

[Deputy Chairman: Mr. Stewart]

[9 a.m.]

MR. DEPUTY CHAIRMAN: [Inaudible] go on the record and call the meeting to order, per item 1 of the agenda. Just moving quickly to item 4 on the agenda, I'd just make note of the fact that I think it would be appropriate for the committee to go in camera to discuss the agenda itself. We could deal at this point in time, since we are on the record, with items 2 and 3 and then move perhaps to in camera, if that's the wish of the meeting. Is that agreed?

HON. MEMBERS: Agreed.

MR. DEPUTY CHAIRMAN: Okay. Then I will call for item 2 on the agenda: Approval of June 9, 1987, Committee Meeting Minutes. You've each received those, distributed by our secretary. Is there a motion?

DR. ELLIOTT: I move.

MR. DEPUTY CHAIRMAN: Moved by Dr. Elliott. Seconded? Do we need a second? No, we don't need a second.

HON. MEMBERS: Agreed.

MR. DEPUTY CHAIRMAN: Okay, the minutes of June 9, 1987, are approved. Item 3: Approval of September 3, 1987, Committee Meeting Minutes. May I have a motion in connection with those minutes?

MR. GOGO: Mr. Chairman, on the September 3 minutes, is it the recollection of everybody that the selection of the Ombudsman was unanimous, or was it just carried?

MR. DEPUTY CHAIRMAN: Well, the minutes of the search committee -- the search committee minutes you were talking about there?

MR. GOGO: We're dealing with those now, the committee minutes.

MR. DEPUTY CHAIRMAN: No, we're dealing with the standing committee.

MR. GOGO: Yeah. Well, it's the standing committee minutes I'm referring to.

MR. DEPUTY CHAIRMAN: The standing committee minutes . . .

MR. GOGO: Attached.

MR. DEPUTY CHAIRMAN: . . . attached, which say that the report of the search committee be accepted, do they not?

MR. GOGO: Well, the minutes say "approve the . . . Search Committee's recommendation that Aleck H. Trawick be named as Ombudsman." Was that just carried, or was it carried unanimously? That's all I'm asking.

MR. DEPUTY CHAIRMAN: It's my recollection that the search committee carried the motion to recommend the appointment of Mr. Trawick and that there was unanimous consent to

the acceptance of the search committee report.

MR. FOX: There was a dissenting voice on the terms of the contract. There was not a unanimous . . .

MRS. EMPSON: That's right.

AN HON. MEMBER: Yes, that's the next step.

MR. FOX: Is it? Okay. Good.

I notice, Mr. Chairman, that in the June 9 minutes we vow to deal with the term of office, term of appointment. I remember us discussing it. Was there some point at which we . . .

MR. GOGO: At a future meeting, wasn't it?

MR. DEPUTY CHAIRMAN: Yes.

MR. FOX: Yeah, but didn't we discuss it and make some recommendation on that, that it be five years, not seven or 10?

MR. DEPUTY CHAIRMAN: I think we informally discussed it, but I don't know that it's been formally brought before the committee. It's still on our list of committee items to be dealt with. I considered putting that on the agenda for today, Mr. Fox, and we decided not to, just in view of the other items, the many items, that there are to discuss.

So may I then have a motion for approval of the September 3 committee meeting minutes?

MR. CLEGG: I move that.

MR. DEPUTY CHAIRMAN: Moved by Mr. Clegg. All in favour?

HON. MEMBERS: Agreed.

MR. DEPUTY CHAIRMAN: Those are approved. Okay, may we have a motion to go in camera to discuss the agenda?

MR. GOGO: I so move.

MR. DEPUTY CHAIRMAN: Agreed?

HON. MEMBERS: Agreed.

[The committee met in camera from 9:15 a.m. to 9:25 a.m.]

MR. DEPUTY CHAIRMAN: First of all, welcome to the Auditor General and members of staff. We'll allow you to introduce each of your officials, Don. May I say, first of all, apologies for having kept you waiting for a little period of time here while we got our agenda straightened around for the day. Secondly, it's a pleasure to have you here. This committee has enjoyed the relationship that has developed between your office and our committee, and we look forward to the ensuing year and the same sort of spirit of co-operation and consultation. So I'll turn it over to you to introduce your officials, and then perhaps move from there into the discussion of your budget.

MR. SALMON: Thank you, Mr. Chairman. We are delighted to be here today and appreciate being able to do this on this day and get the budget behind us, we hope. I have with me, as last

year, the three Assistant Auditor Generals: Neil Henkelman, to my left, and next to him, Ken Smith and Andrew Wingate. They are here to provide possibly some of the detailed questions you may want to ask us, as we have met as a management committee and discussed our budget and put it together for you. So, Mr. Chairman, if I may just make some opening remarks, and then maybe we'll open it up for any discussion that anyone would like to raise.

We have attempted to provide a budget presentation that is fairly easy to follow through. We felt from our discussion last year, where there was some comment as to potentially not understanding the budget fully unless we could show a forecast figure -- so we worked hard at trying to put in a forecast figure for the current year which does give a flavour of where we are, and possibly that will raise some discussions later. The budget that's before you, as you have had and had a chance to review, shows a decrease between the budget and the estimate of just over 2 percent, and if you were going to compare the forecast for the current year with the budget we're proposing for next year, there would be an increase of about 3.36, but we can explain one of the reasons for the forecast being lower than our estimate of last year.

The first couple of pages, we have outlined generally the overall budget and comparison with the previous year and the forecast. And so we have, in our comparison of our budget to our estimate, salaries and wages. Vacancy rates have changed, again because of historical -- what's actually happening -- and we felt we needed to reflect that within the budget, and that's helped to reduce it. That basically has arisen because of difficulty in hiring what we call audit supervisors, where we have some 44 positions in that particular category. We have some increase in the agents' hours and rates in order to get some of our year-end audits finished, and there has been a decrease in the fixed asset requirements.

As you look at the budget versus the forecast, which is the current year's costs as we estimate them to be, there's a little bit different spread. We have expected some improvement in the current year in our ability to recruit and to retain staff, as we have sort of looked at some ways in which we can strive to do that. We have an increase in the agent hours and, of course, a decrease in the fixed assets.

If you look at the current year and why our forecast is much lower than the estimates of last year, we did have difficulty this last year in maintaining our staff. There was less special project work done than we had proposed in our estimates or our budget of last year, and of course the schedule of fixed assets was able to be reduced.

On page 3 of our budget we get into more of the detail, and on page 4. Page 3 has a reference to schedule 1; if you go back a little farther, you will find just an indication of our recruiting problems in our last six competitions. As you look at that, you'll see what our results have been with those competitions. Not on that sheet, but just for an idea of comparison, we have had about six to nine positions vacant through all of those competitions, and that's just for our audit supervisors alone, in all of those months.

On page 4 we are asking -- and we'll just raise it now and then we can talk about it later -- acknowledgment by the committee for the right to spend up to \$1,000 to host a Legislative Auditors Practices Committee meeting in our office next May 1988. The reason for that request is that normal procedure for departments is to have Treasury Board approval for such expenditures if they're in excess of \$300 or \$400. Because this is the

committee that approves our budget, we have come to the committee for that kind of special approval. If you want to do it now, we won't have to write a letter later and ask permission to spend that money. So if it were just included in the letter, that would solve additional approval later.

This is a rotational thing. It's legislative offices across Canada, and they come and meet, comparing procedures and practices. It happens to be Alberta's year for hosting. They haven't hosted it for a number of years.

That page also gives the detail on supplies and services, which includes our agent budget. To support that agent budget we have schedule 2, which gives details of costs for the audits during the fiscal year '88-89. Just for information, not in this budget because it'll be the budget following, because it relates to this practices committee meeting, as a number of the committee members will realize, in 1989 there will be a conference of legislative auditors as well as a public accounts conference in Alberta. That year, which is next year's budget time, we will be asking for some dollars to host that conference in Edmonton in July of '89. So that's just future. We thought that's in relationship to this small \$1,000 item for our Legislative Auditors Practices Committee meeting.

With that as a background, and without any detailed discussion on any of the line items or any questions from the committee, we'd be happy to open it up for any questions, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Thank you very much. Mr. Gogo.

MR. GOGO: Thanks, Mr. Chairman. Mr. Salmon, what's the total personnel? I'm looking for the total personnel in your office.

MR. SALMON: Our complement is 181, with myself.

MR. GOGO: Where is that? Is that in here?

MR. SALMON: We have not put the numbers in there, no.

MR. GOGO: What was it last year?

MR. SALMON: The same.

MR. GOGO: So there's been no decrease in personnel.

MR. SALMON: No.

MR. GOGO: Did you have any applicants for the government's early retirement policy?

MR. SALMON: Yes, we had five retire on that program.

MR. GOGO: How . . .

MR. SALMON: And I was one who declined. Sorry about that. I fit the category.

MR. GOGO: Five took advantage of that, so that package was charged to your department.

MR. SALMON: Yes.

MR. GOGO: Are they being replaced?

MR. SALMON: Oh, there is a certain amount of recovery that comes back, though, isn't there?

MR. HENKELMAN: We get about 75 percent back.

MR. SALMON: Yeah, under the policy. The rest is absorbed by our budget.

MR. GOGO: Are you hiring replacements for those five?

MR. SALMON: Yes, we've tried. That's all in this process of ...

MR. GOGO: So by definition they're coming to you at much less cost than those who left.

MR. SALMON: Yes, that's right. And that has an effect on our forecast as well.

MR. GOGO: So that's been affected in this?

MR. SALMON: Yes.

MR. GOGO: Mr. Chairman, just two other questions. One: Mr. Salmon, dealing with sched 2, agents, \$2 million is about 20 percent of your total budget. We're in the world of accounting and auditing now. Is this true: there's no such thing as a prearranged fee?

MR. SALMON: That's right. Do you mean where you set a certain amount?

MR. GOGO: Do those people bill by billable hours? I'd like to get a handle on this \$2 million.

MR. SALMON: Okay. They bill by billable hours, but it's based on a planning memorandum, a scope memorandum, developed by the firm, discussed with us, based on the estimated time required and then on almost a negotiated or average type of fee per hour based on the kind of staff they put on those jobs. We know the level of people we expect on the job, and they come forward with a proposal which we have accepted before the audit is done. If something during that audit causes that fee to change, it's discussed before the work is done, so we're very fully aware of what the cost will be on any particular job. These are estimates.

MR. GOGO: The agents are going from \$1.9 million, which was your forecast, to \$2 million.

MR. SALMON: Yes. We have an increase in hours and an increase in fees. They're creeping up.

MR. GOGO: Is it more workload? Is that why?

MR. SALMON: One of the things that's caused a change -- but not the only reason -- is that we have a policy of rotation. When you rotate a job from an agent back to the office and other jobs go out, it doesn't always match in the actual hours. So that will have some effect on the budget.

MR. GOGO: Final question, Mr. Chairman. Mr. Getty made a comment about a year ago that there would be a 15 percent reduction in travel budgets, I believe. He may have said entertainment budgets -- I can't recall -- but certainly travel budgets. Are you aware of that?

MR. SALMON: I'm not aware of the 15 percent. I'm aware of the desire of the government to reduce those costs that are discretionary.

MR. GOGO: Maybe it was just to cabinet, but I thought it was a policy statement. Is there any reduction in your travel here?

MR. SALMON: We have not shown the specific travel line, but I have that travel line. When that was discussed last year, if you recall, I wrote a letter to the chairman and outlined what we could do for the balance of last year. We were able to do some reduction in costs, and that's why our overall cost was down last year. Also, the forecast is an indication that we're down. But because of the nature of our audits, our budget for specific travel for audits is the same, but our overall budget is less than our estimates last year.

MR. GOGO: I see that. Thanks, Mr. Chairman.

DR. ELLIOTT: I'd like to piggyback on a couple of the other questions, Mr. Salmon. For clarification on the question with respect to the 181 total complement, is that the number of positions?

MR. SALMON: That's the number of positions.

DR. ELLIOTT: The number of positions is still the same, but you have some vacancies.

MR. SALMON: Yes, a fairly high vacancy.

DR. ELLIOTT: Are they all related to ... How many vacancies, more or less?

MR. SALMON: I guess as of October '87 we have 13, yet at the end of September we had 24.

DR. ELLIOTT: That's not all related to early retirement?

MR. SALMON: No, that's both the student level as well as the supervisor level.

DR. ELLIOTT: Is that what is causing this reduction in forecast for last year?

MR. SALMON: Yes, definitely the difficulty in maintaining the level of staff.

DR. ELLIOTT: Are there any changes expected in the 181 positions you're forecasting? Do you expect that to carry on this coming year as well as the following year? Do you know, or is it too ...

MR. SALMON: Yes, we had not planned to reduce the position number, and we hope to be able to increase the number of employees on staff, but that has been fairly substantial in the current year as well as last year.

DR. ELLIOTT: Getting to the national conference of auditor generals, how often does our turn as a province come up to host that?

MR. SALMON: Do you mean the one in '89 or the one . . .

DR. ELLIOTT: Yes.

MR. SALMON: Every 11 years.

DR. ELLIOTT: Every province is involved?

MR. SALMON: Including Canada. This is the 11th year in 1989.

DR. ELLIOTT: What's it going to cost?

MR. SALMON: In '89? We estimate probably \$25,000 for us and probably \$25,000 for the public accounts as well. That's a ballpark figure at the present time.

MR. FOX: Mr. Salmon, I'm wondering, does your projection for total manpower expenses in the coming year assume a zero percent vacancy?

MR. SALMON: No, that assumes, on page 1, comparison of budget to estimate, a vacancy rate of 6 percent.

MR. FOX: Built in?

MR. SALMON: Built in.

MR. FOX: So we could be looking at somewhat higher than that if you're able to fill the positions this year. You don't want to continue operating with a 6 percent shortfall in staff.

MR. SALMON: We hope we can maintain it at 6. It's been lower than that. So the 6 percent is a figure which doesn't have dollars in our budget.

MR. FOX: In terms of the schedule where you show the number of applications for various competitions, going through the process of interviews, second interviews, offers extended, and those accepted, is there a problem in attracting the kind of people you need to the office?

MR. SALMON: I believe there's a general tendency in the last year to having a lot of opportunities in other than government. I believe that the restraint program and the young people not feeling the comfort of a government setting with an indication of potential progression with respect to income certainly draws the younger ones away. It's really in that qualified individual who is young and hasn't had a lot of years of experience. There is not one firm of chartered accountants that's not looking for staff in Edmonton. I think industry has picked up, because in my discussions with various partners they have indicated that they're losing people to industry. There's been fairly good pickup in Calgary and some in Edmonton, and that in effect draws away from public practice. Some people do not crave a career in auditing; some do. But we have had a hard time attracting them to stay.

