

[Chairman: Mr. Bogle]

[1:37 p.m.]

MR. CHAIRMAN: I now declare the meeting open. I'm going to recommend that we move to item 6 immediately so that we can deal with Mr. Neil Henkelman from the Auditor General's office. That is the question of the Charles Camsell. This committee must decide whether or not to bring it under the purview of the Auditor General. So if members are in agreement with that process, once that's been completed then Neil can depart and we'll go back to the normal agenda. Agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: All right. Neil, we'll turn it over to you.

MR. HENKELMAN: Under section 12 of the Auditor General Act the select standing committee may approve the Auditor as auditor of any organization or body. Under Section 14:

The Auditor General may charge fees for professional services . . . on a basis approved by the Select Standing Committee.

In 1979 and 1983 general orders were approved by the committee, and I have copies here for you if you'd like that. They might be helpful in considering the current orders. Those are general orders that require the office to bring to the committee for consideration any cases where we feel we should be the auditor but under the legislation it's not mandatory that we be. Similarly, under the order there is provision that where we wish to waive the fee, we also have to get the committee's approval.

Now, in the case of the Charles Camsell hospital, the Charles Camsell Provincial General hospital came under the Provincial General Hospitals Act on July 1, 1988, and by that change we became the auditor of the hospital itself. Previously it had been run by the Metro-Edmonton hospital district No. 106. That hospital district was dissolved, and the provincial general hospital was created. We became the auditor. At the same time, there is an organization called the Charles Camsell Provincial General Hospital Volunteer Association. That association runs the parking lot, it runs the gift shop, and it has a number of other activities, so it tries to raise money for the general good of the hospital.

The records are kept in the general hospital accounting area, so it is a part of the overall organization at the hospital. It's not a separate entity with a separate accounting staff and so on. The association asked that we accept the appointment as auditor. We felt that it would not require an awful lot of extra work on our part because we were already auditing the hospital records, so we undertook to do the audit subject to the approval of the committee.

Because the association is strictly there for the purpose of promoting the hospital, we felt that perhaps it was appropriate that we shouldn't charge a fee to them. That is the reason we have come forward with these two orders: firstly, to get approval to do the audit and, secondly, to get permission of the committee to waive the fee we would normally charge.

MR. CHAIRMAN: Thank you. First, questions for clarification on what's been said.

Okay, general questions.

MR. NELSON: Well, first of all, I guess, does the revenue to the society accrue directly to the hospital as revenue towards the expenditure of the normal operation of the hospital?

MR. HENKELMAN: No. It goes initially into the records of

the association. It becomes association revenue initially.

MR. NELSON: So in essence the government is providing the funds to operate the hospital . . .

MR. HENKELMAN: Yes.

MR. NELSON: . . . sufficiently that those revenues that are generated from the sale of other products and the rental of televisions, et cetera, are going into the coffers of a society?

MR. HENKELMAN: That's correct.

MR. NELSON: In their society are there rules, regulations? Do they identify where these moneys can be spent? Do they have to be spent relating to the hospital, or can they expend those moneys on other items outside of that venue?

MR. HENKELMAN: No, they can't. I'll just read a sentence from their last annual report. The association's main objective is

to promote, foster and develop charitable activities to further the objectives of the Charles Camsell Provincial General Hospital. So it is strictly to further the objectives.

I might just mention that certain other hospitals have parking facilities as well. They treat those as ancillary operations, and they can transfer that money into a special fund to be used at the discretion of the hospital board so that it's sort of a discretionary fund. This hospital has done it slightly differently in that it goes through the association first.

MR. NELSON: I'm familiar with some of that because I sat on the Calgary General hospital board for a couple of years.

I guess the concern I'm having, then, is that you're not charging the society to audit the society's own books even though they're identified, as I believe you've indicated, separately from the hospital. Why would you not want to charge them a fee, I guess is the first question.

MR. HENKELMAN: I suppose the main reason was that the major portion of their funds are donated to the Charles Camsell. We don't charge the hospital a fee, so we thought, by association, that if we don't charge the hospital, we wouldn't charge the association. Looking at their statements, there was an excess of revenue over expenditure for the year of something in the order of \$309,000. They had an accumulated surplus. They transferred something like \$336,000 to the hospital, so all of their profit is transferred to the hospital. That was essentially the reason: that if we didn't charge the one, we thought it was perhaps appropriate not to charge the other.

MR. NELSON: I guess the only problem I have, Mr. Chairman, is that I don't want to see any precedents set here concerning the fact that they're operating under the Societies Act as against maybe a board that's nominated or elected. Other groups may want to do the same thing at no charge, firstly - or whether there'd be another forum that we could use within that society or outside that society to certainly assure that that doesn't happen.

MR. HENKELMAN: Certainly if it's the wish of the committee, there's nothing to stop us from charging a fee. Certainly that's an alternative.

MR. HYLAND: Mr. Chairman, I'll try this question, but being as I walked in late, maybe it's been answered or talked about already. You said, I think, just in your last comments that the Charles Camsell hospital isn't charged an audit fee. Is that right?

MR. HENKELMAN: That's right; we don't charge them an audit fee.

MR. HYLAND: Why?

MR. HENKELMAN: Their main source of revenue comes from the General Revenue Fund: therefore, any entity that receives its prime source of funding from the GRF we don't charge.

MR. FOX: It's the function of the office to audit them.

MR. HYLAND: Yeah, I understand that. I guess maybe that's a policy thing of this committee. But to me it would seem simpler, because auditing is a cost of operation of anything, whether it's a business or a government or whatever – I would see the auditing as a cost of running that facility against the cost of the Legislative Assembly. Or, in another way, I would see it as a cost of government, not as a cost of Legislative Assembly administration. Those audits are significant in the operation of the Assembly. If there was any sort of recovery on those audits, it would be a significant reduction to us and, in the whole ball of wax, probably not that great of an increase to them.

MR. HENKELMAN: Perhaps I should mention that any money we derive back doesn't go to reduce our budget. It has to go into general revenue. So even though our office might have a net balance that was less, the actual expenditure to run the office would still have to be voted as the same amount. We can't offset the two.

MR. HYLAND: Unless we can convince the Provincial Treasurer to have some little trust fund sitting around that will drive you guys crazy and audit them even more.

MR. HENKELMAN: Yes. But it is a policy decision. It was made a number of years ago, and it's certainly always subject to change. But it was decided that we wouldn't charge anybody where it was just a case of the money would sort of go around in a circle. It would come from the entity to us, back to the General Revenue Fund, and then, in effect, from the General Revenue Fund back to the entity to cover the end cost.

MR. HYLAND: But in that routing we have one section removed from government, being the Auditor General's office under this committee.

