

Title: Wednesday, December 17, 2003 Legislative Offices Committee

Date: 03/12/17

[Mrs. Tarchuk in the chair]

The Chair: Well, good morning, everyone. I'll call this meeting to order. I'd like to welcome everyone. You should have all received your packages on Wednesday, December 10.

If we can take a look at the agenda, I've just got a couple of changes before we approve it. One is just to mention that under item 10, Other Business, we'll be accepting the committee budget. So that will come up later, and I think that you've all got a copy of that by now, or it will be distributed.

Also, what has been circulated this morning is an updated budget package that the office of the Ethics Commissioner provided. So you should all have a copy of that, and we'll be able to deal with it when that comes up.

As well, Fred Dunn phoned this morning to advise that David Birkby would not be attending the meeting this afternoon, so his name is down as a presenter on the agenda and just to take note of that.

I wonder if someone could move that we approve the agenda as amended.

Mrs. Fritz: So moved.

The Chair: All those in favour?

Hon. Members: Agreed.

The Chair: That motion is carried.

If we can move on to item 3, the approval of the September 4, 2003, minutes.

Ms Blakeman: There's an item in here that I was expecting to be expanded upon, and it's not. Now, I have had conversations with the committee clerk, and she's checked her notes and she's satisfied that this is accurate. It's during the discussion around the meeting with the Chief Electoral Officer. My memory was that there was an agreement that we're probably not empowered to direct, but there was an agreement or an understanding that there would be further work in developing legislative change and that legislative change was likely what was required to clarify the gaps in understanding or the conflict in understanding around the definition of access. There were a couple of other points that we discussed. The minutes are reflecting that we sort of asked and answered questions but that there was no indication of further action.

The Chair: Just so the other members know, the paragraph that Laurie is referring to is under 4 (b), the second last paragraph, where it says that "a number of Committee Members suggested that the Election Act may have to be amended to more clearly define access." Does anyone have any comments on that particular paragraph, a different memory?

Mr. Friedel: My memory's not that good.

Ms Blakeman: Well, I'm more particularly interested in this than some others were.

Dr. Taft: I remember that Mary made some good points on this too.

Mrs. O'Neill: Well, I can't remember what my comments were with

respect to this nor what the proposed solution was, so I think we will need to perhaps inquire of the electoral officer again.

Ms Blakeman: Well, since we're seeing him later today, maybe we can raise the issue with him at that time.

The Chair: That's probably a good idea. Then just hold off on the approval of the minutes until after that, or do you want to go ahead and approve the minutes and then further discuss this with the Chief Electoral Officer?

Mrs. Fritz: Can I just ask for clarification? Did you say, Laurie, that you checked with *Hansard* and that this was accurate, or who did you check with?

Ms Blakeman: No. We had no *Hansard* staff in that day because most of the meeting was in camera, so we were relying on the committee clerk. After I spoke to her yesterday, she did go back and check her notes just to see if there was something in there, and, no, she can't find anything that would indicate that there was a specific action, and we don't have *Hansard* for it, so the answer is: we're not sure.

Mrs. Fritz: But what you're saying is that she recorded, then, the minutes in the meeting, and the minutes reflect what's in these minutes here now.

The Chair: These do reflect her notes that she had written down during that discussion.

Mrs. Sawchuk: My notes that I had taken during the course of the meeting.

Mrs. Fritz: Oh, well, then, I think these should be approved.

The Chair: Okay. Well, let's take a look at approval of the minutes, and, Laurie, we can always raise it with him again this afternoon.

Ms Blakeman: Uh-huh.

The Chair: So would someone like to approve the minutes of September 4, 2003? Mark?

Mr. Hlady: Yes.

The Chair: Any discussion? All those in favour?

Some Hon. Members: Agreed.

The Chair: Okay. That motion is carried.

Ms Blakeman: I'm not in favour, for the record. Thank you.

The Chair: Okay. Thank you.

Under tab 4 you have the report on the conference attendance at the Council on Governmental Ethics Laws 2003 Conference in Austin, Texas, and that is in your package for information.

I guess that at this point we can invite the Ombudsman, and I understand that he also has Dixie Watson with him, who is the director of corporate services. So we will start with the office of the Ombudsman and listen to their presentation on their budget.

Well, good morning to Gord and Dixie. Gord, I'd like to welcome you to your very first meeting with Legislative Offices. We all have

a copy of your budget submission. I'll just hand it over to you if you want to give a bit of a presentation and just highlight what you think are the important aspects of your budget.

Mr. Button: I'll do that. Thank you very much. I do have a few opening comments just to put our process in perspective and address some of the significant issues that we're currently undertaking.

Madam Chairperson and members of the committee, it's my pleasure to appear here before you again. I can tell you that this occasion is not quite as nerve racking as the last time I met with most of you. I believe you all know Dixie Watson, who's been here many times before. Since I'm new to the process and just learning the background behind our budget, I will defer to Dixie's expertise to clarify some issues that you may have.

9:10

As I explained in my covering letter to the chairperson, which accompanied the spreadsheets outlining my needs for the next three years, we've been working with the other officers of the Legislature to standardize our budget submissions and our business planning processes. This year's submission reflects a work in progress. I believe you'll find that our financial documentation is in a standardized format this year. It's standardized to this point because I think I'm the first one here, so we'll judge the others as they go along.

We've also provided a variance table for the first time to provide rationale and support of projected increases or decreases within our expenditure objects. I trust that this added further clarity and eased your analysis of our submissions. You may see some subtle differences between submissions which reflect the unique aspects of each of our offices, but for the most part they should look and feel the same to you.

I also pointed out in my covering letter that the officers of the Leg. have not progressed to the same point with standardizing our business planning processes. We've only met once and had very preliminary discussions with respect to developing a template for our business plans. We recognize that there are significant differences in each of our core businesses and there's a lot of work to do over the next few months to see what commonalities we can establish and what results we can bring back to you in the coming year. Our current business planning processes vary significantly.

Since I'm new to my office, I think it's critical that I put the effort into developing a business planning process that will result in a plan that acts as a compass for the Ombudsman's office. It must give us direction, and it must drive our business practices. That will take some time. I'm focusing on developing a business plan that focuses on outcomes or doing the right things versus a focus on outputs or doing things right. My observations so far indicate that we've been focusing on the latter, and it's now important to change that. This change of focus will ensure that we expand the sphere of influence of the office of the Ombudsman within the boundaries prescribed by our legislation and thereby remain value-added to Albertans and our stakeholders in government and the regulated professions.

I just want to briefly go through the process that we're sort of in the middle of to give you a sense of how we're developing that business plan. We began with a SWOT analysis or identifying our strengths, our weaknesses, our opportunities, and our threats. We've included consultations with all staff and a very good cross section of stakeholders in government. We have identified a best practice review undertaking that we'll be entering into early in the new year. We are going to send teams of my staff to other jurisdictions to meet with their counterparts in the Ombudsman's offices in Manitoba, Saskatchewan, and British Columbia to look at some of the

innovative ways they're doing business and look at what best practices they've developed that we may be able to adopt in our jurisdiction.

Through that process we're developing objectives and stretch targets within our key initiatives. We will then establish the policy framework in order to operationalize our activities against those goals within the office. We'll focus our activities on the objectives established, and we'll put in place the necessary metrics to be able to measure the outcomes or results of our efforts.

I want to just go over, to give the committee a sense of direction for the Ombudsman's office that I am planning and to get your feedback on it, a very rough draft of the key goals that we see being included in our business plan for 2004-2005 and the out-years. There are six major goals. The first in no necessary order: promote awareness and understanding of the role of the Ombudsman. Some of the actions we're undertaking already there have been a mail-out to all municipalities, municipal districts, and counties in Alberta. I noticed that on an ad hoc basis some of the municipalities have written to us and asked us for information about our office and what we do so they could include it in local newsletters and mail-outs within their jurisdictions. We took the proactive step of getting a mailing list for all of the municipalities, MDs, and counties and sending out to them a backgrounder on the Ombudsman's office with a request that they include it in any communication media that they may have, and we also committed to updating that on a yearly basis from our office so that there's no need for them to come back to us.

We've started developing a program of community presentations and intake sessions where I will take one or two of my staff, investigators or intake officers, with me out to communities in Alberta. We will do public group presentations, but we will also set up and make ourselves available for individual sessions with citizens who want to come and talk to the Ombudsman or a member of my staff about an issue and determine whether or not it's something that we have jurisdiction over and that we may be able to help them with.

I have taken advantage of a number of media opportunities, and I'm pursuing those vigorously whenever I get the opportunity to speak about the office in any of the media within the province. We're doing that, and the feedback on those initiatives that I've done so far has been very positive. I have met with some private consultants who provide audiovisual services, and we're looking at the development of some audiovisual tools that can be posted on the web and that we can also put into libraries, into schools and use as part of our presentation package when we go out into the communities.

I've developed and started delivering presentations to departments, professional organizations to work on the other side of the equation. One side of the equation is to provide an investigative service on behalf of the citizens of Alberta, but the other very important part of my work is to work with the service deliverers, the departments and increasingly the professional organizations within my jurisdiction, to help them develop and continually upgrade their processes and their policies to ensure that they're meeting the guidelines of administrative fairness.

We have started developing a proactive plan to get our message out into educational institutions. One of the areas where we see a lot of confusion is with student finance that's available to students in various situations, whether they are suffering from some developmental delay issues or whether they are students with special personal needs. There are a lot of vehicles out there to help them, and there seems to be a lack of understanding, so we want to get into the educational institutions and get our message out there.

I've begun a process of meetings with deputy ministers and department heads from a large number of the departments that we

deal with on a regular basis.

The second goal is to enhance the quality of service and responsiveness to the public, to our stakeholders, and to government departments. Within that goal we're really looking at expanding the box through such techniques as informal problem resolution, more flexibility in our intake processes, and proactively seeking jurisdiction, always mindful of our legislative framework. We're using a risk management model to ensure that we move cautiously and that our actions don't violate our legislative restrictions but do take advantage of a more liberal interpretation of how we can be more influential and provide a better service to Albertans.

We're looking at the content of our correspondence to complainants. It's easy to fall into the same bureaucratic trap that we often hold government departments accountable for in that their responses to complainants are written in a language that is very difficult to understand and recognizing that a lot of the complainants that come to our office come from significant pockets of society. They may be suffering from some significant challenges, or they may not be from the highest educational levels. They need to understand the response that they get from the Ombudsman, and I'm concerned that in the past that hasn't always been the case.

Again, I'm meeting with department heads and deputy ministers and members of their staffs to enhance that quality of service. We're developing a community outreach initiative, building on an initiative that my predecessor had in place, to get our message out and make sure our services are available to the widest possible range.

9:20

The third goal is to continue to promote fairness and accountability in public-sector administration. I can tell you – I'm sure it's no surprise to you – that I've been pleasantly pleased with the reaction of the various government departments that I deal with on a regular basis. I find that they are most willing to co-operate and work with the Ombudsman's office. When we make recommendations to them, they're taken very seriously, and we're working at more problem-solving approaches to that process such that the departments are gaining and learning as we go along.

My fourth goal is to improve the quality and the timeliness of investigations through improving processes. At this point in time in my tenure it's very important that I be hands-on in all of the operational oversight, but as you can imagine from some of the goals that I'm setting forward, my role will become much more as the front man for the Ombudsman's office, the public figure who is promoting the office of the Ombudsman and the awareness and the understanding. In order to do that, I need a stronger operational oversight regimen within the office so that the day-to-day operations of the investigations and the oversight and direction on investigations is being looked after without my daily involvement in it. I will be involving my directors of investigative services much more in providing that day-to-day oversight and developing a quality assurance process so that we are monitoring our files on a regular basis and ensuring that they meet the quality assurance standards that we've set.

The fifth goal is to expand our jurisdictions to include the regional health authorities and all of the colleges under the Health Professions Act in keeping with the recent amendments to the Ombudsman Act and also the Health Professions Act, and I'll speak a little bit more about that. In keeping with that goal, we need to develop and allocate resources to support our expanded jurisdictions and our anticipated growth. Within that goal, within the new jurisdiction there will be a requirement for new skill sets, particularly as we start doing investigations within the health professions and the regional health authorities. Those will be areas that my staff do not

have previous exposure to, and it'll be important to make sure that we have the requisite skill sets and knowledge and understanding of those areas that will allow us to do a full and impartial, neutral investigation.

I am anticipating some retirements at senior levels within my office, most likely within the coming year, and that will require some rebuilding of the competency base. We are currently running some vacancies which Mr. Sutton felt appropriate to leave to my decision as to future staffing, being that I would be the one responsible and living with them in future.

So those are the goals that we have identified so far that will form the nucleus of the business plan for the Ombudsman's office which we will develop for 2004-2005 and the two out-years. The previous Ombudsman has appeared before you in past years and spoken about an anticipated upswing in workload which necessitated the ongoing financial flexibility this committee has generously provided my office. I recognize we're beginning to sound like the proverbial broken record, and my daughter advises me that it's more like a corrupted MP3 now. I have to get up with the ages.

The road to expanded jurisdiction for the Ombudsman has obviously been a very slow and arduous one, and I don't have to tell any of you that. However, I think we see the finish line looming on the horizon. Just Monday of this week I met with the Deputy Minister of Health and Wellness and had an excellent meeting with him and received a very strong commitment from him to quick action to bring about the necessary changes that will see the patient concerns resolution processes of the 28 health professions and the nine regional health authorities come under my jurisdiction as envisioned in the Health Professions Act and our legislative amendments.

As you are no doubt aware, there were three sections of the legislative amendments that were not proclaimed. One, section 5, dealing with the regional health authorities, requires the passing of a regulation in order to bring them within that jurisdiction, and that wasn't moving ahead. I met with the chair and co-chair, and we had some discussions about that not too long ago. We've taken a proactive approach with the Deputy Minister of Health and Wellness, and I'm very pleased with his response. He has committed that this isn't something that should take months and years; this is something that we should be able to envision within weeks.

Currently only nine of the health professions have passed schedules to come under the new Health Professions Act, and they have to pass those schedules to come under the Health Professions Act before their jurisdiction under the Ombudsman Act kicks in. That process has also been slow, but I've met with the director of health professions, and we have agreed to a further meeting early in the new year and to a presentation by me to the umbrella management group for the health professions in March of this year to try and move that along more quickly.

You will have observed during my overview of the key initiatives envisioned for my new business plan that I'm making a strong commitment to becoming more responsive to the needs of the citizens of Alberta, to enhancing the awareness of the office of the Ombudsman and thereby expanding my sphere of influence. I really anticipate that the net result of these initiatives will be added workload for my office. It's difficult to quantify the actual impact and to predict time lines for such initiatives, as you well know. However, I do expect that these initiatives will have significant impact during the life of this three-year budget submission and my forthcoming business plan.

In return for the show of support by the committee in previous budget allocations, my predecessor pledged to be accountable for the prudent expenditure of the budget allocated. This has resulted in a

return of surpluses in past years. I'm happy to advise that we will be returning a sizable surplus again this year, as you can see from the spreadsheets we provided to you. That is in part due to not staffing the new positions which were allocated in anticipation of the expanded jurisdiction but also to current vacancies and fiscal management policies within my office.

I will be ramping up within some areas in the coming year to meet the goals that I'm setting out in my business plan. However, I will continue the commitment to prudent management and apply the necessary rigour which will ensure that we only expend those funds necessary to respond to the challenges and opportunities of my office. If workload demands do increase as anticipated, I anticipate a need for additional funding, and I'll keep the committee informed as we progress. I certainly don't envision that that need will be identified within the upcoming year.

The budget documentation and variance tables provided to you in advance of this meeting reflect the needs of my office for the coming three years and provide detailed rationale for the increases or decreases identified for 2004-2005 over past appropriations and expenditures. The out-year projections attempt to plan for what we know is on the horizon. However, we will continue our environmental scanning process to identify pressures and will be prepared to adjust our projections to address changes as they come along.

That concludes my opening remarks. At the discretion of the chair I'm prepared to go through the budget submission by object of expenditure and explain the variances, or we could proceed directly to questions if the spreadsheets provided to you in advance were sufficiently clear to facilitate that. I leave that up to you, Madam Chair.

The Chair: What is the wish of the committee? Would you prefer that the Ombudsman go through line by line or just get right into questions? Right into questions. Okay. We'll start with Don.

Mr. Tannas: Thank you. This may be to the chair rather than to the Ombudsman. There's a projected surplus for this year, a forecasted surplus of \$234,000. My question is: where does this surplus go? Does it go into the grand revenue fund, the general revenue fund, or is it set aside for the Ombudsman, or does it come back to us? Where does it go?

The Chair: I do know that it doesn't go into the committee's budget. What's the process there?

Mrs. Sawchuk: Madam Chair, I believe it's returned to general revenue. It goes back into the pot for the next budget year.

The Chair: Mary.

Mrs. O'Neill: Thank you. Thank you for your presentation and for the information that you provided. I want to key in on – the pages aren't numbered, so I'm having difficulty – the last two pages that you presented to us. The question is under Supplies and Services and your advertising, which is an increase of \$11,000, or 33.3 percent, and I reference it over in number 4 on the following page: going into the communities to raise the awareness of your office in the communities. My question is in relation to I think it's your second goal that you identified: contacting the municipalities, going in. I need you to explain to me further that you're going in to inform the general public or at least those who have concerns with respect to the provincial government delivery of services, that you're not looking to encompass the municipal governments' issues. That

wasn't clear, so I need some clarification on that.

9:30

Mr. Button: That's a good point. Just for ease of the discussion, if we can refer to the last two pages of the product that we provided to you as the variance document, where the variances from previous years are explained in the footnotes and the first page is the budget by object of expenditure. It might make it easier, so you can direct me.

What we're envisioning there is certainly within our jurisdiction and does not include getting into municipal government issues. What we want to do is to get a better, stronger message out not only to the citizens who may have need of launching an investigation or having me launch an investigation but also, for instance, to your constituency offices, which are often the first point of contact by a citizen who has a problem or a complaint. Other service offices in the communities have regular contact with citizens and, if knowledgeable about what the Ombudsman does or does not do, can provide better quality information to them.

We also want to ensure that the citizens understand what our jurisdiction is, what areas we have jurisdiction over, and what types of investigations we do and how we do them so that they will, number one, know where to turn when they have need and, secondly, have comfort with respect to what our process is. So it's certainly to expand the knowledge base in Alberta about what the Ombudsman's office is all about, because quite frankly my observation so far is that the question of virtually every person in Alberta that I knew personally before I took this office is: what do you do? I sense that there is a real void of information within the province with respect to what the Ombudsman's office can do and, as importantly, can't do.

Mrs. O'Neill: Then I guess my question would be: who is your point of contact? I mean, it would seem natural to go through the MLAs' offices, which are to serve all constituents, et cetera, rather than the municipalities' administrative structure, which is what I'm hoping.

Mr. Button: Certainly, and the mail-out to the municipalities was just to provide them with a clear message with respect to the Ombudsman's office. They might want to put it into community newsletters or bulletins that would inform the community with respect to the roles and responsibilities of the Ombudsman, not in any way to get into the municipal order of government. Is that the issue you were thinking of?

