

[Chairman: Dr. Elliott]

[12:15 p.m.]

MR. CHAIRMAN: Let's call the meeting to order. We'll start at item 1 on our follow-up items as prepared by Louise: report on findings -- monitoring by Standing Committee on Legislative Offices. We have information on that, which was circulated at an earlier time. I have in my hand a letter dated August 30, 1984, signed by Doug Blain. That appeared in our minutes in the fall as appendix 5. As I sit here and hold this right now, Louise, I can't recall whether we were going to redistribute that today or what.

MRS. EMPSON: Last Monday a copy was distributed to committee members, and it will also appear appended to last week's minutes.

MR. CHAIRMAN: Okay. That's what we did with it. Will we accept that as disposing of item 1 on today's agenda?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Thank you. Item 2: we're to set aside one day for the committee to visit with the Ombudsman. My recommendation is: can we consider March 4, 1985? March 4 is a Monday. I believe it's a day that was looked upon most favourably by most people in an earlier discussion. I'm not sure where that leaves Bill Purdy. I think he will be back at that time.

MRS. EMPSON: Yes, he said he could make it.

MR. CHAIRMAN: Okay. Does that fit at all today, gentlemen?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Thank you very much. That disposes of item 2.

MR. HIEBERT: At noon?

MR. CHAIRMAN: Yes, same thing as here. We'll have a noon meeting, a short review of some of the issues at hand, and then proceed to the Ombudsman's office for a visit. When we went to the Chief Electoral Officer's place, we chose a 1:30 arrival time. Today I have pulled a

fast one on you. I crowded this activity in today on the condition that we could leave here earlier and go to the Auditor General. I will leave you halfway through the visit there during the afternoon. That's understood. I think Louise is going to make arrangements with the Auditor General, so we'll be over there shortly after 1.

MR. HIEBERT: I have another meeting I have to attend at 1:30.

MR. CHAIRMAN: That's fine.

MR. HIEBERT: But I've been over there before.

MR. CHAIRMAN: We'll just take it from there. In the case of the March 4 meeting with the Ombudsman, should we try to arrive at his place at 1:15, 1:20, or something like that? We're assuming that we can get through our business here within that time.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Thank you. Number 3: to review the appointment contract of the Ombudsman for the purpose of determining the feasibility of marrying anniversary dates for the three officers to facilitate annual salary reviews. Bob, did you look after that one?

MR. BUBBA: Dr. Carter has kindly provided me with a copy of the new Ombudsman's contract. The contract specifies a term, which is September 1, 1984, to August 31, 1989, "unless sooner terminated as hereinafter set out." The terms of termination are set out in the Act: written notice by the incumbent to the committee. The remuneration is established in section 3. Section 3(b) specifies that the officer's annual remuneration "shall be reviewed annually as provided for in Section 8 of the Ombudsman Act." The Ombudsman Act provides in section 8 that that officer's remuneration shall be reviewed once annually, but it does not specify any particular date. So it comes back to an option of the committee to set the dates.

From a budgeting point of view I can advise that the fiscal year is the easiest to set up. It's easier to budget for if you set the increments to come into effect on April 1, the beginning of

the fiscal year, because then you're not faced with having to prorate.

The only other option that comes to mind is the management review date. I might just briefly explain that for nonmanagement staff in the public service, salary is reviewed on the individual employee's anniversary date. With management and executive officers one date is set up; that is, June 1. The reason it is set up is that the salary increase for both management and nonmanagement is tied to the evaluation of that person's performance. Nonmanagement people are evaluated on their individual anniversary dates every year, which are determined by when they actually started working. For executives and management there is a common review date for performance and therefore a common date for increments, which is June 1. So that's the only other alternative. If you want those positions to follow management and executive officers, it would be June 1; otherwise, the budget year, which would be April 1. But it is entirely at the option of the committee. If they wish to establish any other date, that again is at the committee's option.

MR. CHAIRMAN: With the committee's patience I'll ask a couple of questions for clarification. It seems to me that in days gone by when we would get into this discussion, we were told that we would have to wait for a decision from other groups before we could make a recommendation with respect to our officers. The decision is not the thing we're concerned about today. Once the decision is made, what is it retroactive to, or what is the effective date of the decision? You've suggested that April 1 is an acceptable date for budget purposes. I notice that April 1 is currently the effective date for the Chief Electoral Officer. I also note that on March 31, '86, our Auditor General will be retired, and that makes April 1 a kind of automatic date there. The Ombudsman's anniversary date was April 1, and notwithstanding the new contract for the new Ombudsman, maybe April 1 could still apply. So it would appear that it would not be difficult to make these various anniversary dates coincide on April 1; that is, if I understood what I heard you say. Does anybody else wish to comment on that? I'm sorry to jump in first, gentlemen.