MR. HENKELMAN: Yes.

MR. HYLAND: With a – I hate to use the word "misleading" budget, but it's a budget that audits the others and keeps expenditures under control. It really isn't that office that's causing that amount; it's the general operation that's causing that dollar figure to be there.

MR. HENKELMAN: That's correct.

MR. CHAIRMAN: Thank you.
Yolande, then Don.

MRS. GAGNON: It seems to me though, Allan, that just for the purposes of accounting and putting it somewhere, it is put under this particular office – you know, the authority over this particular office. You see, I have no problem with where it goes; it's all the same money in the end. What I want to ask, though, is: if you were to charge an auditing fee to this volunteer association, what would it be, on an annual basis?

MR. HENKELMAN: This last year it would have been in the order of \$3,500. Next year we would anticipate approximately \$2,000. There were a number of problems that were involved this year, taking it over for the first time. So it would be something like \$2,000.

MRS. GAGNON: And do you know if they use their surplus funds, for instance, for pastoral care or palliative care? A lot of parking lot revenues are used for actual services provided to patients in the hospital.

MR. HENKELMAN: From my information here it would seem that they weren't.

MRS. GAGNON: They weren't. But it's turned back to them for equipment?

MR. HENKELMAN: It's turned back to the hospital, and the hospital brings it back in as revenue.

MR. TANNAS: You've answered the question as to the cost of the auditor, the accounting. It seems to me we are really talking about a courtesy audit so that everybody knows that this volunteer organization is doing what it purports to do. We could have no charge, we could have a nominal charge, or we could have a charge and refund it once it's met whatever criteria we laid on, or we could charge the \$2,000: one of the things.

You said the majority of surplus revenue, or the profit, goes back to the hospital. What is that percentage, roughly? I mean, you don't have to have an exact . . . Is it 85 percent or is it 51 percent?

MR. HENKELMAN: This current year they actually turned back more to the hospital than they made during the year. They used some of their surplus moneys. They came into this arrangement. They were under another name, and then they've changed it slightly when they became the general hospital volunteer association. They commenced the year with \$322,000 worth of surplus, and this year they've earned \$308,000, and they turned \$336,000 over to the hospital, so their surplus is actually reduced during this fiscal year.

MR. TANNAS: Their surplus is reduced, but they still are going to be carrying close to \$300,000.

MR. HENKELMAN: They still have a \$300,000 surplus, yes.

MR. TANNAS: Okay. The next question, then, is: who decides how the money is spent? Who decides when they are going to turn it over to the hospital, and who decides what money will be spent?

MR. HENKELMAN: It would be the association that would decide when, but then, having turned it over to the hospital, it would come into revenue of the hospital and it would be the board at the hospital, through its own budget process, that would decide. So the hospital itself would decide on the \$336,000 that was turned over. They would decide how that was to be expended. My understanding is that the association would decide when to turn it over.

MR. FOX: It's been an instructive little session here, I think, learning a little more about how the audits are performed. But I think in view of the fact that funding is a problem being experienced by hospitals right across the province, it would be pointless for us to charge this society that exists to further the operations of the Charles Camsell hospital, and it would be entirely appropriate for us to approve the requests being made to us by the Auditor General's office.

If it's appropriate at this time, Mr. Chairman, I'd like to make a motion that we approve the requests made to us by the . . .

MR. CHAIRMAN: I was remiss at the outset in not mentioning a process that I would appreciate us following, and that is that when – it seems Neil is the example. While Neil is with us, let's gain all the information we require. When we actually get to the point where we make motions and vote on them, we'll do that in Neil's absence. All right?

MR. FOX: Okay. Following up, then, if the cost of audit is \$2,000, it would be \$2,000 taken from that volunteer association that would go back into the General Revenue Fund but wouldn't in any way benefit the operations of the Charles Camsell Provincial General hospital. I think the requests to the committee are entirely appropriate.

MR. TANNAS: It occurs to me that the few auxiliary or volunteer associations that are associated with hospitals that I know of get not the must-have items on a hospital budget but that would really be nice to have but there's a whole bunch of things ahead of them. So that's how they kind of leap ahead and get . . . One of the items I can think of: as a service club we looked at the little device that costs somewhere around \$1,000. You could point it at a child's ear and get the temperature right now, and you wouldn't have to invade the child's body and all that kind of thing, or somebody who comes in from an accident or whatever and they're unconscious. You know, you can get those extra items.

If it just goes back to revenue – I guess maybe this isn't the point of this whole discussion – it seems to me that then it's just a true arm of the hospital as opposed to a voluntary one. Do you understand what I'm trying to say?

MR. HENKELMAN: Yes. I would suspect that it probably is used there for the same sort of thing as you're suggesting, because had the hospital run the parking lot, for example, by itself, it would have put the money into this ancillary services fund. I'm sorry; they have another term for it: "discretionary funds," I believe it is. They put those moneys into their discretionary funds, and they use them for the extras that aren't normally funded. I would suspect that when this some \$300,000-odd goes back to the hospital, it's the same thing.

MR. TANNAS: Thank you.

MR. HYLAND: Well, I have no problem with waiving funds for volunteer groups, especially associated with hospitals where these people are giving of their time. It seems fair that at least we give of that portion. You know, I talked about the charging of audit fees to hospitals even though it's going around in a circle. Is it then our next move that if we finance school boards to the extent of – what? – 50, 60 percent, whatever, provincially, we're going to pay 50 or 60 percent of their auditing cost? It follows true.

MRS. GAGNON: I have to say it's entirely different. Absolutely.

But I want to ask you: what would it cost the hospital if this volunteer association did not exist and didn't run the parking lot and the gift store and they had to pay staff to do those things? I mean there is a net benefit to the hospital by having people give freely of their time, right?

MR. NELSON: They have staff to do those jobs.

MRS. GAGNON: So what are these people doing there? Just helping?

MR. HENKELMAN: No. Perhaps I've been cutting to the bottom line here. Their total revenue was \$534,000. It does cost them to run the gift shop, and it does cost them to run the parking. Those total costs are \$226,000. Then they have the net profit of \$308,000. So if this association didn't exist, \$253,000 worth of revenue would have moved over into the hospital, but likewise \$40,000 worth of parking lot attendants and other costs associated would move over as well. So they would run it. They would then pay the costs, whereas the association pays the direct costs, but they don't pay the hospital anything for the use of the land or anything like that. They just pay the out-of-pocket costs.

MRS. GAGNON: I still don't understand. If you say the volunteers are not paid for everything they do – there may be some paid staff which is supplemented with some volunteer staff.