Mrs. O'Neill: I just think that the better conduit would be through the MLAs since you are an officer of the Legislative Assembly, which is what our presence as MLAs is with respect to the Legislative Assembly.

Mr. Button: That's what we envision now, and a message for you all to take home to your constituency offices is that that will be our point of contact. We will be imposing somewhat on your staff and your constituency offices to sort of get us the contacts and get us the door opened into the community so that we can go in and do public presentations to interested groups and also, as I mentioned, set up in a community with some of my staff and invite members of the public to come in and meet with us and talk to us about their issues. Your offices I can see as being the easiest way to facilitate that.

Thank you.

Mrs. Fritz: Thank you for an excellent presentation. My question is just brief. I wondered about the manpower, when you mentioned

that you had unfilled positions and that you anticipate that you need further support in your department, as to whether your budget for salaries and wages is covering overtime costs and, if they are, what that would be. Is there any percentage on that, or is there no overtime in your area?

Mr. Button: There is no overtime in my office.

Mrs. Fritz: Okay. Good. Thank you.

Mr. Button: There is a lot of overtime worked.

Mrs. Fritz: Yes. That's why I'm wondering. If you need more manpower and – but there isn't any. Okay. Thanks.

The Chair: Thank you.

Dr. Taft: I've got a few questions. Actually, I'll take up, first of all, your goals, your plans, and with the increased jurisdiction I'm concerned about whether there are adequate resources. As I look ahead, if I go from what you're forecasting for this year up to the next four years, it's a 38 percent increase, which sounds significant, but your jurisdiction has been expanded into a very complicated area. I guess the fact that you're submitting this suggests that you're satisfied with a lot of unpaid overtime for your staff and that you're satisfied with the resources here. But I'm expressing – maybe I'm picking up on your point, Yvonne – that I'm a bit concerned that we're either underresourcing this or a lot of people on your staff may be going to be burning out. I don't know. Do you have any comments on that?

Mr. Button: I'm very comfortable right now that we are adequately resourced for the business that we have. I am confident that the proactive initiatives we're undertaking will in fact result in an increased workload, and we do have some flexibility in our current allocation from the committee that will allow us to respond to that as the need dictates. We currently have an allocation for 23 full-time equivalent positions, with four of those having been identified to address the expanded jurisdictions and enhancements within our office. We also, as I mentioned, are running one investigator short right now. One investigator retired just prior to the transition from Mr. Sutton to me as the Ombudsman, and Scott left that up to me to look at to fill. I anticipate filling that position probably not too late into the coming year.

I have done the math, and I have some of the same concerns that you're expressing. When you do the math and you look at the surpluses we have provided in past years and what we're projecting this year, with our projected need if we were to staff up to our full complement of 23 staff, we'd be very tight to the line. A lot of the factors, as you note from the variance document, that are resulting in requests for increased funding are outside of our purview. They've resulted from some changes in the way government does business and how charges are apportioned across business lines and departments. But our budget is about 82 percent personnel costs and therefore is largely driven by the proactive investigations.

Dr. Taft: You can cut me off when I've asked too many questions.

I'm on your Budget by Object of Expenditure document. Technology services take quite a jump, and I am concerned generally about the rapid increase in the amount of government budgets going to technology services. You've got some explanations here on PeopleSoft and Oracle and the decision of the deputy ministers'

committee and so on, but that's – I didn't do the math – probably a 30 percent increase or something in one year from the budgeted amount. Well, actually, I guess most of the increases are occurring within this budget year. Can you explain and talk about that increase a little bit? Are you actually convinced that the increased percentage of resources we're pouring into information systems is really worth it?

Mr. Button: I'll answer that, actually, two ways. I'll defer to Ms Watson with respect to some of the specifics because she's much more familiar with that than I am. On the broader philosophical issue you put forward, I share your concern. The argument that's put forward in business and in government is that technology should be becoming more of a factor in our day-to-day business, and it should result in a corresponding reduction in our personnel requirements. That's a nice philosophy but one that I haven't found comes true very often.

Dr. Taft: Like a paperless office.

9:40

Mr. Button: Yes. Certainly, as Dixie can explain to you, some of our increased technology costs have not met our needs, and I'm sure you have all at various times maybe heard some people speaking out. I talk about my inner voice, that one that's supposed to stay within me and guide me, but every once in a while it slips to the outside, that talks about programs like PeopleSoft. Dixie ages two years for every one, I'm sure, in trying to work through the HR and the finance issues with PeopleSoft. So I think your question in that regard is a very legitimate one.

Am I comfortable that the payback for the increasing costs of technology in support of my function is a good investment at this point in time? I've got some significant issues and questions there that we need to work on. We have looked within the leg. offices and we continue to talk about ways that we might as relatively small entities be able to try and group our resources, but by and large we've found out that the core business that each of us is in are so different, and some of our legislative requirements, in particular in my area with respect to the privilege of information, just prohibit us sharing a lot of these services.

Dixie can speak with respect to the actual factors that have impacted upon those costs with more detail. Dixie, if you wouldn't mind.

Ms Watson: Primarily, the increase reflects the number of cross-government recovery programs that are in existence now. We don't have any control over those, and as we identified in this document, they include the data centre and SuperNet, which is going right across the province. We have to become involved in those as part of government.

With PeopleSoft, as Gord has mentioned, it's a very, very difficult area to try and capture and contain those charges. Three different vendors are charging us. We have Innovation and Science, we have the Alberta Corporate Service Centre, and we have IBM. Between the three of them there are probably 21, 25 line items, different items they charge us for. We get a lot of conflicting data in terms of what our costs are going to be, what they have been. It's very difficult. We do the best we can on that one.

In terms of Oracle, our case-tracking system is an Oracle-based system, and it really is the backbone of our mandate. We try to be very, very proactive with that, and it's like any software program: we do have to maintain upgrades, the support, and from time to time we shift a bit in the way we do business. We need that to be responsive not only in terms of the investigations but also in terms of statistical

data.

So I think that's about it. Does that answer it?

Dr. Taft: Yeah. That helps. I appreciate the candidness, because I have the same concerns. This PeopleSoft is notorious.

Ms Watson: It is.

The Chair: Do you want to have one more? Then I'll move on to Gary.

Dr. Taft: Sure. Your insurance line item on the budget hasn't increased very much, actually, over quite a long period. First of all, what are you insuring for? Let's start with that.

Mr. Button: We carry insurance on our office, and unfortunately this year we had to use it I think for the first time.

Dr. Taft: This is property insurance; is it?

Mr. Button: Yes. We had a break-in in our offices in August and about \$18,000 worth of computer equipment stolen, so we had to pay the deductible of \$5,000 on that, and we budget for that eventuality.

Each of my investigators uses their own private vehicle for business purposes to conduct their investigations, and we also carry an insurance policy for their vehicles being used in the line of business. So that's a year-to-year standard cost. Then there's also, I believe, insurance for my vehicle included in there.

Dr. Taft: So my question, really, is that given the calls I'm having not just from drivers but from business owners, people who have had to claim insurance, making claims exactly like yours, your increase is very, very small. Again, obviously from the fact you're putting it in here, you're satisfied that's accurate, but what's the basis of that projection? If you've made a claim, are you not assuming that your rates are going to go up?

Mr. Button: Dixie, if you could deal with that.

Ms Watson: We have built in a bit of an increase there, and actually after we submitted the documents, we received a letter indicating that we should have put in more. Our rates are going to increase 10 to 12 percent over the next three years, but we will be able to absorb it.

Dr. Taft: Okay. Thank you.

The Chair: Gary.

Mr. Friedel: Thanks, Janis. Gord, I'm looking at the contract services section of your budget, and 48 percent is a fairly hefty increase there. In the note you had indicated that you're becoming more and more involved in legal proceedings and that the budget compensates somewhat for outside legal counsel. I'm assuming that you or the office don't get sued too often. What kinds of things would you have to be going after using legal assistance?

Mr. Button: We have been sued on occasion. I'm fortunate so far, but I'm early in my tenure. I haven't been yet.

The one, actually, that we're in the middle of right now deals with the privileged confidentiality of the records of the Ombudsman's investigations. There is a move afoot with some people in Alberta to try and gain access to those records. We recently had to mount a

challenge to a request in a notice of motion in a civil matter that requested release of the Ombudsman's records with respect to that particular incident, and we hired outside counsel to work with my in-house counsel in order to prepare and deliver our defence. That, of course, in my view, is a cornerstone of the office of the Ombudsman. If we cannot protect the privilege of our records, if the records of our investigations start getting released to the public, then the confidence of the public in the office of the Ombudsman will immediately disintegrate. So we are mounting a vigorous defence of that. I anticipate it continuing.

More recently in the chairperson's riding, as it happens, the office of the Ombudsman in a complaint to the office of the Ombudsman was erroneously referred to as the grounds for a civil action, and in reading the articles in the *Calgary Sun* last week, you would get the impression from the articles that the Ombudsman had released the contents of a letter of complaint to the people being complained about and that had subsequently resulted in a civil action. Again, we've taken a very proactive approach. We are reviewing the notice of motion and the defence now, and it's another issue where we may have to seek support from outside counsel.

Again, I see that as having a very significant prospect of a negative impact on my office. If people in Alberta who read that article form the opinion that "If I complain to the Ombudsman, the substance of that complaint could end up being used by somebody to sue me," it could have significant impact. As you know, it is a very litigious society that we live in, and people are looking every day for more and more ways to sue somebody, anybody, for any reason. We have seen and in talking with my counterparts in other jurisdictions that we're all dealing with those same kinds of issues. So we do see a need to contract more outside legal service, legal counsel to help us make sure that we do the very best that we can in those.

The other issue that's within that that I'll just address while we're on the topic of contract services: as a more prudent way to manage our finances, we have hired from a temporary help company as opposed to hiring full-time staff to address some of the variances in the demand for service. It gives us more flexibility to have somebody in for a month or two or three when we need them, and when the demand is no longer there, we can terminate our contract with the temporary help agency. Whereas if we hired full-time and the expenses showed up under the personnel category, they would be there no matter whether the work was there or not. So it just gives us a little bit more flexibility to manage our resources appropriately.

So those are the two main factors that are in that contacting.

Mr. Friedel: Getting back to the legal thing for a minute though, so most of this is a defensive legal resource, not going after someone else then?

Mr. Button: No. This is strictly defending the office of the Ombudsman against legal challenges.

Mr. Friedel: Is your office under the Freedom of Information and Protection of Privacy Act?

9:50

Mr. Button: All of the records of the Ombudsman's office are protected.

Mr. Friedel: If there's a concern that this might be used to, I guess, decrease the confidence of the office, would it maybe be advisable to speak with the Minister of Government Services to see if there can't be a little bit more enhancement in the act to protect this rather

than to have to legally defend each and every position?

Mr. Button: We've reviewed it extensively, and in fact the argument that we developed in relation to this most recent challenge convinces me that our legislation is very solid, and the same legislation is in place in virtually all jurisdictions in Canada. Despite that, we can anticipate that we will continue to receive legal challenges trying to access that information no matter how tight the legislation is protecting it, and we will have to continue defending those actions. It's just a fact of society today.

Mr. Friedel: One last thing on the differentiation between the increase in legal services and staff: what's the proportion of this increase that goes to either?

Mr. Button: It's been, I would say, probably this year about a third legal services and two-thirds contracted staff. We have estimated for specialist contracted services – accountants, outside legal opinions, and temporary staff – the major portion of that. There are some ongoing elements, about \$15,000 of that line object, which is day-to-day, year-over-year maintenance. We did at one time put our stale-dated investigations into archives, but we found out that the security of them was not being adequately maintained, so we have started maintaining those, and we contract with an agency to microfiche our stale-dated files. We're looking now at – Dr. Taft will be interested – new technology and using some of the later technology that can scan and copy to disk those files as opposed to what is kind of antiquated technology in microfiche.

We really can't determine year over year how much of that budget we're going to use, for instance on outside legal services, because it depends totally on what challenges we get in court. This year we have two significant ones. A year or two ago Mr. Sutton had to defend himself against a legal challenge, but another year may go by when we have nothing, and it's very hard to predict that one.

Mr. Friedel: Okay. Thank you.

The Chair: Thank you.
Denis.

Mr. Ducharme: Thank you. Good morning, Mr. Button. I'm looking at the first page of your budget, basically the last line item, which is the net cost of operations. As we've seen in the past, the trend has shown that roughly 10 percent of the annual has been returned to general revenue. If we look at this year's budget – and you've spoken that you're going to do some enhancements – the increase over last year's budget, as to what the forecast is, is basically 15 percent. We're seeing a \$506,000 increase over the 2003-2004 budget compared to the previous year. I know that in preparing budgets we have to set up a contingency fund, but I'm just wondering: is maybe our contingency fund a little bit too high, whereas these possible extra dollars that we're returning every year could be used in other departments in providing other services to Albertans?

Mr. Button: Given the current environment and the slow pace of the legislative changes and jurisdictional enhancements, that has in fact been our experience. I believe, if memory serves me, that the committee saw fit to allocate the additional funding in anticipation of the enhanced jurisdictions and expanded investigational services approximately five years ago, I think in 1998-99, with the anticipation that those changes would come much quicker than they

did.

I am confident, as I said in my opening address, with the fact that the amendments have now been proclaimed, particularly with respect to my recent meeting with the deputy minister of health and his very strong commitment to move forward quickly to bring to operation the enhanced jurisdiction over the regional health authorities and the various colleges under the Health Professions Act as well as the proactive initiatives I've outlined that I'll be undertaking as the Ombudsman. We will start in this current fiscal year seeing the results of the net impact of that.

The flexibility that we've asked for, that we've had in the past and that we continue to ask for, is in anticipation of that increased workload from those various initiatives. The initiative to move the jurisdiction forward as envisioned in the amendments together with the outreach into the communities and the enhanced responsiveness to Albertans: the net impact of that, I predict, will be a significant increase in workload. It's very difficult for me to say to you in objective terms that that's going to occur completely in the coming fiscal year. I expect that it will be a gradual, slow process but certainly should come to full fruition over the life term of this budget submission and the business plan, which is the next three years.

Without that flexibility to wrap up our resources, in particular investigative and support staff, we will not be in a position to be able to respond when that increased workload comes along. Obviously, if that's the position that I'm left in, I will, not like other people in other jurisdictions or other functions, have to adjust accordingly, which would mean scaling back on what we respond to and cutting back, in fact, on our jurisdiction and our sphere of influence as opposed to expanding it.

The Chair: Thank you.
Mary.

Mrs. O'Neill: Thank you. I just have a quick question, Madam Chair, and it follows on what Gary was asking. Is your act and the protection of the privacy and the information that you have in your records and PIPA coming into effect January 1 – are they mutually exclusive or does one have supremacy over the other?

Mr. Button: Our protection is entirely within our legislation.

The Chair: Are there any other questions? If not, well, thank you very much, Gord and Dixie, and we wish you a very safe and memorable holiday season, and we'll see you at lunchtime.

Mr. Button: Thank you very much.

10:00

The Chair: Well, good morning to Karen and Don.

Mr. Hamilton: Good morning.

The Chair: If you're set to go, you can proceed with the presentation of your business plan and budget, please.

Mr. Hamilton: Thank you, Madam Chair. I have been on a learning curve for seven months. You know that Karen South is our senior administrator, but she's much more than that. She has the knowledge and experience and has been in the Ethics Commissioner's office from the beginning, and she has been wonderful to me. She's a hard worker, she's competent, and she has a great sense of humour, which is a necessity when working with me. I see our relationship as not one of boss and administrator but as

partners.

We used the format which was a result of the committee's request as it was worked out with the other officers. Fred Dunn has been our spokesman, and he will discuss this this afternoon at more length.

I hope you found that our information was helpful. This is the first time that our office has produced a business plan. At first I was quite daunted when I was doing the interview disclosures. I felt a little bit uncomfortable at the beginning. I felt like I was wandering around in somebody's house and they weren't home and I'm checking up on what the bathroom looks like, but I got over that, and I had to.

In the past seven months since I was appointed, we went to two conferences, one in Yellowknife for the Canadian association of commissioners and the one I attended in Texas with some of you. We had a three-day hosting with Tanzanians who were here in Calgary at the university. It think it's a CIDA project, and they're studying ethics. We introduced them to some of our top officials. I think they have gone back now, but they've been here for about four months.

We have interviewed all the MLAs, and we are about halfway through with the senior officials. We intend to go to the two conferences that I have mentioned and to another one, on ethics, in Ottawa and maybe to another one with the Chumir foundation.

If I had any accomplishments, it would be that I think I handled the media quite well. I don't seek them, but they seem to find me, and that's a part of the job. The Heritage hockey game caused several phone calls. We have had several interviews with some media who have contacted us from Ottawa when people were saying that they were or were not flying around in airplanes. I took the calls, but I said that I am not in the business of criticizing other governments; it's not my jurisdiction.

We have requested decisions from about 12 people on issues that we responded to. We responded to them sometimes positively and sometimes negatively.

My philosophy in this job is to be a friend and a protector, and I can only be that if you and your colleagues ask us first and not after, and that is happening. I have been impressed with the quality of MLAs on both sides of the House. My view is that they want to make a difference. They want to contribute to a better society, and I hope to help them to do that. I only have one question for you: how do you define part-time?

Thank you.

The Chair: Okay. Are there any questions for the Ethics Commissioner?

Mr. Tannas: Well, I was wanting to respond to the question of part-time. It's not unlike the farmer in that the farmer can be part-time, and he or she or they can put in as little time or as much time and do as much work or as little work, and from whatever it is that they do, they'll reap the rewards. Now, that may be biblical. The reward is not necessarily monetary. It's your own self-image. It's your own satisfaction and the adulation of others for the job that you've done so well. That's a partial answer to a part-time question.

Mr. Hamilton: I can see why you're elected.

The Chair: Okay. Any other comments or questions?

Mr. Tannas: One of the things that occurs to me is that a number of people in this province – and it's far too great – do not understand the role and the worth of an independent Ethics Commissioner.

Many people, if they know of your existence, think that you are hired by Ralph Klein and can be fired by Ralph Klein. Whenever that occasion arises with any of the officers, I disabuse the person of that notion, and most people are really impressed.

Referring to the earlier budget submission and talking about holding your lantern high or blowing your own horn, there needs to be, it seems to me anyway, a greater understanding by the general public of what your role is and how you do it and how you are, in fact, independent and, not just for yourself but the other officers, the importance of having fair and free elections through the Chief Electoral Officer, you know, the whole public accounts system through the Auditor General, and so on. Do you see that as being a line item in your budget, to spread the good news?

Mr. Hamilton: When I speak, I start with that. When I'm interviewed, I say that Bob Clark and the government, the Legislature, have done it the right way, and I talk about that. The fact is that I don't work for the government; I work for the Legislature. I haven't done a lot of speeches – well, a few. I wanted to get my feet wet, and I will be doing more of that in the next six months.

The Chair: Gary.