MR. FOX: So in the past people may have been willing to sac-

rifice some . . .

MR. SALMON: Incremental increases.

MR. FOX: . . . incremental salaries in exchange for job security. That not being so clear now . . .

MR. SALMON: That's not quite so clear now.

MR. FOX: Is that starting to jeopardize the work of the department, or is that not a problem yet?

MR. SALMON: We've sort of operated with that particular classification of vacancy, between six and nine positions. With the use of the agents and with other methods of accomplishing some of our work using some of our senior students and this kind of thing, we can sort of get by. I wouldn't say we're really hurting, but we certainly would not like to see it just cut off and not be able to try to seek those positions, because there are things we could use them for if we had them.

MR. FOX: Would you forecast a tendency towards a greater use of agents, contracting out through your department and less in-house sort of stuff, or is that . . .

MR. SALMON: There is a cost difference, and over the years we've not tried to want to increase that agency thing too extremely. There is a certain amount of senior employee coverage in our office to handle an agency, because we maintain a very close contact with the audits. We've sort of maximized in our planning that we would not exceed that agency budget. Right now it's about 20 percent dollarwise; it's not 20 percent of the work, though.

MR. FOX: No.

MR. SALMON: So we watch that and would not want to see that grow too much more, although it probably could a little bit.

MR. FOX: Just a follow-up to Mr. Gogo's question about travel. Most of that is for travel within the province, isn't it? Auditors traveling out to Lloydminster, Vermilion, Grande Prairie . . .

MR. SALMON: Oh yes, it's auditors traveling all over the place.

MR. FOX: Yes, because you go to where the . . .

MR. SALMON: We go north and we go south.

MR. FOX: You go to find the figures; the figures don't come to you.

MR. DEPUTY CHAIRMAN: Any other questions from members?

MR. CLEGG: Just to follow that up. You cost every job out, I imagine, so what you're telling us is that when you do it, it's considerably cheaper than if you get an agent. Is that what you're saying?

MR. SALMON: Oh yes, on the average.

MR. CLEGG: What percentage of it do you think it would be, roughly? It would vary, of course.

MR. SALMON: On a rough basis, on our own staff doing an audit we would average out about \$32 an hour, and the agents would average out about \$55.

MR. FOX: We can remember this, Glen, and have a discussion about privatization and the merits of it in the future.

MR. SALMON: Well, there are other factors, but if we would cost out a job, it would be about that. We really try to hold that figure below the \$60. We've had proposals from firms where the dollar average would be much higher than that. We just said that it's not acceptable. They do go back to the drawing board, reduce their rates a bit, put in a different mix that's still satisfactory to us, and come up with a figure that will drop that down. That's an ongoing thing.

MR. CLEGG: Just one question. I know in the budget you've drawn up for an increase to the agents. Probably that is the reason, because they are busy.

MR. SALMON: Yes, they're busy, and they're squeezing.

MR. CLEGG: And you cannot negotiate somebody that's busy. If they were slack, you probably would be able to . . .

MR. SALMON: That's right. If they're hungry for a job, that's different.

MR. CLEGG: I thought we were in a recession, and they seem to be getting busier.

MR. GOGO: Mr. Chairman, to Mr. Salmon. Again, sched 2, Audits To Be Performed By Agents: under our present legislation, would agents be CAs, CMAs, or CGAs? Is there any restriction as to the definition of "agent"? For example, how many CGAs would be included in that schedule?

MR. SALMON: There are CGAs in some offices, but there are no CGA firms hired by our office directly.

MR. GOGO: Why is that?

MR. SALMON: We've never ever had any apply.

MR. GOGO: It would be a hell of a good time to start. Does anything in legislation prevent that, to your knowledge?

MR. SALMON: No.

MR. GOGO: So is that at the discretion of your office?

MR. SALMON: Yes.

MR. GOGO: So if there could be cost-effective measures taken by the CGAs doing those audits, you would be interested?

MR. SALMON: Yes, if I felt they could perform that audit in accordance with generally accepted auditing standards, which is one of the criteria for issuing the opinion. That's the crux of the thing. What we're doing on each of these agents, as you realize,

is staying very close to what's done. They issue an opinion to me. Then, based on our review of what they have done and our work with them in completing that job, an opinion is issued with my signature. So I've got to be satisfied, because my signature is going to go on that opinion too. Certainly, if some firm could perform that and we were satisfied, then we would be prepared to . . .

MR. GOGO: So legislatively there's no restriction. That's my point.

MR. SALMON: No.

MR. CLEGG: In many cases CGAs do the work, don't they?

MR. SALMON: Well, there are very few CGAs in CA firms, but there are firms that have CGAs. There are those individuals who can perform as well as a CGA or a CA could do, as anyone else. I know some in some firms that do a very good job. But I don't want to get into a debate here about education or anything.

MR. DEPUTY CHAIRMAN: Well, just as a follow-up to Mr. Gogo's comments, I think under the new legislation they all must adhere to the standards and principles of accounting practice. Otherwise, they [inaudible].

MR. SALMON: Yes, and if they get that body set up that's going to monitor and the firms would have that right to audit, then I think that makes a lot of difference.

MR. GOGO: How many CGAs do you have in your 181 positions?

MR. SALMON: We have one that's almost qualified. We have not as a policy within our office had people come in and take the CGA course. Most of our staff who are not taking CA training are in the CMA program, and we have a number of qualified CMAs on our staff. That's the other organization.

MR. GOGO: Formerly the RIAs.

MR. SALMON: That's right. We have some senior people that have CMAs.

MR. DEPUTY CHAIRMAN: Mr. Salmon, I had a couple of questions. The first relates to this business of the agents, in that you noted that there is an increase in your budget as it relates to agents, arising from both further audit hours by agents and a small increase in their rates at the same time.

MR. SALMON: It's not a very high increase if you consider the rate per hour.

MR. DEPUTY CHAIRMAN: My question really is . . . If we were to pull that out, your overall budget will be decreased on this basis by 2.1 percent. A portion of that is an increase as it relates to agents. I'm wondering if you could give us the percentage of decrease in all areas other than the agents that brings you out to the net minus 2.1 position.

MR. GOGO: Pretty minimal, isn't it?

MR. SALMON: Yes, with the agent figure being about 20 per-

cent of the total. Are you working that out?

MR. HENKELMAN: I'll work that out.

MR. DEPUTY CHAIRMAN: I've got them going.

MR. SALMON: Yeah, he'll have it in a minute.

MR. FOX: Neil doesn't have his calculator.

MR. SALMON: Yes, he's got his calculator.

MR. GOGO: But he's using a red pen.

MR. DEPUTY CHAIRMAN: What I'm getting at, obviously, is what sort of decrease you are proposing in your budget on items that are within your control, essentially.

MR. SALMON: Yes, without taking into consideration the agency.

MR. DEPUTY CHAIRMAN: Because I believe the agents are recognized as sort of a matter . . .

MR. SALMON: It's a difficult one to . . .

MR. DEPUTY CHAIRMAN: . . . that's at least a bit beyond your control; not totally, but a bit beyond.

MR. SALMON: That's right. We have a hand in it, but there's a limit to what you can do.

MR. GOGO: Out of the 181 positions, Mr. Chairman, how many are unfilled?

MR. SALMON: Thirteen as of October, because we just hired some students who came in this last month.

MR. CLEGG: September 24.

DR. ELLIOTT: Mr. Chairman, on that question of vacancies, would they be in what I would call your auditing staff as opposed to clerical or typing staff?

MR. SALMON: Well, I can tell you. Of the 13, seven are audit supervisor staff -- that's the senior people -- and the other six are in the lower positions. In the previous month it was nine in the audit supervisors and the rest were in the lower classifications.

DR. ELLIOTT: Mr. Chairman, I've come up with another question while we're doing our calculations. I was going to ask about the rate for agents. From your answer to an earlier question, I gather that the rate we'd pay the agents for these audits -- there's no negotiation available to us other than . . .

MR. SALMON: Well, we've done the negotiation in the past as we worked with each of the agreements individually. When I threw that figure to you, I was talking about overall average rather than individual areas. We'll find that the rates are lower outside the Edmonton and Calgary areas than they are in those cities. It's just the nature of the costs of operation of the firms.

MR. GOGO: Did you say \$55 an hour?

MR. SALMON: Yes.

MR. GOGO: God, I wish I could hire one for \$55.

MR. SALMON: Well, we were hard negotiators.

DR. ELLIOTT: I've got to say that in the Grande Prairie area, Mr. Salmon . . .

MR. SALMON: It would be less.

DR. ELLIOTT: . . . it would be considerably less than that amount.

MR. SALMON: Oh, that figure, Mr. Chairman, is 3.6.

MR. DEPUTY CHAIRMAN: Minus 3.6 percent, then, in all other areas of the agency.

MR. GOGO: Fifty percent more.

MR. FOX: Less.

MR. GOGO: Or less.

MR. DEPUTY CHAIRMAN: This sort of brings me to my second question. I wonder if you could describe to the members the sort of process you go through relative to a budget building. In other words, do you look at last year's and then take into account general government policy relating to its policy of fiscal restraint and try to move back from that percentage-wise, or do you start from the bottom up on the basis of need and see how it comes out in the final analysis?

MR. SALMON: Mr. Chairman, it is an interesting process in our office because of the uniqueness of the work. Our work doesn't go away. We do have some discretion in the audit workload. However, there is a lot that we do not have; that is, when it comes to year-end audits, any of the financial year-ends are required to be done, and the discretionary work is when we're moving into the area of systems auditing, examining control areas, and so forth. You can't limit that area too much. As soon as you do limit that area, you're getting so that you're not actually out there adding that credibility to government and provincial agencies in the areas of what they're doing with their accounts and the kinds of controls that are there. It sort of leaves you with a financial statement that indicates the position and the results of operations for the year but doesn't add that additional credibility and also doesn't help us complete our requirement under section 19 of our mandate, which is the annual report to the Legislative Assembly.

On that basis and knowing what we are trying to achieve, based on an annual plan which we work out on a regular basis, and then working it down by audit divisions and what we're trying to do on the various audits -- we know the number of hours we need, the kind of work we're trying to achieve, and on that basis our manpower comes out, which is our biggest cost.

There's some flexibility. When we've lost staff and hired in at lower levels, that has some effect. Or we just got a vacancy, and we looked hard at what happened in the last year as well as in the forecasted year and recognized that our vacancy factor

was somewhat less than what we had been including in the previous years and felt we'd bite the bullet and take that vacancy factor at a higher rate this year. So we moved from 3 percent to 6, knowing we might be able to achieve that 6, but we'd probably certainly never achieve the 3, based on the historical facts of the last several years. On that basis, knowing what we're trying to achieve on our plan for the year, we said, "This is our manpower figure."

Then we have the audits we had determined would be done by agencies, and that comes into a factor. The costing of that figure, which is the chart on schedule 2, is based on the cost we determine based on each individual audit plan, not just on a total, not just taking whatever the hours are times 55 but taken individually in determining what those costs are within the year, because you have to remember that there's a lapping. You may have a year-end at August -- and we do have an August year-end on one particular audit -- and that has an effect on when that work is done by that agent. You may have some costs for one year and some costs for another, a little flip along. That is a conglomerate of what those costs would be in that particular year, and it may be the costs from two different year-ends, so it's the costs within the year. It's done very much on a one-on-one basis.

The rest of the costs, which come up to only about 7 percent of our total budget, are also looked at individually, line by line, in determining whether or not we can achieve them.

We looked at our forecast really hard this year and then weighed that against what we propose to try to achieve in '88-89. That's how we come up with our budget. It's a long process, and it's an agonizing process because we recognize that as a general factor government departments are being asked to show heavy restraint. In some cases they may have some opportunity to reduce a program or do something like that. Our workload doesn't go away. We're just sitting there saying, "What do we do? Are you not going to do a job this year, or are you not going to do this?" You know, it becomes a difficult thing to weigh. In order to fulfill the mandate, we just say, "Well, we can squeeze a bit." That's what we've tried to do in coming up with a reduction.

But certainly I don't know the guidelines specifically. All I know is that generally it's there. We don't get any of the direct information from the government on the restraint guidelines they may be putting out. If there are any letters issued from budget bureau we're able to get because we are the auditor, they'll send us a copy if we ask. We have the letter on the original guideline, but there was no indication of restraint. It's strictly what we have heard from word of mouth, and of course we weigh that versus what we feel we must try to achieve in our own mandate.

MR. DEPUTY CHAIRMAN: If you look at the reduction in salaries and wages on page 3, taking the bottom line total, the reduction is approximately \$132,000 from your estimate of '87-88 to the proposed budget for '88-89.

MR. SALMON: Oh. Okay, fine.

MR. DEPUTY CHAIRMAN: That would represent, then, for a major portion of your overall reduction in global terms of your budget, recognizing that that decrease may have resulted, really, from almost a book-entry type of situation -- in other words, forecasting a 6 percent vacancy as opposed to 3 . . .

MR. SALMON: Yes. That's a greater adjustment.

MR. DEPUTY CHAIRMAN: . . . what would you say is the actual reduction in real terms, administratively?

MR. SALMON: What is it?

MR. DEPUTY CHAIRMAN: Yes. In other words, it seems to me that the bulk of the reduction in your budget . . .

MR. SALMON: From the estimates of the budget?

MR. DEPUTY CHAIRMAN: . . . comes from a different assessment of your vacancy position. Instead of 3 you're saying 6, and obviously that isn't a reduction in real terms, in hard figures.

MR. SALMON: That's a deduction in dollars not spent.

MR. DEPUTY CHAIRMAN: Forecasted dollars.

MR. SALMON: Yes, or estimated dollars -- whatever you want to say.

MR. DEPUTY CHAIRMAN: I'm saying: looking at the hard, cold facts of the operations of your office, the administrative expenses that are associated with that, is there any real reduction in those hard numbers, or those real numbers, in the actual administration of your office?

MR. SALMON: I think there is generally, but I'm trying to think of a specific thing that I can relate to. You see, because overall it all has an effect; that all has an effect. Everything goes down. As your vacancy rate goes down, everything else is affected by it as well. Because you're having less dollars in your budget, you're spending less on all these other things that affect you, which is your overall administration, and that's been taken into account. But because it's so small, it doesn't show up as greatly, because really it's your manpower that is your big figure. So . . . These gentlemen might have something specific there that they're thinking of. You see, we reduced -- eh?

MR. HENKELMAN: Andrew was just mentioning that the actual we experienced was about 10 percent last year.

MR. SALMON: Oh, you mean in the way of vacancy?