MR. HENKELMAN: Oh, there are. Yes, the Camsell has a large number of volunteers.

MRS. GAGNON: Okay; that's the point I'm making.

MR. HENKELMAN: They'll go on a weekly basis and provide the services without charge. I think they give them a lunch or something.

MR. NELSON: Same as in most hospitals. They have their volunteers.

MR. CHAIRMAN: Are there any other questions of Neil? Okay.

One question I have, Neil: can you give us other examples of volunteer organizations providing a similar service? In other words, are there other requests that will be coming at the committee through the year?

MR. HENKELMAN: At the moment we have – I think it's . . .

MR. FOX: It's 12 or 13, isn't it?

MR. HENKELMAN: There's about a dozen; I think you're

right.

MR. FOX: I don't recall where I saw it, Mr. Chairman, but I do remember that there's only a handful of . . .

MR. HENKELMAN: There are approximately 14 other entities that we currently have on an arrangement like this. We find that from time to time we do get the requests. We will carry on the audit for a few years and then they'll make some other arrangement, so we've had them coming on and off the list. Our legislation came in approximately 12 years ago, and the net number that we have at this time is 14. We might get one a year at most.

MR. CHAIRMAN: Okay. Any other questions of Neil today?

MR. FOX: Just for interest's sake, Neil, it says here that a list of the entities appears on page 119 of the '87-88 annual report. Can you think offhand what a couple of them might be, some of the organizations audited under section 12(b) of this?

MR. HENKELMAN: The Alberta Children's Hospital Research Centre, the Foothills Hospital Employee's Charity Fund, the Glenrose Rehab Hospital Employee Benevolent Fund - I'm just skipping down the list, but I have a list here. There's the Grande Prairie Regional College Foundation, The Friends of University Hospitals, the University of Alberta Hospitals Staff Charities Fund and the Staff Benevolent Fund.

MR. NELSON: Are any of these people charged for anything? Are they charged a fee of any nature?

MR. HENKELMAN: Not by our office, no. Sorry; possibly there's one here, SUDIC, the Sulphur Development Institute of Canada. I believe we may charge them because they're slightly different in that they're not a benevolent or charity fund. They're more of a research activity.

MR. FOX: There are some irrigation societies that your office provides audit services for in southern Alberta. That's under a different section?

MR. HENKELMAN: Yes. We audit the 14 irrigation districts, but I believe that's under the Irrigation Act, and we charge them all a fee. They're all charged fees.

MR. FOX: Oh, okay. I understood from a previous conversation that it wasn't a full fee arrangement; it was a nominal arrangement.

MR. HENKELMAN: Going back a number of years, the fee was set by order in council, and it was a very nominal amount. Then once the legislation set up the Auditor General's office, we started charging them I'd say a more realistic fee, but it still wasn't out total cost. We now charge them our full average cost, so there are no reductions for the irrigation districts now.

MR. HYLAND: Thirteen districts.

MR. HENKELMAN: Is it 13?

MR. HYLAND: If you've got 14, I want to know where that 14th one is.

MR. HENKELMAN: I think there's a little one that has about \$200 or something like that.

MR. HYLAND: That's the 13th.

MR. CHAIRMAN: All right. Any other questions for Neil?

On behalf of the committee, thank you very much. That was most informative.

I'll call a very brief three-minute coffee break.

[The committee recessed from 2:01 p.m. to 2:17 p.m.]

MR. CHAIRMAN: Okay. The Chair is ready to entertain a motion.

MR. FOX: Well, I'd like to move that the committee approve the first request made to us by the office of the Auditor General: that the office be appointed auditors for the Charles Camsell Provincial General Hospital Volunteer Association.

MR. CHAIRMAN: All right. Question on the motion. Everyone understands?

MR. HYLAND: Are we then going to have a motion for both orders?

MR. CHAIRMAN: Yes. They're two separate items.

AN HON. MEMBER: Question.

MR. CHAIRMAN: Question's been called. All in favour? Opposed? Carried.
Second matter.

MRS. GAGNON: I would move that the Charles Camsell Provincial General Hospital Volunteer Association be exempt from being charged a fee by the Auditor General's office.

MR. CHAIRMAN: Question on the motion?

AN HON. MEMBER: Question.

MR. CHAIRMAN: Question's been called. In favour? Opposed? Carried.

MR. HYLAND: Mr. Chairman, I'd like to move that when we meet next, we look at the so-called list of 13, if that happens to be the right number, and discuss the policy related to the exemptions under these two sections of those associations that we audit.

MR. CHAIRMAN: We'd have Neil back at that time?

MR. HYLAND: We'd have Neil back at that time and have a full discussion on the subject and the policy related thereon too.

MR. CHAIRMAN: Question on the motion?

MR. FOX: Just for clarification then, Mr. Chairman, that would be our November 20 . . .

MR. CHAIRMAN: Those are suggested dates. They're not confirmed yet.

MR. FOX: Oh, those aren't confirmed dates. Okay. But when we next meet with the Auditor General.

MR. CHAIRMAN: "When we next meet" is the way the motion was worded. The question's been called. All in favour? Opposed? Carried.

I'll just slip out and advise him.

MR. FOX: I suggested to him, Mr. Chairman, that we may have questions we wanted to ask him on the other agenda items, and he said he'd be happy to stay if that was the case.

MR. CHAIRMAN: Good point.

MR. NELSON: Why don't we deal with those now, and then . . .

MR. CHAIRMAN: We're skipping ahead of our minutes. Why don't we go to item 3, which is Discussion re Appointment of Auditing Firm - Office of the Auditor General?

If we skip over to item 3, members will recall that there was some discussion at our last meeting about bills from the firm of Kingston Ross, chartered accountants, and we wanted to go through that in some detail today. So with approval of the committee, I'll ask Neil to come back in, and then you can advise him as well of the other.

MRS. GAGNON: Bob, while we're waiting, does the Auditor General's office hire its own staff, or do they contract everything out to private firms?

MR. CHAIRMAN: Yolande, when they're auditing irrigation districts, for instance, they try to use firms in southern Alberta. Thanks for waiting, Neil, and coming back.

MR. HENKELMAN: No problem.

MR. CHAIRMAN: We're dealing with the chartered accountant firm of Kingston Ross. There were questions at our last meeting about the total charges for the auditing done by the firm. It was recommended that you may be of some assistance to the committee in explaining the process, considering this was Kingston Ross's first year at it.