MR. THOMPSON: Mr. Chairman, that background was very good, for me anyway. The past time or two we have had to wait. We more or less tracked the executive officers and administrative officers. I can't recall which one of these, but one time we more or less had to wait until that decision was made before we could set his salary. So if we want to follow that ground, I suspect we should track along with the executive. That's the only thing I want to say. I could go either way, but I think we would still be sitting there with some of these people saying, "Well, what are my comparable opposite numbers having in June?"

MR. CHAIRMAN: I agree with you, John. For purposes of increment and decision that is correct. When that decision becomes effective is one of the concerns I have. Does that help at all? Anybody else like to contribute to this discussion?

MR. HIEBERT: Mr. Chairman, what does it mean with regard to budget? When you're looking at increases, it has an implication to what's in the budget. If you go to the June date, when management has their particular anniversary, what would it mean for the three officers if we're looking at June yet don't have anything in the budget? If we had April 1 as the anniversary, this committee would probably have to do its legwork in the November-December time period, would it not?

DR. CARTER: September.

MR. CHAIRMAN: It would have to be as early as September.

MR. HIEBERT: Probably even September, but have it done for December 1. So it's just a question of where you back the thing up. The other alternative would be to let the decision come through in June and then have it ready for the subsequent December. It's half a dozen of one thing or the other.

MR. BUBBA: We're required to put in our estimates for salaries very early: September or October for the following fiscal year.

MR. CHAIRMAN: That's you, not us.

MR. BUBBA: Yes, but some figure would have

to be committed to relatively early, even in terms of these officers. If increments came into place that required to be covered off and were not budgeted for, I believe you would have the ability to go to what's called salary contingency to cover those things off. You are requested, as the fiscal year draws to an end, to provide information about additional moneys that you may require to cover off those unpredicted and unpredictable increases. From that point of view, you shouldn't consider yourselves tied in setting a date. That's something that has to be covered off regularly in the normal course of events. It hasn't happened in the last couple of years, because no increments have come into place. But that's the normal process.

MR. CHAIRMAN: Bob, following up on what both you and Al said, I'm not sure that we have been part of the decision with respect to salary increases. The topic we're discussing today is the effective date of salary review. Our officers, as I recall or understand it, are linked in with another system and are subject to a decision somewhere else with respect to increases or decreases in salary. Those decisions aren't ours. We're making a recommendation, though, with respect to the effective date for salary review. Al, I was wondering if that was what you meant when you were talking budgets and so on. When we talk about September budget review, we're talking about our budget for our activities and our travel. We have to have that done in September and get it in there. When these other people get their budgets in, there's another decision. As I understand it, whether it's a 2 percent increase or a 22 percent increase for these officers is a decision that's made elsewhere, not at this table. Will people please help me with my memory?

DR. CARTER: On the last point, yes.

MR. CHAIRMAN: Yes.

MR. THOMPSON: Not entirely. We negotiate. I recall that we negotiated with the Auditor General the last two times, I believe, and asked for his forbearance to some degree. I don't think it's automatic. But generally speaking it's automatic.

MR. CHAIRMAN: I don't recall our making a firm decision on it. We decided that it should be hinged to other decisions being made elsewhere in the system. But maybe that wasn't our choice to make that decision.

MR. THOMPSON: I think it was.

MR. CHAIRMAN: I'm sorry I didn't go back and review the minutes more carefully. Maybe there's information there. Having gone around on all that, I'd like to bring the decision back to anniversary dates for salary. That is the thing I'm concerned with right now. If we feel that April 1 is an acceptable date for anniversary review for all three officers, then I think we should make our decision on that basis now. Any other comment on that topic?

MR. MILLER: Mr. Chairman, I think these three officers relate more to management than to nonmanagement. Since management decisions in other areas are being made in June, would it be to our advantage to have our review at that point in time?

MR. CHAIRMAN: Our review of their budgets or their salaries?

MR. MILLER: I don't know. I throw it out.