Mr. Friedel: Thanks. On the contract services part of your budget you're showing a 25 percent increase, \$15,000 as the total amount, and the reference link says that the adjustment is for potential salary increases in staff services that you contract from the protection of privacy office. I'm assuming that that wouldn't be suggesting that they're going to get a 25 percent raise. Are you contracting more services from them in volume as well?

10:10

Mr. Hamilton: I would ask my partner to respond to that.

Miss South: So far this current year we have been using more of their services. It's for a variety of purposes, and part of it was for some personnel changes we had in the office. They provide IT support, human resources, accounts payable, and legal services for all of the staff. They've increased the number of staff who provide services to us.

Mr. Friedel: So it's an increased quantity of service as well.

Miss South: In the next year we will also be upgrading computer equipment, and that will involve an awful lot of their IT people.

Mr. Friedel: So they do a lot of that work. Thank you.

The Chair: Thank you.

Marlene.

Ms Graham: Thanks, Madam Chair. I was glad to see a revised budget. I thought my math was bad. Anyway, that was good.

I wanted to ask a couple of questions about the business plan. This is the first business plan; is it? There were never any goals?

Mr. Hamilton: This is the first.

Ms Graham: Yeah. Okay. Well, I think the goals certainly make sense. I do recall Bob Clark talking to us before about perhaps meeting with caucuses or caucus representatives, but I don't recall that ever having been done, and I'm just wondering what plans, if any, you have in that regard. Also, I'm interested to know,

generally, how many inquiries you would have, say, per week or per month from citizens just requesting information and what sorts of groups you anticipate speaking to under goal 2, to promote public trust and confidence in the integrity of MLAs. So I guess those are three questions.

Mr. Hamilton: Well, to the last question I would say: I'll go anywhere if they want me. We haven't been active in that because I have to know what I'm doing, but that'll happen. I had a Rotary club that has asked me to speak on ethics and how it works, so that's what we'll do.

What were the other two questions?

Ms Graham: Plans relative to meeting with the caucuses or representatives.

Mr. Hamilton: Well, since you're all represented here – I'm available anytime. If you have questions and you want me to come to a caucus meeting, I'd be happy to do that. I got an invitation to the Liberals' Christmas party, and I went to that. The others didn't invite me.

The Chair: What was your third question?

Ms Graham: Maybe it was only two. My math isn't that good today.

Miss South: It was on the number of citizens who contact our office.

Ms Graham: Oh, yes. Thank you, Karen.

Miss South: I'd say that it's likely no more than six a week.

Mr. Hamilton: We do get letters and calls that we can't do anything with, but we respond to them.

Ms Graham: You always answer them.

Miss South: We do our best to refer them to the appropriate place.

Ms Graham: Okay. Madam Chair, if I could just comment that I think it would be a good idea to meet with the individual caucuses to give an overview and a refresher on the salient points of the Conflicts of Interest Act because, you know, out of sight, out of mind. I think it would be a good idea to do it annually, perhaps at a caucus meeting. I don't know what the other members of the committee think of that, but I'd encourage you to pursue that.

Miss South: To date it's been primarily issue driven. We've had it a couple of times where we wanted a discussion with all of the caucuses, and I think some of you were there for the communications/commercial advertisement discussion over at our office when Bob was commissioner. So we've had a couple of occasions when we've talked to caucus representatives rather than the entire caucus.

The Chair: Thank you.
Yvonne and then Kevin.

Mrs. Fritz: Thank you. I just had a question on the telephones and communications service. I notice that it was \$4,000 in 2002-03 budgeted, and actual was \$564. Then in 2003-04 it was \$3,000 for the budget, but it was forecast at \$1,000, and in '04-05 it's still at

\$3,000. The reason I'm asking the question is that in the previous presentation from the Ombudsman he indicated that they were charging out a portion of the service and found, I think around the middle of the year, that that wasn't workable, and the costs were being picked up again by Infrastructure or somewhere else. So I wondered – it may not apply to your area, though; I'm not certain – why you would still be budgeting, then, the same amount. It always came in low, and then it wasn't workable last year in the way that it's being charged back, so why would it still be, then, at \$3,000?

Miss South: It likely could be reduced.

Mrs. Fritz: It could?

Miss South: According to our financial statements for 2002-03, Infrastructure did pick up \$1,425 in telephone costs for us.

Mrs. Fritz: Right. Uh-huh.

Miss South: My understanding is that they will continue to pick that up, but in case they decide not to . . .

Mrs. Fritz: Just from the previous presentation, I thought halfway through that you had learned that they will be picking it up.

Miss South: At the moment.

Mrs. Fritz: But you're not trusting them, Karen. Okay. I hear you. Thank you. Okay.
Thank you, Madam Chair.

The Chair: Thank you.
Kevin.

Dr. Taft: Again I've got two or three questions, but we'll handle them one at a time. I'm on the sheet titled Explanation of Changes to Budget, the variance report. Maybe I want to be somewhere else. Just a second. The item third from the bottom, technology services, goes up from \$4,000 to \$9,000. There's a 125 percent increase. I noticed that that is expected to continue through the next three years, through the full three years of the business plan. Are you following me there?

Mr. Hamilton: Uh-huh.

Dr. Taft: Yeah. In fact, it continues to go up a little bit, and it's attributed in the notes to charges for the SuperNet. What benefit will you get from that service? Or are you just saddled with carrying your portion of the SuperNet costs?

Miss South: I assume that that's what it is, that it's being apportioned out to various places. At the moment our Internet connection is through the Auditor General's office, and we haven't been charged for it.

Dr. Taft: At the moment you have a high-speed cable or something like that? You're not sure?

Miss South: I'm not sure. As I say, IPC handles our technology for us.

Dr. Taft: But it works well.

Miss South: It works well. My understanding is that in the next fiscal year we will all be charged for the SuperNet.

Technology services also covers the costs for the various agencies that do our payroll and accounting. It's not just SuperNet. SuperNet is the newest component to that.

Dr. Taft: I guess that when I go through the variance, the three biggest increases are all related substantially or entirely to information technologies, at least if I'm understanding the notes correctly, and they're pretty big increases. I have to admit that I struggle a bit with what the heck benefit we are getting for increases ranging from 25 percent to 125 percent. Are these computer systems making your job better? Are you performing better?

Miss South: Part of it. We did establish our own web site, and I think that answers one of the questions about getting the information out to the public because we try to keep it up to date and input as much information as we can on the web site. Within the last year we have added a contract with the Legislative Assembly Office, who actually administers the web site for us. So that's one of the components for that. One of the things that is in that \$15,000 extra for this year that is a onetime expense is a device that is a fire wall. So it's a security device that we need to purchase. My understanding is that whatever we are using at the moment is extremely outdated and the company no longer provides support for it.

10:20

Dr. Taft: Except that down the road that line item just keeps going up and up.

Miss South: For technology services, yes.

Dr. Taft: I'm not criticizing your office here. I'm concerned about a general pattern in which we're spending a heck of a lot on IT, and I'm not sure that we're getting the benefit. Your office doesn't have a lot of choice in some of these decisions; is that correct?

Mr. Hamilton: Yes.

Dr. Taft: Yeah? Okay. Thanks.

The Chair: All right. Thank you.
Raj.

Dr. Pannu: Thank you, Madam Chair. I have one question. I was looking at the two budget tables: the budget by object of expenditure and then the second page, actually, explanation of changes to budget. The overall increase in the budget that we're focusing on is shown as 15 percent.

Mr. Hamilton: Uh-huh.

Dr. Pannu: Now, it's obviously an accurate calculation provided that the estimate for 2005 is seen in relation to the budget item for 2003-2004. The budget figure is \$387,000 plus a few more dollars, but we also have the estimated expenditures for 2002-2003 which are smaller: \$376,472. First of all, I just want some clarification. Isn't the estimate for this year that's reported as \$387,000 a more accurate reflection of the actual expenditures that we'll end up with by the end of the year?

Miss South: It's possible. We have always returned some money, and we may have this year some savings as a result of the commissioner not having been appointed for a couple of months.

Dr. Pannu: Now, if you put that \$376,000 against \$447,000 – that's the estimate for this new budget that you're seeking – the percentage increase would be larger than 15 percent. So there's a question of whether or not 15 percent accurately reflects the change that you are requesting. It might come to 20 percent. So this is just a question of using that to express I guess in a more accurate way the percentage increase that you receive.

Miss South: Except that the forecast is our best guess. We certainly could spend the whole \$387,000.

The Chair: Any other questions or comments? If not, thank you very much, and we will see you at lunchtime.

Mr. Hamilton: We'll see you at lunch. Thank you.

The Chair: Lunch is at quarter to 12? Yeah.

Our next presentation has been moved up. They should be here within 10 minutes, Karen?

Mrs. Sawchuk: Yes.

Mr. Hamilton: Excuse me. I just wanted to wish you all a very merry Christmas and a happy holiday and a good new year next year.

The Chair: Thank you very much, and the same to you.
Okay; we can take exactly a 10-minute break.

[The committee adjourned from 10:24 a.m. to 10:43 a.m.]

The Chair: Okay. I'd like to welcome Frank Work and Suzanne Frederick. Thank you very much for joining us this morning. If you would like to proceed with your presentation of your budget, that would be great.

Mr. Work: Thank you, Madam Chairman, and good morning, committee members. Before I begin, let me introduce to you once again Suzanne Frederick, who is manager of finance for the office of the Information and Privacy Commissioner.

You have the materials. I know you do because we sent them over. Let me say that this year I'm really pleased that we have a common format to work from because it's taken a lot of the guesswork out of it for us in terms of what to present to you. I know that last year some questions arose from the different formats the officers used, so having a uniform format has been good. I hope it works well for you.

I just wanted to give you a little bit of an update on what's going on. The core business of the office, of course, is two pieces of legislation and in a month three pieces of legislation. Flowing from that, the core business is handling complaints from the public, requests for review from the public, doing investigations, and increasingly taking privacy impact assessments under both the freedom of information and the health information acts. As well, we've been doing a lot of ongoing education and awareness work under both FOIP and HIA. I'll use the acronyms, as much as I dislike them.

I'm particularly pleased over the past year with the involvement that our office has had with the health care professions: physicians, pharmacists, therapists, and so on. I think that's been very, very powerful, and I'm going to tell you why in a second.

The other big area that we devoted considerable time to is working with research ethics boards, and those are the bodies that approve research at the different universities and things like the Cancer

Board. They play a very important role in the process because they have under the Health Information Act the power to allow medical information to be used without consent. As a result, we focused a lot of effort on them, and for the most part I'm very, very pleased with the results. I think the Health Information Act gave these boards the recognition and the responsibility that they were ready to assume, and I think they've done a very good job of discharging it. We're still working very closely with them. There are some very difficult ethical issues, as you can imagine.

The other highlight of the year, I think, is that I was amazed by the increase in involvement the office has had with external committees and task forces, primarily within the government of Alberta. While our core business of handling complaints and requests for review has gone on at the same pace, the amount of involvement in everything from the Medical Informatics Committee with the college of physicians to Government Services' information management training advisory committee, the government audit strategy task group, Alberta Health and Wellness – there's a staggering number of committees that we are now regularly involved in. And that's a very good thing, because in my mind working with bodies like that as they develop IT systems and programs greatly reduces the possibility that there will be grounds for complaints and investigations after the fact. So that's been a very positive thing.

As I mentioned earlier, the number of privacy impact assessments we've been dealing with under both the FOIP Act and the Health Information Act has skyrocketed. Privacy impact assessments are required under the Health Information Act before you fire up a new information system, but they're more or less voluntary under the FOIP Act, although I've urged that they be done in many cases. Some of the FOIP ones that have been done on this voluntary basis have really been outstanding. An example that comes to mind is a Children's Services initiative that was undertaken earlier this year, and that was to help kids that have problems. As you can imagine, you can't deal with a child that has problems in isolation. I mean, the treatment covers a number of ministries and possibly schools, police, and so on. So there's information sharing that's needed in order to deal with the child, but at the same time there are the issues of the child's privacy and the child's security as well. We worked with the Children's Services initiative to develop what I think is a brilliant system for managing that but still facilitating the program.

We worked closely with the government of Alberta personnel administration office on the background check/security clearance issue. I think that for the program that came out of that, while it's regrettable that you have to do that in the first place, there is a need, and I think it was in the end done with sensitivity and with intelligence.

Finally, the big headline grabber was the surveillance cameras on Whyte Avenue. Again, we spent a lot of time with the Edmonton Police Service developing that program, and I think it was done in the least intrusive and most precise way it could have been done. We'll be talking to the police and doing kind of – I don't want to call it a postmortem – a review in the new year of how well that system worked for them.

As I said, we're getting increasing, increasing numbers of privacy impact assessments from doctors. Alberta Health and Wellness has a program whereby doctors can get funded to automate their offices. In order to do that, they have to file a privacy impact assessment. It's called the physicians' operating system program, POSP. Acronyms everywhere; right? Privacy impact assessments for our office are quite labour intensive because we have to review them, we have to consult, we have to meet, and we have to make comments, criticisms. The payoff has been tremendous for Albertans.

Just as a small example, there was a robbery, a break and enter, at

a clinic. The thieves stole I think it was six CPUs off the desks in the clinic. Because the clinic had done their privacy impact assessment and it had been concluded that no personal information should be stored on the desktop units, that it should all be sent to a server which was in a secured room, all the thieves got was the CPUs, which is bad enough, but they didn't get any information. That truly happened because this clinic did their privacy impact assessment and realized the need for that kind of security.

10:50

There was a survey done of doctors across Canada by a reputable consulting firm called Priva-C. The headline in the paper – it was a national story – read something like: doctors' awareness of privacy and security issues abysmal. I spoke to the guy who ran the survey, and he said: yeah, well, I really wasn't quoted quite accurately. As it turns out, in Alberta and Manitoba, provinces that have health information legislation, the awareness of privacy and security issues among doctors, health care providers, and hospitals was staggering. In fact, the expression he used, I believe – he spoke to a group of doctors in Calgary shortly after the survey, and he said, interestingly, that Alberta doctors are a lot better off than the majority. We did a talk for about 50 docs in Calgary last Saturday and were blown away by the level of sophistication and understanding of the issues, and I was just delighted to hear that from someone who had been talking to the docs.

Now, in the past few months we've been in a big way into Personal Information Protection Act issues, or PIPA, the new acronym. We've spent a lot of time working with Government Services on the preparation of materials for awareness and educating the organizations that are going to have to comply with the act in a very few days. Since September Elizabeth Denham, who's the team leader for the private sector, and myself have done a staggering number of presentations and training sessions.

I guess the thing that impressed me in all of that is that 85 percent to 90 percent of the feedback on that legislation from business has been very, very positive. It's being regarded very favourably. The view seems to be that while it is consistent with the federal law that's being imposed on January 1, it's easier to understand, it's easier to implement, it recognizes some practicalities, and I've been flattered to often hear that business is happy to have someone in Alberta to enforce it and administer it and to deal with the issues. Despite the jet lag and the fatigue from the 30-odd speaking engagements, that's been very gratifying.

On the private-sector matter we're now into consultations with British Columbia, which, you all probably know, has a very similar piece of legislation. We have a new federal commissioner, Mme Jennifer Stoddart. I know her from the old days when she was commissioner in Quebec, and I'm really looking forward to working with her. She's first-rate, and having come from a province that has a fairly strong tradition of provincial autonomy, I think there's going to be a good working relationship between the federal agency and the provinces, so I'm really looking forward to that.

There are going to be some tough issues. The three commissioners – the B.C., Alberta, and federal commissioners – are going to have to do some things to make sure that all three of us aren't banging on the same door at the same time. That's just wasteful and pointless, and we're working on those kinds of issues now as well.

To turn to the budget and money matters, I guess I would just sum things up by saying that we are presenting you with a budget that looks for a 5 percent increase despite the addition of the responsibilities under the Personal Information Protection Act and despite what we anticipate will be a greatly increasing number of

privacy impact assessments from physicians as they automate and involvement with Alberta Health and Wellness as Alberta Wellnet gears up.

Now, at that point, should I just go on into the budget, or do you want to ask any questions about the preamble?

The Chair: What we have done in the past is just open it up to discussion. You don't need to go through the budget line by line. So at this point is there anyone that would have any comments or questions?

Mr. Tannas: Frank, I was just wondering. The Ombudsman is soon going to be involved in health. That would presume that a complaint would come forward and they would need, in order to properly adjudicate that complaint, access to health records. Is that going to be a minefield for you and for the Ombudsman?

Mr. Work: Good question, Mr. Tannas. We've already talked to the Ombudsman about that. I think that both the FOIP Act and the Health Information Act allow for the disclosures that are necessary for the Ombudsman to do his or her job – well, his in this case – which are permitted under both acts because both acts say that information can be disclosed if pursuant to statutory requirement. The thinking at the moment is that since the Ombudsman has a statutory authority to do this, the information will flow along the lines of that authority. So we're not anticipating any problems with that, at least between our offices. It could happen that some of the health care providers, who are becoming quite attuned to privacy matters, may have to be educated on the fact that the Ombudsman does have the ability to get this information from them, but we'll try to work with them through the organizations; you know, health authorities, hospitals, and so on.

Mr. Tannas: Okay. Thank you.

Mr. Friedel: Frank, when Don Hamilton was in here earlier, in his budget he had an amount for contract services out of your offices, where some of your technical people and such provide cross services. How is that reflected in your budget? Is yours a net of that, or does that go through general revenue? How is that reflected between the two budgets?

Mr. Work: This is where I duck.
Suzanne.

Ms Frederick: It does, actually, go through general revenue, so on our financial statements it's presented as revenue to us, and then it's taken out again. So we don't net that. This is our true expenditure.

Mr. Friedel: Thank you.

The Chair: Kevin, you just want to add to this?

Dr. Taft: If I can. I'm not sure I'm understanding correctly. So there's no income here, but you are getting income?

Ms Frederick: That's correct. The general revenue fund is getting income. It's really just to the Treasurer.

The Chair: Yvonne.

Mrs. Fritz: Thank you. My question is on professional fees and development. I notice that in the past two years it's almost doubled. It had been budgeted at \$62,000 in 2002, but the actual is \$82,000.

Then looking at the estimates and the target for 2004-05 and '05-06, it's at about \$139,000, and I wondered why that is. In what area are you finding that your staff requires further development that had been lacking, or has it changed, or is it more on the side of professional fees? Why is that such a considerable increase?

Mr. Work: It's a little of both, Mrs. Fritz. We have a small staff, but it tends to be very professional heavy, I guess; probably an unfortunate choice of words. For example, we have five lawyers, and we have an IT department. They have two needs. One is professional fees. For example, lawyers have to pay their fees to the Law Society, and we're pretty much at their mercy. If those fees go up, we pay them for the lawyers.

11:00

Mrs. Fritz: What would that be, though, the fee for the Law Society if you have, say, five lawyers? I have no idea.

Mr. Work: I think this year's Law Society fees were \$1,800 per lawyer. Yeah, \$1,800 per lawyer. Then there are the Canadian Bar Association fees as well, which are about \$350, I think.