MR. HENKELMAN: Perhaps the thing that I could mention is that we find this is a traditional thing that happens the first year that somebody comes on the job or even that we go to do an audit. We find that there is a learning curve, that you have to find out about the entity, their accounting systems, their internal controls. It does tend to put the fees up higher in the first year. Assuming that the operation stays relatively the same the next year with no changes in the organization, the fee tends to go down in the second year. We found this before with the firm Reid Cameron. We found the same thing happened with Reid Cameron, that their fees were higher in the first year or so they did it and then they tended to drop, so it's something that we anticipated with Kingston Ross as well.

They did have a considerable amount of - I shouldn't say trouble, but they did have to spend a lot of time sorting out how our accounting system worked. That, I think, has essentially accounted for the major portion of the increase in time. They did also, I believe, come in a little early to what they should have and found that they had to leave and then come back later.

That added to their time. They should have come in about a month later; it was too early.

MR. NELSON: I guess the first question is: when we hire these accounting firms, is that through a proposal call to them, or is it just that the Auditor General discerns that he wants to get this particular firm for this cycle and asks them to make a proposal? How do we tackle that?

MR. HENKELMAN: We generally suggest three or four firms that might like to make a proposal. We then have those firms make proposals, which come to the committee with our suggestion as to which one we would perhaps like to see appointed, but certainly all three of them in this last case were all potential auditors. What we attempt to do is to pick firms and make a recommendation. We attempt to pick firms that are not agents of our office, because we feel that there would be a conflict of interest if we had somebody working for us and then coming in and also being our auditor. So that limits the number of firms we can suggest. The major accounting firms already are acting as agents of the office.

MR. NELSON: I guess the concern in looking at this is that when Reid Cameron took over from Sax, Zimmel, Stewart and Company in '86, their fee was about \$1,700 more than the firm that was just completing their cycle. Of course, the following year they had another \$195, and the year after that it was another \$555 roughly. Then, of course, in 1989 when the new cycle appeared with Kingston Ross, they jumped \$5,500. I'm just having some concern about how we justify those accounting firms doing this. And if they come in a little early and leave an extra bill for that cost, I'm not sure that we should be subject to paying for that.

Now, if I were in the private sector, certainly if I am being audited, I would indicate when I am ready to be audited and have them come in and be efficient so that I wouldn't have to be charged a considerable amount of extra money. The same thing should hold true when they audit the public records, and of course it is the Auditor General that is responsible for the efficiency of those audits. We should be able to determine as to what and why Kingston Ross has to have been deemed that they needed an extra \$5,500 to do a job that I'd like to have seen Reid Cameron - to see if they would come in at somewhat less. Recognizing that there is a new boy on the block and a learning curve is indicated, I'm not sure it's \$5,500.

MR. HENKELMAN: We were quite happy with Reid Cameron and would have recommended that they be continued except that they merged. That is one of the problems that we have found, that there have been so many mergers within the major accounting firms. All of a sudden somebody that is independent has merged with an agent and they're no longer independent. That was why Reid Cameron, we felt, should be discontinued.

MR. FOX: Who are they with now, just for clarification? Thorne Ernst & Whinney?

MR. HENKELMAN: Gosh, there have been so many changes. They just change weekly I think. I'm sorry; I can't . . .

MR. NELSON: Well, I'd just like to make one further comment. The Auditor General reports on various departments and criticizes the operation as far as accounting procedures and

what have you. I think we've got a case here where some criticism should be acknowledged by the Auditor General on our behalf. I know the money isn't that great, but it's the principle.

MR. CHAIRMAN: The key thing now is that we wanted to address the issue in terms of the cost of the audit that has been done. We are not yet at a point where we need to make a firm decision on the auditing firm for the next year. The committee may wish to review the criteria used, but that's certainly within our parameters. We're not doing that at this point in time. We should focus on the billing, and I think you're very right in questioning the extra dollars, the extra \$5,000 plus.

MR. NELSON: The other question that might be asked is about the recommendations from the Auditor General for the ensuing year: whether he recommends the same auditor, what kind of fees he might recommend, or should we be examining different alternatives.

MR. HENKELMAN: . . . and look at alternatives. I'm afraid I'd have to refer that to the Auditor General. He may have some opinions.

MR. NELSON: He may just do that and have some suggestions and be prepared to meet with us at a future date.

MR. HENKELMAN: Yes, I'll certainly do that.

MR. CHAIRMAN: Thank you. I thought that question might logically come up when we are meeting with the Auditor General re the estimates for the Auditor General's office. Any other questions today on this particular issue?

MR. FOX: Neil, I'm just looking at the letters that we've got from Kingston Ross, because I think it's important for us to assess the validity of what they're telling us about the cost overrun, if indeed it was a cost overrun. How does the figure of \$16,800 compare to what they estimated their cost of auditing the Auditor General's office?

MR. HENKELMAN: I don't think they estimated a cost. I'd have to go back to their proposal.

MR. FOX: Well, in their letter to Louise of October 23 they say:

Budget overruns occurred as a result of the following issues:

- (1) Initial start up costs relating to the first audit engagement of a new client.

And it seems from your comments that you think that's a valid reason for them to give. They're saying that their cost this year is \$16,800, and they're estimating their cost next year at around \$12,500 to provide that service. But when we look at Reid Cameron, their costs in the first year weren't higher and, in fact, were lower than they were in years two and three according to the Auditor. I mean, I'm not in a position to know if what Kingston Ross is telling us is fair comment, but in your opinion is it reasonable to assume that for them, although it wasn't the case with Reid Cameron, the initial costs would legitimately be higher, the first-year audit costs, than the second?

MR. HENKELMAN: Yes, it is reasonable that initial costs would be higher. I would really have to go through this material quite carefully to say whether I thought it was \$4,300 higher. One of the things we have found is that chartered accountants'

fees are going up every year quite substantially, and this is having another impact on the fees that are being paid, that they're coming in \$5 an hour more, this sort of thing. So this is having an upward pressure as well. Now, I'm not sure whether they have mentioned that in this at all, but that is a factor as well. But we'll certainly have a look at this letter and see if we feel that it is reasonable. It is reasonable to expect higher hours the first year; that is expected.

MR. FOX: Okay. The second question I'd have then: in (2) in that same letter, they say:

Timing of our year end field work did not allow for final numbers from the staff of the Auditor General.

This relates to Stan's concern. When I put that alongside the June 2 letter from Kingston Ross, which is two letters beyond the one you're looking at now, under section (1), Timing, they say:

The trial balance we received was run on May 27, 1989 and was presented to us as a final trial balance to us. We were advised that the trial balance contained all year end accruals. However, we discovered that this was not the case.

Now, I'm not sure what to make of that. I think the question needs to be asked, following from Stan's question: who decided when Kingston Ross came to the office to perform the audit or to gather this information? Was it them saying to you, "We want to come and do it now"?

