art and historical treasures**

Works of art and historical treasures are not recognized in the financial statements under PSAS. The Legislative Assembly has an extensive library collection of historical books, government publications, newspapers, periodicals and pamphlets. The replacement value of the library collection is estimated to be \$28 million as of the last appraisal on February 1, 2014.

**(f) Other assets not recorded**

The land on which the Parliament Buildings are located is Crown land owned by the Province of B.C. and is not included in these financial statements.

## 12. Appropriations

The Legislative Assembly receives an annual appropriation (Vote 1 of the B.C. provincial *Estimates*) that includes an operating and capital component. Any unused appropriations lapse at the end of the fiscal year. The budgeted figures included in these financial statements are consistent with Vote 1 and have been provided for comparison purposes. The operating appropriation of \$69.6 million (\$69.6 million in fiscal 2015) is net of \$0.5 million (\$0.5 million in fiscal 2015) in budgeted revenues and recoveries.

Unlike most ministries and agencies, Vote 1 has statutory authority which provides for additional funding should costs exceed approved budgets due to unforeseen circumstances, such as increased length of sittings or additional work undertaken by parliamentary committees. The following table compares the Legislative Assembly's actual expenditures to approved budgets:

<i>(in thousands of dollars)</i>	2016			2015		
	Operating	Capital	Total	Operating	Capital	Total
Appropriations	69,565	2,830	<b>72,395</b>	69,565	3,392	<b>72,957</b>
Net cost of operations	(63,713)	-	<b>(63,713)</b>	(62,517)	-	<b>(62,517)</b>
Capital acquisitions	-	(1,540)	<b>(1,540)</b>	-	(990)	<b>(990)</b>
<b>Unused Appropriations</b>	<b>5,852</b>	<b>1,290</b>	<b>7,142</b>	<b>7,048</b>	<b>2,402</b>	<b>9,450</b>

### 13. Miscellaneous Revenue

<i>(in thousands of dollars)</i>	Budget		Actual	
	2016	2016	2016	2015
Parliamentary Dining Room	461	432	403	
Parliamentary Gift Shop	29	73	87	
Recovery of prior year's expenses	-	57	23	
Lease revenue	43	42	42	
<b>Total</b>	<b>533</b>	<b>604</b>	<b>555</b>	

#### (a) Parliamentary Dining Room and Parliamentary Gift Shop

The Parliamentary Dining Room is a restaurant operated by the Legislative Assembly in the Parliament Buildings. It is open to MLAs, employees, and the public. The Legislative Assembly also operates a Parliamentary Gift Shop.

#### (b) Recovery of prior year's expenses

In fiscal 2016, \$57,000 (\$23,000 in fiscal 2015) was recovered related to prior year lease operating costs, unspent constituency office funds returned from departing MLAs, and other minor amounts. These amounts are included in the recovery of prior year's expenses category.

#### (c) Lease revenue

The Legislative Assembly leases office space within the Parliament Buildings to several media groups and the Office of the Conflict of Interest Commissioner.

### 14. Expenses by Object

The following is a summary of expenses by object:

<i>(in thousands of dollars)</i>	Budget		Actual	
	2016	2016	2016	2015
Salaries and benefits	40,586	36,610	36,218	
MLA's allowances and expenses	18,249	17,388	17,311	
Operating expenses	9,921	8,786	7,945	
Amortization expense	1,150	1,266	1,202	
Cost of goods sold	192	267	396	
<b>Total</b>	<b>70,098</b>	<b>64,317</b>	<b>63,072</b>	

MLAs' allowances and expenses is comprised of constituency office leases, MLAs' transitional assistance, the constituency office allowance, constituency assistant salaries, MLAs' travel expenses, and other amounts. A detailed breakdown of MLAs' travel expenses and MLAs' constituency office allowance is available on our website. The total shown in this note contains amounts not included on our website, such as office lease and insurance amounts, which are paid for from the Legislative Assembly's central budget.



Cost of goods sold represents the cost of items sold in the Parliamentary Gift Shop, the cost of food and beverages sold in the Parliamentary Dining Room, and the cost of educational resources distributed.

## 15. Accumulated Surplus

<i>(in thousands of dollars)</i>	<b>2016</b>	<b>2015</b>
<b>Accumulated surplus - beginning of year</b>	6,339	6,616
Acquisition of tangible capital assets	1,540	990
Amortization of tangible capital assets	(1,266)	(1,202)
Acquisition of inventories held for use	130	59
Acquisition of prepaid expenses	794	838
Consumption of inventories held for use	(126)	(250)
Use of prepaid expenses	(785)	(712)
Annual (deficit) surplus	287	(277)
<b>Accumulated surplus - end of year</b>	<b>6,626</b>	<b>6,339</b>

Appropriations used to purchase non-financial assets (tangible capital assets, prepaid expenses, and inventories held for use) are recognized as revenue when these assets are purchased (note 2(I)). The expense related to these assets is recognized over time as they are used or consumed. This timing difference creates an annual surplus or deficit. The accumulation of the annual surpluses and deficits results in an accumulated surplus balance, which is equal to the total non-financial assets balance.

## 16. Risk Management

It is management's opinion that the Legislative Assembly is not exposed to significant interest, liquidity, currency, or credit risk arising from its financial statements. The carrying values of financial assets and liabilities approximate their fair value because of their short maturity.

