



Legislative Assembly of Alberta

The 27th Legislature
First Session

Standing Committee
on
Legislative Offices

Wednesday, August 20, 2008
11:03 a.m.

Transcript No. 27-1-5

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Standing Committee on Legislative Offices

Mitzel, Len, Cypress-Medicine Hat (PC), Chair
Lund, Ty, Rocky Mountain House (PC), Deputy Chair

Bhullar, Manmeet Singh, Calgary-Montrose (PC)
Blakeman, Laurie, Edmonton-Centre (L)
Campbell, Robin, West Yellowhead (PC)
Elniski, Doug, Edmonton-Calder (PC) *
Horne, Fred, Edmonton-Rutherford (PC)
Lukaszuk, Thomas A., Edmonton-Castle Downs (PC)
MacDonald, Hugh, Edmonton-Gold Bar (L)
Marz, Richard, Olds-Didsbury-Three Hills (PC)
Notley, Rachel, Edmonton-Strathcona (NDP)
Webber, Len, Calgary-Foothills (PC)

* substitution for Thomas Lukaszuk

Also in Attendance

Chase, Harry B., Calgary-Varsity (L)

Legislative Officers

G.B. (Gord) Button	Ombudsman
Fred Dunn	Auditor General
Lorne R. Gibson	Chief Electoral Officer
Donald M. Hamilton	Ethics Commissioner
Frank Work, QC	Information and Privacy Commissioner

Support Staff

W.J. David McNeil	Clerk
Louise J. Kamuchik	Clerk Assistant/Director of House Services
Robert H. Reynolds, QC	Senior Parliamentary Counsel
Shannon Dean	Senior Parliamentary Counsel
Corinne Dacyshyn	Committee Clerk
Erin Norton	Committee Clerk
Jody Rempel	Committee Clerk
Karen Sawchuk	Committee Clerk
Philip Massolin	Committee Research Co-ordinator
Diana Staley	Research Officer
Rachel Stein	Research Officer
Liz Sim	Managing Editor of <i>Alberta Hansard</i>

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[Mr. Mitzel in the chair]

The Chair: Ladies and gentlemen, I'd like to call the Standing Committee on Leg. Offices to order. I trust that everyone has a copy of the meeting agenda. There are a couple more being circulated here in a few moments. The minutes of the last meeting weren't posted on the website, but I think they are here.

Mrs. Sawchuk: They're here, and we handed them out.

The Chair: Everyone has a copy of the minutes? Okay.

As always, I'd ask everyone to introduce themselves for the record. Those members who are attending as substitutes for committee members, indicate this in your introduction. Also, just to note, too, that MLA Bhullar is on the conference call. Is that correct?

Mr. Bhullar: That's right.

The Chair: Okay. Thank you.

I'm Len Mitzel, the chair of the committee.

Mr. Campbell: Robin Campbell, MLA, West Yellowhead.

Mr. Lund: Ty Lund, Rocky Mountain House.

Mr. Webber: Len Webber, Calgary-Foothills.

Mr. Elniski: Doug Elniski, Edmonton-Calder.

Ms Blakeman: Laurie Blakeman, welcoming everyone to her slightly damp, fabulous constituency of Edmonton-Centre.

Mr. Chase: Harry Chase, Calgary-Varsity, pretending to be Hugh MacDonald.

The Chair: Okay. Thanks. And also a note that MLA Elniski is in for MLA Lukaszuk, right?

Mr. Elniski: Yes.

The Chair: Okay.

If you've had a chance to look at the agenda, a motion to adopt it as circulated. Moved by Robin Campbell. Any question? All in favour? It's carried.

The minutes were distributed this morning. Considering their brief nature, is the committee prepared to adopt these at this time? Moved by Ty that these be adopted. Any errors or omissions? All in favour? Carried. Okay.

I think that on our agenda the next item is the term of contract for the Ombudsman. Prior to a decision on this item I'd like to have a motion that we move in camera so I can report on my meeting with the Ombudsman.

Mr. Campbell: I'll make that motion.