MR. CHAIRMAN: You're talking about a review period now, and that's no problem. I can see us coping with that request at our convenience at any time. I still come back, though: having made a decision on the salary, what is the effective date? That's what I'm talking about here. What is the term of the salary increase? Have I lost you on that one, Bob?

MR. BUBBA: No.

MR. CHAIRMAN: In other words, if we make a decision in July, the rate increase will be effective back to April 1, and all officers' salaries will be adjusted April 1, irrespective of when the decision is made for increases. Right now they aren't all on April 1, and we're reviewing the possibility of having them synchronized on one date. We thought it would be an advantage, rather than having our officers qualify for salary increases on different dates.

MR. BUBBA: Right. If I could add just one more thing, I think the idea of the review taking place June 1 is good, because by then you would have the benefit of the guideline for management and executive officers.

MR. CHAIRMAN: That's the one we were under before.

MR. BUBBA: You could make it retroactive to April 1, if you wish, or you could have it effective June 1, which is the effective date of management and executive officer increments.

MR. THOMPSON: I'll make a motion that we use April 1 as the date. This should go into it: the supposition would be that in June, when we can compare what's going on, the salary increase or decrease, whichever, would be retroactive to April 1. I think that's probably a better way to do it, in a bookkeeping way.

MR. CHAIRMAN: Bud, do you want to speak to that again? Does that cause a problem?

MR. MILLER: Just for clarification, Mr. Chairman. The review date would be June, and the effective date would be April 1. Is that what you said, John?

MR. THOMPSON: Yes. You said it a lot clearer than I did, but that's what I said, Bud.

MR. HIEBERT: A question: why not make it June 1 for both? Why compound the date with the retroactivity?

MR. THOMPSON: May I speak to that, Mr. Chairman? As I recall in the past — and I have a very poor memory — that June date has always been an imaginary date. Sometimes it gets into July before cabinet makes these decisions. If you say June 1, the rates won't be set on that date, anyway. It's a pretty elastic time frame, but that's basically the time period when they do this type of thing. Sometimes cabinet doesn't get around to it for a month or two, but then they make the adjustment. I don't think you could come down to one date when the review is made and make it hold forever. So you have a certain amount of . . .

MR. HIEBERT: Because of the 'flex-time' with the review date, you're suggesting making the

retroactivity on a fixed date that does not change, so everything relates back to it.

MR. THOMPSON: Yes. But you'd still use the guidelines we get from cabinet, whatever that figure is at that time.

MR. CHAIRMAN: I'm repeating myself now, but April 1 is already the date for two of our officers.

MR. MILLER: Bob, did you say that management salaries are — for example, if an increase is given, is that retroactive to April 1 or June 1?

MR. BUBBA: June 1. As you say, John, they have that flexibility, but when they do come down with a settlement, it's always effective June 1.

MR. MILLER: I wonder if it would be a concern to the rest of the departments if we made ours retroactive to April 1 when they're retroactive to June 1. Assuming that there is an increase in salary, they would get greater . . .

MR. THOMPSON: It would be one time, but after that I can't see how it would make any difference. It's still a year period. In the transition area there may be a couple of months when our people would get a little more than the others would, but it would just be a one-time affair.

MR. CHAIRMAN: It has not been a concern, because our effective dates right now are April 1 for two officers and January 1 for the third. If we check the history of the Auditor General, we'll find that we have changed these dates on a discussion just like this, and the Auditor General has been slipping into 16-month years. Over the course of the last few years he's lost almost one full 12-month increment period because we kept sliding his date. If we move from April 1 to June 1, it means we put those officers into another one of those 15- or 16-month years. I just ask that you consider it. I'm not debating an issue here; I'm just trying to point out some of the historical items as I recall them and working with the facts we have before us.

MR. HIEBERT: Bud mentioned the idea of

management. I think the officers of the Legislature could be somewhat different from that management group, and that might signify it. Secondly, what is our retroactive day when we're dealing with any of the members of the Legislature? Is not April 1 usually a signal day for us in many other circumstances?

DR. CARTER: The fiscal year.

MR. HIEBERT: Therefore, I agree with the motion and will be supporting it.

MR. CHAIRMAN: Thank you very much. Do you want to rebut any of that, Bud, since this is your topic? David, do you have any comments you want to make on this topic? Are you ready for the question, gentlemen? Those in favour of the motion? That motion is carried.