The Legislative Assembly is self-insured. Any damage to Legislative Assembly property or equipment is paid for out of the Legislative Assembly's operating and capital budgets.

The Legislative Assembly pays an annual premium of \$74,000 for a third party insurance policy covering MLA constituency offices.

## 17. Related Party Transactions

The Legislative Assembly is related to all Province of B.C. ministries, agencies, Crown corporations, school districts, health authorities, hospital societies, universities and colleges that are included in the provincial government reporting entity. Transactions with these entities, unless disclosed otherwise, occurred in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Examples of related party transactions conducted in the normal course of operations include printing fees paid to Queen's Printer and heating services provided by the Ministry of Technology, Innovation, and Citizens' Services.

## 18. Subsequent Events

As disclosed in note 5(c), all members of the executive council met their individual and collective BBMAA targets for fiscal 2016 and, therefore, received their 20% ministerial salary holdback in August 2016.

With the exception of the above, management is not aware of any significant events subsequent to March 31, 2016 that impact these financial statements.

# Appendix A: Legislative Assembly Management Committee Decisions

This Appendix provides the decisions taken by the Legislative Assembly Management Committee between April 1, 2015 and March 31, 2016, as required by section 5 of the Legislative Assembly Management Act. Committee decisions and proceedings are also available on the Legislative Assembly website at <http://www.leg.bc.ca/cmt/lamc/index.asp>.

The Legislative Assembly Management Committee met on the following dates.

- April 27, 2015
- May 26, 2015
- July 15, 2015
- November 23, 2015
- January 18, 2016

To support the Committee, the Finance and Audit Committee – comprised of the Speaker, the government and opposition Caucus Chairs, and the Clerk of the Legislative Assembly – met on the following dates.

- April 23, 2015
- May 12, 2015
- October 29, 2015
- November 3, 2015
- November 17, 2015
- November 23, 2015
- February 23, 2016
- March 8, 2016

## Decisions from April 1, 2015 to March 31, 2016, By Subject

### Committee Administration

The Committee resolved that the Committee adopt the recommendation of the Finance and Audit Committee regarding the Capital Project Review and Approval Policy as presented today. (April 27, 2015)

The Committee resolved that the Committee adopt the Legislative Library Strategic Priorities 2015-2020 Report as presented today. (May 26, 2015)

The Committee resolved that the Committee adopt the recommendation of the Finance and Audit Committee to approve the Legislative Assembly's 2014-15 Fourth Quarter Financial results for the period April 1, 2014 to March 31, 2015 as presented today. (May 26, 2015)

The Committee resolved that the Committee adopt the Financial Statements of the Legislative Assembly of British Columbia for the year ended March 31, 2015 as presented today. (November 23, 2015)

The Committee resolved that, pursuant to section 5 of the *Legislative Assembly Management Committee Act*, the Committee adopt the Legislative Assembly Accountability Report, 2014-15 as presented today; and further that a copy of the report be deposited with the Office of the Clerk and that the Speaker present the report to the House at the earliest opportunity. (November 23, 2015)

The Committee resolved that the Committee approve the Assembly's 2015-16 First and Second Quarter Financial Statements for the periods April 1, 2015 to June 30, 2015 (Quarter 1) and July 1, 2015 to September 30, 2015 (Quarter 2) as presented. (November 23, 2015)

The Committee resolved that the Committee approve the report Governance Framework Internal Audit Report as presented. (November 23, 2015)

The Committee resolved that the Committee approve the draft Risk Based Audit Plan 2015/16-2017/18, including the proposed audit fees for the 2015-16 fiscal year, as presented. (November 23, 2015)

### Constituency Offices

The Committee resolved that the proposed increase to constituency office funding be a total of \$1.346 million for all electoral districts. The funding is to be indexed to the year over year change in the BC CPI and will be implemented after the next provincial general election in May 2017. (November 23, 2015)

### Disclosure

The Committee resolved that the Committee adopt the recommendation of the Finance and Audit Committee to approve the Assembly's 2014-15 Third and Fourth Quarter Financial results for the period October 1, 2014 – December 31, 2014 (Quarter 3) and January 1, 2015 – March 31, 2015 (Quarter 4) as presented today. (April 27, 2015)

### Parliament Buildings

The Committee resolved that the Finance and Audit Committee develop a proposal for the review and approval of the Legislative Assembly Management Committee regarding long-term space planning for the precinct, including recommendations and options. (May 26, 2015)

The Committee resolved that the Committee approve the estimated cost and implementation plan for the creation of a second controlled access point at the main entrance of the Parliament Buildings, with installation to begin in fall 2015 (after peak summer visits) with completion in early 2016. (April 27, 2015)

The Committee resolved that the Committee adopt the recommendation of the Finance and Audit Committee to approve the installation of an automated door opener on the south end entrance of the Douglas Fir Committee Room. (April 27, 2015)

### Travel

The Committee agreed to refer the matter of Members' Capital City Living Allowance to the Finance and Audit Committee for consideration. (April 27, 2015)

## Vote 1

The Committee resolved that the 2016-17 estimates of expenditure for the Legislative Assembly for Vote 1, as amended, be approved, and be submitted to the Minister of Finance for inclusion in the 2016-17 Estimates. (November 23, 2015)

The Committee resolved that the name of Vote 1 be changed from “Legislation” to “Legislative Assembly”. (November 23, 2015)