MR. HENKELMAN: Yes.

MR. SALMON: Yes, it was.

MR. HENKELMAN: We were forecasting that it would have been 6.

MR. SALMON: It was actually -- that's why your forecast is so much lower than what your estimate is. Because, you see, if you look at your forecast versus your estimate, you're really down.

MR. DEPUTY CHAIRMAN: Okay.

MR. SALMON: You see, that's one of them.

MR. DEPUTY CHAIRMAN: The forecast is last year's budget, of course, isn't it?

MR. SALMON: No. The forecast is the current year.

MR. DEPUTY CHAIRMAN: The current year's budget, I mean.

MR. SALMON: Yes.

MR. DEPUTY CHAIRMAN: But budget, not actual.

MR. SALMON: Yes. We know, because of the high vacancy rate, that we're not going to spend . . .

MR. CLEGG: But it's as close as you can get to actual, is the forecast.

MR. SALMON: That's right. So that's really where you're . . .

MR. DEPUTY CHAIRMAN: Oh, okay.

MR. SALMON: Rather than estimate the budget, you see, it's better to go . . .

MR. DEPUTY CHAIRMAN: Estimate forecast.

MR. SALMON: Estimate is an approved budget. The budget is what we're asking for. The forecast is the same as actual.

MR. DEPUTY CHAIRMAN: Okay. The estimate is budget; your forecast is actual.

MR. SALMON: Actual's for the current year.

MR. DEPUTY CHAIRMAN: Okay. I was looking at it the other way round.

MR. SALMON: Right.

AN HON. MEMBER: It should try to mean the same, but . . .

MR. SALMON: Yes. It's the words. That's right.

MR. GOGO: Which comes out of the accountants to begin with.

MR. SALMON: That's true.

MR. DEPUTY CHAIRMAN: All right. Any further questions? Mr. Gogo.

MR. GOGO: Yes. I'm very curious, Mr. Salmon. When the government announced a freeze on hiring, various government departments had unfilled positions. Those positions were frozen. In other words, if you had 10 unfilled positions, they were to remain unfilled, as I understand it. Is that applicable to the Auditor General's department?

MR. SALMON: No. Government will not give us direction. No, they won't tell us to do that, but we'll be encouraged to do it, if you understand what I mean. There's a difference between being directed to do it and . . .

MR. GOGO: Well, with government departments there's no option.

MR. SALMON: Yes, right. That's right.

MR. GOGO: It's zap, you're frozen, to quote a somewhat infamous Canadian. And I'm wondering if that's applicable to the Auditor General. I understand that for you to comply with the Legislative Assembly Act and the statutes, you must do certain things; there's no option.

MR. SALMON: Right.

MR. GOGO: And if you don't write a report to the Legislature, you ain't got a job. It's that simple.

MR. SALMON: I could be held in contempt, or whatever you want to say.

MR. GOGO: So I see a difference there. I just want to confirm that when the government says -- and only the government is allowed to spend money -- or gives instructions that positions are frozen, it's applicable to Auditor Generals. I suspect it's not.

MR. SALMON: No.

MR. GOGO: At least you wouldn't get a directive, then?

MR. SALMON: No, we wouldn't get a directive.

May I just make the comment that the interesting thing about this -- and we need to recognize this problem -- is that within the budget over the years, over recent times, if the government was coming through with any kind of increase in management pay at all in recent years, the departments as well as us have been required to absorb that without any additional dollars. That needs to be recognized. There was a small increase last year, a very small increase, and that is absorbed now. When that's absorbed, that would be included, let's say, in our forecast figure, but it was not in the estimate figure because we didn't know about it at the time. Now, that also has to then be built into the current budget, because that's an ongoing thing.

Now, if the government comes through with some guidelines, and there has been recent direction from the personnel administration office, from the Public Service Commissioner, to resolve some issues that are occurring -- they're occurring in our office, but they're also occurring in other areas of government, where you have anomalies with respect to salary pay between peers or between subordinates and management. There's provision for making corrections, and they must also be absorbed in your budget. If you don't make those corrections, that's the kind of people you would lose, where you've got subordinates making more than a superior because of the management squeeze on pay.

MR. GOGO: A person quitting?

MR. SALMON: That's right. And so there's been recent direction to permit you to do that, as long as you work within your budget. In other words, there are no additional dollars; you've got to work with what's here. So if we're going to correct any of these things, we have to squeeze it out of here somewhere, because it's not in here. It's not built in, is what I'm saying.

MR. CLEGG: You said you were a tough negotiator, and I certainly like to hear that. Do you try and get these agents within the area that the work is being done?

MR. SALMON: Yes, definitely.

MR. CLEGG: Because I could see, you know, when I look . . .

MR. SALMON: We're using agents in Grande Prairie, Peace River, Lethbridge, Medicine Hat, Brooks.

MR. CLEGG: I see the travel budget is \$240,000.

MR. SALMON: But we still have certain audits that we do, yes. We have audits in Camrose and Elk Island.

MR. CLEGG: Yes, I understand that, but I was just wondering -- when I see the budget for these agents, for traveling, is \$240,000, I . . .

MR. SALMON: Well, that's our travel. That's our own travel, not the agents'. The agents' budgets -- it's worked into their fee.

MR. CLEGG: It's in the agents' budget, so . . .

MR. SALMON: No, that's -- where did you get that?

MR. CLEGG: Supplies and Services.

MR. SALMON: No. That's a separate line from your agent. That's our travel.

MR. CLEGG: That's total travel for agents . . .

MR. SALMON: For our office.

MR. CLEGG: For agents and yourself.

MR. SALMON: No. No agents.

MR. CLEGG: Just for yourself. So that when you let out a job to an agent . . .

MR. SALMON: They bill us if there's travel. But if they're doing a job locally there's not a lot of travel costs. Occasionally we've got an agent who travels, but . . .

MR. CLEGG: But that's above their contract?

MR. SALMON: That's worked into the contract.

MR. CLEGG: It's worked in before you get them, then.

MR. SALMON: Yes. We know what they're going to cost us.

MR. DEPUTY CHAIRMAN: Any other questions or comments with respect to the budget? If not, what is the wish of the meeting with respect to the budget?

MR. GOGO: Mr. Chairman, this is my first year at this. I would feel more comfortable -- we're having the three people before us today: the Auditor General, the Chief Electoral Of-

ficer, and the Ombudsman. And my view -- I don't know what the urgency is -- would be to reflect after today on all the budgets. The other members have more experience at it than I have, but what I'm saying is I'm not prepared at this moment to move adoption of the budget proposal. As far as Gogo's concerned, I'd like to give it a little thought later, but that's just my view. Does that respond to your question?

MR. DEPUTY CHAIRMAN: Well, I'm in the hands of the committee with respect to it. Dr. Elliott.

DR. ELLIOTT: Reference was made to experience, and I won't try to recall all the details, but I would not be anxious to try to reach a conclusion on the budget today. I think we should take it as a committee and review it further.

MR. DEPUTY CHAIRMAN: Any other comments?

MR. FOX: If I might ask, then, what are the time constraints as far as your department is concerned, Mr. Salmon? I think we appreciate the quality of information provided us and the way in which you presented it. I'm just wondering: what are your time lines in terms of needing to know what your budget is?

MR. SALMON: It's in your hands because, after all, you have to then present it further, and it's discussed eventually in the Legislative Assembly for your debate on all the budgets. We have no concerns.

MR. DEPUTY CHAIRMAN: Well, then, if that's agreed with the members, what we'll do is take the comments as information purposes for our deliberations and take it from there. Ultimately, if we require you back again for this purpose, and we may call upon you if there are any other specific questions that arise out of our considerations on the budget, we can call you back.

MR. SALMON: Fine.

MR. GOGO: Mr. Chairman, with regard to number 12 on the agenda.

MR. DEPUTY CHAIRMAN: Yes. Just to raise that, on our agenda we have the matter of the salary of the Auditor General, which is customarily dealt with in an in camera session with you alone.

MR. SALMON: Right.

MR. DEPUTY CHAIRMAN: We would certainly want to hear from you with respect to that subject, and what the Chair proposes to the meeting is that we move into in camera briefly to hear from you on that, and then we will further deliberate on the agenda when that item comes forward again later on this afternoon, if that's agreeable.

MR. SALMON: That would be fine.

MR. FOX: Mr. Chairman, are we overlooking items 6 and 7? Should we deal with them while Neil and Ken and Andrew are here too?

MR. DEPUTY CHAIRMAN: Yes, we certainly should deal

with those. Let's move, then, to item 6. Thank you, Mr. Fox.

MR. GOGO: Does the Auditor General have a copy of that?

MR. DEPUTY CHAIRMAN: No. It's a discussion of the audited statement of your office, which members have received a copy of.

Have you any comments to make, Mr. Salmon, with respect to the statement?

MR. SALMON: No direct comments, Mr. Chairman. We are very satisfied with the approach of the auditors and the conduct of the audits as they've come into our office. We have tried to give them our co-operation with respect to completing the audit. We feel the statement's fair, and of course we're happy with their auditor's report on our statements. If there were questions by members of the committee with respect to any detail, we would be able to probably answer those, if you so desire.

MR. DEPUTY CHAIRMAN: Mr. Fox.

MR. FOX: I'm just -- I'm sorry.

MR. SALMON: I guess just as another thing, Mr. Chairman, we wouldn't mind asking the question whether or not you have appointed the auditors for the next year. That's another issue, and possibly of consideration by the committee.

MR. DEPUTY CHAIRMAN: I want to bring that forward on the next item of the agenda, so if we deal with the auditor's report here first . . .

MR. SALMON: Okay, that's fine.

MR. FOX: The figures we have, Don, in your proposed '88-89 budget include figures for '87-88, the current year estimate and forecast. In the figures provided in the audited statement here, on page 1, it's identified as 1987. Is that in fact '86-87?

MR. SALMON: Right. March 31, '87.

MR. FOX: Okay. So those are the actual expenditures in the previous fiscal year.

MR. SALMON: Yes, in the previous two years. Right.

DR. ELLIOTT: This audit statement introduces the question: rental of equipment. What about rental of space and the utilities in the operation of the office? Where does that show?

MR. SALMON: All absorbed by the Department of Public Works, Supplies and Services, as they do for all departments.

DR. ELLIOTT: That helps with your \$32 an hour.

MR. SALMON: Yes.

DR. ELLIOTT: Thank you. You heard that.

MR. DEPUTY CHAIRMAN: Any other questions [inaudible]?

MR. FOX: We'll save the ideological struggle here.

MR. DEPUTY CHAIRMAN: Mr. Salmon, the audited report of Reid & Cameron, the wording of it. It talks about . . .

MR. GOGO: Do you want that adopted as well, that auditors' report? Are we on the next item now?

MR. DEPUTY CHAIRMAN: No, we're still on the same: the auditors' report on the statement. The second paragraph: In our opinion, our financial statement represents fairly the revenue and expenditure of the office for the year ended so-and-so, in accordance with the disclosed basis of accounting considered, quote, right in the circumstances.

MR. SALMON: Right.

MR. DEPUTY CHAIRMAN: Is that the normal wording of an auditors' report?

MR. SALMON: That's the normal wording in all of those instances where you find that within provincial agencies and government departments and the government itself, where equipment is purchased in the year, because it's budgeted within the year it's written off in the year and there is no depreciation. That's not in accordance with generally accepted accounting principles, but it's appropriate in the circumstances because it's government.

MR. DEPUTY CHAIRMAN: I see.

MR. SALMON: That's the only difference.

MR. DEPUTY CHAIRMAN: Is a motion required with respect to this report? Is it appropriate for us to -- it seems to me we would receive that as information, really, wouldn't we?

MR. SALMON: I believe that it's been received in the past as information by the committee and accepted, possibly. I don't know whether you actually accept it or not, but you're satisfied with what the auditor has done, and then the appointment of the auditor comes, following that.

MR. DEPUTY CHAIRMAN: Does any member wish to make a motion with respect to this, or do we feel we should receive it as information?

MR. CLEGG: I think so. I would be prepared to do that, Mr. Chairman, that we accept this audited statement of the Auditor General.

MR. DEPUTY CHAIRMAN: You're moving that we're accepting the auditor's report of the office of the Auditor General.

MR. CLEGG: That's right.

MR. DEPUTY CHAIRMAN: Okay. All in favour of that motion?

HON. MEMBERS: Agreed.

MR. DEPUTY CHAIRMAN: Carried.

MR. SALMON: By the way, Mr. Chairman, this occurs in the Public Accounts.

MR. DEPUTY CHAIRMAN: The next item relates to the position of auditor of the Auditor General's office. There's apparently an amalgamation between Reid & Cameron and Peat Marwick, and I know that you have had some communications with the chairman of this committee in that connection. I wonder if you can brief members with respect to that situation.

MR. SALMON: Okay. Thank you. The situation is that they have merged. They are maintaining separate offices for a number of years. They're staying within their own premises in the west end of Edmonton, under the name of Reid & Cameron. They are affiliated now with Peat Marwick, and therefore they will be able to have access to all of Peat Marwick's national office direction and even their international connections.

We wrote the chairman indicating that Reid & Cameron were not an agent of the office -- Peat Marwick is; we would be willing to live, if you chose, for a year or two, if you'd like . . . as our auditors, as long as they could still sign as Reid & Cameron, which they will be doing anyway with some of their audits, if the committee so choose. However, when the time comes, and it's only been a year -- is it a year?

MR. HENKELMAN: Two years.

MR. SALMON: Two years? You have tended to leave them for five or six years. You may not want to do that with this firm, but we certainly would be willing to live for a couple of years at least with them, if you wanted to, because they will be operating under the name of Reid & Cameron. We have difficulty with appointing a firm that is also an agent, because of the independence here, and so I guess we'll leave it to the committee for that decision. But we would be willing, if you wanted to leave them, because they will be able to sign still as Reid & Cameron. They're operating in a different office.

MR. DEPUTY CHAIRMAN: Just a quick question before we go to Mr. Fox. When they sign as Reid & Cameron, is that strictly a fiction?

MR. SALMON: No, they are Reid & Cameron. In fact, their letterhead at the present time shows both. It shows Peat Marwick and Reid & Cameron.

MR. DEPUTY CHAIRMAN: It seems strange that they could be both involved.

MR. SALMON: Well, actually there was a merger recently with Deloitte with Samson Belair in Quebec, and they are now fully merged, but Samson Belair in Quebec are going to carry on as Samson Belair.

MR. DEPUTY CHAIRMAN: Sounds like a marketing ploy.

MR. FOX: With respect, sir, there are an awful lot of things in law that are strange.