I don't want to point fingers at anyone, but the expensive guys are the IT guys. It is staggering what IT training costs. I mean, literally, I've seen a two-day course where the tuition is \$10,000. We don't do many of those, I can tell you, but the fact remains that the software is changing so fast. If Microsoft decides to redo their Access program, you have no choice.

It's probably an incorrect thing to say, but it's a bit like an addiction. You know, you've got the investment in the hardware, and you're running their software. If they overhaul their software, you really have no choice but to take the training required for your IT people to get reschooled in the newest program. Whether or not some of these programs make a world of difference, I don't know. I sometimes wonder: just how many fonts do you need on your Word program in order to do your job, you know? We must be up to about 500 now. But the fact remains that IT training is very expensive.

In the health area with the health information team I like them both for personal development and in terms of maintaining a dialogue between the office and the health professions. I like the health team members to go to things like what's called the COACH conference. The acronym is COACH. That's the pre-eminent health information group in Canada. I have no problem sending two or three members from the health team to that because simply everyone that's doing anything with health information in Canada is at that conference. So we often present at the conference, but more importantly you find out what's going on with health information.

There, again, the rate of change is mind-boggling. Well, you probably have a sense of this from trying to deal with it from a legislation policy point of view. We are just literally chasing after the technology, and sometimes I'm not sure we're gaining on it at all.

Those are the reasons that the professional fees and development dollars are increasing.

Mrs. Fritz: So how many would be on the health team that would go to this conference?

Mr. Work: Let's see: I have three portfolio officers, a compliance officer, and an assistant portfolio officer. That's something new we've done in order to try to not only save some costs but bring some people in our organization along, kind of develop from within. This past year we created a new position of assistant portfolio officer. So we've got five people: three full portfolio officers, one assistant, and a compliance person.

If three of them went to COACH, I think the tuition for the COACH conference is probably \$1,200 or \$1,300. It's a two- or three-day conference. This past year it was in Toronto. This coming year it's in Vancouver, so there are travel costs.

Mrs. Fritz: Just back to the IT. So one IT person would go for, you were saying, \$10,000 over two days. Could one person attend and then come back and teach? Is that what you do?

Mr. Work: Absolutely.

Mrs. Fritz: That could be the same even with health professions. In a lot of workplaces that's what they do: just choose one or two people to attend and then come back and share the information. Then they change that the next year and somebody else attends.

Mr. Work: Yeah. We do that. COACH is a good example. COACH is such a huge conference. I mean, they'll have five sessions going on at the same time. It is the pre-eminent health information conference in Canada. I think that in a case like that sending even three people is justified because of the amount of ground to cover. I like the office having the exposure. I like the fact that we're there talking to the people who are developing health records software.

But that's the exception, not the rule, where we would send a number of people to the same thing. Certainly, with IT, in a small office like ours, we only need one expert in the new software.

Mrs. Fritz: So I just wanted to be on record to leave that with you to let you know that I still find, even with what you have said and the cost for the employees for the development and for the fees that you've mentioned, almost \$140,000 on the high side. If you could just keep that in mind over the next year.

Mr. Work: Yes, and I'm glad I asked. Suzanne just reminded me that another reason for the increase this year has been that we established something that the government of Alberta has had for quite a few years. It's called the learning account. That's in there as well. So every employee has a small sum of money that they're allowed to use for specified purposes. I'm glad you asked that, because I neglected to mention the learning account.

Mrs. Fritz: Okay. Thank you.

The Chair: Thank you.

Dr. Taft: Well, continuing on a theme from Yvonne and from earlier issues around IT and the expenditures on IT, I notice that the technology services are proposed to increase 33 percent. I'm on the explanation of changes to budget page. My biggest question, I guess, my most specific one, is under the notes: "An estimate for SuperNet has been added to the 2004/05 budget." How much?

Ms Frederick: Two thousand.

Dr. Taft: Two thousand dollars. What's the basis of that? I mean, was this divvied out to you as having to pick it up?

Ms Frederick: Yes.

Dr. Taft: What benefit will you get from that?

Ms Frederick: That is where we're going to have our Internet provided from. That is taking the place of what's called AGNPAC,

that the rest of the government is on. So they're now going to put everybody onto SuperNet, and supposedly our share of the cost will be a minimum of \$2,000.

Dr. Taft: Okay. So were you able to reduce?

Ms Frederick: No, because currently we are paying nothing for our Internet service through the AGNPAC, so we were not able to reduce. I don't think anybody is able to reduce over the SuperNet. I think it's an increased cost for everyone.

Dr. Taft: It's a cost add-on. The \$2,000 is a minimum of what you're expecting.

Ms Frederick: That's what I'm told, yes.

Dr. Taft: The rest of the 33 percent increase is explained in what way?

Ms Frederick: It's explained by the fact that we have about four computer-type systems – one of them is a case tracking system; another is our web site – where we've entered into maintenance-type agreements. The maintenance agreements provide for a flat rate that we can exercise throughout the year to make sure that we can keep these systems up to date. It's a more cost-effective way than having the consultants come in on an hourly basis. So we've added this year what would be approximately \$10,000 for those maintenance agreements on the web site, the case management system, and our router connection between Calgary and Edmonton.

Mr. Work: Those roughly break down to about \$3,000 each: \$3,500 for the first two and \$2,500 for the router maintenance. Again, it's just an educated guess that the maintenance agreement arrangement is going to work out better for you than the per call. Our tracking system is a little bit old. It's critical to the office. I mean, we have to have this computer system to track our files, especially with three different pieces of legislation, and our tracking system is based on an older piece of software. We've upgraded it twice, but we really need the backup on that because if that tubes on us, we're in a lot of trouble.

11:10

Dr. Taft: Okay. My supplemental, still on IT. If you were to estimate what you spend in total on IT, if you were to add up technology services, materials, training, staffing – do you ever do that? Yeah? Okay. How much is that on your IT function?

Mr. Work: Including salaries for IT?

Dr. Taft: Yeah.

Ms Frederick: Well, you've got the three IT staff. Are you including hardware and software that we're purchasing for the office?

Dr. Taft: Sure. That's all an IT function.

Ms Frederick: You've got 37 staff members, so you have computers. They're replaced on a three-year cycle.

Dr. Taft: So about a dozen computers a year.

Ms Frederick: Yeah. A dozen computers a year. The training, the professional development that's budgeted for them, as Frank was

mentioning, is about \$4,000 a year for each of them.

Dr. Taft: For each of the 37?

Ms Frederick: No. Just each of the IT people.

Dr. Taft: Okay. And there are three IT people?

Ms Frederick: Yes. Three IT people. Then there's this technology services section here, and that's pretty much it, I would say, for the IT.

Mr. Work: We have three IT staff salaries and benefits: probably, at a glance, \$180,000, \$185,000.

Dr. Taft: Okay. Thanks.

The Chair: Great. Thank you.
Denis.

Mr. Ducharme: Thank you, Madam Chair. Frank, I'm going to the personal information and privacy act as far as the funding. Please bear with me. I'm just trying to follow it through.

Last year we had a supplementary estimate that we brought forward for \$574,000. You've returned \$200,000 of that at the end of the year, so I guess they used \$374,000. In the forecast sheet on the budget you showed it as though it was forecast to be \$614,000. Was that for the full year?

Mr. Work: Yes. That's for the full year.

Mr. Ducharme: And now we're increasing it to \$1,009,000 for 2004-2005?

Mr. Work: Yes.

Mr. Ducharme: Okay. This is where I need some clarification. I'm just trying to go back to the proposal that had been submitted. I have to be honest. I didn't go back to it, so we'll have to put our collective thinking caps together. I thought that a good portion of the budget last year was for educating the business community across Alberta as to the upcoming personal information act, that there were dollars in terms of opening up the Calgary office, and there was also going to be extra travel that was going to be involved, which, I had the understanding, was included in that budget. There was also the \$100,000 that was put in in terms of working with Government Services to bring everybody up to speed.

Okay. The hundred grand is gone this year because that portion has been done – and you've identified it there – but I see materials and supplies and travel both taking a reduction. They're being shown as though because of the office opening up in Calgary, we didn't need it, and that's where the confusion lies. It seems as though we've got a double standard: we had dollars that were set up in the PIPA for those things, and now it's being reduced from two different line items. Yet the PIPA portion for the legislation this year is increasing to over a million dollars from \$614,000.

Mr. Work: Well, Suzanne may have to support me with some details here, but the lion's share of the '04-05 budget is going to be salaries. With the \$100,000 that you mentioned that we got to cooperate with Government Services on education, we projected spending half of that.

Ms Frederick: About \$45,000.

Mr. Work: Yeah. About \$45,000 has been committed out of that to be spent by year-end. So the excess will be coming back. But my recollection is – and Suzanne should correct me if I'm wrong – that out of that supplemental we got, the only education amount was the \$100,000. Suzanne is saying yes. The other 400-odd thousand was anticipated salaries for staff.

With respect to why we didn't use all of that, I made a judgment call. Once we'd hired the team leader in Calgary, she and I both became incredibly busy going to conferences and stuff and doing training sessions. I took a gamble that we would delay staffing up as long as we could, so she and I handled the brunt of that demand. So we didn't expend the money that we had asked for for staff as early as we could have. For another thing I was just away so much that I wasn't there to actually get the staffing going. We made it through the fall. As it turns out now, we won't be able to staff up until the beginning of February at the earliest, and to be quite honest, I could be in a tight spot January 1 with the proclamation of PIPA. If we get a landslide, we'll be spending some long hours. So that was why that full half million wasn't used. I just didn't staff up as early as I had planned to.

Mr. Ducharme: I still have the concern. I understand the staffing portion, but from what your actual was last year that you expended or, let's say, in this budget year that you expended, you're still asking for a \$635,000 increase. That's what I'm having trouble putting my mind around. You know, that seems like a lot money in terms of staff.

Ms Frederick: This little schedule here is due to the format that all of the offices agreed on, so this is basically our first kick at the cat as far as allocating how much money we spend on each of the core businesses. What we did is we identified the four acts that we're involved in as being our core business, and what was left was corporate services, which is all the finances, the IT, the HR, Frank Work, and legal. We took that and decided that we would allocate that cost to the four acts, so about 25 percent of our staff time and supplies will be used for the PIPA legislation. Thirty-six percent of our office is HIA; 47 percent is activities related to FOIP. Forty-two, 29, 25, and 4 percent: that's kind of what we've done with this. We're not asking for an increase in money. We're saying that this is how we feel that the office breaks down as far as the work that we do.

The Chair: Mary.

Mrs. O'Neill: Thanks. I have a question on insurance. With respect to the insurance that you carry and given the sensitivity of issues and whether people are going to challenge you as to whether you will direct or not direct the release of or how you will do that, it doesn't seem to be a higher risk. Well, there's a 10 percent request there. My question is: for yourselves, first of all, do you see an increased risk of being challenged, I guess I would call it, legally? But the other part is: what is your responsibility for those areas that you are responsible for in making sure that they have risk management insurance, I'll call it, or risk insurance so that they have coverage should they likewise be challenged upon either inadvertent or deliberate release of information?

11:20

Mr. Work: Good question. Let me clarify before I try to answer it. With the others that you're referring to, are you referring to people

outside of the office, like other bodies that have to comply with the legislation?

Mrs. O'Neill: Yes.

Mr. Work: Okay. Our office participates in the government of Alberta risk management program, so basically the government of Alberta is our insurer. As far as the office goes, the legislation all says that we can't be sued for most things that we do under the legislation as long as it's within our mandate. So, arguably, if we stepped outside of our mandate, then we would become liable to a lawsuit, and to take care of that contingency, Alberta risk management also has an indemnification kind of policy that all five of the legislative officers, among others, have. So there are two insurance policies through Alberta risk management. One is for the office as a whole doing its statutory duties, and the other one is the backup for leg. officers if someone tries to sue us in our personal capacity.

On the interesting question you asked about organizations outside of our office and their liability, it will be very interesting to see how that develops. Of course, the Personal Information Protection Act – and I'm sure you knew this, and that was why you asked the question – does allow someone to sue an organization if they're found to not be in compliance with the act. That's going to mean two things. One is that there will be very close scrutiny of my office and what I do because organizations will not want to have my finger pointed at them in case it does open this possibility of liability. So it's entirely possible that I could have my orders judicially reviewed more often. The second outcome from that could be that organizations will themselves have to look to their own resources in terms of dealing with lawsuits that could arise from privacy breaches. This is really new ground, so it'll also be interesting to see how the courts deal with actions brought on this. It's a big question mark, for sure.

Mrs. O'Neill: If I may just add a comment to it – and thank you for the answer, for the clarification – in your discussions with and instructions to the bodies, be they private or public, wherein you are explaining the law, have you also cautioned them and instructed them in their responsibility to carry this risk insurance, I'm going to say for lack of a better word?

Mr. Work: Yeah, we have as a standard part of the presentations we make. The reason I'm smiling is that it will probably not surprise you to know that the legal profession and the accounting profession have in the past few months been very keen to warn all private-sector organizations in Alberta that this liability now exists and that they had better take the appropriate risk management measures.

The Chair: Thank you.
Laurie.

Ms Blakeman: Thanks. To Frank or to Suzanne through Frank, I'm following up on this SuperNet issue, and I have two questions there. For the money that was assigned to this office, that \$2,000, was it indicated whether that was start-up funds, or is that annual connection fee?

Ms Frederick: It's the monthly fee.

Ms Blakeman: So it's your monthly operating . . .

Ms Frederick: Yes. Right now Innovation and Science picks up the

cost on our behalf and on many other government departments' behalf for access to the Internet. Now, with the SuperNet they are going to have all the costs disseminated to the ministries and to the offices. So we've been told that based on our number of people and our usage, \$2,000 per year should cover.

Ms Blakeman: Thank you. That was my second question. Were you able to negotiate this, or was it assigned to you as: you've got X number of computers or X number of staff that are drawing on it?

Ms Frederick: Assigned.

Ms Blakeman: And it's based on usage.

Ms Frederick: Usage and number of people. Exactly.

Ms Blakeman: Okay. Thank you.

The Chair: Thank you.
Yvonne.

Mrs. Fritz: Thank you. I just have one further question, and I'll just tell you the parameters of it so that it won't take a long time to talk about. I'm interested in the learning/wellness benefit, which is still under this other area that I discussed earlier, and what that benefit is about – you've indicated that it's for employees throughout government – whether or not the benefit is negotiated, for example, through a contract and what it includes. Like, is it mental health days for employees? What is the benefit? Does it include fitness fees, you know, at a club? Does it include – oh, I don't know. I'm just interested in what it is about.

Mr. Work: That's a very good question. It covers a lot of stuff. A number of government departments have had it for a number of years, and the parameters of it seem to vary. We've tried to pick a middle ground. Suzanne can help me out with some examples because she gets the invoices. The way it works is that someone pays for something within the parameters and then they submit an invoice. I used mine for a Grant MacEwan College fitness club membership.

Do you have some other examples?

Ms Frederick: Some people are buying personal computers, any form of recreation, something that makes them feel more healthy. We're not allowing any form of club, golf clubs or anything like that. From a fitness side it's limited to a gym membership.

Mr. Work: No vacations.

Mrs. Fritz: Is there a list, or do you decide? Or does somebody submit what they feel would help their wellness? So there's a list. Can I ask that you forward the list of what that would be to my office?

Ms Frederick: Certainly.

Mrs. Fritz: Then how much is incorporated for each employee?

Mr. Work: Four hundred dollars.

Mrs. Fritz: So it's \$400 per employee, and you have 35 employees.

Mr. Work: Correct.

Mrs. Fritz: Then that's 50 percent of your fees.

Ms Frederick: Right. Actually, we're looking at 37 bodies next year.

Mrs. Fritz: Thirty-seven people. Was that negotiated through their contracts? Is that negotiated, or is that just a benefit that you've decided, then, as a departmental person, that you would do that for your employees?

Mr. Work: That's correct. It was a benefit that we have offered.

Mrs. Fritz: Thank you.

Ms Graham: Thanks to you both for your thorough presentation. I was just wondering whether in the business plan portion of your materials – it isn't called a business plan, but it amounts to that, I think – you have in place any sort of formal mechanism whereby you can monitor what is being done in various government departments that might give rise to a situation that arose earlier this year with the adoption web site in Children's Services. As I understood it, your office had not been contacted to give any sort of preliminary opinion. I wondered: is there now a process in place whereby, not just in Children's Services but in other departments, consultations would be made with you so that the furor that arose wouldn't happen again?

Mr. Work: Well, fortunately or unfortunately, sometimes bitter experience is the best teacher, and as a result of that adoption web site situation, as I said in my opening remarks, our participation on a wide number of government committees has increased significantly.

To answer your question, "Is there any one feedback mechanism?" the answer is no. There's no one system, one point of contact, so to speak, between us and government. However, we do sit on enough committees and advisory boards; for example, the Chief Information Officers' Council. We're not a voting member, but we sit on that every meeting. The FOIP co-ordinators for all the government departments have a group, and we attend every one of their meetings until they kick us out when they want to talk about things they're not happy about with us or, you know, have their own conversations.

11:30

I think that particular event has really motivated both sides to be more cautious, I suppose, in terms of where security and privacy issues lie in government programs. So I would say that there are probably four key committees or working groups that we participate in that are probably our main feedback to and from government for those kinds of program policies.

Ms Graham: If I could follow up. So there's really no legal requirement that government departments would consult with you, although it's, you know, a sensible thing to do. Do you think there's any way of maybe putting in place a more formal protocol?

Mr. Work: A more formal protocol is difficult partly because of the number of government departments. I mean, the issue your question raises also, of course, applies to municipalities, police services. There are – what? – 1,300 public bodies under the FOIP Act, so it's a little hard to do the one point of contact kind of thing. It's gotten much better with the government of Alberta. For one thing, the government of Alberta has been lately centralizing a lot of their FOIP functions in fewer offices, so fewer offices mean fewer points

of contact and a better communication between us and the fewer offices. So I think that's probably the key thing.

The other thing that makes it difficult is that a lot of times you never quite know that there is a security or privacy aspect to one of these programs until suddenly it leaps out in front of you and hits you between the eyes. That may have been what happened with the adoption web site. I mean, the people who I personally know who were involved in developing that are smart people, and they do good work, and they may have been just as caught by surprise by the reaction as we were. How you anticipate those things is a bit of a challenge.

Of course, under the Health Information Act privacy impact assessments are required, and that just is an end to the matter. You just do one. I'm not sure if that would work that well under FOIP because, again, defining when you have to submit one could be a little dicey.

Ms Graham: I just really wanted to know if you were addressing it as best you could.

Mr. Work: We're certainly keenly, keenly aware of the issue and determined, as government is, not to have it happen again. The address to the issue has been a little bit from a number of avenues, I guess, is what I'd say at this point. We have a number of approaches to that problem.

Ms Graham: Fair enough. Thank you.

The Chair: Are there any other questions? Comments? Denis.

Mr. Ducharme: I'd like to go back to PIPA again. I'm having trouble understanding, so, please, I'm not trying to be attacking something.