The Chair: Moved by Robin Campbell. All in favour? That's carried. Thank you.

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

The Chair: Okay. Now, before we move on, for a second here, just a quick note. We did some checking on this with regard to MLA Chase's representation for MLA MacDonald. Given that the notice was not given to the clerk, I'm rather hesitant to extend any flexibility for that because I don't know what will happen in the future. With that point in mind, then, he's certainly eligible to stay here for this but not eligible to vote. Okay?

Robin, are you prepared to make a motion?

Mr. Campbell: Yes, I am. I move that

the Standing Committee on Legislative Offices recommend to the Legislative Assembly that Mr. G.B. Button be reappointed Ombudsman for a term of five years and that the Speaker be authorized to enter into a contract with Mr. Button at the time of the appointment.

The Chair: Any other question on that? Any comments? All in favour of that motion? Manmeet?

Mr. Bhullar: I'm in favour.

The Chair: Okay. Thank you. Any opposed? I'm sorry; there was one opposed. It's carried.

Okay. The next item on the agenda is Audit of the Office of the Auditor General. This committee is responsible for appointing an auditor to audit the receipts and disbursements of the office of the Auditor General. Kingston Ross Pasnak was contracted to conduct the annual audit for a five-year term, and this contract was renewed in 2004-05 for a further three-year term, ending with the audit for the 2007-2008 fiscal year.

In 2000 the Auditor General had approached nine accounting firms to determine if there was any interest in acting as an auditor for the office of the AG. Only two firms indicated interest in this role, and KRP was the successful firm. Now, the note on this is that the contract charges out at approximately \$25,000 annually. The clerk also has spoken with staff of Kingston Ross Pasnak, and they've indicated their interest in continuing as auditor. Because of the relatively modest dollars involved in this contract, it's never been subject to the tender process. As well, for the record KRP have done an excellent job throughout their two contracts.

Now, MLA Lund and I will be attending the audit exit meeting this afternoon along with representatives from KRP and the office of the Auditor General, and we'll report back to the committee at our next meeting. One of the issues we should address prior to the audit exit meeting is whether the committee wishes to continue the contract with Kingston Ross Pasnak for the audit of the office of the Auditor General. It should be noted that in the past, acting as the auditor for the office of the Auditor General has not generated great interest within the accounting community. This could be attributed probably to the fact that any firm taking on this role effectively limits or removes itself from the possibility of obtaining other contracts with the provincial government or with the AG's office because of the potential conflict. The question is: do I have the authority to recommend or to talk with them and say that we continue on with the same auditing firm?

Ms Blakeman: I'm wondering if we have any feedback from the Auditor General's office about their process, whether they have anything they wish to say at this point. It's only now, when we consider a new contract, that anyone has got the ability to say: well, if it was done more this or less that. Do we have anything from the AG's office?

The Chair: That's one of the questions that we'll be asking him this

afternoon. We'll get that opportunity. For the first part of the meeting the auditors are also there, or the firm is there. Then they leave, and the Auditor General and Ty and I will be sitting and having further discussions. At that time that's one of the questions that we'd be asking him, for their feedback.

Ms Blakeman: And MLA Lund is attending representing the rest of the committee? Sorry, I missed that bit.

Mr. Lund: Chair and vice-chair.

Ms Blakeman: Chair and vice-chair. Thank you. That clears that.

Perhaps we also need to investigate, if there's such reluctance on behalf of other accounting firms in this sector, maybe working with the AG to see whether there's an interest in having a provincial exchange so that one AG's office can audit another between provinces. There's not very much competition, clearly, and that's part of the issue that we're facing here. Maybe there's another way to come at this.

The Chair: That's an interesting suggestion. We should suggest that to them as well.

Ms Blakeman: It would take a while to set that up, but if we've got an ongoing problem here, continuing to do the same thing, I'm thinking: well, let's look at some other possibilities.

The Chair: Any appointment wouldn't have to happen right away anyway. At a later date we'd be doing that at one of our other meetings: appointing the auditors.