Could Mr. Salmon give us an idea, in schedule 2, Audits to be Performed by Agents, which of those involve Peat Marwick, so we can get an idea of the scope of their involvement with the department? Is that on a contractual basis? Are we obligated to Peat Marwick to do work for you as agents for some period of time?

MR. SALMON: Mr. Chairman, may I answer that question by

saying that at no time has this office ever supplied anyone with the matchup between the firm and the audit. Now, we don't care if publicly somebody talks about it, and a lot of the firms know who does what for what. We do acknowledge all of the firms in our annual report, and this committee is the only one that sees a list of the audits that are actually performed by agents. I want to make that clear before I make my comment.

So therefore, to stick with the same rule, Peat Marwick Mitchell do two audits on that list, and each audit on that list is renewed each year. In other words, we do not give a long-term commitment to any firm. It's a year-by-year basis on performance, et cetera, and then we renew if we're satisfied that we want them to do it for another year. That's how we do our rotation too; we just don't renew. We take it over and put out other jobs and so forth. So on that basis, yes, we are committed in a sense to a couple of jobs on here for Peat.

MR. FOX: For the coming year.

MR. SALMON: Oh, yes.

MR. DEPUTY CHAIRMAN: Any other questions?

MR. FOX: Yes, because they'd be doing that audit effective March 31, or whenever. The fiscal year-ends vary for all of these groups too, don't they? So they're ongoing.

MR. CLEGG: They're all changing.

MR. FOX: Because my inclination would be, Mr. Chairman -- Reid & Cameron has audited the office for a couple of years, I think you said, and it's my understanding that we're generally satisfied with their work -- that in the interests of continuity it would be advisable to go with them for a while. But I'm not comfortable with the Peat Marwick aspect of it, and I'd be inclined to want to get out of that relationship. Now, from the corporation's point of view, Peat Marwick, Reid & Cameron, they may find their function as agents to be more lucrative . . .

MR. SALMON: They would resign.

MR. FOX: They'd rather be agents than audit the office.

MR. SALMON: Oh, sure. [Inaudible]

MR. FOX: Well, it may not be a problem functionally. There certainly is a problem with appearance. They're not unlike Coopers & Lybrand being appointed to involve themselves in the Principal case.

MR. SALMON: Right. And we'd be prepared, if the committee would like us to, to make some suggestions for other auditors, or we would be prepared to go, if you're quite happy to go, for at least one more year. We have no problem, seeing this is just a year of change.

MR. DEPUTY CHAIRMAN: Any other questions or comments with respect to this item? If not, if someone would make a motion . . .

MR. FOX: Let me ask another question. My understanding is that if we reappoint Reid & Cameron -- that's for them to audit the '87-88 fiscal year -- their contract would carry them some-

time past March 31.

MR. SALMON: They'd be done probably in June or July, would they?

MR. HENKELMAN: Yes, end of July.

MR. DEPUTY CHAIRMAN: Our appointments are year by year.

MR. SALMON: That's right.

MR. DEPUTY CHAIRMAN: It's just an informal practice to keep an auditor in a position for a period of years so that we don't get a constant turnover.

MR. FOX: So we may in fact be dealing with a situation where our involvement with Reid & Cameron as your auditors ends in six or seven months if we renew their contract. Our involvement with Peat Marwick as agents for two of this list of audits may in fact be wrapping up right now. We don't know that. I mean, depending on when the respective year-ends of these various agencies occur.

AN HON. MEMBER: That's for next year.

MR. SALMON: But the problem occurs in that we may not be in a position to draw back on those that they're doing now because of commitments within the office to have certain audits out on our rotation, and we're not really prepared to take that back internally from our own staff point of view.

MR. FOX: What I mean, perhaps, is: if they're doing Red Deer College and St. Mary River Irrigation District audits, and those two groups have year-ends effective December 31, are we dealing with that term, or are we dealing with -- you know, in this year's budget we're dealing with the one they do at the end of next year, so there is a . . . I'm just trying to get a handle on how much overlap in . . .

MR. SALMON: In both of their audits they're both March year-ends, so they'll be going way back in beyond next year.

MR. DEPUTY CHAIRMAN: If the committee members are happy, I would entertain a motion approving that we meet in camera to do the audit of the office of the Auditor General for the fiscal year ending March 31, 1988.

DR. ELLIOTT: I'll move that motion, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Moved by Dr. Elliott. Any discussion on the motion? Agreed?

HON. MEMBERS: Agreed.

MR. DEPUTY CHAIRMAN: Carried. Okay. That's items 6 and 7 that we had on our agenda. At this point in time I would entertain a motion to move the meeting in camera. May I have that motion?

MR. DROBOT: I so move.

MR. DEPUTY CHAIRMAN: All in favour?

HON. MEMBERS: Agreed.

[The committee met in camera from 10:27 a.m. to 11:03 a.m.]

MR. DEPUTY CHAIRMAN: Item 8 on our agenda is the review of the Chief Electoral Officer's budget for the 1988-89 budget year.

Welcome to Mr. Ledgerwood. Pleased to have you here and to review the terms of your budget, which has been distributed to all members of the committee. They've had a chance to review it, and I'm sure a number will have several questions in connection with it. But perhaps you might start and give us a bit of an overview with respect to the budget and any other matters that you feel should be brought to the attention of the committee.

MR. LEDGERWOOD: Thank you, Mr. Chairman. When we presented the budget last year, it was quite a free-ranging group of questions that were directed this way, and I would be very pleased to conduct the meeting in a similar fashion, in that I think it's a good opportunity for committee members to get an appreciation of just what goes on in the office.

The budget itself, you can see, is a very simple budget. It's designed to meet the requirements of current legislation. You'll notice that we have three separate categories. The administration category basically runs the office, pays the wages and benefits, provides office supplies, and looks after the requirements of the Election Finances and Contributions Disclosure Act. The election element is self-explanatory. We have a requirement to get our supplies and materials and to train our returning officers well in advance of an election. The actual election costs are covered by a warrant, so the moneys you see in the budget are basically to start building up those supplies and to train the returning officers.

The enumeration, of course, is the big event in this year's budget. You'll notice that the administration costs are basically the same. The election costs are basically the same, but the enumeration costs are up by \$3.4 million, and I expect that we'll go into a lot of detail on that.

Now, would you like to start with the administration element and go through each one?

MR. DEPUTY CHAIRMAN: I think that might be useful.

MR. LEDGERWOOD: So if everyone would turn to page A1 -- and how would you like to handle this, Mr. Chairman? Just go through each one or answer questions?

MR. DEPUTY CHAIRMAN: I think if you could go through it at least on an overview basis and point out anything that is perhaps unusual or different trends or circumstances that you see in the future that might be relevant, then we'll come back to specific questions later.

MR. LEDGERWOOD: Okay. Starting off on Manpower, the salaries that you see forecast for 1988-89 are our current salaries, in that we don't forecast what any pay increases will be. The pay increases that are awarded we normally absorb within our budget. If we're unable to do that, there is a contingency fund available. So the wages are our current wages; our salaries are our current salaries. The wages -- this is half a man-year for office staff that we bring in from time to time, extra office staff.

The Employer Contributions are shown later at section A5. Basically, these are the contributions that we are required to pay for. I think you're aware that there have been changes in the government where each department is now self-accounting, so these are the costs for employer contributions.

The Allowance and Benefits are basically courses that my staff go on, so that if somebody wants to go over to the university and take a course on improving their writing skills -- that type of course. You can see that our change in that is under \$1,000 from last year.

MR. DEPUTY CHAIRMAN: Excuse me. I was having difficulties with the estimate forecast, et cetera. You referred to your '88-89 forecast, which is really the budget that you are proposing, of course. 1987-88: is that an actual estimate of how you're going to end up at the end of the current fiscal year, or is that your last year's budget?

MR. LEDGERWOOD: That is last year's budget. What you see there is the '87-88 estimate, and if you'd review last year's, you'd find that that was our forecast from last year.

MR. DEPUTY CHAIRMAN: Right. Do you have any figures to show about how you are going to come out this year in relation to that budget?

MR. LEDGERWOOD: On the administrative element we'll be very close to that figure. On the others, as we get in I'll show you where we have flexibility.

MR. DEPUTY CHAIRMAN: You might just make reference to that in the other elements. That would be good.

MR. GOGO: Well, that should really read, Mr. Chairman, 1988-89 estimates; that's what it should read. The forecast is an actual expenditure.

MR. FOX: You see, the reason for the confusion is that we just dealt with -- the Auditor General was using some different terms, so it's . . .

MR. DEPUTY CHAIRMAN: And the chairman was off on the wrong tangent.

MR. CLEGG: Don't feel bad, Fred. It took me five years, and I was on an MD 19 years before I could figure out estimates.

MR. GOGO: Mr. Chairman, under Manpower, could I ask Mr. Ledgerwood what is the manpower complement?

MR. LEDGERWOOD: We have a staff of eight. Myself and my deputy are required under the Election Act. We have two managers, a director of election operations, and a director of registration. We have a receptionist at the front desk, a clerk, my executive assistant on the administrative/secretarial side, and we have one storesperson.

MR. GOGO: So there's no way you could get by with less than that?

MR. LEDGERWOOD: Unfortunately, no. If we eliminate the storesman, that's a 100 percent reduction. If we eliminate one of the girls, that's a 33 percent reduction. If we eliminate one of

the junior managers, that's a 50 percent reduction.

AN HON. MEMBER: John, have you been over there to the office?

MR. GOGO: No.

AN HON. MEMBER: We went over last year once again before the meeting.

MR. LEDGERWOOD: Yes, I would invite you to come on over, and within an hour we can do a nice orientation tour.

AN HON. MEMBER: It's very helpful.

MR. LEDGERWOOD: So the Supplies and Services you can see are basically the same as last year, just over \$1,000 difference. Any questions on any of those?

MR. GOGO: You must use the RITE telephone system pretty frequently.

MR. LEDGERWOOD: We do; we use it almost exclusively. You'll notice that we do have in there a cost for telephone use in that we accept collect telephone calls at any time from anywhere in the province.

The fixed assets: we bought a PC last year, and of course we won't be buying anything on the admin side this year.

So if there are no questions on the Administration Element, I'd request that you go to section B, which is the Election Element. Again, basically what we're doing here is purchasing election supplies and funding for returning officer training. People tell us that we don't need to train next year because the election won't be till 1990. However, we don't operate on that philosophy; we feel that our returning officers should be prepared at any time. We have 20-plus new returning officers, and we have to train them all.

MR. GOGO: Could you share with the committee, by way of information, when you plan those schools? Because I know you have many new returning officers that were appointed.

MR. LEDGERWOOD: Okay. What we're doing right now, those that have been appointed have had their orientation and familiarization training, and we do that in Edmonton. We're currently short four returning officers. I hope that this week we will have two of the vacancies filled, and we will conduct their orientation and familiarization training on November 12 here in Edmonton.

On November 17 and 18 we'll conduct our mapping seminar, and this will train the returning officers to prepare their maps for the upcoming enumeration in September of '88. Then on the 24th and 25th we'll conduct a similar seminar in Calgary. What we do is divide the province north-south basically at Red Deer, so that we train the northern urban -- that is, Edmonton, St. Albert, and Sherwood Park -- as a group, and then we train the rural north of Red Deer as a group. We give the returning officers in Red Deer an opportunity so that they can either go to Calgary or come up to Edmonton. Then we run a similar urban session in Calgary, where we have the Calgary returning officers and the Lethbridge and Medicine Hat, and then a similar rural one, where we have the returning officers south of Calgary.

So that will be the training that we do in the immediate fu-

ture for the returning officers. Then in March we'll have another training session for them, and at this time they should have completed their maps. As a matter of fact, we should have the maps almost ready to go to the parties by March. So in March we will then train them on the specifics of the enumeration: how to select enumerators, how to train enumerators. We try and standardize the training so that each returning officer operates exactly the same way, and we'll do this -- the basic training vehicle will be a series of flip charts, so that even the weakest returning officer who's not well versed in public speaking can train the enumerators simply by using the flip chart and the training aids that we'll provide.

MR. GOGO: When you say maps, do you mean poll maps?

MR. LEDGERWOOD: Electoral division maps divided into polling subdivisions. They have to provide a legal description of each polling subdivision, and particularly in the rural areas, if they haven't been working with the legal descriptions, it can be a bit of a problem. Also, this year we're trying to encourage the returning officers to select polling places where they have level access, and this may mean that they can't use the community hall that they used previously. They may have to use one down the road a few miles, which may then require the boundaries to change a little so that that particular voting station is more in the centre of the polling subdivision.

AN HON. MEMBER: Back to the Anglican church hall.

MR. GOGO: Is this for the handicapped? Is this what you're getting at?

MR. LEDGERWOOD: We're trying to accommodate the handicapped people.

MR. DEPUTY CHAIRMAN: May I just ask a question that relates to the Election Element, the \$100,000? Do I understand it correctly, that those are actual expenditures made, or is it sort of a sinking fund type of concept, where actual moneys are set aside relative to the Election Act?

MR. LEDGERWOOD: No, these are moneys that we will spend. The report that we publish on any activity . . . For example, the enumeration, election, or by-election, the total moneys that are spent on that particular element -- the money that we spent last year, the money that we spend this year and up until the election -- all that money will show on the election report. Where we get involved, of course, is: how do we show the honorarium for the returning officers? Do we show that against the enumeration? This year there's no problem; it's the year when we have both an enumeration and an election. But the moneys that are approved here we spend, and then that money is shown on the report. We don't break it down by the year that we spent it. But all the money that we spend on the Election Element, those costs are again reflected when we publish the report.

MR. DEPUTY CHAIRMAN: Any further questions with respect to the Election Element? We'll move along to the enumeration then.

MR. LEDGERWOOD: Okay. The enumeration -- and I think you will have some specific questions in this area.

MR. FOX: Do you have any comparison, Mr. Ledgerwood, as to how this compares with previous enumerations? Are we going about it in a different way, or is it pretty much the same procedure as it was three years ago?

MR. LEDGERWOOD: It's very similar to the 1985 enumeration. One of the problems with the enumeration is that we have to budget for two enumerators for each polling subdivision. Now, in an urban riding it is a requirement by the Act that we have two enumerators for each polling subdivision. In the rural it's the choice of the returning officer. We have budgeted for the worst case scenario when in actual fact we know that all the returning officers will not use two enumerators for each polling subdivision, but we have to budget for it.

So what we're looking at -- we had 4,556 polling subdivisions at the 1986 general election. The returning officers are just in the process of revising their electoral division maps and dividing them into polling subdivisions. We anticipate it's going to be very close to that number, so what you're looking at is 4,550 polling subdivisions with a possibility of two enumerators per polling subdivision.