We're on to item 4, and we're talking about the discussion of the officers' respective annual conferences for the calendar year 1985-86. We have a piece of information that we put out last meeting, showing the four conferences that have been identified. If you have this before you or have a comment on it, we can deal with it now. If not, we can leave it. We have the Canadian Ombudsman Conference in the middle of June in Quebec City, the Conference of Legislative Auditors in the middle of July in Whitehorse, the Canadian Comprehensive Auditing Foundation in December in Ottawa or Toronto, and the Council on Governmental Ethics Laws in the first week of December in Chicago. Those are the four we've identified. If there are very strong opinions, people having a personal desire to go for any particular reason or wanting to nominate somebody to go to any of those, I don't think we have to act today on it, but I would like your reaction soon. There will be an opportunity to look at your personal calendars and review that. It's an item for today, and I'm going to ask that we leave item 4 on this agenda for the next meeting and come up with some firm requests.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Thank you. Item 6: approval of minutes of the December 17 meeting. Do we have any comment on those minutes? Those in favour of the minutes as circulated? That's carried.

Number 7: chairman and vice-chairman were

to consult the appropriate parties regarding the membership of search committees for our officers' vacancies coming up. There has been some discussion, and I'm going to ask David if he wants to review any of the information we have at this time or just review that we have been working at it with those involved and that good progress is being made. That's my contribution. If you want to expand on that, it's up to you.

DR. CARTER: Mr. Chairman, I think the transcript should cease at this time.

[The committee met in camera from 12:42 p.m. to 12:46 p.m.]

MR. CHAIRMAN: We just dealt with number 7, and we're back with number 8. I was asked to write a letter with respect to the electoral boundaries Act. That is in the mill; that has been done.

Item 9: the chairman was asked to write to the Auditor General with specific comments and questions. That has been done; it's in the mill.

I wish to hold item 10 for a minute, but I will go ahead first and distribute a piece of correspondence that I have from the Ombudsman with respect to hiring a senior staff member for his office. You have before you a letter from the Ombudsman. He says that he is going to hire staff on a certain set of conditions. This is provided as information only, and I don't think it requires debate at this particular moment. That's his letter dated January 22, 1985. I'm accepting it from him as information and am sharing it with committee members. Is that acceptable for this time?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: If there's a problem there, I assume that you'll be in contact me or bring it back to the next meeting.

I want you to know that I have one item left, which I will keep till last. In the meantime, are there any other issues that we wish to review at this time that were not on the follow-up items?

MR. MILLER: Mr. Chairman, to go back to 8, you said that you wrote the minister . . .

MR. CHAIRMAN: The Hon. Bill Payne.

MR. MILLER: . . . regarding the committee's concern that the Act is silent. Did you suggest that that should be dealt with in this coming session?

MR. CHAIRMAN: I expressed to him that it was a concern of this committee; I didn't tell him how to do his job, Bud. Is that all right? I didn't put parameters on his activities or anything like that. It wasn't part of the instruction to me, as I understood it. We had that as a concern of this committee, and I transmitted that concern to him. We can follow it up. If you want to pursue it a little further, Bud, go ahead.

MR. MILLER: I wasn't aware until Bob mentioned it that those who voted weren't named in the Act. It seems to me that we should probably have a discussion at some point in time as to whether the Chief Electoral Officer should just be a nonvoting official. If so, how does that leave the structure of the committee?

MR. BUBBA: Are you asking for . . .

MR. MILLER: Yes.

MR. BUBBA: The Act provides that that commission shall be made up of a certain number of elected members and a certain number of nonelected members. So I suppose it would have to be considered whether only elected members of the commission shall vote or if one or all of the nonelected members, the appointed members, of the commission . . .

MR. MILLER: . . .should vote.

MR. BUBBA: It strikes me that that would have to be a consideration, rather than just one nonelected member voting or not voting. It would have to address all. That's my observation more or less at first blush.

MR. CHAIRMAN: John has a question.

MR. THOMPSON: If it comes right down to it, I don't really know whether it's in the terms of reference of our committee to be criticizing the Acts of the Legislature. In my mind there's another way of going about that. As a duty of this committee I think that we go by the rules

as laid down in all of them. I'm glad to find out that there is a question that needs to be decided sooner or later, that there's an area that needs clarification, so to speak. I don't know if it's up to us to do the clarifying, but I'm happy that our committee has been able to point out that there is an area that needs clarification.