If I go back to your budget that you had set up last year at \$899,000, you know, if it had been for the full year, you're forecasting that it's going to run \$614,000 as a core business. Even when I look at that, I see that there's an increase from the \$899,000 as far as the budget, an increase of \$110,000. Then if I add the materials management and the travel, which equates to another \$73,500, that was deleted out of this year's budget, it still shows that it's going to cost an additional \$183,500 to administer our privacy act. I'm just having trouble understanding how it can be that big of an increase because if we look at the \$899,000, I'm assuming that that's with the full complement of staff.

Ms Frederick: No.

Mr. Ducharme: You only expended \$614,000 because you didn't put all that staff there.

Ms Frederick: Right. But this \$899,000 again is a little bit of a guess. It's an \$899,000 that says: okay; for this fiscal year we've only had one employee on PIPA since September 15, we've had Frank's proportion of his work for the year, and we've had some lawyers that have been doing some work, but that's primarily it for this fiscal year. Next fiscal year we're going to have the four dedicated PIPA staff, and then we're going to have, like I said, this 25 percent share of everybody else in the office allocated to what we consider to be PIPA. So this little breakdown here is a bit arbitrary.

Mr. Work: I think that bottom entry may be part of the problem, expense by core business. This core business breakdown is, as Suzanne said, really arbitrary. For example, we've got five lawyers

that work for the whole office, so because we agreed this format would be helpful, we had to somehow apportion some part of those five lawyers' salaries and benefits to PIPA, and that's part of the \$899,000. We had to apportion some part of our IT guys' salaries and benefits to this PIPA entry on that line. So the \$899,000 figure is not a very firm figure in accounting terms because it isn't people that just do PIPA; it's that portion of all the other people in the office.

Mr. Ducharme: Okay. But your \$614,000 forecast is probably closer to what the actual costs are then, or is that arbitrary too?

Ms Frederick: For this fiscal year coming up.

Mr. Ducharme: So if you're going to hire four more staff, then it compounds it even more. You're going to be looking closer to \$700,000 more in the budget to administer that act.

Ms Frederick: I guess one of the things we did is we wanted to provide in here to show you that when we came back and asked for the supplemental estimate of \$574,000, we were coming in and just strictly asking for incremental costs as a result of PIPA being introduced on January 1. So we came in with what we thought of, at \$574,000, as being a pretty reasonable figure. As Frank indicated, we pared it down. We didn't hire the staff that we thought we were going to hire. Using the Auditor General's space in Calgary has cost us almost nothing. Next year we're anticipating that just the cost of using Calgary, not the staff or anything like that but the cost of Calgary, is going to be \$47,000. So we really went in a little bit high on this supplemental estimate. We need to tell you that we feel that we are going to be giving back the \$200,000.

Now, coming next fiscal year, '04-05, again we're taking a look, and I grabbed the four dedicated staff to PIPA, because that's all we have, and then took the rest of the people and said: okay; approximately 25 percent. So, again, it's hard to sort of compare last year to this year. Next year is the full year of operation.

Dr. Taft: It's a little bit like apples and oranges trying to connect these two, I think.

Ms Frederick: Yes. That's right.

Dr. Taft: The line-by-line items are built up on actual expenditures, and the expense by core business is a completely different basis.

Ms Frederick: It's a completely different chart, and the only thing that matches is the two bottom figures: cost of operations up top, and total expense. So what you're doing is you're taking your cost of operations and saying: okay; how does that \$4 million that you're asking for break down within your core business? That's how we see it breaking down.

Mr. Work: Mr. Ducharme, we had similar conceptual problems with even deciding what our core businesses should be. For example, for an office like ours instead of on the basis of laws, we could have broken it down on the basis of complaints and hearings because those things are common to all three laws. You know what I mean? To show core businesses, we just hit upon using the acts to divide up our expenditures because it seemed the most obvious one, but there was some discussion about whether or not we should be defining our core business on the basis of function and not legislation. So I only mention that to indicate that the \$899,000 is a somewhat arbitrary figure as part of the whole budget.

11:40

Mr. Ducharme: But the thing is that there are just too many figures being thrown around. On page 4 of your submission you're showing the supplemental estimate for PIPA and your actual expenses of \$374,000. You're giving \$200,000, and that's where it's hard. There have been some reductions of \$73,500 that were expended out of this \$374,000, so you're looking basically at saying: okay; it cost 300 grand, but now we're going to over a million dollars for next year. Where the confusion lies for me right now is in understanding that.

Mr. Work: I understand it because the figures that we used out of the supplemental estimate are actual figures that were dedicated or expended with respect to PIPA, whereas the \$899,000 is not an actual figure because it also takes in a bit of this and a bit of that, so I understand the confusion.

Mr. Ducharme: That's where it makes it look even worse: when it's \$300,000 compared to a million now.

Mr. Work: Yeah. Absolutely. You're quite right. The \$899,000 figure draws in a whole bunch of other stuff that the supplemental estimate figure doesn't concern itself with.

The Chair: Seeing no more questions, thank you very much, Suzanne and Frank. We'll now break for lunch.

Mr. Work: Thank you, Madam Chairman. Let me wish you all a very merry Christmas, happy holiday, best in the new year.

[The committee adjourned from 11:42 a.m. to 12:35 p.m.]

The Chair: Good afternoon, everyone. I'd like to welcome Brian Fjeldheim and Bill Sage and Glen Resler. If you'd like to go ahead with your presentation on your budget, that would be wonderful. Thank you.

Mr. Fjeldheim: Good. Thank you very much. Hello and season's greetings to everybody. You mentioned Bill Sage here on my right and Glen Resler over here. I think you've all met before. They're going to be assisting me today with the budget presentation.

I'm pleased to have this opportunity to meet with you before the holiday break. I also want to mention that I'm pleased to be involved in the electoral administration here in Alberta. I'm extremely proud of our operation, and I invite anyone to compare our efficiency, customer service, and careful expenditures with any other jurisdiction in the country.

We work closely with other election offices across Canada, and it's interesting to note that many of them don't go through this budget approval process. In those jurisdictions statutory funding is provided to finance legislative operations. I find that the process we follow is an excellent way for us to assess our own performance and for you to see and review how the taxpayers' dollars are spent in financing the electoral process. Even though the uncertainty associated with the election and by-election cycle does not allow us to always plan annual requirements accurately, it gives us an excellent opportunity to ensure that we're interpreting our role in the same way as the Assembly and, most importantly, to ensure accountability in the expenditure of public funds.

I'd like to begin the same way as this time last year, by thanking the committee for the support we've received over the past year. I appreciate the time that you folks take from your busy schedules to assist our very small office. I particularly appreciate having had an

opportunity to chat with many of you at different occasions over the year on issues of common concern.

Our meeting in September to discuss access to multifamily residential facilities during the last election period helped us to re-evaluate and expand our strategy for the next enumeration and election. Your thoughts were very helpful, and we've incorporated them into an upcoming initiative which I'll address shortly.

It was also nice to see a number of you at the annual COGEL conference. For whatever my opinion is worth . . .

The Chair: Lots. I'm sorry. I was a little slow there.

Mr. Fjeldheim: I think it's important that you do get out and see and hear how other jurisdictions function.

The '03-04 fiscal year has been a very busy one for us. We concluded our administrative support to the Electoral Boundaries Commission and then set about preparing resources, informing stakeholders of the changes, and developing a strategy for migrating our elector and address databases to the new electoral division boundaries. Recently that has involved the training of 83 provincial returning officers – we have 33 new ones – and a series of one-on-one review sessions that has resulted in the completion of 70 electoral division maps finished to the polling subdivision level. This task has kept us and the 83 newly appointed and very keen returning officers very busy this fall.

The forecasted budget reflects the planning that we had discussed last year at this time. In many cases it simply provides a status update to last year's presentation as the three-year business plan continues to unfold.

At our last budget meeting we had discussed the permanent register of electors at some length. That component of our business has greatly increased since the permanent register was prescribed by legislation in 1996. This trend will continue since we were able this year to complete a contract with Alberta Government Services to acquire motor vehicle licence data to update the register. As you know, amendments were made to the Election Act and the Freedom of Information and Protection of Privacy Act to allow us and Elections Canada to use driver's licence information. We expect that this data, when managed within the database framework, will allow us to maintain a higher level of accuracy in the four updates of the list of electors that are provided to political parties between electoral events. Also by legislation, parties and MLAs have much greater flexibility in the use of this list, so we want to make sure that we are supplying you with the very best product that we possibly can.

The requirements have grown to the point where I am proposing to add one additional full-time staff member to the office to manage this area. At its inception the office was designed to have 14 staff. We've never reached that number, and I can assure you that this request comes after a great deal of soul-searching since we've managed with the same complement of nine staff, including myself, for the past eight years. Managing the register of electors area, though, is rapidly exceeding the bounds of our expertise since it's a very specialized field and is stretching our current human resources to the maximum. As we get closer to the enumeration and as we ramp up for the election, we need to have one person dedicated to this task so the rest of our staff can continue to meet their existing responsibilities. I think it's important, obviously, to ensure that we get the best bang for our buck, and having a dedicated internal staff available to develop a comprehensive, sustainable, long-term strategy for the register of electors is most important.

Increased staff costs for returning officers, enumerators, and election officials account for a substantial amount of the increased

funding requested. We propose to incorporate cost-of-living increases that parallel those received by the Alberta public service on an ongoing basis. This will help to recruit and retain good people throughout the election and the enumeration process and to deal with increased staff costs incrementally instead of adding one huge increase on a periodic basis.

Two new positions are also proposed for the election process. One is the administrative assistant to the returning officer and the returning officer's office in each of the constituencies. That person's role will be to supplement the support provided by the election clerk. Previously elections were run in most constituencies with just the returning officer and the election clerk handling the bulk of the duties, with extra people brought in to support on polling day. This support person will have the primary responsibility of data entry and computer support, thereby freeing the returning officer and the election clerk to focus on election management. Also, a couple of requirements have increased greatly over the past few elections to the point where this is necessary: the increased use of computer technology, of course, and its demand by the public and the use of the special ballot, or mail-in vote. In some constituencies at the last election we had over 500 people use the mail-in ballot system. That has to be administered by the returning officer or the election clerk. A mail-in ballot system takes an inordinate amount of time to manage and to administer. This individual will look after that.

The second new position being proposed is that of registration officer. This person will work at polling places across the province on polling day in those areas designated by the returning officer. That person's role will be to swear in electors whose names do not appear on the list of electors due to an omission, a recent move, or some other reason. Those that are on the list will be fast-tracked, go right to the polling station, receive their ballot, and vote. This person's presence will both speed the voting process and ensure uniformity in data collection for use in the register of electors. The estimated cost for these election officials will be \$350,000.

We are still preparing for enumeration in the fall of 2004, and I've provided historical cost comparison within this year's budget forecast. The most substantial increase here relates to enumerators' fees and includes a costing methodology to address the inequity in the time requirement between enumerators in an urban area and those who are hired to collect information and distribute it across a broader range area, across rural Alberta. The enumerators in an urban centre, of course, walk down the block, go into this house, the next house, the next house, and so on. In rural Alberta you might drive 10, 15, and so many more kilometres from one residence to the next to receive the same remuneration. That is estimated to cost approximately \$100,000.

12:45

We are planning for two new initiatives with respect to the enumeration. One is a policy to protect enumerators under the new working-alone section of the general safety regulation under the Occupational Health and Safety Act. We don't expect a major expense in this area beyond the development of appropriate training and resources, but one of my biggest fears is that an unfortunate, preventable situation occurs during the enumeration process, and I want the people that do the enumerating, that are out there by themselves, to have all the information possible to ensure their safety.

The second initiative has been budgeted at \$92,000 and has been developed further to our conversations in September concerning access to multifamily residential facilities. It is meant to take a more proactive approach to ensuring access both for enumerators and campaign teams and will involve early communication with building

owners, enhanced advertising, an election period follow-up, and investigation where required. The majority of this cost is for contracted services and advertising in Edmonton and Calgary. We plan to have a dedicated, multi-unit residential facility liaison person, quite a title, working in the two major cities, primarily, where the majority of access issues have been raised.

Last year we talked about a geographic information system that we had reviewed which would create all necessary resources: the list of electors, maps, where to vote information, and so on. At that time it was cost prohibitive; however, at this time we have found a workable and affordable solution. Electors will be able to go to the Elections Alberta web site and find their own polling place location. I trust that the enhancements will be readily apparent in the resources and support we will provide to you and all stakeholders, including an estimated one-quarter million new electors in the province.

That concludes my overview of the highlight activities within this year's budget, and, Madam Chairman, if you or anyone has any questions, I'd be pleased to answer them now, or if you like, we could move on to the detailed budget presentation, as you wish.

The Chair: Okay. Laurie.

Ms Blakeman: I didn't think I'd get first on the list. Wow. A couple of questions. I'm sorry; I had to step out. I had to sign some legal documents.

The extra money that you're putting into the liaison and the difficulties around access – actually, this came up earlier. My memory, which is not supported by the minutes, was that we were looking to you for some advice about legislative change. You're saying here that the re-evaluation and expansion of this role has been the office's response to the discussion that was held with this committee earlier. Do you feel that what's been put in place here is going to address any challenges that we get around that conflict of definition of access, which seemed to be the crux of the discussion that was held earlier? The lawyers, especially for the large rental companies, are saying: "No. Sorry. That's not our definition of access; therefore, you don't get in." So you're talking about a dedicated liaison officer in Edmonton and Calgary. Do you think that's going to help us with this legal problem?

Mr. Fjeldheim: Well, first of all, yes, it's going to help because it will clarify the situation in terms of what the law is. Having said that, we forwarded suggestions to the Department of Justice to clarify the legislation, as we discussed at the meeting in September.

Ms Blakeman: So there was action that ensued from that. Okay. Thank you for clarifying that.

Secondly, the amount of money that's available for advertising. According to the note that's appearing, note 6 under the variance budget is saying a \$60,000 "advertising campaign to educate multi-unit housing owners and tenants regarding the right to access." That, if you just looked at Edmonton and Calgary constituencies, is not coming out to very much money spent in each constituency. If you consider roughly 20 constituencies in Edmonton and 20 in Calgary, that's 40 constituencies. That's not a lot of money being spent in each of those. Do you think you need more money? This is barely – well, frankly, it's six full-page ads in either the *Herald* or the *Journal*. When you start to break it down from there, I think we're not going to get very far with this amount of money. Or were you considering using this as direct mail or something else?

Mr. Fjeldheim: Thank you. We don't often get that mentioned to us, that we should have more money, so thank you.

The strategy. First of all, we're going to hire an individual who's going to do research on the building owners groups such as the Alberta condominium association and so on. So we're going to target. You mentioned the full-page ads, and that's certainly an option, but we're looking more at targeting directly to the specific groups, the owners and the associations and so on, the Building Owners & Managers Association, to try to pinpoint where we're going to target.

Once we have done that, we want to write specific letters to these individuals. We want, perhaps, posters and presentations during the enumeration, "This is what's coming, so get ready for this," and obviously during the election, "These are the legal requirements that are necessary to allow entrance into these buildings" and what's involved once people are in there, presentations to building owners' groups in Edmonton and Calgary prior to these events and, as you mentioned, advertising, also notification to the police services in the two major cities informing them of the legislative requirements of building owners prior to these events.

Ms Blakeman: Okay. That's going a long way to explaining that.

When you spoke before, you indicated that certain high-turnover constituencies occasionally get targeted for very specific enumeration. Are you looking at doing that again? Sort of one-on-one enumeration.

Mr. Fjeldheim: We're looking at doing a general enumeration across the province commencing the last week in August and the first two weeks of September in 2004. If there are by-elections prior to that, then we would assess whether or not we would do a target enumeration in a particular electoral division or part of an electoral division. Okay? Follow me on that?

Ms Blakeman: Yeah. For the by-elections.

Mr. Fjeldheim: We're going across the province – that's my intent – again in 2004, August and September.

Ms Blakeman: So you are trying to enumerate everything?

Mr. Fjeldheim: An across the province enumeration. Yes. Targeting the province.

Ms Blakeman: Okay. Good. Thank you very much.

Dr. Taft: I think there's a labeling problem on the page Explanation of Changes to Budget, the variance report. The fourth column, percentage change from 2003-04 budget.

Mr. Resler: There is. It should be referenced 2000-2001.

Dr. Taft: Okay. Good. So we might want to amend that.

Mr. Resler: The standard that we're using was that.

Dr. Taft: I understand why. Sure. It's an understandable mistake. But the numbers don't add up. Oh, okay.

Then my first question is on technology services. There's a 51 percent increase from this year to the equivalent period three or four years ago. How is that adding to your productivity? Are you going to be 51 percent more productive, or is this one of those things where technology is an anchor more than a sail?

Mr. Fjeldheim: Yes. We'll be 51 percent more productive.

Dr. Taft: And I'm looking for candid comments here. I'm not attacking. I will tell you my general concern, which members of the committee will be getting tired of probably. My general concern is that, boy, we spend a lot of money on IT and is it money well spent. At some point maybe it isn't. Your reflections on that comment would be helpful.

12:55

Mr. Fjeldheim: I certainly understand what you're saying, and we ask that question in our office, I can tell you, on a most regular basis. Twenty-seven percent of that increase is Alberta Corporate Service Centre costs, as you can see. I'm afraid that's a given. We're in the system, and we feel that this is the most economical way for us to go in our small operation compared to the rest of the world and the rest of the leg. officers and so on. This is the most economical for us to do instead of trying to build a stand-alone system. So that's one item.

The second is the increased use of IT, computer technology, in the election system. The demands that we get from the public are increasing at an amazing rate in terms of access to information, access to maps that we have now on our web site, access to where to vote, which I mentioned very briefly earlier, additions to the register of electors, which is now done electronically, and so on. Of course, these systems do cost a great deal, and I appreciate what you're saying in terms of from the '01 budget to what we're proposing. It is a 51 percent increase. Having said that, I'd like you to keep in mind that this is over four years, so it isn't from year to year.

Have I done anything there?

Dr. Taft: Are you able to negotiate with the Alberta Corporate Service Centre? How does your relationship with them work?

Mr. Fjeldheim: I am going to ask Glen to answer that.

Mr. Resler: We do have a contract with them that we negotiate annually, and there are increases which we have no control over. It's allocated on a percentage of use basis.

We have in our budget a stand-alone server. We go stand-alone just for the election period so that we have no disruptions with our database. We're in discussions where the cost of setting up the server is in excess of \$100,000, and that might be something where the costs may be borne by them because they can reuse the equipment after the election. In an instance like that, we may save over a hundred thousand dollars if we work out an arrangement with them. So, yeah, there is some negotiation there.

Dr. Taft: Okay.

Mr. Fjeldheim: I could add also, if I may, Madam Chairman, that on election night we're going to be doing something different this time. When the results come in – I always say that we have the church paper up on the wall, you know, the paper they use when you have your potluck supper at church. You roll it down the table, and that's your tablecloth. Well, we have that along the side, and then we have the names of the candidates over here and the subdivisions over there. We're going to keep using that because I like that. It's right there. But, also, as that information comes in to the returning officer's office, someone is going to be sitting at the computer, and Bill has done this at a by-election. They sit at a computer, and they put the results in. That's going to be connected to our mainframe, and then we will have those results put on our web site on polling night via the Internet. We are confident that that will work.