MR. FOX: And that's the \$16,000 figure there?

MR. LEDGERWOOD: No, no. Do we want to go through it?

MR. DEPUTY CHAIRMAN: Sure. You go ahead, and then we'll ask our questions.

MR. FOX: It would be educational, I think.

MR. LEDGERWOOD: Okay. On the Manpower, those wages there are really just the part-time people that we bring in to assist us during the enumeration. We receive upwards of 10,000 claims within the first week after the enumeration finishes. We try and process those claims very quickly. We were successful last time in that we had all but a handful of claims processed and the cheques issued and in the hands of the enumerators within five weeks of the enumeration finishing, and we would hope to do that again. So that \$16,000 is for those part-time people that we bring in.

The Employer Contributions, of course, is just a percentage of that because they are not provincial employees and aren't in on all the group plans and one thing and another. There is a requirement that we give them a bonus because we don't give them holidays or coverage by group plans.

The Travel, at \$120,000: this is basically the travel by the returning officers to attend the training sessions and also for their travel during the enumeration period, in that they have to go out and train their enumerators; they have to select them. While they're out there, they normally go around and, particularly in the rural areas, check the community halls and plan ahead just exactly where they're going to have their polls. So that's their travel. And then, of course, the big amount, over \$90,000, is for the actual travel of the enumerators. We don't pay urban enumerators' transportation costs. They should be close enough to the area they're going to enumerate that there shouldn't be any travel costs. But the rural enumerators, of course, we have to pay them 24 cents a kilometre. There is a requirement that they visit each residence at least once, and we encourage, if no one is home, that they go back at least once more. Then if there's no one there, then leave the card advising them where to call so they can get their names on the list of

electors.

Did you want to go into the breakdown of the \$120,000? Because I have the figures here that I can give you for the travel by the returning officers to attend training sessions, their travel during the setting up of the enumeration, the travel by the enumerators themselves. I've got a complete breakdown. I don't know, Mr. Chairman, how . . .

MR. DEPUTY CHAIRMAN: Only if there's a specific question.

MR. FOX: Not for my sake. I'm satisfied.

MR. LEDGERWOOD: Okay. The Advertising, at \$110,000; we spend about \$35,000 of that, and the returning officers spend the other \$75,000.

MR. GOGO: Should we put questions as we go through, or . . .

MR. DEPUTY CHAIRMAN: I think that might be -- it would keep us on topic here.

MR. GOGO: Well, on that matter, in Lethbridge-West and Lethbridge-East, too, on the maps that they put in the paper in the last election you could not read the street names and so on. I mean, that was a bloody disgrace. Did that guidance directly come from your office, that the size of those ads would be that way, that you couldn't read them?

MR. LEDGERWOOD: No, no. We pretty well leave that to the discretion of the returning officer. However, we don't like to see them, for example, in the *Edmonton Journal* take a full page to show an electoral division; it costs about \$5,000. But in the urban and rural papers outside of Edmonton and Calgary that's left to the discretion of the returning officers. We provide them good quality maps, and a lot depends on the quality of the print that the papers actually use.

MR. GOGO: These were about an eighth of a page, and you just couldn't -- I just raise that because I've commented to you about that before. But it's their discretion?

MR. LEDGERWOOD: It's their discretion. As you know, the returning officers at an election have several items that they have to put in the paper, and if they go down and get a good salesman, sometimes the salesman will sell them a full page to put an ad in that really should only be a maximum of a quarter page. But the electoral division maps we normally print at a fairly decent size. I don't know whether you remember the ones that were in the *Edmonton Sun* last year, for example. They were a full page, but we got a special price on those because we actually had an 18-page insert, and we'll be looking at the success of that particular venture in the next general election.

MR. DEPUTY CHAIRMAN: That sort of gives rise to a more general question with respect to the discretion that they do have. Do they operate under sort of a separate budget that they individually have to maintain, or do they have full discretion and they could spend whatever they wish and that must be absorbed ultimately in your budget?

MR. LEDGERWOOD: Well, yes and no. We provide guidance on what they should spend, how many people they should hire

in an office, what the going wages are for secretarial help. But you can't set a standard in that the returning officers may or may not type themselves. If you look at the election, you will find that the support staff in many electoral divisions was zero; in others it was up around \$3,000. The particular one that was up around \$3,000, when we found out that a lot of it was family help, the second invoices came in much reduced. But they are responsible for the conduct of the enumeration, and they have power of attorney, because each one is a little different, to conduct that event. That's why I say that when we look at one of the costs, the very high cost of enumerators, we budget for two enumerators per polling subdivision, but we know that not every electoral division will be enumerated by two individuals.

MR. DEPUTY CHAIRMAN: Any other questions?

MR. GOGO: Not on that point.

MR. LEDGERWOOD: The Freight and Postage: straightforward. The major cost there, of course, is the transportation cost of getting the supplies out to each of the returning officers.

Rental of Property, Equipment, and Goods includes the rental of office space. We have a provision in the fees and expenses for \$300 a month for an office. Now, many of the returning officers use their own homes, but because they have to allow the public access to their home -- the public can come in and look at the list of electors -- we feel that even though they charge us the \$300 a month, that's a reasonable fee. So what we're looking at there is the \$64,000 for the office rental. Many of them have to rent typewriters, and many of them have to rent space to train the enumerators. Many of them can get classrooms in a school, sometimes at no cost. Sometimes they have to rent commercial space. So that cost is included in that \$64,000.

MR. FOX: That's for a period of one month, the rental?

MR. LEDGERWOOD: No, it's actually two months. You will recall that the enumeration is from September 15 to 30. There is a requirement to train the enumerators prior to that date, so the returning officer normally sets up her office about September 1, and the revision period is the Thursday, Friday, and Saturday of the second full week in October, so she has to have an office at that time. And the requirement is that she -- I use "she" because most of our returning officers are women -- has to have the data to us by the end of October. So normally from September 1 till the end of October.

Now the big cost here, this \$3.412 million on Professional, Technical, and Labour Services: this is the main cost, and I think we appreciate how labour-intensive enumeration is. Eighty-eight percent of the costs are personnel costs for fees and wages.

MR. GOGO: That's on the basis that they get paid per name.

MR. LEDGERWOOD: They get paid per name, right. But they have a basic fee. They're paid \$100 basic fee, they're paid \$50 for attending a training course, and then they're paid 50 cents a typed name. We estimate that there will be about 1.519 million electors at the 1988 enumeration.

MR. GOGO: How does that compare with the last one?

MR. LEDGERWOOD: Just slightly over what it was last time. As you know, there are all kinds of figures available, so we just sort of took the middle line on expansion. It gave us, I think, a good workable figure. Did you want to go into a breakdown? That's the largest item.

MR. DEPUTY CHAIRMAN: I think that might be useful, because, as you say, it is a large item.

MR. LEDGERWOOD: Okay. The returning officers receive a monthly honorarium of \$75. There are 83 of them, so for that particular year the monthly honorarium amounts to \$74,700. They receive a basic fee of \$1,000, so that's \$83,000. They also receive 10 cents a name, so that's \$152,000. There is a three-day revision period, and they receive \$125 a day for the revision period, and that amounts to \$31,000. They attend at least two training sessions in our office, and they're paid \$125 a day to attend the training session, so that's \$20,000. They also conduct training seminars, and they're paid \$250 for the seminars. It doesn't matter whether they conduct one or 10; they only get the \$250. So that's another \$20,000. They're also paid \$200 to revise their electoral division map, so that's \$16,000.

We talked about the basic fee of \$100. So that's \$910,000.

MR. GOGO: That's to the enumerator, though.

MR. LEDGERWOOD: Yeah. I've now switched from the returning officer to the enumerator. The enumerator has a basic fee of \$100, so that's \$910,000. They receive the training fee, which is \$455,000, and then of course the 50 cents a name is \$1,519,000. They're also authorized to hire staff, and we estimate that cost at about \$40,000. The other expense in that is that we have to print the list of electors, and we estimate that at about \$80,000. And there you have the \$3,412,000.

MR. GOGO: Now, is the enumerator required, following enumeration -- the enumerator must make two visits if a person is not home; is that correct?

MR. LEDGERWOOD: We encourage that. The Act says at least one. We encourage at least two.

MR. GOGO: And if people are not home, do they use information from neighbours?

MR. LEDGERWOOD: No. What they do is leave a card. It's a callback card, and it says basically: you were missed on the enumeration; please call.

Because we have had problems with some unstable people calling, what they'll do, particularly if it's a young woman, is just put down a name and call Jean, for example, at her home number. So during the enumeration period she will accept calls as Jean and action those calls. After the enumeration period is over, then anybody that calls for Jean, of course Jean doesn't live there anymore.

MR. FOX: Her name might really be Mary.

MR. LEDGERWOOD: Right. Her name might well be Mary.

MR. GOGO: Well, once they have these names, are they required to submit them to the returning officer in a typed form?

MR. LEDGERWOOD: They must be typed. They will not be paid unless they provide a good, legible copy of the list of electors. It's going to be more important this time than previously, in that we had about 33 names on a page of electors. We're going to go up, and it will be very close to 70 names on the list. I think you're aware that previously you had 33 names on a list of electors, and it was just one sheet. They weren't printed on the back. At the last election we printed on both sides. The feedback was good, and we saved literally tons and tons of paper.

As an experiment we used the electoral division of Stony Plain. We typed the list on -- I think it's just over 70 names to the page. We gave the DROs both lists, the one with 33 names and the one with about 70, and most of them liked the one with 70. So we're going to design some forms that will come out with about 70 names on a page. This will cut our printing costs by a large factor.

MR. FOX: Are you looking then at 70 per side or 35 per side?

MR. LEDGERWOOD: No, 70 per side.

MR. FOX: So it would be 140 on a page.

MR. CLEGG: With bigger pages, bigger printing, or . . .

MR. LEDGERWOOD: We'll use the other one, eight and a half by 11; we'll use that same size sheet. But what we'll do -- that sheet was designed when we didn't have typewriters and people had to print and had to print large. With the typewriters now we can type 70 names to a page with no difficulty at all.

AN HON. MEMBER: By using two columns.

MR. LEDGERWOOD: No, just one column, because you need the data on a column. But what we'll do is use shading about every fifth name or so, so it will be very easy to track across. Also, we issue all the DROs with rulers so that they can track across very easily.

MR. FOX: So you're eliminating the lines, then, on the pages too, because they were ruled out, weren't they?

MR. LEDGERWOOD: No, they'll be ruled out so they can see where to type.

MR. FOX: Oh, okay.

MR. GOGO: So that would be typed legibly and turned in to the returning officer.

MR. LEDGERWOOD: Yes. The requirement is that the enumeration is September 15 to 30. Then the returning officer gives the individuals a couple of days to get their typing done, and the returning officer receives them, examines them. If they meet her standards, then she will process the claim. If the lists of electors are not in a satisfactory condition, then she wouldn't pay the enumerator, and if she has to hire somebody else to retype it, she will then pay that individual and take it out of the enumerator's fees. That is explained. It's one of the very first things the returning officer explains during the initial training session.

MR. GOGO: But the typing comes, by the enumerator . . .

MR. LEDGERWOOD: By the enumerator.

MR. GOGO: They're at 50 cents a name; right?

MR. LEDGERWOOD: Fifty cents a name.

MR. FOX: For each enumerator?

MR. LEDGERWOOD: For each enumerator.

MR. FOX: Yeah. So it ends up being \$1.10 per elector in total, if there are two enumerators in each . . .

MR. LEDGERWOOD: Yeah. Fifty cents for each of the enumerators and 10 cents for the returning officer.

MR. DROBOT: Are there any problems in regard to enumeration regarding only a single letter being used in the first name? You may end up with several J. Smiths.

MR. LEDGERWOOD: The elector has an option of giving you Mr., Mrs., Ms; Christian name and surname; or one initial, two initials, and surname. It's up to the individual.

MR. DROBOT: I see.

MR. FOX: Isn't there a requirement though that -- I understood you to say last year that you don't like to use people's first names on the voters' lists along with addresses, because then they're public information and people can determine who are women living alone and that sort of thing. Is that . . .

MR. LEDGERWOOD: But it's up to the electors themselves. Particularly a lot of seniors like their Christian names.

MR. FOX: Okay.

MR. LEDGERWOOD: The other item there, Fixed Assets, we're going to get a dot matrix printer for our personal computer. We find that the laser printer is good, but it takes too much time and is too expensive to operate. I think you can appreciate the number of receipts that we process, and rather than do it on the laser printer, we're going to get a dot matrix and process them. Because the enumeration is the next thing coming, we will charge that to the enumeration element.

MR. DEPUTY CHAIRMAN: Okay. Any further questions on the enumeration element?

MR. LEDGERWOOD: I guess the only other thing is the purchase of office equipment. We have a mailing machine and an electronic scale, and the lease expires on February 1, 1989. They will not renew that lease, and we're going to have to purchase a new mailing machine and a new scale.

MR. FOX: Is it Pitney Bowes or . . .

MR. LEDGERWOOD: Whoever is competitive. We have Pitney Bowes now. We're quite satisfied with the equipment, and their servicing is really good.

MR. DEPUTY CHAIRMAN: I gather that section D of your budget is just sort of an elaboration or further breakdown with

respect to the other elements.

MR. LEDGERWOOD: What D is is the input format required by the Budget Bureau. We actually prepared this budget last July and had it to the Budget Bureau in August so that they could input that data, and that's the format the Budget Bureau requires.

MR. GOGO: Mr. Chairman, the Chief Electoral Officer -- this was announced in the Legislature -- reports through this committee. I think that's the process -- is that right? -- on matters other than budget. Today we're only dealing with budget, but just out of curiosity, because I haven't been on this committee: Mr. Ledgerwood, if there were legislative proposals or regulation proposals that you thought would make elections easier in this province, more effective, how would you as Chief Electoral Officer handle that? Would you raise that with the chairman of this committee? I just raise it because he's here now. I don't know when we're going to meet him again.

MR. LEDGERWOOD: No. I actually have a couple of reporting channels. The items that you mention -- we have some proposals right now for changes to both the Election Act and the Election Finances and Contributions Disclosure Act. My entrée to cabinet is the Deputy Premier, so the Hon. David Russell has those proposals. I have been down and briefed him on those.

MR. GOGO: So we're not concerned.

MR. LEDGERWOOD: No, you're not in that chain. The other Act that I administer, the Election Finances and Contributions Disclosure Act, I table my reports through the Speaker. Similarly, any violations of the Acts, the report is tabled through the Speaker.