Mr. Lund: Mr. Chairman, I somewhat disagree with the terminology that there's a problem. I don't think there's a problem.

Ms Blakeman: Sorry. I didn't mean to indicate that in any way.

Mr. Lund: Well, that was the terminology that you used. I don't think there is a problem, but we will pursue that this afternoon. If they perceive that there's some kind of a problem, then we could do something differently.

Ms Blakeman: I don't have any sense that there was a problem, but as we know, this is the only opportunity to make any changes at all for whatever reason, and I think we have to offer them that opportunity.

The Chair: Given that this happened three years ago, there might be another accounting firm or two out there as well, so we could pursue that as well. We'll bring that back to the next meeting, and then we'll make a decision sometime later this fall at one of our meetings.

Ms Blakeman: It's been eight years now since they surveyed the wider community as to who's interested. Is that correct?

The Chair: Correct. Five and three. That's right.

Ms Blakeman: There might be.

The Chair: Yeah.

Mr. Campbell: Do you need a motion on that, Chair?

The Chair: No.

Mr. Chase: I'm just wondering. With the conflicts of interest bill changing, potentially – I believe Bill 1 from a couple of years ago along with the lobbyist registry changed to a degree the contracting regulations, and possibly a re-examination of the regulations would be in order, considering that maybe there wouldn't be a conflict of interest in certain cases for a company having a provincial contract but still being able to audit the Auditor General. I don't know if that has changed whatsoever.

The Chair: I see where you're coming from now. We were just suggesting that that might be the reason why a lot of the accounting firms were a little bit reluctant to do it. We don't know for sure. Maybe it's the money. I don't know. It's quite a bit of work for not a great amount of pay, I guess, when you talk about accounting. Anything else on that one?

We'll move on here to Other Business. Any other items for discussion? I do have one, and it's really for information purposes only. Order in Council 397/08 was passed on July 30, 2008. It made changes to the salary schedules for senior officials retroactive to April 1, 2008. Have you got copies of that?

Mrs. Sawchuk: Of that order in council, Mr. Chair?

The Chair: Yeah.

Mrs. Sawchuk: I don't believe we have copies for all the members.

The Chair: It made changes. Really, consistent with the motions passed by our committee at its June 11 meeting – you know, I'm talking about the compensation strategy – the salaries for the officers of the Legislature will reflect the 5 per cent change to the grid brought about by this order in council.

11:20

Ms Blakeman: We anticipated a grid change.

The Chair: Well, we thought there might be. This was for information, actually.

So if there's nothing else, future meeting dates.

Mr. Campbell: Are we going to go to 2009?

The Chair: Sorry, Robin. We just messed up your book today.

Ms Blakeman: Do we need to meet?

The Chair: Well, I think we will need to meet, certainly, after the Ethics Commissioner committee has made the recommendation. Do we need to meet before that?

Mr. Campbell: Will we not have to meet after you sit down and talk to the Auditor General?

Mrs. Sawchuk: Mr. Chair, if I may, it's one item that would go forward on the committee's next agenda. We do have to wrap it up this fall. We do have to have a motion on the record for contract purposes identifying who the auditor is on record for the office of the Auditor General.

Bigger than that in importance are the budget meetings. The committee has to review and approve the budgets for the officers. You know, it's a big enough undertaking that we generally have to book a full day. We still haven't received official confirmation from the provincial budget bureau what the deadline is for reporting on

2009-10 budget estimates, but generally this committee has met towards the end of November or beginning of December and scheduled one full day of meetings.

Other than that, the only other thing that the committee had kind of left in abeyance was the review of the reports of the officers. A lot of them are just starting to trickle in now, and by the fall they will have completed their reports. One of the newer provisions in the temporary standing orders is that the reports of the officers stand referred.

The Chair: This was part of the discussion when I was with the Ombudsman. I talked to him about the review of the report plus the business plan and the future budget, and he wondered whether that could be combined into one meeting: rather than doing 45 minutes for each one of them and then they're gone, combining about an hour and a half for each one of them and doing their report plus their business plan and budget for the next year all in one meeting. Then it's done. We're looking at the end of November or the first part of December for that.