Dr. Taft: So I can find out whether I win or lose via the web site.

The Chair: Thank you.
Gary.

Mr. Friedel: Thanks, Janis. Before I get into my real questions, you made a reference to statutory funding. Is that more or less generous than we give you? Be careful what you ask for.

Mr. Fjeldheim: I think we have a pretty good system the way we do it here right now. I wouldn't want to comment on any other jurisdictions.

Mr. Friedel: We never make you beg too hard anyway.

The one thing that stands out, Brian, is the hosting, and I realize that in a \$13 million budget for the year 10 grand isn't a whole bunch of money, but just the fact that it's a 700 percent increase, what made this different than the same time in the last election section?

Mr. Fjeldheim: Well, you beat me to the punch because we were going to come to that when I was going to really have a pause.

When we have returning officers in for training sessions, as we've just completed two-day training sessions, we put lunch on for the returning officers at that time. So I am hosting lunch. I'm hosting it for 83 returning officers, and that works out to about a thousand dollars a pop. So we'll have four training sessions – how's my math? It works out to the appropriate number of training sessions, and I think there is \$83 left over for me to take people for lunch.

Mr. Resler: If I can add something to that. In previous years, like in the last election, a lot of those dollars were put into the travel component. So you had your meals. You were charged, actually, meals for those individuals. But the real definition: it is a working session lunch.

Mr. Friedel: That was going to be my next question anyway. It must have been someplace elsewhere, because I'm sure they ate. I couldn't resist the 700 percent increase when everything else seems to be fairly typical. You do have the advantage of keeping us off balance because we can't compare to anything static. It's a bit of a moving target, and then the three years or four years in between get you off the hook pretty easily. So, you know, the statutory funding probably doesn't look so good anymore.

Thanks.

Mr. Tannas: Brian, with the two examples you give here for election years, where you had the enumeration and the election within the same year, we don't know whether this will occur in 2004-2005, but let's say that it does not, that the election does not follow and occurs outside the fiscal year 2004-2005. What would be the surplus roughly? There are still lots of expenses even if we don't have an election. Everybody has to be in readiness. Do you have that?

Mr. Fjeldheim: No. I don't believe we have the surplus, but obviously if there's no election, we're not going to spend the money, and you can see in our forecast that we also have it in our budget for '05-06 as well. Of course, that would come out if there is a general election in that period of time.

Glen, would we be able to come up with that number? It would be about 60 percent that would be turned back.

Mr. Tannas: Okay.

The Chair: Are there any other questions? If not, then, thank you very much, and on behalf of the committee we wish you a very merry Christmas and a safe holiday. Great. Thanks.

Mr. Fjeldheim: Thank you very much, and the best to all of you. Thanks again.

[The committee adjourned from 1:03 p.m. to 1:10 p.m.]

The Chair: Welcome to Fred and Loulou, and you can just proceed with your presentation. Thank you.

Mr. Dunn: Okay. Thank you very much. So just an introduction. Loulou Eng is the incoming chief accountant in our office. Loulou was working for Monica Norminton. If you remember, Monica was with me last year, and Monica has gone on through a transfer from our office to the SFO of Environment. Loulou came back from maternity leave and completed her CMA last year and was ready for taking on additional responsibility. So I've asked Loulou to come and join us today and get to meet everyone.

What I plan to go through – I'll try not to slow you down – is a quick PowerPoint presentation which was handed out, the copy of the slides, and I want to go through some issues with you regarding our office overall. I plan to go through what I like to think of as the business planning side of it. We'll talk about our vision, our challenges, the opportunities, the strategic priorities that we're going through and a bit of a reminder of what we went through last year, the office's accountability.

I treat accountability quite differently than independence. Some of my leg. officers use the terms "answerability" or "responsibility." I believe it's accountability, and we are accountable to the Legislature and, obviously, reporting through that accountability to yourself. So I want to talk to you about how we complete that accountability and then through the budget request relate it to the information that has been provided to you before.

Similar to last year, we talked about our vision, the two types of core businesses that we have: "To identify opportunities and propose solutions for the improved use of public resources." This is an area which I've given more emphasis to than we have in the past. We're changing the terminology and nomenclature in our office. What I've asked people to do is adopt the value-for-money terminology, so that first one is our value for money. Historically we're calling it our systems auditing because it related back to a specific word in our legislation: look at the systems for economy, efficiency, and effectiveness. What it really comes down to is it's value for money: do we use public resources effectively?

Then the second area of business, which is a long annuity type of business, is to improve and provide the assurance on performance reporting, the classic attest auditing, opinions on financial statements, performance measures, ministries' annual reports, that type of thing. That's, as I say, both our financial and our nonfinancial information.

The theme I've chosen to look at this year in our office is around change and renewal. I have sent some correspondence through the chair regarding the amount of change that's been undergone in our office. Key to us in our office was to be prepared for succession planning. A member last year asked me: is your office ready for succession planning? It is much better prepared this year for succession planning.

Some of you who serve on other committees that we report to know that we have two new assistant auditors general, and those are Rhonda White and Doug Wylie, both of whom were promoted on

September 1, 2003. Two of my most senior AAGs will be retiring within the year 2006, possibly one within the year 2005 but certainly before 2007. The next big challenge for our office is to identify those people who will replace them, and that's not going to be a simple task.

Our staff departures that we've had over the last year – and again, that was that correspondence I sent through to the chair. I think that the last time I wrote was on September 18, through the chair of the Public Accounts Committee, sending a copy to you. We had seven principals, which are the next level below our AAGs, and eight managers and then four others, one being the CIO, Monica – and the director of HR was one of the others within that four – who have left us since March 31, 2003.

That's caused by two issues. One is enforcing our vision. Certain people had looked at the vision that we like to promote, which is more value for money, and thought that their careers would be better in other areas in the public sector. The other is that it is also a very competitive marketplace. Our salaries were challenged, and we were having a hard time competing both with other entities in the public sector and certainly within the private sector. So those two forces created quite a large and unprecedented amount of change within our office at that level.

The other area that's causing a lot of change in our office is the whole area around governance and what's happening with the increased accountability, the spillover effect from the private sector around issues such as dealing with ethics, the audit committees' performances, and directors' type of performances. Those sorts of matters that we're asked to deal with do require more experienced staff, and certainly in my case I spend a fair amount of time with boards, audit committees, et cetera, talking about the emerging issues around governance matters, and that's causing some challenge in our office, too, to pick up that skill and that knowledge and to convey it to other entities.

Then the last issue is the increased complexity within the government that you're very familiar with. The operations are expanding and there are new things around the new fiscal framework, which includes things like sustainability funds, et cetera, the initiatives and issues around triple P programs and projects. We obviously have to look at those, and those are very significant, and it takes senior people with a fair amount of experience and background to address those.

So with every challenge comes opportunities. This is a little bit of a theme that I promote within our staff, that although we've had a lot of change and turnover, there are an awful lot of opportunities for those who are willing to grow and learn.

We've had the two new AAGs, but that also took away two of my principals as they became AAGs. We've also had five principals that have been promoted, good young people, very keen, and 10 managers. Most of those have come from within, but there have been a few external hires.

My general priority is that I'd rather grow from within, so in the future I'd be looking at any new what I'll call experienced staff hires and secondments from the outside world essentially in the specialized skills area. A couple of examples. You're aware that we do have a forensic specialist now who leads that program and is developing a team underneath him. We also have an HR specialist who's on a two-year secondment from one of the other departments. So we'll bring in from outside where we need additional skills. Otherwise, we'll grow from within.

What we've done over the last two years is we've hired a fair amount from the universities. So, by way of example, we'll have 14 new students and eight co-op students starting in early January 2004.

That's 22 new staff, which is 11 in Edmonton, three in Calgary for the 14 new students, U of A, U of C, looking to go on to, similar with most of the other students there, the CA program. So in total we'll have 29 students in the CA program effective January 1, and that could be 29 new CAs for the public sector in the future. As I've mentioned before, my office can train good people, and those can be made available to serve the other needs within the public sector.

Of my departures the majority went to the public sector: the RHAs, the universities and colleges, that type of thing, and within some of the other larger ministries. HR and E, Transportation, Infrastructure: that's where they've gone, and they serve an opportunity or need over there.

We've been very good in developing CAs. Our pass rate this year was 80 percent on the uniform exam, so we're very hopeful to maintain that, and it creates another opportunity. As I say, if we can continue that pass rate with all those students, then within a couple of years we could have a fairly robust body of well-skilled people.

The other opportunity that we have: as you know, there is the new internal audit function that is set up, and that was one of my AAGs, Nick Shandro, who heads that up, together with one of our very senior principals out of Calgary who has joined him over at the internal audit function. Those are the only two individuals from our office that have been there. That function itself will provide an opportunity for us to stop doing what I've called low-value work. Certain types of low-value work will be picked up by that office allowing us to spend more time in what I would call the higher value work, the value for money.

So the strategic priorities which myself and the AAGs agreed to are that we have been realigning our portfolios amongst our senior staff to match our resources to the risk. So when I look at the portfolio that we serve, I sit down, I evaluate where's the risk of uncertainty, risk around the financial information that's being created or the programs that are involved, and then we match our senior people against that until we end up running out of resources. That's where I would tend to try to contract in from the outside sector. Where we have lower risk issues to be dealt with, I can always hire private-sector accounting firms. There are a lot of good auditors out there, but there are not a lot of auditors out there who understand the public sector and its pressures and its issues. So I'll try to use our people to deal with those, and where there are stand-alone entities, which is a classic attest audit, I can always, through my agency budget, hire in those types of skills to get those audits done.

The other priority that we have, talking about those students, is that the training and mentoring of staff puts a lot of pressure on the principals and AAGs that are now there because they have to spend a lot of time training all those students. We've realigned our staff into what I've called clusters and they're calling teams, headed up by a number of principals working together to promote cross-learning amongst themselves.

1:20

We're also working with Alberta Finance. The CA program is now allowing 10 of the 30 months – it's a 30-month training period for the term of service – to be outside the practice office. I am certified as a practice training office. Alberta Finance is now getting certified as an approved training office for 10 of those 30 months. So we are looking to work with Alberta Finance. Some of our students will actually go over there and start to work within the public sector there, coming from our office, again, hoping to promote within them the knowledge of what the public sector has to offer and promoting their interest to remain in the public sector. So some of that training will take place outside our office.

You'll see later on in some of the slides that I'm going to talk about the efficiencies that we've driven out to date in assurance work. This will come up near the latter part of my presentation with the resulting increase in emphasis on the value for money, formerly known as systems work.

So those are the strategic priorities that should come through our business plan that I provided to you previously. In the core businesses, as I mentioned in a breakdown between the two, our assurance work historically was 80 percent of our time. We've asked for a 10 percent reduction in that, and again I'll have details on this. It's 12 and a half percent efficiency, bringing our total costs from 80 percent down to 70 percent of the cost.

The big challenge is the request to take on new work. We've had new work through WCB, the financial institutions – ATB is creating subsidiaries and doing the audits of those – and every one of those organizations requires an audit, and I guess it's a reflection of the quality of the work that my staff do that I'm being called quite constantly: "Can you take on this work? Will you do this for us?" For the first time that people said they can remember, we've actually said no. We've said no to a couple of joint ventures, postsecondary institutions. They were not wholly owned by the university or the college, but Alberta College or the university was a participant together with colleges or universities across the country, and we said: you really should look to the private sector to do those audits. It's not possible for us to do that and go where I'd like us to go into the value-for-money work.

Value-for-money work. As I say, I believe that we'll hit our target, 30 percent of the office costs. By way of example, some of the matters that came out through last year's annual report, we talked about the security issues. Are we protecting people, assets, et cetera, in the security issue? That was our recommendation 28. Previously we had made a recommendation about GEOC and security. Was Alberta at risk at all if we had an emergency or disaster? Were we able, the government or province, to respond to it?

I have on my plate something which I want to get done this year. It's all around the seniors' housing, the standards of care. That's a cross-ministry initiative that we have through both Seniors and Health.

I want to talk about First Nations accountability, and we're going to be working in co-operation with the feds around this area. The province sets the standards, but who oversees those First Nations? Are they doing what should be done for the citizens there?

We've also got a very large project to talk about succession planning. This is where our HR specialists will be involved. Succession planning is a critical issue in the public sector, and how are the various departments and agencies providing for that? So we'll be evaluating those processes.

We want to talk about contracting in the large RHAs and any conflicts of interest in there, so we've got people going into that work. We're also going to be addressing the increasing drug costs and want to look at that. We've recently met with the Alberta Cancer Board. It's one of the most rapidly growing costs, and what are you doing about it, and how do you control that?

On the accountability side, as an individual this is where I believe that we're responsible to report to you that we do have an accountability framework. It starts out with our business plan, and our business plan has targets and performance measures, so that has been provided to you previously. We then close the loop by reporting against those business plan targets and our performance measures. We've added a few more over the last year about what we expect in the way of chargeable hours and results for our people.

Then if you look at the front part of our accountability analysis, which is what we call our results analysis, it contains the up-front

explanation of what our year has been like, and then it contains our financial statements. This is available in the back end of our annual report, so if you don't have it as a separate document, you do have it at the back end of your annual report, the one with all our recommendations in it. It contains our accountability results.

In the results analysis I specifically mentioned this year that we haven't been spending our budget. I think it became a question of this committee last year: what happens when we approve their budget and they don't spend it? Well, what has been happening is we've been returning it. I'll show you the analysis over the last couple of years. We've returned \$4.8 million over the last three. The reason why we've returned it is not because we aren't doing financial statement audits; it's that we're not doing the value-for-money audit, and that's where we must go.

You have the budget request before you, and we'll go through and answer any questions in detail on the specifics. As a result of the change in my staffing – going from more senior individuals and we're building from the bottom up – we've had a change in the salary structure to the extent that at the end of the day our actual costs will be lower than our budget again this current year, primarily as a result of saving on salaries. For next year it turns out that our budget will be virtually the same as the previous year's budget.

So in total we'll be looking at an operating expense of \$17.2 million, which is virtually the same as the previous year. However, we are planning on renewing our investment in technology, the computer hardware. These computers our staff use on the job. We have a triennial, every three years, fleet renewal. We'll be looking at new technology and thus the increase in our capital investment this year, whereas last year it was more of a maintenance investment. We'll be looking at upgrading our computers for our staff, approximately 120 computers there going into the next year, and that's every three years that we do that.

Just finishing this off. I found it very, very interesting why I wanted to present this slide to you. If you look across the years, the core business assurance services, are we doing our financial statement audits effectively and efficiently? Our actual volume of work in this area has increased, but our costs have remained virtually the same. We've actually been able to derive those efficiencies in that area. I'm quite pleased, myself, coming in from the outside to look at how our office has performed over the last couple of years. I think we're producing those financial statement audits very efficiently now. I can certainly match myself against any of the private-sector accounting firms on our financial statement audits.

The value-for-money audits are where we're starting our growth, and should our forecast come to pass, we'll hit 27 percent of our time, our cost will be spent on value-for-money audits. We're doing many more things than we have in the past, and our plans that we're just finishing off in detail right now by ministry, by agency, by organization call for us to spend 31 percent of our time and dollars and thus hit our target on the value-for-money audits. Our total cost on the assurance services will be at 69 percent, or \$12,179,000. The total expenses at the bottom are the actual, not the budgets from before. It's the actual amounts we've spent for the '02, '03, and '04 years with the budget for the '05 year.

Finally, the returned fund analysis. We end up returning more money than just the difference in our operations, and that's because sometimes we don't spend all our capital budget. Last year in the '02-03 year, if you looked at our actual, there was a decision that I reversed because we were going to invest in technology and software that I didn't think was commensurate with the efficiency in our office.

We had a very large piece of software. It was called PlanView. It was to manage your resources. Certainly, if I were going to build

nuclear power plants around the world, I would like a PlanView type of software, but managing 120 to 130 people in the Alberta economy, I didn't think we needed that. So we ended up canceling that and getting a fair amount of money back on that and went into a much less expensive type of software. As a result of that, we actually ended up with a reversal of the capital expenditure. We got more money back in than we actually spent on capital, and that drives up our returned funds much more than just a difference between our operating budget versus our actual in the budget there. That's what I wanted to overview with you and then open it up to any questions.

1:30

The Chair: Thank you very much.
We'll start with Gary.

Mr. Friedel: Fred, I understand that you were instrumental in standardizing the formats of the budget presentations by all the legislative officers, and if the word thanks comes to mind, I'm sure it does to all of us. This is probably the easiest process that I've had in the 10 years that I've sat on this committee. I am grateful that you did it.

Mr. Dunn: Well, thank you all, but it was certainly at this committee's request. We got onto that, and I want to thank Loulou. It was Loulou and a couple of my other colleagues who serve the Leg. offices who went and explained why and how it could be done. Once a few people saw the light, we all came together and produced that.

The next step, I'll be honest, if I can follow up on that one, Gary . . .

Mr. Friedel: I think it already showed in previous years. I think we always ran overtime. We were actually ahead of ourselves in the schedule, so talk about efficiency.

The one thing that isn't on yours that was on all others is staff numbers. I don't consider that significant.

On this fleet replacement of computers you did answer a little bit of my concern in your presentation. Is there anything in the in-between years? Is there any amortization or something in the other budgets? That particular section is not on the first page, which shows the full year prior budget actual and the forecast number for the current year. So that's not in there. Do you have some numbers for that?

The other question I had was: is it reflected in any way in the amortization in the two years in between the fleet changeover?

Mr. Dunn: Can I pick up on the first question? If everybody's got the same two pages that were handed out in what I call the Office of the Auditor General Budget 2004-2005 – have you got that one?

Mr. Friedel: She just showed me that the employees – I was looking at the wrong page.

Mr. Dunn: If you turn to the second page, you'll see the employee head count. It goes up to 130 from 121.

On the second question, when you talk about the amortization of capital assets in between, if you go partway down under supplies and services, you'll see amortization of capital assets, if I'm getting your question right there. What had been budgeted was much larger than what was actual. The reason for the decline from the budget to the actual in the preceding '03 year and then what we expect somewhat in the '04-05 is a result of canceling that other large . . .

Mr. Friedel: I was looking at the \$111,000 and extending it to be perhaps one-third of an earlier version of the \$345,000 for computers.

Mr. Dunn: No. We're amortizing our computers on a straight-line basis over three years. We buy them, run them for the three years, and they're down to zero.

Mr. Friedel: So in the next two years that part falls off the budget. In three years it'll pop up again?

Mr. Dunn: It comes back again. But we are reducing the amount of the amortization. If you can look at the forecast for the '03-04 year, the forecast is that we'll have amortization of approximately \$404,000. It'll drop to \$293,000 in '04-05 because we haven't yet got the computers. We're amortizing the old. But it'll pop back up now in '05-06 as we start on the amortization of the equipment that we're about to buy.

Mr. Friedel: I'm assuming that it's a standardization thing, that you don't have one-third of your staff on something that's a little bit antiquated while certain ones are on the new ones. Is that process proving to be quite efficient?