DR. ELLIOTT: You talked about preparing this budget last July to submit to the budget people. Is this what you're referring to, John? How do we catch up to this? Are we going to approve this? If we have to approve the budget and we don't like it and we make alterations to it, how does that catch up to the system?

MR. LEDGERWOOD: Whatever changes are made, then of course we just pass those on to Budget Bureau. This is their initial planning. As you know, they plan well in advance, and they wanted that data for their initial input last August.

MR. GOGO: I'm happy.

MR. DEPUTY CHAIRMAN: Any other questions?

I guess I was a little bit taken by sort of the freedom of the returning officers. I realize the necessity for having flexibility in the system, but I was just wondering about your thoughts with respect to any need for an incentive or a control over a lot of the areas that relate to expenditure that are under the total discretion and jurisdiction of the returning officers. I know that you have your guidelines and your suggestions, but we're talking about actual controls.

MR. LEDGERWOOD: We monitor it very, very closely. Although we give them power of attorney to do everything, on many of the items we restrict them until we give final approval, in that some of them are just unaware of what the rental is in the

marketplace and sometimes don't appreciate the fact that some of the realtors and the owners of property figure that because it's a government agency, we will just pay any price for rental. So we provide guidelines in that area, for example.

The same as renting equipment: we provide guidelines on that. And we provide guidelines on hiring staff. If people don't follow the guidelines -- of course, we get to know the returning officers very well. We try and operate as a team, and if somebody is out of line, of course, the next time we have a training session, we're not adverse to pointing that out. Of course, we publish everything, and we pass copies back to the returning officers, so there is a lot of peer group pressure as well. They know exactly who spent how much in the various categories.

MR. GOGO: My experience is that they run a very tight ship over there with the returning officers.

MR. DEPUTY CHAIRMAN: Okay. Any further questions or comments?

MR. GOGO: Not on that matter.

MR. FOX: Well, I'd just like to say that I appreciate how thorough and well presented your budget information is. You know, it makes it very easy for us to understand and follow, given that we're only exposed to it once a year. It makes our job a lot easier.

MR. LEDGERWOOD: Thank you very much.

MR. DEPUTY CHAIRMAN: May I ask the meeting if they feel they wish to proceed with respect to this budget presentation in the same manner in which we dealt with the Auditor General?

MR. DROBOT: I would, yes.

MR. FOX: Well, perhaps if I might, Mr. Chairman, I'd like to ask Mr. Ledgerwood -- what we did with the Auditor General's budget was say, "We're satisfied with what we were presented, but we'd like to take some time to consider it." Are there any time constraints on you in terms of when this is approved in its final form? I mean, what are your guidelines? What are your time . . .

MR. LEDGERWOOD: Well, as you know, this budget runs from April 1, so we would certainly have to have it approved well prior to that date.

MR. FOX: Yeah, but we do have some latitude.

MR. GOGO: In terms of two or three weeks.

MR. LEDGERWOOD: Oh, no problem at all, sir.

MR. FOX: Because I think the sentiment with the earlier budget was that we did want to take a little bit of time as a committee to come to understand it a little better.

MR. LEDGERWOOD: When you're reviewing it as a committee, if you have any questions, just call and I'll try and clarify any questions that you have.

MR. DEPUTY CHAIRMAN: May I just add to Mr. Fox's comments that we do appreciate the way in which it is laid out for us because it does make it quite easy, and your explanation on it, the sort of line-by-line thing, is particularly helpful because of the unusual nature of the year in which we do have an enumeration. So we will take your submissions under advisement for our further consideration relative to the budget.

MR. GOGO: Would we consider number 13 while he's here?

MR. DEPUTY CHAIRMAN: Yes, we'll do that, and I will entertain a motion to move in camera so that we may proceed to that.

MR. GOGO: So moved.

MR. DEPUTY CHAIRMAN: Agreed?

HON. MEMBERS: Agreed.

[The committee met in camera from 11:47 a.m. to 12:06 p.m.]

DR. ELLIOTT: I want to make just a short statement, Mr. Chairman, about the recent meeting of the organization known as the Council on Governmental Ethics Laws, which I attended on behalf of this committee in Quebec city. I just want to make a statement, while Mr. Ledgerwood is here, that the Canadian group hosted that conference for the first time outside of the United States. The council is growing considerably. Many, many more jurisdictions are becoming members, and that includes the Canadian group. While all Canadian organizations aren't in there yet, the ones who are made an excellent job of hosting it.

I wanted to compliment our Alberta operation for the involvement they had with the people from Quebec and Ottawa. Pat's involvement was more than just casual, because he had a major contribution in the preparation of the registration kit as well as chairing sessions and hosting several of the activities.

That's with respect to that council. The other thing I wanted to make reference to is the number of times that I as an elected member at that meeting received compliments from other people across Canada and the U.S. with respect to the system we have in Alberta for managing our elections and looking after our enumerations, the types of things we've been talking about. Now, I know we've said the same thing after meeting with the Ombudsman, but apparently we are on the cutting edge when it comes to how we handle elections and the confidentiality, the control, the low level of opportunity for fraud and all the other good things that can happen in an election. We are truly looked to as out front in that area. That to me was encouraging, being an Albertan, and I just wanted to make reference to that when Pat was here.

MR. DEPUTY CHAIRMAN: Thank you very much, Dr. Elliott. I certainly was sorry that family circumstances prevented me from going, because the agenda did look very interesting as well. It's very interesting to get that report. Is there anything you would like to add?

MR. LEDGERWOOD: Well, as you know, the topic was election ethics, laws, and basically millstones or milestones. I think we've made good progress in our legislation, so the general feeling was that we've made milestones and that the legislation is

not a millstone.

MR. DEPUTY CHAIRMAN: That is an annual convention, is it not?

MR. LEDGERWOOD: This is an annual convention. The next one will be in Orlando, Florida. I believe it's December 3 to 7, 1988.

MR. FOX: Would that be something we'd host at some point in the future?

MR. LEDGERWOOD: Well, Canada has hosted it now. I would think it would be at least 10 years before Canada would host again. We're held in very high esteem by my colleagues, and certainly we would make a bid for it.

MR. FOX: So it would likely be in the United States for nine years.

MR. LEDGERWOOD: Oh, it will be in the United States for the next nine or 10 years.

DR. ELLIOTT: Yes, this is the first time it's been outside.

MR. LEDGERWOOD: The first time it's been outside the United States was in Quebec, and that's why we all assisted Quebec to put on, as Dr. Elliott says, a really first-class conference, very good feedback.

MR. FOX: I gather from talking to you about it in the past, and Dr. Buck as well, that being exposed to other jurisdictions you begin to realize just how much sleaze permeates other electoral systems and how fortunate we are to have . . .

DR. ELLIOTT: Mr. Chairman, did you know that Paul Revere padded his expense account? He tried to put his horse on the payroll.

MR. FOX: Really?

DR. ELLIOTT: Yeah. He got nailed for it.

MR. DEPUTY CHAIRMAN: A little bit of trivia there.

DR. ELLIOTT: Some of the stuff you pick up from going to these things . . .

MR. DEPUTY CHAIRMAN: Okay. Perhaps we will adjourn now, until 1:15 perhaps. It might be a good idea to reconvene at 1:15. The Ombudsman will be here at 1:30.

[The committee recessed from 12:11 p.m. to 1:30 p.m.]

MR. DEPUTY CHAIRMAN: May we come to order. I believe the Ombudsman is just outside with a member or two of his staff as well, officials. Are there any matters to come before the committee before we proceed with that? If not, we'll . . .

MR. FOX: I think we need to be aware of the fact that there may be reporters here and there may be a request coming to us from the Ombudsman.

MR. DEPUTY CHAIRMAN: We're on the record.

MR. FOX: Okay. Well, we need to be prepared for what may come.

MR. DEPUTY CHAIRMAN: Right.

First, on behalf of all the members of the committee, may I welcome Mr. Trawick and Mr. Arcand to our meeting today. We have been meeting with the other two officers this morning and reviewing their budgets and taking under consideration submissions they made. As far as format is concerned, what we would recommend if it's suitable to you is for you to provide us with some sort of overview with respect to the office and its budget, and then we can proceed from there on the basis of the submission you have made. With that, I'll turn it over to you, Mr. Trawick.

MR. TRAWICK: Mr. Chairman, I have one matter of a personal personnel nature. When it arises, I'm going to ask Mr. Arcand and the press to leave, because it's something that's not of a public nature. Other than that, I think the report will be . . .

MR. DEPUTY CHAIRMAN: The committee has the opportunity at any time, upon motion of a member, to move into an in camera situation.

MR. TRAWICK: I should say that naturally that was subject to approval, but that was the proposal I was going to make.

We have provided to you our budget for operations for the next following year along with a covering letter. I could briefly review that with you and then hopefully answer any questions the committee might have. You will see that in the budget estimates there is a net increase of \$44,600, which is in part because of clerical workload and in part because of an overrun in expenses that we're experiencing this year in our communications because people are making very solid use of the Zenith numbers that have been set up around the province, which my predecessor thought was highly important and which I do as well. Basically, those two matters I think provide the majority of the increase that is being requested.

I did have one notation to make in my covering letter, that it had been my intention to cover a minor expenditure, which is my annual fees for the Law Society of Alberta, some \$700 a year. That was not specifically part of any negotiation for my position. It seems to me it's valuable for me to remain on the active list, but that is certainly subject to any comment by the committee. If the committee does not feel it's appropriate, it'll be dropped from the proposed budget.

MR. DEPUTY CHAIRMAN: May I just ask a general question to start off with? I've had trouble in this position this morning in trying to make clear what the difference is between estimate and forecast. You've got a 1987-88 estimate and 1987-88 forecast. Usually, one of those relates to the current fiscal year's budget as it was determined, and the other represents an estimate or a forecast, as the case may be, of the actual figures as they will come in at the end of that fiscal year. Here I'm even more confused, because it appears that we have a 1987-88 estimate and a 1987-88 forecast. Both are identical in every respect. Now, that's got to be very, very good budgeting, or else they're in the same . . .

DR. ELLIOTT: Good forecasting.

MR. DEPUTY CHAIRMAN: Good forecasting or good budgeting -- one or the other. I'm wondering if you might just explain so that we know what we're talking about and what we're dealing with here.

MR. TRAWICK: Perhaps Mr. Arcand might explain that, because that's part of the [inaudible] documents.

MR. ARCAND: Okay. Your understanding is basically the same as mine, sir, so it must be correct. The '87-88 estimate represents the amount that has been approved in this year's estimates. It's our budget for the current fiscal year. The '87-88 forecast column can be used to represent our best estimate or forecast at any particular point in time as to how much of this year's budget we are likely to spend. It would be extremely unusual if the two figures were to correspond as precisely as they do here.

We have not been using the computer system which this document is a product of to reflect our forecast figures; rather, we have been doing that as an internal review exercise within the office, taking the expenditures which we have produced by, again, the computer system at any point in time, looking at that, and forecasting over the balance of the year what's likely to happen. We have done that kind of manual review. The amount we think we are likely to spend in this current year is very close to what we have estimated, but it's not precisely the figure as you see it.

MR. DEPUTY CHAIRMAN: I think it might be useful to have that information. After all, we have to see whether or not, for example, last year's budget turned out to be realistic in light of the actual expenditures that are now coming through. So for the determination of next year's budget -- rather than comparing budget to budget, I think it's good to bring some real, hard figures into the scene. We would want that as a committee in the overall process of reviewing your budget.

MR. TRAWICK: Well, certainly we can give you that today, Mr. Chairman. It is quite true, of course, that in the past the office has underspent -- sometimes fairly substantially -- the amount that has been budgeted. You're probably familiar with that. I think this year we'll be very close.

In overall summary terms, in the three categories that are available -- Manpower, Supplies and Services, and Fixed Assets -- our approved budget for Manpower for the year is \$680,400, and our projected spending will be \$672,460, so that's very close. Our Supplies and Services budget was projected at \$211,800, and we projected to spend \$222,900, which is a little more. The Fixed Asset projection of \$4,000 we expect will be correct. So this year we expect to expend about \$895,000. Our approved budget is \$896,200, so we're expecting to come in at the end of the year with perhaps a \$1,200 surplus.

Just by way of notation, Manpower also includes provision for the Ombudsman's salary from the time I have come on. There was, of course, a hiatus there that saved some money, but the expenses that will probably be incurred for the secretary on wages for five months at \$1,000 per month that we need and filling the vacant investigator position for six months at \$36,000 per year will probably pick up that general difference. We have had one investigator position vacant, as I think you know, since Mr. Sawyer left. We need that investigator. It is an approved position in the budget, and right now we're looking very hard at filling it.

Travel expenses will be substantially underspent because of the fact that there was no Ombudsman in place, but we think that underspending will be met with the charging of my moving expenses in accordance with the policy that is available for people who are hired at my level. We think those will balance off fairly closely, so there will not be a substantial shortfall there. Next year we of course expect that travel expense budget to be spent. As you're well aware, the International Ombudsman Conference, which some of my staff may attend, is in Australia, which will be an expenditure. We think we will be able to do that within the expenditure we have proposed, which is in line with last year's expenditure. So we're not looking for any increase in the next year, but we expect that will be spent. Of course, during the remainder of this year and next year we're going to do a lot more in terms of touring the province and bringing the office out to various places in the province. I've already accepted some engagements in that regard, and I have a person in my office working on organizing them. So we expect that budget to be spent.

This year we will not spend the advertising budget. That is one of the things that is under. We're projecting to spend about \$6,000 out of \$15,000. Next year we expect to spend the \$15,000, and we've rebudgeted that figure. The reason we expect to spend it is because we think there is very little utility in going out to rural areas unless we're doing some advertising that the Ombudsman will be in the area and will be available to deal with matters. Probably some radio advertising is what we're looking at.

The telephone budget is substantially overspent. We expect we will be spending some \$12,000 as opposed to a budget of \$5,500, so there'll be a \$7,500 overspending there. The reason for that is that my predecessor put in a system whereby, while the RITE number is there and is used to contact the Ombudsman in larger areas of the province that maintain a RITE centre, in all small areas the telephone directory contains a Zenith number, which is a toll-free number to the caller so that they can reach our offices. That of course results, however, in long-distance expense. The Zenith number is being overspent. I have looked at that, and my view and my recommendation to the committee is that that be continued in any event. We get a lot of calls on the Zenith lines. I think it's highly important that people in the smaller rural communities have direct access. The only other way they can access on a toll-free basis would be get a Zenith number to connect them to the RITE number, and then apparently -- and don't ask me how -- there's some way in which that billing doesn't come through in the end. But it's very complicated and makes access difficult, and it seems to me that our office should have direct telephone access to anyone in the province.