MR. HENKELMAN: When it was the appropriate time. We said, "Okay, we think this is a good time." That particular point you have pointed to was raised with me a couple of days ago, and the party that's involved in our office is inclined to dispute the fact of what they've said here. So he has said that he would look into it. He's not sure that they were given the wrong figure, so he's got to prove that to me.

MR. FOX: I just raise it because I think it needs to be raised. Certainly, as a committee member I would be inclined to accept what we're being told by our own employees rather than what we're being told by Kingston Ross. But I think it highlights something that needs to be looked into.

MR. HENKELMAN: It is a concern, yes, and we'll certainly look into that.

The timing of our audit in some ways has to relate to the timing of the government year-end cutoff as well. When the final government expenditure reports come through, that's when we can sort of say we're ready. So it's very much contingent on the final processing of the government as well as ourselves.

MR. FOX: Was there any delay in that process this year due to the election or the late calling of the session?

MR. HENKELMAN: No.

MR. FOX: So those are unrelated.

MR. HENKELMAN: Those are unrelated. So that particular point I do have to establish.

MR. FOX: Okay. So we've an undertaking from you that you'll . . .

MR. HENKELMAN: I'll look into that particular point, yes.

MR. FOX: Thank you.

MR. NELSON: Just one thing further. I read in here somewhere, I think, that the Kingston Ross average of cost would be around about \$50 an hour. Assuming that Reid Cameron would do the same as the previous year, this would put us considerably – in fact, a third – higher on an hourly basis than Reid Cameron did the work the previous year. I would think it would take them one-third more time on a first-time basis to assess their needs and what they have to do in an auditing practice provided that they are in fact experienced auditors in that field. I'm sure when the Auditor General comes, we'll hopefully have an answer to that. But there just seems to be a little problem here, I thought.

MR. HENKELMAN: Yeah, there is one thing. It's probably their first audit of any government enterprise, and I think that's part of the problem, that they had never encountered an accounting system similar to what the government's got through what they call their DFS/CFS, department of financial system, that is run through the main data centre. I think that was part of their problem, that it's a unique type of accounting system and they'd never had experience with it before.

MR. NELSON: Maybe the committee has to examine those kinds of things to ensure that . . . From my point, when we're talking a budget of \$10 billion, we're talking \$16,500. It's really not a lot of money. What I'm talking about is the principle here.

MR. HENKELMAN: Yeah. Percentagewise it's a large increase.

MR. CHAIRMAN: It might be of some help. Earlier you mentioned the utilization of the Probe. Can you explain that for those of us who aren't familiar with some of the accounting jargon?

MR. HENKELMAN: Probe is an in-house developed software program that we use to extract information for sampling for audit purposes. It was developed in our office. It's used extensively by our audit staff. Kingston Ross staff have never had exposure to Probe, and they used our software to extract information from our records in order to do the auditing. It was a new learning experience, finding out what this software did.

MR. CHAIRMAN: Would the committee feel comfortable, because there's been previous discussion, that when we meet with the Auditor General to review the budget for the office, we might like to get into this in more detail? If the committee is comfortable with that process, we could ask Neil to convey that back to the Auditor General so he could familiarize us a bit more with the hours involved, the number of people, and other options we might want to consider.

MRS. GAGNON: I have one final question . . .

MR. CHAIRMAN: Okay. Yolande, then Derek.

MRS. GAGNON: . . . because I'm new. Does this committee appoint a different auditing firm periodically, annually, only when the firm they've been using merges or goes out of business, or is there any security that Kingston Ross would be the same

firm next year, having gone through the learning process? That's what I want to know.

MR. CHAIRMAN: Well, Yolande, we decide. That's part of our mandate as a committee. In the past the committee has relied very heavily on the Auditor General's office to give us a short list and to give us advice on firms where there would not be a conflict of interest.

MR. ADY: It's an annual decision.

MRS. GAGNON: Okay.

MR. FOX: If I can provide some information, the previous committee's decision was that since Reid Cameron merged with a national firm that was an agent of the Auditor General – they were doing audit work on behalf of the Auditor General and received a fee for doing so – although we could have retained them as auditors of the office, I suppose, there was a conflict of interest there because they were agents of the Auditor General and to have them in turn audit the office would be inappropriate. So we looked at a few options and appointed Kingston Ross as auditors. But one of our functions as a committee is to annually appoint someone to audit the Auditor General, and I think it's only natural that when we look for advice on audit matters, we look to the experts we retain for counsel, and that's the office of the Auditor General.

MRS. GAGNON: But were you made aware that because you were going with a new firm which wasn't familiar with the accounting process and so on, there might be some additional costs in the first year? You know, is it understood that there may be some initial increase?

MR. FOX: I'd have to see previous minutes, because we're going back. A lot of water under the bridge since that time.

MR. TANNAS: I'd just like to ask a question, sir. Which of the firms here – Kingston Ross, Reid Cameron, and Sax Zimmel – are basically Alberta firms and which are national firms?

MR. HENKELMAN: They were all Alberta firms.

MR. TANNAS: They're all Alberta firms. What I was wondering was that some of these are smaller firms who do not yet audit some of the things like the irrigation districts or whatever, so we need to almost break them in to your system of auditing. For us there's an educative role as well.

MR. HENKELMAN: Yes, there is. I might just mention that all the firms we've recommended in the past have had a fairly large clientele in Edmonton. They are all local firms. They've all had a reasonably large staff that can accommodate their audits. We don't feel it's suitable to suggest somebody that's a one-man operation, because we feel that's too small. But we do face the problem you suggest, that you appoint someone and then the next year they have merged. Sax Zimmel have merged twice since we appointed them. Reid Cameron, I believe, have gone through two mergers since their initial merger. It's a never-ending scene.

MR. CHAIRMAN: Yes, Derek.

MR. FOX: Can I, Mr. Chairman, just to understand where we're at . . . I appreciate the answers Neil has provided. I'm looking at Louise's letter of August 23 to Bill Mahon saying that we approve their engagement to audit the office of the Auditor General in response to his letter of February 20. Now, I understand the committee wasn't functioning for a significant period of time there because of the election and the subsequent need to reappoint members to a committee. But was this letter that you signed on August 23 on behalf of the committee - we were appointing them for the audit they'd already done, in a sense? Or did we . . .

MRS. KAMUCHIK: That's right.

MR. FOX: Okay. So this was retroactive. We were sort of formalizing what had already taken place.

MRS. KAMUCHIK: That's right.

MR. FOX: We didn't, by that decision of the committee, appoint them for the subsequent year.

MRS. KAMUCHIK: No. If you recall, as you're right, with the election . . .