Mr. Dunn: It is. The program which is promoted through the Alberta public sector is trying not to use a third, a third, a third, because how you end up is that you're maintaining three years of technology. Try to do them all the same way. I think this comes through Innovation and Science. There was some study that was done and some analysis made that it's better to do a total upgrade at one time, work them out for the three years, and then do your catch-up again on a total upgrade. It's a program that's promoted through Innovation and Science.

Mr. Friedel: One final question then. Are those turned into the system somehow or another so that they're able to be reused? I know the concern about data on hard drives and such. Is it easier to put them in a crusher than it is to try and reuse them and get some value for them?

Mr. Dunn: Well, again, we go through the same as we would expect any of our clients to do. This is one of those computers that may be disappearing in 12 months. We go through a total purge and cleansing of the hard drive, and then to the extent that it is still serviceable, it can be redeployed within the public sector. It does go through Alberta's technology recycling process program.

Mr. Friedel: Thank you.

The Chair: All right. Thanks.
Denis.

Mr. Ducharme: Thank you, Chair. Thank you very much for the presentation. I have two questions. When you spoke of the core businesses when you were looking in terms of value for money, one that kind of caught me off stride was the First Nations accountability that you wanted to delve into. The first reaction I got from that is: isn't that more of a federal government type of responsibility? Why are we as a province getting involved in that?

Mr. Dunn: This is a very sensitive area. I've spoken at length with my colleague Sheila Fraser. It's an area that the federal Auditor General is also frustrated with. Last week at the Public Accounts we

had Iris Evans from Children's Services. In a meeting with Iris that I'd had earlier on, one of her very blunt questions to me was: can't you do something about First Nations accountability? Why can't you go in there and do that? As I explained to her, we don't have a mandate to do that. However, in co-operation with the feds we do. It's a tripartite program. The federal government provides the money; the province sets the standards; the designated First Nations agency carries out the work. Who holds them accountable? The federal government is having trouble holding them accountable. Although our province sets the standards, we don't at this point have the right to go in to ensure that those standards are being properly enforced unless there is evidence or an issue.

So we thought that working between our office, the federal government, and through the ministry of child and family services would start to introduce the value that we can bring. We'd like to get to the First Nations and say: we'd like to look at your accountability and your evidence there. We started that last year, and we had a reportable item. It was recommendation 6, which was focused only on the department and how they carried out their oversight. This year we want to go right into the First Nations and see evidence of what they're doing: how they are selecting the child care people, how they are doing their training, and show us the evidence on that.

So, Denis, you're right. It's a very sensitive area. Historically we have not done it, nor has the federal government, but we think that in co-operation between the two of us, we can do something there. Hopefully, I'm not being too naive here. I hope that we can cause change to take place.

Mr. Ducharme: You know, if change can take place, I can see that it probably is an advantage coming back in terms of helping some of our ministries in terms of being able to show the federal government that maybe they're not funding their responsibilities to a higher level also.

The other question I had had to do with the returned funds. It's a question, in fairness, that I've asked of another of the leg. offices that, you know, was returning hundreds of thousands of dollars on an annual basis. I see here that there's been over \$4 million that's been returned over the past three years from the Auditor General's department. I'm concerned about that. Are we maybe, you know, taking too much flexibility in our budgeting that we're returning those types of funds back, and could we be possibly a little bit more accurate? Maybe by being too flush, we're hurting other ministries that could be using those dollars for useful programs to serve Albertans.

Mr. Dunn: You're correct. That was my challenge to my staff: why do you ask for what you do not plan to consume or do? So we're holding them accountable now. That's why I do not intend to return the funds now nor do I intend to spend them. If I was comfortable that we're going our assurance audit work efficiently and effectively – and that's what I had to first of all become, comfortable. Very simply – I'm going to keep it in plain language – because our office does the assurance, the attest work, the financial statement audit, we generally do it with no fee involved. We charge fees to those organizations where they gather their revenues primarily not from the public sector. So we charge fees to ATB, WCB, and to the RHAs; we pass through the fees that are charged to us by our agents. But to all the others – universities, colleges, et cetera – we do that audit to them at really no cost.

1:40

What they were doing was really misusing my staff. There was no incentive for them to clean up their books, so we were just darn good accountants who cleaned up messy books. In those situations where I felt we were spending a disproportionate amount of time and effort in doing that, I sat down with the presidents of those organizations and said: "We'd like to change. My staff won't come in and be spending time just cleaning up inadequate accounting. They're here to do other services." So we derived more honest budgets in about the amount of time that should be spent on those types of jobs for the volume of their spend and the risk that's involved in those organizations. We just said that that's how much resources you're going to get; you can complete the work in that time, take the work over, and now start to schedule in these value-for-money audits.

To get back to your question on the elasticity in our office, every good accountant will always stick to: I've got a financial statement audit; it has to be finished by June 30 or July 15. That always became their priority, and I've said: "Let's change the priority around. Let's make the value for money the high priority. You must complete those, and then we'll start to focus on our resources around the financial audits." Changing that focus and getting our people to buy into that is going to be – the result is that we will do the value-for-money work and not end up asking for resources that we end up not consuming and being denied to other groups.

Mr. Ducharme: Thank you.

Dr. Taft: Well, a number of questions. As well as making the decision last year to standardize all the leg. offices' budgets, I think we made a decision around ending bonuses; right? So this is just curiosity as much as anything. In accounting terms where has that bonus money gone?

Mr. Dunn: The reporting of it? It's in the salaries.

Dr. Taft: But it's not there anymore. Across the offices has that been just discounted, just eliminated?

Mr. Dunn: In my case it has.

Dr. Taft: All right. With the amortization of capital assets, at what dollar figure do you decide that something is a capital asset?

Ms Eng: It's for each individual purchase greater than \$2,500.

Mr. Dunn: So \$2,500.

Dr. Taft: Okay, \$2,500.

I've been asking a lot of questions about IT expenditures, and you've been talking a lot about value for money. My questions really amount to a certain skepticism on my part about the value for money for a lot of IT expenditures. How do you do a value-for-money assessment on IT?

Mr. Dunn: A very good question. That's what some of our IT people go out and ask the ministries to do. You're right, Kevin. There's a real challenge to that. Are you just changing for the sake of changing? As you know, technology changes quite rapidly, and it can wear out very quickly. It doesn't become functionally obsolete; it's just that there are new versions of it that come out. However, there's a danger if you don't renew your technology periodically, and this is where the three-year horizon I think is effective. You can skip certain of the changes, but you can't get

yourself too far away from the technological advances or else you do become inefficient. You can no longer connect to your servers in an efficient fashion.

One of the things we're going to be looking at in our technology upgrade before we spend the money in the next 12 months: I really have asked our people to challenge the processes that they go through. Specifically, I'll pick up on one piece of technology that they were quite excited about in our technology group, that we can get voice-activated equipment. I think there are those of you who realize that the scrambled keyboard is not the most efficient way to record information. The scrambled keyboard came about because of slowing people down; the alphabetic keyboard is faster. But voice-activated equipment is there, and we can acquire this. We can change the process by which we do some of our work: the inquiry, discussion, and gathering of evidence. People can speak into the machine, and it records that. But we first of all have to teach people how to communicate effectively and efficiently because it will record how you talk, so we have to go through some change.

So how would I evaluate this? I want to see at the end of the day when the technology comes in that it's being used to the extent of its capability and is not a toy and that we actually can change the way in which we do our business in order that we can document and gather the information much more efficiently and effectively. We can take those CA students and individuals, and if they can learn to communicate verbally effectively into the machine, we stop them all being typists, and that will have a payback to us. I think they can spend more time with their clients talking about issues, and they can record their findings in a faster manner.

So how historically have we been evaluating? We really haven't been doing a back-in review, as I call it. I've become more comfortable when I've looked at our core businesses and seen that we've basically kept our assurance services somewhat flat. It hasn't grown. Although I know that the volume of work has grown, I see that our costs haven't, and I attribute that somewhat to our technology. But very honestly, I don't have a precise example to say: of those efficiencies we gained, did we pick up 30 percent through technology? I think we picked up more of it through just management discipline.

The Chair: Thanks.

Ms Graham: Fred and Loulou, thanks for the good presentation. Maybe if you wouldn't mind helping me, I'm just not certain of the authority for doing the value-for-money audits. Is that within the act?

Mr. Dunn: It's within our act. It's section 19 when you look at sub (2). It is that our office is required to report through to the Legislature every evidence that it finds on revenue and disbursements where there have not been systems to promote the efficiency and effectiveness of the use of the public moneys.

Just down below it it also states that we are to report to the Legislature on economy, so we wrap the three of them together: efficiency, effectiveness, and economy. That is under section 19 of our act, that we're to do that work.

Ms Graham: Would it be fair to say – and I know that you spoke to us about this last year – that that's been how you have interpreted those sections? Because that wasn't being done before, was it?

Mr. Dunn: It was, but it wasn't done with the same degree of vigour. Maybe that's it.

Ms Graham: The revenue that is generated from audit fees: that's just from the attest?

Mr. Dunn: Only the attest, yeah. Only attest. To repeat that, if you're looking at the line down there, "Less: Audit fee revenue," in our estimates, the \$2,150,000, those are the organizations that generally end up having their resources from nonpublic money, specifically ATB, WCB, as I mentioned, but also those ones where we're not statutorily appointed the auditors but it's through the consent of the organization, such as the RHAs. We are the auditors for financial statement purposes of six of the nine RHAs. We pass on our agents' fees. Our office confirms the appointment of the external agent, and I'll use an example. Calgary health authority is audited by Ernst & Young under our direction and supervision, but the Ernst & Young fee that gets charged into my agency service gets in turn billed to them, so Calgary health authority will repay that amount to the Minister of Finance. It goes through there.

Ms Graham: And market rates are being charged, are they?

Mr. Dunn: Yeah. Well, I see you smile, and that is indeed another reason why I think the approach that we took starting a couple of years ago is the right approach. I've dealt with all the large firms, knew them as former colleagues and that, and really just drew a line and said that it should not exceed \$125 an hour as their proper mix around the audits. Their request was \$145, \$135 an hour. We can deliver that service somewhere between \$95 to \$105 an hour from our assurance work. We can deliver that at probably 20, 25 percent cheaper than the private sector. So I have to control that cost there.

Yes, you're right. Those fees have gone up, and the private sector has a number of reasons for it. They've had increased liability as a result of the challenges against auditors. They've got increased salary costs, too, because the whole governance issue has also put a drain on their staff. Their senior people are being attracted over to their clients, so they've had to increase their salaries, in some cases 20, 25 percent increases in the salaries to retain their staff, and they've had technology upgrades too.

1:50

Mr. Tannas: And taxes.

Mr. Dunn: None of them have mentioned taxes, Don, but I'm not going to say that. Regardless, yeah, they have cost pressures that they see as appropriate to recover. I just don't think the issues are the same in the attest audit that we can direct with them, so I've asked them not to exceed \$125 an hour. I can buy some of that a little bit cheaper, but generally it's right. They're asking for a much higher rate of return. That's why we must grow a sufficient number of people. Back to your head count, that's why my head count will go up, because we want to grow them ourselves. We can then do the audit more efficiently and effectively from our office.

Ms Graham: There's certainly a benefit, I have to assume, in having you do the oversight of that work rather than not.

Mr. Dunn: We think so, and again we rely on our clients' feedback. I'll be blunt. I've said it a number of times: I'm impressed with the reaction and respect that our office receives from the clients. I never had that sort of reaction in my private-sector days. People listen. They're willing to debate us; they're willing to challenge us. But they'll also say, "That's an important thing for us to do," and they'll get on to do it. So that's very helpful for our office, to have that sort of respect, and if we can, as I say, grow some good people and

supply some good future financial managers to the public sector, then we're doing two things at the same time.

Ms Graham: Just a couple more, Madam Chair. I flew up on the plane with a colleague from Calgary who was under the impression that you were doing audits for groups that you wouldn't be statutorily required to do and not charging them. He mentioned the students' union of Mount Royal College, which sounded a little wild, but I said I would ask you about it today.

Mr. Dunn: Well, I'm glad you did. I'm dealing with a cultural shift within my staff. Our officer tried to accommodate every request that we had before. What we ran into was the trap that we became darn good accountant auditors, and we stopped doing some of the other issues, our section 19 work. And you're right. We're doing daycare centres from some of the colleges. We're doing the foundations that come in there. We're not just doing the consolidated ones. So we're going back and saying that you can hire the private sector to do those. We don't have to do those. We can say no, and we'll spend our time and resources more appropriately in the areas where there is greater risk to the public sector around the disbursement of moneys.

So, yes, we do a couple of student unions. Under our act, if you're somewhat familiar with it, as you remember, any organization can apply to this committee for direction for us to become the auditor. So somewhere in the past some direction has been provided through the standing committee enabling us to do that. Those are – what is it called? – the section 11(b) audits.

Ms Graham: Just so we can all be clear. So you are doing those kinds of audits for a students' union?

Mr. Dunn: Yes, in that situation. It's the Mount Royal student union. We're not doing all student unions.

Ms Graham: Okay. But for a fee or not for a fee?

Mr. Dunn: Not for a fee.

Ms Graham: Not for a fee.

Mr. Dunn: Well, in other words, they get the audit, but it comes out of our budget. We don't pass it down or charge them.

Ms Graham: That's because they are associated with a . . .

Mr. Dunn: With a public institution which gets its funding primarily from the public sector.

Ms Graham: Is this sort of a gray area that you're delving into?

Mr. Dunn: It is. Yeah, we're probably a little more generous with: if in doubt, we won't charge. If there's an argument or if in doubt, we don't charge. It's where it's clear that there are external moneys, so the ones that I've mentioned before. Other ones that we do charge are like AGLC. We charge them because they receive their moneys through the gambling processes and that sort of stuff versus the raising of taxation moneys and disbursements there.

Ms Graham: Are you able to say what percentage of your work these kinds of unusual groups represent?

Mr. Dunn: Not in total, but I can tell you that they do represent

more resources than the risk or the service really deserves. I'd rather spend the time – I guess I'll twist it around. I'd rather take those hours and spend them on other areas. I'd rather be in Transportation, Infrastructure, and those ones. I'd rather be there than doing a students' union, helping them clean up their books.

Ms Graham: Yeah. You can't say no to those.

Mr. Dunn: No. Historically we've said that we can't say no. As I've said, now we're taking a different approach. We will be saying no.

Ms Graham: Thank you.

Ms Blakeman: Just to follow on that, then, if the Auditor General's agency has had to accept doing these audits in the past because of some sort of direction from this committee, do you need direction from this committee to withdraw from that?

Mr. Dunn: I don't believe so. What we would ask them to do is come back to the committee and renew that appointment. It's an annual appointment, and if directed by this committee – because they approach the committee and renew their request – then we would take that direction and we'd do that audit.

Ms Blakeman: Are those requests coming through the committee?

The Chair: I've never seen them.

Ms Blakeman: Can we follow up on this and find out who you would determine is . . .

The Chair: We can get some background on this for our next meeting.

Ms Blakeman: Well, is that soon enough? Because if we're talking about the next fiscal year, are we going to get that information soon enough that if we decided not to renew that, we could set it in place for the next fiscal year? Or have we, by putting it off, automatically renewed it for another fiscal year?

Mr. Dunn: We've taken the approach that because at some point in time we were directed to do those audits, we would continue to do them. You've heard what I've said about how I'd like to spend our resources. We're now going back and saying: renew that appointment.

Ms Blakeman: Okay.

Dr. Taft: So you'll bring that to us?

Mr. Dunn: Not us. It's not us asking to be their auditor. It's them asking you for us to be the auditor. It goes around the other way.

Mr. Hlady: It's their request of us to be able to have them get free auditing.

Mr. Dunn: To you to direct me to do an audit of that organization.

The Chair: Any other questions? Any questions from the back? Kevin.

Dr. Taft: I just have one for my clarification on your slide

presentation. On one slide you talked a bit about the internal audit function where you are sending some of the basic audit work. Is that right?

Mr. Dunn: Right.

Dr. Taft: That's a unit within your agency?

Mr. Dunn: No. They are totally separate from our office. The type of work that we could send over to them – all the public sector contributes to the standard types of public-sector pension plan, MEPP and all those. Every one of the APA requires on a rotational basis every department's payrolls to be tested to ensure that the right amount of employee and employer contributions are being made to those pension funds. That's a fairly time-consuming, laborious, but not very value-added, detailed, technical testing type of thing, just checking to see if the employee exists, the salary was the right amount. Did you withhold the same amount, did you remit it on time to the public sector? Those sorts of tasks we like to work out with the new internal auditor. Could they undertake that type of work? Again, it's a type of low-value assurance work. Can I move that over to somebody else so I can use those resources back in the value-for-money work?

Dr. Taft: I've missed something; I'm sorry. So who does the internal auditor report to?

Mr. Dunn: Well, actually, the chair of that will be the Deputy Minister of Executive Council. It's following a B.C. model where there is a committee of deputy ministers, and they've actually put a couple of outside members on it. They've called it the deputy ministers' audit committee. I believe there are six deputy ministers on it, so the internal auditor reports up through that mechanism.

Dr. Taft: Now it's coming back to me. Thanks.

Ms Graham: Madam Chair, just to finish off on that line of questioning that I started and Laurie continued. Well, what would you suggest, then, be done to facilitate the review of these various bodies that are sort of on the cusp of whether you should do them or not?

Mr. Dunn: We'll certainly identify those organizations. We'll ask them to reconfirm through that section of the act that we are to be directed to do their audit. Again, Marlene, as you would appreciate, they would like us to continue.

2:00

Ms Graham: Maybe that's the right thing.

Mr. Dunn: It might be that when we tabulate it all up, they would like us to continue. But the other side of the coin is that we don't do all of them. When I come out of NAIT, I see – I know the individual – the external auditor coming in, and the NAIT students' union president says: would you do our audit? I'll say: you've got an auditor, and it's working well; stay where you are. If they knew that the Mount Royal College students' union was getting the audit done through our office and the services that we provide free of charge, they might . . . Very honestly, Marlene, I don't want to do a lot of students' union books of account unless I've got a task force there of darn good accounting.

Ms Graham: I just had one more. I can go after Raj though.

Dr. Pannu: How many? What's the number of instances that would be similar to Mount Royal that you audit for? What's the total number?

Mr. Dunn: I'm going to have to add those up. I'm going to have to go back to my staff and say: identify those ones where we are not by way of the statute required to be the auditor; identify those.

Again, Raj, I'll be blunt with you. I had a phone call from the chair of an audit committee this morning talking about governance and those sorts of issues before he goes to his directors meeting. He said: "I sit on another board. It's audited by this other group. Could we meet with you? Are you interested in becoming the auditor?" I say: we'll meet with you and we'll talk about your issues, but we'd prefer to stay away. As it turns out, it's the federal Auditor General who is the auditor, so I think I have a reason to say no, because the federal one should be doing it. Again, these requests are being made of us all the time.

The Chair: Marlene.