So that may explain some of the actual changes, up and down, between what we are spending and what has been budgeted. I don't know if there's much more we can help you with.

MR. DEPUTY CHAIRMAN: That's fine. Thank you very much. I think that's very helpful. I sort of interrupted you too, Mr. Trawick, with respect to getting launched with respect to the overall discussion of your budget, so carry on as you see fit.

MR. TRAWICK: I prefer to answer questions rather than speak.

MR. DEPUTY CHAIRMAN: Mr. Gogo.

MR. GOGO: Yes. Welcome, Mr. Trawick.

Marcel, how many communities did the Ombudsman or his office visit in Alberta in this year to date? For example, 10, 20, 30, 40, 50?

MR. ARCAND: Probably closer to 20 than 10.

MR. GOGO: Mr. Trawick, you had indicated before that one of your primary goals was to see that the Ombudsman's office had a profile throughout the province. Just in general terms, could you indicate whether it would be your wish to visit 10, 20, 30, 40, 50 communities in the coming year? I know you've given that thought, but have you firmed it up to where you could give it an educated guess?

MR. TRAWICK: No, I have not, Mr. Gogo. My intention -- and I have somebody working through the file right now -- is to go through the file and, if you will, take a plan or a matrix off of the visits so that we can attempt to see that every major area in the province is visited, hopefully at least every two years and maybe even more often than that. But I want to get a better idea of what's been done over the past year so that we can do it in quadrants. Because it seems to me that if you're going to do speaking engagements and take personnel from your office out with you and probably set up some visual display and that sort of thing, you had better do it on the basis that you might go out for four or five days at a time and deal with a quadrant of the province.

Those are my general plans. As far as saying how many communities are visited, I think I would be better able to say that by the end of my term I believe that every community is going to have had nearby access -- that certainly doesn't mean we'll be in every community, because some are quite small -- to the Ombudsman's office at least twice. That's an overall ambition I have.

MR. GOGO: So that's the primary reason the travel budget is requested as it is, even though it's grossly underspent this year?

MR. TRAWICK: Yes, it is grossly underspent this year. I think if we're successful in what we're going to do, it won't be grossly underspent.

MR. GOGO: Are contract employees primarily solicitors you hire?

MR. TRAWICK: No, that's in purchased services, if you're hiring outside solicitors. In general terms, contract employees have been investigators that we have on contract. We have a number of people on contract. Also, last year there were two people in Calgary, who were in turn replaced with a permanent employee, who were hired on a per diem basis to do some investigation on some overload problems. There is also some contracting for temporary secretarial services. The Calgary office needs a little bit more than one secretary at times. It needs some backup when that secretary is away on holidays or is ill, and on occasion we've had to have other assistance in the Edmonton office.

MR. GOGO: But the bulk would be investigators. Is that the item?

MR. TRAWICK: That's correct. And you must remember, Mr.

Gogo, that now some of our employees that are considered to be permanent employees are on contract status. One of the things Mr. Sawyer wanted to achieve was having a number of people on contract status that would be renewable every year rather than having permanent, long-term employees. Most employees coming on were either given the choice or were hired -- the labour investigators -- as contract employees.

MR. GOGO: With regard to advertising, you've indicated that you're planning to have a presence on the electronic media, probably radio or television. Are you planning major advertising in the press with regards to that?

MR. TRAWICK: At the moment we haven't looked at any major advertising in the daily press, if you will, in the major cities. In the past in order to publicize the Ombudsman going out there has been advertising in the weekly newspapers. We're going to do an experiment when we go into the northeast quadrant, trying one of the radio stations that gets a very high listenership, probably as well as the weeklies because weekly advertising is very inexpensive. In any event, we'll see how it works. We haven't at present planned a campaign for the Calgary or Edmonton newspapers. Frankly, we've been doing so well on free publicity with them lately that we thought we'd save some advertising dollars and maybe wait for a year or so until interest has died down and then see.

MR. GOGO: Marcel, you chaired the Ombudsman conference, and you're well aware that Ontario went on a program of access to rural communities. It may sound like the chicken-and-egg thing, but the net result of that was a 40 percent increase in complaints to their office. Have you advised the new Ombudsman that as a result of his touring this could well be the case? Is there provision built into the budget to accommodate the increased workload?

MR. ARCAND: We have not had the detailed kind of discussion which would be required, Mr. Gogo, to get into that. But based on our experience under Mr. Sawyer's ombudsmanship, we do know that the presence of an Ombudsman or one of his representatives in a rural area of the province does generate increased interest, usually increased complaints, and increased work. So that's a natural consequence. Up to this point we have been able to manage to conduct those investigations with the number of investigators that are on staff. I would not at this time predict that the numbers are going to increase so dramatically that it's going to overload the system as far as what an investigator can realistically handle in a reasonable period of time.

MR. GOGO: So the committee could assume this proposed budget would accommodate them?

MR. ARCAND: I think that's a fair assumption at this point, and that's the one we're making.

MR. TRAWICK: We're expecting that with the addition of the person we don't presently have -- that one position being vacant -- there is certainly a little room with our existing investigators to do a bit more, and of course Mr. Arcand does investigations as well, as one of his duties as executive director. Since he's being freed from his duty as Acting Ombudsman, he is going to be spending 50 percent of his time on investigations. So we

think we will have enough manpower to handle the increase. I'd like to be able to come back next year, though, and say that we have had such an increase that the year following we'd need more people, but we'll see how successful the program is.

MR. GOGO: Well, you understand and appreciate, I think, that the committee has to give consideration to a workable budget. A workable budget simply does not mean in July of next year a request for a special warrant to carry on what you in fact generally, in terms of business, notwithstanding a matter that'll come up later by the Ombudsman . . .

MR. TRAWICK: We're not looking at that.

MR. GOGO: Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Now, we'll give you an opportunity to give us more of an overview, then proceed in whatever manner you wish through the budget, and then we'll come back. Or would you prefer to have questions as we go?

MR. TRAWICK: I'd prefer questions as we go, if people have them.

MR. DEPUTY CHAIRMAN: All right. Well, that's fine.

MR. TRAWICK: It's important to note that we haven't built in anything for any contingency for something like the Principal matter, which will come up later. I think it's impossible to figure out a contingency budget for something as unusual as that. I don't think this is the kind of office that should maintain a surplus budget just in case something comes up. I think we can be more realistic than that in our projections.

In talking about workload, I might point out that the general workload at any point in time is 120 active files being examined. This year to date we've had 634 written complaints, which is about where one would expect it to be in accordance with earlier years, and 293 of those have been accepted for investigation. What we have seen is that we've had 4,163 oral complaints, and of course our office reacts to oral complaints in various ways and in some ways acts on an entrepreneurial basis to put people with the right people and get things resolved. So they do take up time. That is as opposed to 3,000 oral complaints as of last year. So we are up very substantially on our telephone work and very substantially on the work that arises out of the telephone calls.

Returning to the budget, I think I've dealt with most of the matters in which we're looking for some form of increase and have given you an idea about that. I really don't think there's anything in terms of increased costs where the costs have differed from last year's budget that I haven't covered.

You may have a question about the salary increase that appears to have been built in. Again, many of our investigators are on contract. The noncontract employees are getting the salary increase that has been approved across the board throughout government, which is of course very minor. The contract employees, of course, if they were not permanent employees would move up a category as time went on, and some of the government employees have moved up a category because they are now subject to the long-service increment. All those have simply been built in. They are all increments that are not discretionary increments, as I understand it, within our salary grid. But they are required increments because our undertaking to our

contract employees is that they will be paid the same as if they were employees of government, and of course they get a little additional money because they give up some benefits. So maybe that serves to explain any salary increase matters.

I have a couple of general matters I would like to raise with the committee about different questions.

MR. FOX: Could I ask a question about salaries before you move on from there?

MR. TRAWICK: Yes.

MR. FOX: Looking at the page that sort of breaks down manpower control group increases, which of those numbers 1 to 7 are explained by the general salary increases approved for permanent government employees and that you're able to grant the contract people as a result of that?

MR. TRAWICK: Mr. Fox, number 1 is the \$60 per month salary increase that we're talking about, and number 4 -- in other words, number 1 is the general \$60 per month that has been allowed. Number 4 are the 1988-89 -- those are called merit increases. What they are is that two permanent employees are now eligible for the long-service increase in accordance with the personnel policies of the government. Four contract employees are now eligible for increments because they've been there long enough that were they salaried employees, they would move up to the next category. So that's where that point is.

MR. FOX: And number 2 is the increased salary for the now-established senior investigator position? You have that position established, do you?

MR. TRAWICK: Yes. During this last year Ed Chetner, who is one of our most senior investigators, was moved up to an official senior investigator position. He then moves up into a management rank, and that is the increase that's attached to that.

The special salary adjustment to the one contract investigator: one of the contract investigators who was hired was hired on the basis that there'd be some later adjustment to make it equivalent to the type of position he would be compared to, and that adjustment was made. Both of those were made by my predecessor.

MR. FOX: Item 5: does that amount include some of the benefits package that wasn't assessed to the salary?

MR. TRAWICK: I have no different benefit package than my predecessor at all.

MR. FOX: I didn't think so, and I'm confused by the figure because I didn't understand there was . . .

MR. TRAWICK: That great a difference?

MR. FOX: Yeah.

MR. TRAWICK: I am not a subject of the pension plan.

MR. FOX: That's right.

MR. TRAWICK: I've opted out of the pension plan.

MR. FOX: So the pension portion of it is attributed to the office's budget rather than . . .

MR. TRAWICK: To the salary.

MR. FOX: Right. Thank you.

MR. TRAWICK: Of course, number 7: every time there is a little bit of a raise, you've got to send more money off.

MR. FOX: Right.

MR. DEPUTY CHAIRMAN: Further questions from members on the matter of salaries or any others?

The investigator position that I gather you are about to fill will be on a contract basis as opposed to a salaried position?

MR. TRAWICK: My predecessor felt strongly that he wanted as many people as possible on contract. I'm not sure whether I would feel as strongly. For example, there are certainly benefits available to someone who becomes a permanent government staff member that if you had a younger employee with a family they would want and would not want to give up. Since the cost to the office is the same, I would have to say I'm not any more enthusiastic about one concept than the other. The suggestion seemed to be that if they were on contract, they could move in and out of the office a little more easily, but I don't think that's a problem.

MR. DEPUTY CHAIRMAN: In which category is that particular position now budgeted?

MR. TRAWICK: It's in contract. I think all new positions were budgeted in contract after Mr. Sawyer changed it. But if someone came to us and wanted the job and was good but needed to have those benefits, I would say that we would look to hiring them as opposed to putting them on contract. I don't think we'd turn down a highly qualified candidate because of that differential. At least, that's my view.

MR. GOGO: Well, Mr. Chairman, just on that point: Mr. Trawick, if somebody wanted to be hired by you under a contract position as ABC Investigation Company Limited and have the paycheque go that way, is that a concern of yours?

MR. TRAWICK: We haven't had to face that. There are certainly . . . Treasury Board approves all of our contracts and requires that our contracts be in a particular form. My general understanding is that that type of contract is outside what we could do. But if it were within what we could do, I wouldn't see anything offensive.

MR. GOGO: No, I'm just curious as to why Brian Sawyer would have had a preference for that as opposed to a permanent position.

MR. TRAWICK: I think his preference was that if people didn't work out, it was easier to deal with.

MR. FOX: You mentioned in your opening paragraph there, Mr. Trawick, that the clerical workload has increased in both Calgary and Edmonton and you're budgeting for one additional clerical position. Is that going to be in one office or the other, or

is it going to be a halftime position?

MR. TRAWICK: No, it's going to be a position in the Edmonton office. The way we're set up, we do a lot of the correspondence for the Calgary office out of Edmonton in any event, which we're able to do.

MR. DEPUTY CHAIRMAN: Dr. Elliott.

DR. ELLIOTT: I think my question has been answered. Thank you very much.

MR. FOX: Mr. Chairman, if I understood the conversation with you and Mr. Arcand earlier, are we going to receive figures that would show a difference between the estimate and forecast figures for 1987-88?

MR. DEPUTY CHAIRMAN: That was my first request. Since that time, of course, a number of figures have been provided to us by Mr. Trawick as he went through it almost line by line.

MR. FOX: Yes.

MR. DEPUTY CHAIRMAN: If members would like to have some sort of line-by-line document that would set those figures out, I'm sure Mr. Arcand could provide us with that.

MR. TRAWICK: Mr. Chairman, for our purposes Mr. Arcand prepared a handwritten sheet that really is what I'd given you material from. Certainly, if you wanted to copy it and hand it around, I'd have absolutely no objection, if people don't mind it being handwritten. It's certainly accurate.

MR. ARCAND: Or, alternatively, I could make these changes and send them in to the secretary.

MR. TRAWICK: Well, we could send them in, or we could simply have this copied now and handed around if you wish.

MR. DEPUTY CHAIRMAN: What's the feeling of the meeting? We might get a . . . Why don't you go ahead and prepare it? We're not in any big rush that we need to handle it, so I think that would be better for our records as well.

MR. ARCAND: Very good, sir.

MR. DEPUTY CHAIRMAN: Mr. Fox? Oh, that was your question.

MR. FOX: Yes.

MR. DEPUTY CHAIRMAN: Are there further questions on any specific line-by-line matters that any member wishes to raise?

MR. FOX: Another question, I guess. You make note of the fact that the salary levels for investigators are low in comparison to other jurisdictions. Is that something that's not being addressed by the increases proposed in the manpower control group?

MR. TRAWICK: It's not addressed in this budget. It is something that I'd like to get a feel from the committee about be-

cause it's something we would probably like to address in the next following budget. That's why it's mentioned in the letter.

MR. FOX: So with these increments proposed here, there'll still be discrepancies in your view in terms of . . .

MR. TRAWICK: Yes.

MR. ARCAND: This has nothing to do with merit or annual performance adjustments. It's a basic total review and possible reclassification of the type of position called Ombudsman investigator.

MR. FOX: Yeah. Would it be proper to request that the committee be provided with some further information on that for future consideration?

MR. TRAWICK: Yes, and in fact we would like to do that. I'm concerned about three things, I think, with investigators. The first is you want to attract good people. I think the second is you want to keep good people. The third point you have to remember is that all of our investigators operate at the same level. There's never any room for promotion. I suppose they could become the Ombudsman if they applied after five years. There is a senior investigator in Calgary and Edmonton, but those positions aren't really delineated as being much in the hierarchy.

Our pay comparisons are lower than in other jurisdictions. What we wanted to do was to raise it with the committee now and then provide you with some information after the meeting that we've begun to derive to show that compared to British Columbia, Ontario, Manitoba, or Saskatchewan we're probably -- well, we are clearly lower. We think our investigators are as good as or better and that the nature of the position is such that it should be classified upwards.