MR. FOX: Yeah. I understand the process. I just wanted to make sure that we still have a decision to make with Kingston Ross, and they're aware of that.

MRS. KAMUCHIK: Yes. The committee still has to decide.

MR. FOX: Thanks for the clarification.

MR. CHAIRMAN: Any other questions for Neil?

Well, thank you so much. This wasn't an area you had been asked to speak on, but we do appreciate your assistance.

MR. HENKELMAN: We'll certainly provide more information at the next meeting.

MR. CHAIRMAN: And you'll pass on the gist of the discussion to the Auditor General so we may discuss it further with him.

MR. HENKELMAN: Yes.

MR. CHAIRMAN: Thank you.
All right. Alan.

MR. HYLAND: One question before you leave. It's not on the appointment of the Auditor, just on the sheet where we are given the list of agents currently used by the Auditor General. I guess, being from the southeast corner, I have to ask: I look down that list and don't see anybody from, like, the Medicine Hat area. What do we do if we have an audit in there? Send somebody from outside in?

MR. HENKELMAN: In Medicine Hat I believe we had an agent. They were discontinued. For example, at Medicine Hat College we had an agent. We are doing the audit this year ourselves. We were thinking of possibly putting it back out to agent next year, so we would pick a firm in or around that area that we felt could handle it. I'm not sure who we had the last time around but . . .

MR. HYLAND: There are a couple of fair-sized firms. You know, going down the list, I just noticed there are a couple from Lethbridge but nobody . . .

MR. HENKELMAN: In that area.

MR. HYLAND: . . . in that area. Probably even the hospital and the college . . .

MR. HENKELMAN: No, we would try to get somebody as local as we could in that area.

MR. CHAIRMAN: Thanks very much, Neil. All right. Welcome, Tom.

Let's revert back to item 2, approval of minutes. Let's go through them. Has everyone found it under item 2?

Page 1? Page 2? We are dealing with the minutes of Wednesday, August 23. We are on page 2. Page 3?

MR. NELSON: I move them.

MR. CHAIRMAN: Moved by Stan that they be approved as read.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Agreed? All in favour? Opposed, if any. Thank you.

Next, Tuesday, September 12. Page 1? Page 2? Page 3? May I have a motion?

MR. NELSON: Motion moved.

MR. CHAIRMAN: Moved by Stan. All in favour? Agreed. Wednesday, September 13. Page 1? Page 2?

MR. NELSON: I move them.

MR. CHAIRMAN: Are you going to move all of them today? Derek?

MR. FOX: I'm sorry. I thought you were about to say page 3.

MR. CHAIRMAN: Good. Derek's moving them?

MR. FOX: No, I have a question on page 3.

MR. CHAIRMAN: All right, page 3. Yes?

MR. FOX: My memory of . . .

MR. CHAIRMAN: Excuse me. There are only two pages on this. We are on Wednesday, September 13.

MR. NELSON: You're one ahead. That's in the morning.

MR. FOX: There are a.m. and p.m., Mr. Chairman. There are two sets. I'm a whole half-day ahead of you.

I move approval on Wednesday, September 13, a.m. minutes.

MR. CHAIRMAN: Okay, the p.m. Page 1? Page 2?

MR. TANNAS: Can we ask for . . .

MR. CHAIRMAN: Pardon, Don?

MR. TANNAS: Can we ask for a matter arising, or should we do that after?

MR. CHAIRMAN: If it's not an error.

MR. TANNAS: No, it's not an error.

MR. CHAIRMAN: No. It'll come later then.

Page 3. Yes?

MR. FOX: Mr. Chairman, my understanding – I don't have *Hansard* to confirm, but it says here:

Mr. Fox suggested that the following questions be asked of the officers.

I believe what I was alluding to or suggesting was that we compile the information specifically in respect to the budgets that will be presented to us by the three officers, but that we have information as a committee at our disposal to use when the officers come forward with the request that we deal with their salaries.

MR. CHAIRMAN: Louise and I have been dealing with that issue, and we're doing exactly as you've asked. She's obtaining, through Leg. offices, pertinent information on salaries, on the number of employees, comparisons with other provinces.

MR. FOX: Yeah. And the date of review and that sort of thing, because all three are quite different, different circumstances, and it's been difficult for us as a committee. But in terms of the minutes here, I'm not convinced that I suggested that we ask these questions of the officers. I think my suggestion was that we compile the information.

MR. CHAIRMAN: Well, let's take that as an amendment, a correction of the minutes.

MR. HYLAND: What are you correcting it to? Saying that the following information . . .

MR. CHAIRMAN: Be compiled. Yeah.

MR. HYLAND: On the officers.

MR. CHAIRMAN: On the officers.

Okay. Any other corrections? Do we have a mover? Alan. As amended. All in favour? Agreed.

One thing we'll endeavour to do in the future – I didn't realize we hadn't – the minutes should go out in draft form to everyone.

MRS. KAMUCHIK: They generally do. We ran out of time this time.

MR. CHAIRMAN: Yeah. Okay. So everyone has a chance to look at them in advance.

All right. If we might then come back to . . . We don't have business arising out of the minutes. Don, you had something you wanted to ask.

MR. TANNAS: I just wanted to know if the plaque had been prepared and presented.

MR. CHAIRMAN: Yes, it was.

MR. TANNAS: Great. Okay.

MR. CHAIRMAN: Sent with a short letter. You recall the plaque to the retiring Ombudsman that we discussed? It's gone to the Ombudsman with a letter.

Anything else? Okay, if we could move on to item 4, Discussion of Re-appointment of Chief Electoral Officer. Section 3 of the Election Act describes the procedure for appointment or reappointment of a Chief Electoral Officer. Section 3(3) provides that the Chief Electoral Officer's appointment shall expire 12 months after the last polling day for a general election – in other words, March 20, 1990. This committee is responsible for appointing a new Chief Electoral Officer or reappointing the existing Chief Electoral Officer, and we must decide as a committee the process we wish to follow. I'm raising it . . .

MRS. GAGNON: Excuse me, Mr. Chairman. I don't have any material on this.

MR. CHAIRMAN: No, you don't. No.

MRS. GAGNON: Okay. Thank you.

MR. CHAIRMAN: What I did was obtain a legal opinion from Parliamentary Counsel, because I knew that according to the Act the position became vacant one year following the last general election and this committee has a responsibility for appointment and reappointment. I just wanted to clarify this to you, our role and responsibility. I'm raising the issue today. It's under discussion, and it's not for decision today. It's being raised so that when we next meet, we can come back and decide the process we're following. All right?

Derek.