Ms Graham: Thanks. On the work that you're doing for the value-for-money audits, one organization that you audit is the Alberta Research Council, and of course they have a large grant from the government, around \$27 million. Are you doing value-for-money evaluations of that grant, and are you really equipped to do that?

Mr. Dunn: First of all, I'll answer the latter part. I think we're equipped to do that by way of either our own personal skills and knowledge and experience of working with the government organizations or through our agency fees we'll bring in the right skills. Have we been doing that through ARC in the past? No. I've challenged the agent there. We did, through the agent primarily, a financial statement audit. The agent did start last year, and you might remember there were issues being brought up through the management letter regarding some of their activities and operations. So I was more pleased that the agent was getting onto some of their operating matters.

Certainly, their audit committee is most supportive of us getting into operational matters, away from merely just the financial statement operational matters. We intend to do more of that in the future. We can do this where we use an agent as a financial statement auditor and our staff will just do the value-for-money auditing. We have situations where we use an agent to do strictly the financial statement audit and our people go in and just do the value-for-money auditing. So, yes, we'll be looking at doing more of that. Have we done that specific grant? No, we haven't.

Dr. Pannu: Fred, you said that you would get back to us with the number of organizations that were doing this. Would you be able to do an additional thing associated with it? If you'd attach the dollar value to the service that you provide to each of these, that's sufficient for us.

Mr. Dunn: So if I name the organizations that we are not mandated through our legislation to do together with the – I'll put down the hours and our determined cost.

The Chair: Are there any other comments or questions? Seeing none, thank you very much to Fred and Loulou and all the best over the Christmas holidays. Thank you.

Mr. Dunn: Now, may I take five minutes with the committee?

Mr. Hlady: Do you want this recorded? In camera? Is that the question?

Mr. Dunn: Well, I was going to ask about the legislative officers and closing the accountability loop. When I met with the committee back in September as a spokesperson for the legislative officers . . .

Mr. Hlady: Just a moment. Sorry, Fred. We can go in camera here for five minutes if you'd like to do that.

The Chair: Are we talking about a personnel issue? I guess we need to know what it is you're addressing here.

An Hon. Member: Salaries.

The Chair: Oh, we should go in camera.

Ms Blakeman: Well, it depends if we're discussing specific salaries or generically.

Mrs. Fritz: Well, we're doing these today, and if it's about the legislative officers in total – it's not this agenda. That's why he's asking for five minutes. I think we should be in camera actually.

The Chair: Do you want to move that, Yvonne?

Mrs. Fritz: Thank you, Madam Chair. I'll move that we move in camera for a few minutes for the Auditor General to share information that he would like to with the committee.

The Chair: Okay. Any discussion? All those in favour?

Hon. Members: Agreed.

The Chair: That motion is carried.

[The committee met in camera from 2:05 p.m. to 2:13 p.m.]

The Chair: At this point we need to go through the motions to adopt the various budgets. If we go back to the office of the Ombudsman, I guess we'll start with the question. Would someone like to move that

the Standing Committee on Legislative Offices approve the 2004-2005 budget estimates for the office of the Ombudsman in the amount of \$2,130,000.

Mr. Hlady: I would like to move that.

The Chair: Okay. Moved by Mark. Any discussion? Kevin.

Dr. Taft: Well, Denis's good questions got me thinking about approving and how much we ought to approve and are we doing the right thing in approving budgets that year after year are coming back with surpluses of, you know, hundreds of thousands of dollars in several cases, and that applied to most of the budgets that came forward. I don't know, Denis, if you want to take this up anymore, but if I think of this as my money, if this was a contractor building a house for me or if I was negotiating to buy a car or whatever, would I not sharpen my pencil a bit, as it were? I think I probably would. So I'm feeling like at least we need to discuss the possibility of sending some of these back to be tightened.

The Chair: Sending some of them back? Sorry?

Dr. Taft: To be tightened.

The Chair: Denis.

Mr. Ducharme: Thank you, Madam Chair. I think the message was sent out across the bow when the questions were asked earlier today. At this point in time I think I'd be in favour of approving the budgets, but we have to realize that that's what they are: budgets. They're their best estimates that they can bring forward. They certainly were asked the question, and I for one know that if I'm still on this committee at this time next year when we have an opportunity to review, I will certainly be scrutinizing to see if there are a lot of dollars coming back and really, you know, question it at that time. With the fact that in many of these positions they are new individuals that we've just hired and they're going through their first budget process, I think I'd grant them that opportunity this year but I guess with a warning that we'll be looking with a very strict eye next year.

Mr. Friedel: To follow up on what Denis has said, the suggestion that it's being looked at probably is enough to get their attention. I am certain that they look at the *Hansard* of these meetings, and that's probably all it's going to take.

If we're going to make a change in our process policy, I think we'd have to do it ahead of the time when these things are at our table for discussion. I don't interpret what Kevin says as looking for additional detail so that we would start micromanaging the budgets. I'm assuming it's more a general concern that by working this way, there's the provision for a little bit of internal cushion, and generously the unused amount is returned at the end of the year. It gives the offices quite a bit of flexibility because, you know, typically the budgets have been generous.

I would feel comfortable if the message got through that unless there is some justification for special event returns, the same as when we have to ask for additional money, maybe having the amount required being just a little tighter would add to the level of comfort that I would need. I would be happy that the message got through: could they maybe just do that a little bit better?

The Chair: Any other comments? Raj.

Dr. Pannu: I think Kevin's point is reasonable. If the money isn't needed, then why is it asked for every year? If there's a surplus year after year, a pattern, then the question arises: is the budget approval process tight enough to address that issue?

On the other hand, the flip side of what it might do now that we have seen surpluses being reported by some of these offices is send a signal, a message, to spend that money regardless. That's the other side of it. We need to strike some sort of a balance so that we don't punish just because someone reported some surplus money that they're returning. It could be interpreted as: this is not being awarded properly, so we may as well spend it.

Mr. Friedel: If I could, Janis, that was my point in suggesting that we don't send any back and say: look; you'd better tighten that up. That kind of action, I think, would or could more certainly have a spend-it-or-lose-it policy be adopted within the office. I think the concern was mentioned a time or two during our discussion, and the fact that we're emphasizing it on the record I think would send the soft message that we trust their discretion, that we don't want them to use money that they don't need but maybe the cushion is a little bit greater than it needs to be for even their level of comfort. This way it doesn't cause the hard reaction of "Well, we better use up

every penny because they may force us to take it back and redo it next year," which, as I believe you're saying, I wouldn't want to see either.

2:20

Ms Graham: Madam Chair, I don't know if any of us are privy to this information, but have the targets not been given out for each department for next year's budget? I think they have.

The Chair: I don't think we're privy to that information.

Ms Graham: We're not privy to that?

Mrs. Sawchuk: Madam Chair, for the purpose of the LAO for House services, we did the budgeting even for the committee, which we'll be looking at in a few minutes, based on – well, the projections were 2 percent. That was it. Ours was sort of done independently. It doesn't mean that the departments will follow the same. We've been hearing 4 percent and we've been hearing 5. We did our budgeting for all of our committees and our own in-house services based on 2 percent.

Ms Graham: For the LAO.

Mrs. Sawchuk: For House services. Like for, you know, our own offices.

Ms Graham: But none of these budgets are anywhere close to that. They're all substantially higher. So I'm thinking that while there is certainly justification or at least an explanation for budget increases, they are, you know, head and shoulders above what most departments will probably be receiving next year. I think we should really consider that. Why would other criteria apply? I mean, if Treasury Board is setting out targets for most of our ministries, should that not be a guide post?

Mr. Hlady: This isn't government. That's the whole point. It's not government.

Ms Graham: I recognize that it's not a government department, but it's related.

The Chair: Mark, and then Denis.

Mr. Hlady: Thank you. Just to follow up on what Denis was saying and hearing what Raj was saying as well, it's a very fine balance of going too far. If you want to go and take the 10 percent off each one of these, then what you end up doing is you're going to force them back inside. They're not going to be open with us, and they're going to find places to hide. I think I'd much rather see them doing this than to have them come back next year and say: "You know what? We were short \$50,000. We were short \$50,000 because we ran into this or this or this," and come back looking for supplementaries. That's not where I want to go, I think.

The reason we're here and the purpose for what we're doing is to analyze this and look tightly at this, and I feel quite comfortable with it after what we've gone through today and what we do on an annual basis. So we're keeping the ship tight. We're keeping them all accountable by making this happen.

They've got in the area of 10 percent, and they're returning that. I think that's a much more comfortable position for us to be in because we're analyzing it on an annual basis and we're making sure that they're there, but at the same time they're able to do their job to

the best of their ability and they're not hindered because they don't have enough money in that budget. They're managing it to the best of their abilities. Because they're returning it to the GRF, I think we've achieved what we're looking for. But they still have the ability to be flexible and make something happen if they need to.

Thank you, Chair.

The Chair: Denis.

Mr. Ducharme: Thank you. One must remember that in many of these leg. offices the officers' workload is dictated by events that are beyond their control. So certainly it's hard for them to be able to estimate what types of disasters or different conflicts may erupt that require more of their time and resources.

Just to go back in regard to the estimates in terms of salary increases, they're taking a guess just like anyone else. If it only comes out to be a 1 and a half percent increase, it's put up as a line item in terms of salaries and benefits, and those dollars will be returned to the general revenue fund. It's that simple. I sit on Members' Services. I think we use 2 percent for the Legislature. So everybody may be using a different amount, but whatever the amount does come out to be at the end of the day, it has to be funded or returned. So it gives us that balance at the end of the day.

The Chair: Don.

Mr. Tannas: Thank you, Madam Chair. I wanted to just pick up on what Kevin said and relate it to what Mark said. Kevin I think said something to the effect that if you were in business, you would have some kind of concern.

Some years ago a business that I have an interest in – it's fully declared – decided to build a building, and I got four tenders. The lowest was just under 50 percent of what the highest was. I was conferring with an old businessman who's quite successful, and he said: you know, I'd go with this one, the lowest, and put him on a cost plus. Okay. We did, and even though he was the lowest by quite an amount, he came in at 10 percent less because he had all kinds of things that he returned. All I'm saying is just that most businesses won't try that, but what does bother a business is if midstream somebody is coming back with a raise, an increase in cost. If you've ever built a house, you make a change and you find out how quickly the raises come in.

So I would agree with what Mark has said. I think this is a valuable thing, that they are returning the money. Part of that, yes, is a bit of floater, but it's to offset sudden changes just like Brian has said with regard to the Chief Electoral Officer's budget. I mean, he can't tell whether there's going to be an election in this next year, but he's got to put it in there, and then he'll return it. So I think the budgets are by and large just fine.

Ms Graham: Just to comment on Mark and Don's suggestion that if we were to suggest to the officers that they needed to fine-tune their budgets, that would lead to them hiding what they're actually doing, or words to that effect.

Mr. Hlady: In the fine-tuning that I was referring to I was saying cutting out the 10 percent or whatever we think we could get out of them.

Ms Graham: Yeah. But to suggest that they wouldn't be honourable and honest, you know, in their costing and this sort of thing, I don't think that's . . .

The Chair: I don't think he was suggesting that.

Mr. Hlady: I didn't say that.

Ms Graham: Maybe you could clarify that, then, because that's how I had understood it.

The other thing is: what impact does all of this have, say, on our constituency budgets? Does it not all come out of the same pool of dollars?

Mrs. Fritz: No.

Mr. Hlady: No. That's Members' Services. That's a separate budget.

Ms Graham: But it's still LAO. So I guess I'm just saying, you know, we don't give ourselves increases in our constituency budgets of 8, 9, 15 percent.

Mr. Hlady: If you saved 10 percent out of one of these budgets, that wouldn't go back into members' services to our individual constituencies. That's not where it would go. I mean, the money that they return goes back to GRF. That's where it goes. It doesn't come back to LAO per se to then get rolled back out to constituencies.

Ms Graham: Well, I don't know if that is true. I mean, I don't know.

Mr. Hlady: Well, that's what it is. That's how it works. You know, they've mentioned that. The question was asked earlier today, and it was said that it went back to GRF.

The Chair: Kevin.

Dr. Taft: Okay. Well, this is a good discussion. It's all occurring in the discussion on the Ombudsman's budget, but I hope the other leg. officers read this section of the *Hansard*, and I think it's important that it was on the record.

I'd also like to put on the record that I'm prepared to go along with these budgets even with the large variances over the years in several cases because there are substantial changes in the mandates. The Ombudsman has the RHAs and so on. The FOIP officer has the PIPA. There's an election coming up for the Chief Electoral Officer. There are a lot of variables here, so I'll give them the benefit of the doubt.

But I would ask that maybe the clerk bring forward this discussion in *Hansard* for us – I'm going to forget I had it a year from now, and it'll all seem fresh and new – so that we can all remember what we said this time. Maybe next year, if the pattern continues, we can say: okay, guys; let's take a new look at this. So could the clerk put it in your system somehow to bring it forward for us when we consider the budgets next year?

2:30

The Chair: Are there any other comments? We do have a motion on the floor. No other questions? All those in favour?

Hon. Members: Agreed.

The Chair: Opposed? That motion is carried.

We have a request from the office of the Ethics Commissioner for the amount of \$447,000 for the 2004-2005 budget. Denis will make that motion. Any discussion? All those in favour?

Hon. Members: Agreed.

The Chair: That motion is carried.

The office of the Information and Privacy Commissioner has asked for \$4,072,000 for the 2004-2005 year.

Would someone like to move that motion?

Ms Graham: I'll move that one. I think it's quite reasonable.

The Chair: Okay, Marlene. Any comments? Discussion?

Mrs. Fritz: On the Privacy Commissioner's budget?

The Chair: That's right.

Mrs. Fritz: Yes. I just have one comment, and I know I had said it on the record while we were in discussion with the commissioner and that we're going to have the information circulated to us in the future, but I would ask that they specifically look in this coming year at the whole area of fees and development. It was such a substantial increase that's been put in place. I realize that that was for a health and wellness benefit, but is that in the right category? Should it be under benefits for employees rather than fees and development? Until we have the information, I really don't know, but it sounded like it's being utilized, Madam Chair, for technology. They mentioned computers, where someone else can utilize it for a fitness club. I mean, it's kind of all over the place for me right now about what it actually is being utilized for.

I just wanted that on the record so that they pay particular attention to that and that we hopefully do not see that kind of a huge increase coming in next year under fees and development. I added together what they put on the table about the Law Society, for example, for some of the employees paying the fees to the Law Society for the lawyers, and they had mentioned five. Then I added in also the technology fees. They mentioned that it was \$4,000 per employee for three. Then I added in the health profession fees and what not. That only came to around \$30,000 out of the \$139,000. So I really have questions about this whole area of fees and development and whether or not there could have been savings in that area. I just want it on the record. Not that I won't be supporting the budget with this, but I'm looking forward to the information.

Thank you.

Mr. Friedel: Well, Yvonne and I had sort of a side discussion while some of this was going on, and I shared her concerns that this is something a bit new. As a matter of fact, from some of the comments when the questions were answered, it almost sounded a little bit like a perk rather than anything else. I'm not sure that there's any kind of a standard policy on how these things are determined or approved or whether there's, you know, cross-government understanding that that kind of benefit is paid out. I guess my concern is not so much that it's there, but is it consistent with general policy? Also, for this committee, is it consistent within the leg. offices? Maybe in following up on Yvonne's comments, we could get some information on it.

The Chair: Well, those concerns have been noted. We already have information coming to us on this particular matter, so we'll just, in addition to what we already asked for, pass on these comments. We'll bring that to the next meeting.

Mrs. Fritz: Thank you.

The Chair: Any other comments? All those in favour?

Hon. Members: Agreed.

The Chair: The motion is carried.

Would someone like to move that

Leg. Offices approve the 2004-2005 budget estimates for the office of the Chief Electoral Officer in the amount of \$13,734,900.

Don. Is there any discussion on that? All those in favour?

Hon. Members: Agreed.

The Chair: That motion is carried.

Would someone like to move that

Legislative Offices approve the 2004-2005 budget estimates for the office of the Auditor General in the amount of \$17,651,000.

And I heard Kevin.

Dr. Taft: Sure.

The Chair: Okay. Any discussion? All those in favour?

Hon. Members: Agreed.

The Chair: Then that motion is carried.

As well, under Other Business we were going to distribute a copy of the committee budget. Has that gone around? Okay. That's for information that has been approved through Members' Services, so that is there for your information.

The date of the next meeting will be at the call of the chair. Our next meeting will have to do with the evaluation of the officers' salaries.

At this point, outside of wishing everybody a very merry Christmas . . .

Ms Blakeman: Sorry. Given the difficulty we always have in getting this extremely busy group of people together, is it not worth an effort to try and set our next meeting? We know that we have to meet before fiscal year-end because we always discuss salary review at that time. Should we not try and do this while we're all in the room?

The Chair: I don't have a schedule. I think most of us are sitting here without our schedules.

Ms Blakeman: It always seems to be a huge push right before fiscal year-end, and we're in session and everybody is going nuts.

The Chair: I'll tell you one question I would like to ask. I think it's probably impossible today, but it would be interesting to get feedback from all of you on whether it would likely be easier to have a meeting as soon as we get back into session. We will have a couple of weeks there to work with. We're all going to be up here. Do you think that would work?

Dr. Pannu: No. With two members in the caucus I find it very difficult.

Ms Blakeman: To do it when we're in session is really difficult. Do you have caucus meetings where you're all coming together for caucus?

The Chair: I don't have any of that information here. We would

have to go through our regular exercise of polling the members.
Okay?

Mr. Hlady: When we're in session, that's when everybody is in Edmonton, and we're not all across the province doing different things, generally speaking.

Ms Blakeman: Yeah. That's what I was asking. If you all come together for a caucus meeting, the three of us are here.

Mr. Hlady: We're in a caucus meeting usually. We never know how long it's going. That's the problem if we have a caucus meeting. But maybe attaching to one side or the other of the caucus meeting.

Ms Blakeman: Yeah. That's what I'm thinking.

Mr. Friedel: Well, that doesn't work so well either, Mark, because in the mornings of the caucus meetings the rural caucus meets, and that's for the same reason, because we are the ones that are all over the place. There have even been a few other ones that have attached themselves to one end or the other, and I doubt that anybody would want to start working at 5 o'clock in the afternoon, especially after you've gone through a whole day.

Mr. Hlady: Once we get back into session, a week into session or something like that.

The Chair: We're not looking for a particularly long meeting.

Ms Blakeman: No. There are just different requirements of members of the opposition parties when we're in session than there are of members of government, and it's very, very difficult for us. I mean, I know everybody is booked, but there are just different requirements on us.

Dr. Taft: Well, we've always worked it out.

Mr. Hlady: As we will again, obviously.

The Chair: Wonderful feedback. We'll get a sense of what it is that has to be covered at the next meeting, we'll have a sense of the time lines, and then we'll do our little exercise of polling the members.

I'm sorry. Did we get as far as getting a motion to adjourn? Oh, we have several. Denis. All those in favour?

Hon. Members: Agreed.

The Chair: Okay. Merry Christmas.

[The committee adjourned at 2:39 p.m.]