Karen has a suggestion.

Mrs. Sawchuk: I was just going to suggest that we could pick a number of different dates and poll members on them to see where the best availability is within that time frame.

Mr. Webber: We just went through this for our last meeting. Why don't we just continue on like we did today, where we have a meeting directly after our Ethics Commissioner meeting?

The Chair: We'll be looking at a full day for five officers.

Mrs. Sawchuk: Yeah. Budget meetings are actually very involved.

Mr. Campbell: I'm just wondering if we should look after December 4, or is that too late?

The Chair: No, it's not.

Mr. Campbell: I think the House quits sitting on the 4th of December.

The Chair: I think so.

Ms Blakeman: That's not a hard and fast date, but it is the expected end date.

Mr. Campbell: Right. So I'm just wondering if we should look maybe right after the 4th of December.

The Chair: After the 4th and before the 15th, say.

Mr. Campbell: I'd say even the 5th, which is the Friday. The 4th is a Thursday.

Ms Blakeman: I am attending the COGEL conference, I think, on behalf of this committee.

Mr. Campbell: So am I.

Ms Blakeman: Okay. So for three of us the dates of the COGEL conference are out, and that is December 7 to . . .

Mrs. Sawchuk: Travel on the 6th and then back on the 11th.

Mr. Campbell: So would the 5th of December work? It's a Friday. It's just that when you get later into December, you're into constituency Christmas parties.

Mr. Bhullar: Mr. Chair, could we perhaps do two half days instead of one full day and just do it in November sometime?

The Chair: It's going to be a little bit difficult, Manmeet, because of session. We were going through this at our previous meeting, just prior to this one, and looking at the possibility of trying to even do a morning meeting while we've got an afternoon session going. It was very difficult because there are either caucus meetings set up or special meetings or CPCs or other types prior to the session at 1:30, so we didn't come up with very much through that. That would be kind of difficult. Fridays are the only days that were really open because we're not sitting on that day.

Ms Blakeman: What about two half days, Friday, November 28, and Friday, December 5?

The Chair: Two half days: the 28th of November and the 5th of December. Is that what you're suggesting, then, Manmeet? That's sort of the direction you were going, right?

Mr. Bhullar: Well, I was thinking a little bit sooner. I was thinking November, with both in November, because I know I'm already getting invitations for Christmas events.

The Chair: Yeah, and I understand that. That's right. Well, I'd say that traditionally we've always given them time to get their budgets ready, and previously they haven't had them ready until the very end of November or the first part of December.

Mr. Bhullar: Okay. I was not aware of that.

The Chair: But if we give them, as Laurie suggested, the 28th and the 5th, two half days, Fridays . . .

Mr. Campbell: I'd rather do it on one Friday.

Ms Blakeman: And they're supposed to be constituency days, so that affects everybody.

Mr. Campbell: Myself, I'd have no problem doing it all day the 28th or all day the 5th, but I don't want to do two half days.

Ms Blakeman: I'm with you. I'd rather do one full day.

The Chair: Okay. December 5 all day?

Ms Blakeman: I'm just noting that the last three ends of session have been involved with very controversial legislation and have ended up in several all-night sessions. Not that that would ever happen again, but just putting that in context when you're choosing which Friday, we may not have had a lot of sleep by the time we get to the 5th. But I'm happy to be here.

The Chair: It sounds like December 5. You're suggesting two half days, Manmeet, and they're talking certainly one day.

Mr. Bhullar: I only mentioned the half days because I thought maybe we could do those during session, but I was not aware that the budgets are not prepared until the end of November. So that's totally fine. November 28 is fine with me.

The Chair: Okay. Let's set these now, and we'll certainly confirm these as soon as we can.

Mrs. Sawchuk: A time: 8:30 to 4?

The Chair: A time? Well, we'd do 8:30 till 4.

Okay. Anything else? Thank you very much.

A motion to adjourn? Robin. All in favour? Opposed? That's carried.

[The committee adjourned at 11:29 a.m.]