MR. FOX: Could I get some understanding of the time lines here, Mr. Chairman. When we next meet we'll be considering the 1990-91 budget proposals for the office of the Chief Electoral Officer, but his term of office goes until March 20, 1990, so we need to determine what process we'll go through, but we don't need to make a decision on that until sometime after. I mean, the current Chief Electoral Officer presents the budget to us for review and approval, and things go along as normal, but sometime before March 20 we need to make a decision regarding reappointment or . . .

MR. CHAIRMAN: Yeah. Set aside personalities, and let's look solely at the function of our committee. An individual was appointed for a term. In fact, all of the three gentlemen who report to the Legislature through our committee are there for periods of time. They're not like anyone else in the system, and an individual who holds an office has the right to come to the committee and say, "I wish not to be reappointed." The committee has the right to say to the individual, "We wish an open competition" or "We want some other process." I'm merely raising it today so that we think about it, because there's an important principle at stake in terms of how we deal with not only the other two offices but future matters in terms of precedence that we set as a committee. So for information today – and we will come back to it in our business discussion when we next meet.

Item 5 deals with the committee's 1990-91 budget. Unfor-

tunately, Karen is ill today, and therefore we don't have her here to read us through the document she has prepared. I would, therefore, suggest that we table the item until she is able to be with us. It is also my intent that we would deal with it in a general sense and then come back and finalize our committee's budget after we've dealt with the three offices and their respective budgets.

Derek.

MR. FOX: A point of information, Mr. Chairman. When does the committee on Members' Services require a budget proposal from other committees?

MR. CHAIRMAN: If we were running in a normal cycle, and Alan is also a member of that committee, we'd be doing that right now, but because our sitting went so late this year and other committees have had their work backed up, the Members' Services Committee is slightly behind its normal schedule. So no pressure has been put on us yet, at least at my level. Louise, at yours?

MRS. KAMUCHIK: No, not at all. Not yet.

MR. CHAIRMAN: Not yet. So we still have a bit of breathing space.

MR. FOX: So, move to table?

MR. CHAIRMAN: Thanks, Derek. All in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Agreed.

MR. NELSON: AADAC's already been sent [inaudible].

MR. CHAIRMAN: Well, that's because you're so sharp.

We dealt with number 6, and we've dealt with number 7. Is there any discussion? Discussion on Budget Process for Officers - 8. Do we have anything in the binder?

Just in terms of the format, I wanted to get the committee's input on this possible approach. We've suggested, in looking at dates for next meetings, an order, so that if we were, for instance, to deal with the Auditor General's budget estimates first, we would go over some historical data, we would invite the Auditor General in, he would present to us his requests, we would ask questions for clarification, and after we are meeting as a committee minus the Auditor General, we would make some decisions, and do the same with the Chief Electoral Officer the next morning and the Ombudsman in that afternoon. So we would deal with each separately but try to follow the same general format. Is that the process?

Stan, and then Derek.

MR. NELSON: The process is fine. The only question I had is concerning the discussion we've just had with Neil. We may have to consider some additional time.

MR. CHAIRMAN: Agreed.

MR. NELSON: We may have to work with the Auditor General, and we may have to ask him over in the morning to deal with the general committee - you know, in that area of

business.

MR. CHAIRMAN: Okay. Good. Derek, and then Tom.

MR. FOX: If I could respond to Stan's concern and raise one of my own. In terms of the suggested dates for the next meetings, and based on the time of Auditors in the process in the past, I think we've got an adequate amount of time to at least consider the matter of budgets and ask questions and have some discussions, because we're dealing with one office only in each time period. In the past we've tried to bunch a couple of them into an afternoon or a couple into a morning, and it's been a little more restrictive. This seems adequate, but I think there is a time concern here, because there may be some things that we raise that will require further discussion or further investigation by one of the officers in order to provide the committee with information. So I'm wondering what the time line for this is as well. Tom and Yolande and I aren't involved in the preparation of next year's budget and Treasury decisions as such, so I'm not sure when the deadline is for us to approve for presentation of these budgets to the Provincial Treasurer. Does it need to be done by December 1 or January 1 or February 1? I just don't know that.

MRS. KAMUCHIK: January or February normally. Once the committee has approved the budgets, they're sent on to the Provincial Treasurer for incorporation in budget estimates in, if I recall, January - February sometimes. It depends when session starts.

MR. FOX: So if we can make decisions at those meetings, fine, but if the committee feels some sense of pressure, we should look at at least having questions resolved by Christmas. Is that a reasonable time line there, Mr. Chairman?

MR. CHAIRMAN: Well, I know . . . On this specific point, Alan? Tom? And then I have a comment as well about the process.

MR. HYLAND: The way we've worked in Members' Services for the last six years, the sooner the better, but as of about three years ago or thereabouts, Members' Services or Legislative Assembly budget was tabled in a separate document, which does give us some flexibility in timings. It's nice to get it out there. There's no question we get it out as soon as we can, but in years because of elections, et cetera, it has given some flexibility to work on it virtually to the last minute to make minor, fine-tuning changes, because it's put into a separate document; it's not part of the government budget documents. And that was purposely. That was a strong feeling of the former Members' Services Committee, and I think shared by the present one: that the Assembly is a unique identity within itself and that the estimates on that, for want of a better word - and I don't want to use the word "department" because it really isn't a department - are separate and should remain separate. So that does probably give us a couple of weeks in that we're not having to get the stuff to the Provincial Treasurer to be enclosed with the documents. I think we have to go to him, and it's common, I believe, to go to him for information, but Members' Services have the final say in our budgets. But it's in a separate document, and obviously for our purposes the sooner the better. Then we're not pushed at the last minute.

MR. FOX: And for the purposes of the officers too.

MR. HYLAND: So they know where they're going.

MR. CHAIRMAN: Tom, then Yolande.

MR. TANNAS: My question isn't about the process, Mr. Chairman, so if you want to continue on.

MR. CHAIRMAN: Okay. Thanks. We'll come back, Tom. Yolande.

MRS. GAGNON: I just want to talk about the dates . . .

MR. CHAIRMAN: No, we're going to come to that.

MRS. GAGNON: Oh, I'm sorry.

MR. CHAIRMAN: Anyone else on process?

Well, Derek, you know, your comment was right on to me. We're going to take as much time as we need to do it until we're satisfied it's done right. And if we ask questions and the questions require a detailed response and that response can't be given until the next day or the next week, we'll come back and deal with it, because we have to be satisfied. The Assembly places a lot of trust in this committee that we, in turn, are the watchdog for the three officers, and we must be totally satisfied. I think that by having the three officeholders in and having a very frank, open discussion with them, listening to what they have to say, having the information in advance as requested by Derek at our last meeting, is going to move the process along. But we may well find that we need to come back on a subsequent day to deal with one or all three of the officers on a supplementary basis, and if that's needed, we'll do it. We're going to deal a little bit later with the proposed dates, and I think we should pick another date so we've got a date reserved in the event we need additional time.