MR. CHAIRMAN: Any other comment on that topic? Are there other topics to be brought up to date?

MR. THOMPSON: On number 9. I wasn't here. I'm sorry, Mr. Chairman, but I just didn't happen to be able to get to that meeting. Possibly you could give me a little bit of a fill-in on what happened with what I think is a major change in direction: the working hours of the Auditor General.

MR. CHAIRMAN: I believe that Mr. Thompson now has in his hands the memo from the Auditor General to the members of this committee, dated December 14, 1984. That's what he told us he was going to do. Under number 9 on our agenda, it was agreed that I would write him a letter expressing the committee's thanks for giving it this consideration. We're also asking him to be prepared to explain to us, in possibly one year's time, how it is working out. That was the text of the letter.

MR. THOMPSON: The point that gets me, Mr. Chairman, is the two options at the end. Under the Act he's allowed to do this. If that is the case — and I assume it is — I appreciate his letting us know. But did we recommend one of the options? Just where are we on this? I'm talking about the two options: number one, to take compensating time off during the period November 1 to April 30 or, number two, to cash out the hours banked.

MR. CHAIRMAN: The staff are permitted the options at their choice. It's not a decision we would have to make for the staff, as I understand it.

MR. THOMPSON: This has no bearing at all on the budget.

MR. CHAIRMAN: Not that I understand. It's an internal management thing that he's doing at the management . . . Is that okay, John?

MR. THOMPSON: Thank you, Mr. Chairman. That eased my mind.

MR. CHAIRMAN: We did ask in the letter, though, to have a follow-up report as to how it's working. Any other topic? I have seven minutes to one, and I'd like to introduce one last topic. We'll go in camera for this last topic, please.

]The committee met in camera from 12:53 p.m. to 1:04 p.m.°

MR. CHAIRMAN: There were three or four points that came up when I as chairman reviewed the audit on our Auditor General put together by Sax, Zimmel, Stewart. They are very interesting broad-knowledge questions, and I would like to suggest that we could use these as a discussion base when we get to the Auditor General's office. Statements like: the Auditor General Act of November 10, 1977, calls for an auditor; on September 6, 1978, these auditors were appointed for five years, and then they were reappointed. They are appointed through the minutes each year, as we just did. Maximum cost recovery in our provincial audit system should increase through audit fees: that's one of the statements made by these people. In other words, our auditors should be charging more money for the work they're doing in the field and trying to maximize their cost recovery. I think I've heard that at this table.

MR. THOMPSON: You're right.

MR. CHAIRMAN: This is an opinion expressed by these auditors. The topic came up of salaries that are paid these chartered accountants. For those who don't know, at the constituency office in Grande Prairie we are renting space from Bennion and associates, the chartered accounting firm for the Grande Prairie area. I have CAs all around me, and it's not easy to live in that climate, especially when at times they feel that the salaries of chartered accountants in the Auditor General's office could be out of line. I asked that question of Mr. Porter, and he came back with this: there are differences all over the province. For example, chartered accountants in Calgary get paid much more than chartered accountants in Edmonton. People who have been in the business for three or four years and are in the

management area are generally below the provincial average. I'm talking now about the chartered accountants in our shop: if they've been in the business for three or four years or more and are in the management section, they are generally below the provincial average outside government. Ken Porter agrees that students and first-, second-, and third-year chartered accountants are probably a little higher than their counterparts in the real world.

Ken Porter pointed out that his audit, or any audit, is basically designed to check the system of checks and counterchecks. In other words, what are the balances and counterbalances that are built into the system? That's really all an audit is. When he does an audit on our Auditor General, he finds that the checks and double checks are all in good shape. He also feels there is a very good balance between the inside audit and the outside audit, if that means anything to you. At the same time, he thinks the fee should go up. I asked him how many jobs our Auditor does using outside auditors, and we don't have an answer for that. There might be an answer today. I have no problem reviewing that with the staff there, as part of our contribution to the discussion.

Other than that, I think it's Mr. Rogers' intention to run us through a relatively short and perhaps easily understood computer program on some of the things he does there. That completes everything from the Chair today, gentlemen. Is there anything else, or should we now retire to the Auditor General's shop?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Thank you very much.

]The committee adjourned at 1:09 p.m.°