MR. FOX: Can you give us some idea of what we're talking about here?

MR. TRAWICK: In British Columbia an investigator's salary would go from \$44,200 to \$52,200 compared to our category, which is \$28,400 to \$35,700. B.C. is the highest. In Ontario you have three levels. You've got an investigator per se, which is \$34,000 to \$39,500 and which is about \$5,000 higher than our grid. Then there's a senior investigator that goes from \$43,500 up to the director of investigations, which is up to \$50,000. In Manitoba their grid is \$32,000 to \$39,000, and then there's a senior investigator grid of \$35,200 to \$43,000. In Saskatchewan their grid starts about the same place ours does, and that's \$28,000. But it moves up as high as \$40,000. So in each of those provinces there's at least the opportunity to move past our maximum grid, which is \$35,736.

So we're talking about a difference of a fairly substantial amount of money for the same job, and I like to think that our investigators are certainly encouraged to be more entrepreneurial than any of the investigators you see in the other provinces. Our system is not nearly so rigid, and they're given much more freedom to make suggestions concerning problem solving and do it very well. So I would certainly like to see them within the grid, if you will, that you can see established across the country.

MR. DEPUTY CHAIRMAN: But speaking entrepreneurially, if

we've got quality investigators and the market indicates that those quality investigators are available at the prices we are paying, do we automatically move up to another province just so we say we can meet those?

MR. TRAWICK: No, I don't think that's . . . I agree with you there. What I'm concerned about is that I've got a number of investigators now that are very close to retirement. I'm concerned about replacing them with quality people, and I'm also concerned about the fact that the only reason we've been able to get good quality people as consistently as we have in the past is that primarily we have been hiring people who are retired from other positions. Therefore, since they already have their pension in hand, they're not that concerned about salary. We need a wider focus in the office. Not that there's anything wrong with those investigators, but, for example, retired RCMP officers: we certainly have more complement of those than the population mix would justify. We need some younger people to replace them; we need women. We don't have enough women working in our office. I want to be able to attract the kind of people that will meet that complement.

DR. ELLIOTT: Does a retired MLA qualify?

MR. TRAWICK: Oh yes. We would love to have one.

MR. FOX: At the low end there.

MR. CLEGG: We're used to the low end.

MR. GOGO: That raises a question. Are there professional qualifications for investigators?

MR. TRAWICK: Basically not.

MR. GOGO: So it's a merit system.

MR. TRAWICK: Yeah. In the past the office has tried to look at a mix of people who had investigatory experience, and we've always had one with a journalistic background. But there hasn't been any other real basic requirement.

MR. GOGO: The reason I raise that, Mr. Trawick, is that in the educational profession, as you know, for each summer school you go back to and receive another degree, it's incumbent upon a school board to pay you for that. That doesn't exist in your office, as I understand it. It would be on the merit system. What you're saying is, "Hey, if we're going to have good people who work in this business, we're going to have to pay the money." Is that what you're saying?

MR. TRAWICK: If we're going to attract them in the first instance. Our investigators have very varied backgrounds. All of the investigators we presently have, from my limited experience of just about a month, are very good, although they operate in different fashions. I think it's one of those jobs where you have to assess the person's ability rather than look to a specific form of qualification.

MR. GOGO: If I could ask you a question -- this would be for Marcel -- on number 1 on the attached page, page 3, I guess it is. Was the \$60 a month the result of a collective agreement with the union?

MR. ARCAND: Yes, it was.

MR. GOGO: That was applied to the general service, wasn't it?

MR. ARCAND: It was, and this is reflecting in the budget, after the fact, something which has already occurred.

MR. GOGO: And managers got \$600 or \$700 long-service.

MR. ARCAND: The same figure.

MR. GOGO: Okay.

MR. FOX: There are some solicitors on staff too.

MR. TRAWICK: One.

MR. FOX: One?

MR. TRAWICK: Yes.

MR. FOX: And he's a contract employee?

MR. TRAWICK: He is a contract employee. He also is . . .

MR. FOX: Is his salary level reflected here? Is it low in comparison to others?

MR. TRAWICK: The solicitor is paid differently, and his salary level is kept in accordance with what one would expect he would be paid if he worked for the Attorney General's department and then modified to the extent necessary because it's a contract position; in other words, to compensate for benefits that would not be given.

MR. FOX: So we're not dealing with that here.

MR. TRAWICK: No, although you should remember that everybody in our office that is not support staff does investigations. Our solicitor spends about 50 percent of his time handling investigations as well, as of course does our executive director, Mr. Arcand. As do I, for that matter.

DR. ELLIOTT: Mr. Chairman, I'm wondering about this business of the workload. I'm relating that to the higher profile and more visible office in your tours around the province and this sort of thing. My experience as an MLA is that complaints or concerns can come in various categories. There are some that are very real and sincere and others that just sort of say, "Oh, by the way, I'm glad I came to church this morning because I've been wanting to talk to you." You seem to flush these things out. You wonder, if you'd keep your head down sometimes, you'd save yourself an immense amount of work but still not shortchange the public on being available to serve them. I'm wondering, have you seen enough information come into your office since you've been there to determine the real sincere concern, where people need an Ombudsman but up to this point didn't know there was one, or are people taking advantage of an Ombudsman because he happens to walk past them?

MR. TRAWICK: The oral complaints, if you will, which may be the nonserious complaints -- because we either help the people reduce them to writing or ask that they reduce them to writ-

ing if there's something we should be dealing with -- are way up, as you will see, but they are not necessarily way up because I've been there for three weeks and there's been publicity. It does appear that our phones and our front office, if you will, have been busier than they have in the past. It's hard to say whether that will happen on a long-term basis. Our office cannot entertain and investigate a complaint until it's reduced to writing. We can talk to people about it and ask them to reduce it to writing, but under our Act we can't act unless it's reduced to writing in some fashion. So people have to be serious enough to at least participate with one of our investigators in reducing it to writing if they don't do it on their own. I think that weeds out a lot of what you're talking about.

DR. ELLIOTT: Yes, it does.

MR. TRAWICK: From that point on, I just think for the foreseeable moment we have the capacity, unless there's some great floodgate, to handle it. We could increase our capacity. Our turnaround time is very good in the office, and as far as I'm concerned, we could certainly get through any year -- if we didn't have the Principal problem -- without going back to a special warrant, in my estimation, if you budgeted properly before that year. You might have a little bit of a slowdown in turnaround time, but you must remember that we're a last resort rather than a first resort. While it's important that the public be served quickly, it's not important that they be served the following day. So we could. Our projection is we'll be able to do it.

DR. ELLIOTT: You might have more feel for this, too, after you have made your tour around the province. You know, in one swing you might get an indication of what's sort of out there.

MR. TRAWICK: We have looked at what happened after Mr. Sawyer made his swing. He did extensive touring in the last year that he was the Ombudsman, and it certainly produced an increase, but it wasn't an unmanageable one. I would hate to think I was so charismatic that somehow people would be coming out of the woodwork to deal with me.

DR. ELLIOTT: Some people in this province feel that cabinet ministers, for example, might visit some particular area and local town councils say: "My goodness, the Minister of Municipal Affairs is coming to town. We've got to think of something to ask him while he's here." This is a fact. It happens. I've been on town councils; I've seen it happen. They actually will sit down and concentrate on how they're going to approach this minister and make supposedly good use of his time, whereas they didn't have a problem until he showed up. I was wondering if that reflects in your work too.

MR. TRAWICK: It may. We certainly haven't seen it yet. To some extent -- we've certainly had three or four written complaints that have said, "Look, I saw you on TV or something, and here are my concerns." And they're not jurisdictional. But I think you'll always have those.

MR. GOGO: I wasn't a member of the committee last year, Mr. Chairman. I look at the success Marcel had during restraint and cutback in getting a 10 percent increase in the budget for '87-88, and now this year it's about half of that, which would be -- it's not expressed as a percentage -- about 4 or 5 percent, as I under-

stand it, \$44,000 or \$45,000. I know that Culture went through a 16 percent reduction, I know Education went through 3, and so on. I'm just kind of curious, Mr. Chairman, how Marcel managed to convince the committee last year not only to avoid a cutback but to achieve a 10 percent increase in the budget.

MR. ARCAND: I'd really like to take credit for that, Mr. Gogo, but it will have to go to Mr. Sawyer.

MR. GOGO: Oh.

MR. ARCAND: I do know that last year we had the one extraordinary item, which was the cost of the Canadian Ombudsman Conference. That basically comes out of the budget this year. We've taken it out.

MR. GOGO: That is absorbed somewhere else.

MR. ARCAND: Oh, yes, mostly in the manpower area, which has sort of picked it up again.

MR. GOGO: I know a question I had, Mr. Chairman, before I forget. There's a Bill now before the Legislature, Bill 60, the labour code, which prohibits giving time off in lieu of overtime. You can no longer give [inaudible]; you have to pay overtime, according to that Bill. I've had much representation from school boards and other groups who employ people in a bit of a similar capacity. I would expect that you have an investigator who would work very odd hours, depending on the project. Are you aware of that? Are Bill 60 and its implications a concern in terms of the budgetary thing? Because most of your dollars here are in wage areas, salary areas.

MR. TRAWICK: I don't think Bill 60 is a concern for us. Our people are on one of the programs, which is called -- you'll have to tell me the title, Marcel. It's forced time or something.

MR. ARCAND: Flex time.

MR. TRAWICK: Flex time, where they can, if they do work overtime, take up to -- what is it? -- seven working days.

MR. ARCAND: Actually, one working day a month.

MR. TRAWICK: One working day a month.

MR. ARCAND: They can build up a credit.

MR. TRAWICK: Yeah, they can build up a credit. So they can move forward and backward on that.

Yes, our investigators sometimes work strange hours. Obviously, if they're going to go to deal with somebody and they work and can't get away, they will be out in the evening, or they will go out of town and do five or six interviews at a stretch. We don't have any formal policy of time off in lieu of overtime or whatever, but I think generally we look at our investigators as working the government workweek. Because they're investigators, they can't always work their workweek within office hours. So if they work it outside office hours, maybe they take that time off during office hours. That's not a quid pro quo.

MR. GOGO: But that has no budgetary implications.

MR. TRAWICK: No, it has no budgetary implications.

MR. ARCAND: During the time I've been with the office, which is two and a half years, to my knowledge we've not paid overtime.

MR. GOGO: Well, you read Bill 60.

MR. ARCAND: I will.

MR. DEPUTY CHAIRMAN: Any further comments or questions? Any further matters that you wish to raise, then, Mr. Trawick?

MR. TRAWICK: I want to raise one personnel matter that deals with our overall budget and that I would like to be dealt with in camera, and then we will have to raise the matter of the Principal Group and what we are going to do there and what requests we have of you, which I don't think probably . . .

MR. DEPUTY CHAIRMAN: It's up to you. We can go in camera.

DR. ELLIOTT: I move we go in camera.

MR. DEPUTY CHAIRMAN: Okay. A motion by Dr. Elliott that we move in camera. Agreed?

HON. MEMBERS: Agreed.

[The committee met in camera from 2:20 p.m. to 4:40 p.m.]

MR. DEPUTY CHAIRMAN: We'll now proceed to item 14, Other Business. We have a matter to consider with relation to -- the impacts at least -- the budget of Legislative Offices for 1988-89. I must say, with respect to the review of the budget itself, our time does not permit us today to deal with it in depth. But I think in view of this urgent matter . . . Pardon me; this is within this current year. I beg your pardon. Let me just say that item 11 we will defer to the next meeting.

Now, with respect to this year, there is a conference, the Canadian Comprehensive Auditing Foundation Conference, in Ottawa, November 29 to December 1. Grant Mitchell has indicated that he is unable to attend. We're suggesting that maybe Glen and John, who have not had the opportunity to attend a conference -- would you be interested in going?

MR. CLEGG: Well, I've had it in my schedule for I don't know how many months, so, yeah, I would be.

MR. DEPUTY CHAIRMAN: John, is that agreeable to go to that one?

MRS. EMPSON: Both.

MR. DEPUTY CHAIRMAN: Is it both?

MRS. EMPSON: Both of them.

MR. DEPUTY CHAIRMAN: Okay. May I have a motion.

DR. ELLIOTT: I'll make the motion.

MR. DEPUTY CHAIRMAN: All in favour?

HON. MEMBERS: Agreed.

MR. DEPUTY CHAIRMAN: Carried.  
Any other item of business?

MR. CLEGG: Just before we leave that, I haven't got any information. I wrote in this book about four meetings ago, and I don't know what we're even going to or where.

MRS. EMPSON: I haven't got any either, but I'll try to get something from the Auditor General.

MR. CLEGG: You'll give us that?

MRS. EMPSON: Yes. I'll send it out to you.

MR. CLEGG: Okay. Thank you. I don't want to get to Ottawa and . . .

MR. FOX: On that matter, though, it was a discussion last year after we came back from that, I think, that we look in the future at one member of the committee going to things like that. One went to the ethics conference -- one or two.

DR. ELLIOTT: Two were slated and one got there.

MR. DEPUTY CHAIRMAN: I backed out.

MR. FOX: But it was a recommendation that I think a couple of us made last year that we look at it in the interest of . . .

MR. DEPUTY CHAIRMAN: I think that's something we might consider in respect to the next fiscal year and start off on a fiscal-year basis. So bring that up again when we discuss our budget.

MR. FOX: Okay.

DR. ELLIOTT: You're right on. That topic was for the next fiscal year.

MR. DEPUTY CHAIRMAN: Any other items of business?

MR. GOGO: Next meeting.

MR. DEPUTY CHAIRMAN: The next meeting: I think what we'd better do, if you will permit the suggestion, is have it at the call of the Chair. It may very well be that we will have to convene a meeting further relating to this Ombudsman thing or for purposes of reviewing our budget, getting that out of the way and put to bed. I'm sure they want that as quickly as possible. So it may be that we will be calling a meeting even before session commences on November 23.

MRS. EMPSON: Approval of the budget estimates for the officers has to be done sometime in the future. You've just reviewed them; you haven't approved them yet.

MR. DEPUTY CHAIRMAN: That's right. We have to get back to those budgets as well.

MR. GOGO: So it may well be that if the Ombudsman comes forward with that certification and there's a sense of urgency, you could call a meeting in the next two weeks.

MR. DEPUTY CHAIRMAN: Yes.  
All right. May I have a motion for adjournment?

MR. GOGO: So move.

MR. DEPUTY CHAIRMAN: Thank you very much.

[The meeting adjourned at 4:44 p.m.]