So if you're comfortable with the process, in following that way, recognizing we're going to come back to the specific dates, okay. Over to Tom.

MR. SIGURDSON: Thank you, Mr. Chairman. My concern was about the dates. The comprehensive auditing conference in Toronto is on November 20 and 21. Is the Auditor General not going to be . . .

MR. CHAIRMAN: These proposed dates: I'm just asking Louise if they have been verified. But we've already got a couple of members who have conflicting scheduling problems with the 20th and 21st. So I thought what we might do is get our . . . Does everyone have their itinerary book with them?

MR. FOX: Can I ask a question then? It's related to a committee of this committee. The Ombudsman Search Committee, I understand, has a meeting scheduled for November 15. Is that right, Stan?

MRS. GAGNON: That's right.

MR. FOX: Do we have any subsequent meetings scheduled?

MRS. GAGNON: Not yet.

MR. FOX: Okay. So we'll have some heavy commitments in the month of December.

MR. NELSON: I'm expecting we'll have some heavy commitments from Friday, December 1. I'm waiting for Darwin Park to - because on the 15th we'll be getting into the initial interviews.

MR. FOX: Yeah, and we'll establish our meeting times at that time, but I just wanted to . . .

MR. NELSON: On December 1 we'll have a commitment.

MR. FOX: I wanted to put that on the table so we bear that in mind when we . . .

MR. CHAIRMAN: The first Friday, December 1.

MRS. GAGNON: It's in the morning, isn't it?

MR. CHAIRMAN: Well, it's got to be that. I'm assuming the following week.

On the week of November 27, we've got the ASTA convention in Calgary. Some of us have some commitments in Calgary the early part of the week. What about late that week?

MR. SIGURDSON: Later that week we have our national convention in Winnipeg.

MR. CHAIRMAN: Oh, okay. That's not good then.

MR. FOX: Tom's a late entry on the ballot for the federal leadership. He's bilingual; he speaks Icelandic and English. So he's going to take a run at Dave Barrett.

MR. NELSON: Does he actually speak English? [interjections] I'm sorry.

MR. CHAIRMAN: Well, we've got some real problems with other committees. Jack, the Heritage Savings Trust Fund: where are you at?

MR. ADY: I have two days scheduled, November 21 and 22.

MR. CHAIRMAN: I think that week is shot. That's understated; that's not going to work. If we back up . . .

MR. NELSON: On the 15th most of this committee is going to be in a meeting with the Ombudsman selection committee.

MR. CHAIRMAN: All day?

MR. NELSON: Well, we don't know for sure. It depends on the committee.

MR. FOX: Can I suggest something, Mr. Chairman? We don't need to be thinking in terms of doing all three of them at once. Now, if the Auditor General - and it's good you pointed it out, Tom - he'll certainly be at the Comprehensive Auditing Foundation conference. Maybe we can do him separately. How's the 17th look for one meeting?

MR. CHAIRMAN: A couple of us are in Electoral Boundaries.

MR. ADY: Alberta Heritage Savings Trust Fund is in the a.m., from 9 till 3.

MR. CHAIRMAN: Derek, you made a good point. We may have to find a date when we can work in . . . Can we go back to . . .

MR. ADY: What does the 23rd do? November 23 as a single day.

MR. CHAIRMAN: That's the day we go out to Victoria.

MR. TANNAS: I'm heading out in the evening.

MR. CHAIRMAN: I am, too, from Lethbridge.

MR. FOX: You're heading out on the evening of the 23rd?

MRS. GAGNON: What if we were to back up to the week of November 6?

MR. CHAIRMAN: I'm sorry. What day was that?

MRS. GAGNON: I was saying to back up to the week of November 6, but it's not good for Stan.

MR. FOX: Can I suggest, Mr. Chairman, that we just start with the 13th and move day by day and see if we can come up with dates . . .

MR. CHAIRMAN: Excuse me. John, have you got an itinerary book? Have you got a book with you? Do you know what dates you are available?

MR. DROBOT: Flexible.

MR. CHAIRMAN: You're flexible? You may regret having said that.

MR. FOX: Okay, we'll meet in St. Paul for the week of . . .

MR. CHAIRMAN: Derek, I'm sorry. You were suggesting . . .

MR. FOX: Well, just suggesting that we go at it day by day, starting, say, with the 13th, and see if we can come up with a day that . . .

MR. CHAIRMAN: All right, let's do that. What was it? Monday, the 13th.

MRS. GAGNON: I'm out. I'm in Grande Prairie Monday and Tuesday. But that's nothing. Wait till you hear this, Bob: I'm gone on holidays for two weeks from November 20 until December 8, so . . .

MR. CHAIRMAN: How do you get away so early?

MRS. GAGNON: . . . you'll have to have this meeting without me.

MR. CHAIRMAN: No, we don't want to. How do you get away so early?

MRS. GAGNON: We've been waiting since last January for this holiday.

MR. HYLAND: I've been waiting for 10 years.

MR. FOX: The life of a Tory MLA is a holiday. What are you talking about?

AN HON. MEMBER: That's two more things to strike from the record.

MR. FOX: Well, it's obvious that we're not going to find a date when everybody can be there.

MR. HYLAND: Mr. Chairman, do we really need the machine going when we are going day by day through a month?

MR. CHAIRMAN: No. Just turn it off.

[The committee recessed from 3:09 p.m. to 3:20 p.m.]

MR. CHAIRMAN: So we've agreed to our next meeting dates: Thursday the 14th, 6 p.m.; Friday the 15th, 9 a.m. through 3 p.m.; Monday, December 18, from 1 p.m. through the afternoon. Tuesday the 19th we're holding in the event we need the time, 9 a.m. to 1 p.m.

MR. TANNAS: December.

MR. CHAIRMAN: Of December.

We are down to item 10 on the agenda: Other Business. All right. Are we ready for a motion for adjournment?

MR. NELSON: May I just ask a question?

MR. CHAIRMAN: Yes, Stan.

MR. NELSON: Will we be having an opportunity to discuss the item we were discussing with Neil as far as policy is concerned?

MR. CHAIRMAN: We're scheduling that for Thursday the 14th in the evening, and we talked about inviting the Auditor General in at about 7 p.m. Louise and I have just finished talking about that, and we should have Karen available by the evening as well, to talk about our budget in the preliminary sense.

Any other questions? Are we ready for a motion? Jack moved we adjourn.

[The committee adjourned at 3:21 p.m.]