

8:30 a.m.

Wednesday, December 12, 1990

[Chairman: Mr. Pashak]

MR. CHAIRMAN: I'd like to call this meeting of the Public Accounts Committee to order. We've circulated an agenda for this morning's meeting, and unfortunately I was informed late Monday afternoon that the Hon. Dennis Anderson could not be with us this morning. A personal situation of grave importance occurred and he has to be somewhere else this morning. It was too late to arrange for another cabinet minister to meet with us, so I would like to ask someone to move the adoption of the agenda with the deletion of item 3. Ron.

MR. MOORE: Mr. Chairman, I move that we approve the present agenda with the deletion of the minister appearing.

MR. CHAIRMAN: Thank you. Any discussion on the motion? Those in favour of adopting the agenda? Carried.

Really, the next item of business is to adopt the committee meeting minutes of December 5.

MRS. BLACK: So moved.

MR. CHAIRMAN: It's moved by Mrs. Black that we adopt the minutes.

I should just point out to the members, if I may, that in agreement with Mr. Jonson, who had moved a motion with respect to deleting out-of-session meetings in the budget estimates for 1991-92, we modified the actual language of the motion that was presented a week ago to reflect, I think a little more accurately, what the intent of the motion was. So he's agreed to that wording change. The original wording would have been too restrictive with respect to the actual amount that would be deleted from the account, and the wording change allows us to make the proper deletions in all areas of the budget submission. So with that proviso, are you still agreed to adopting the minutes as distributed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: I recognize Mr. Lund.

MR. LUND: Thank you, Mr. Chairman. In dealing with the proposed budget, I would move another amendment. That amendment would be that we delete from the budget all the items that are connected with the Canadian Comprehensive Auditing Foundation conference in Montreal next November. That includes the membership and registration fees, the airfare, hotels, meals and miscellaneous, the conference attendance allowance, the pension allowance that was in the budget, and the LTDI which was in there, for a total of \$8,420.

MR. CHAIRMAN: In effect, you've provided a copy of this amendment. The amendment's on the floor, but maybe I should point out to the members what it is we're doing so that everyone has it very clear. We have a main motion on the floor which was presented by Ms Laing last week, and it's that we adopt the budget as distributed. Now we are entertaining amendments to that motion. We've already adopted one amendment by Mr. Jonson to delete any expenses associated with meeting out of session. We now have before us a second amendment to delete all the expenses associated with attending the Canadian Comprehensive Auditing Foundation conference. All right?

Now, does anyone wish to speak to that? Mr. Bruseker.

MR. BRUSEKER: Well, Mr. Chairman, I have a question more than wishing to speak to it, I guess. There are two different figures associated with this particular conference. On the one page that I believe Mr. Lund is referring to, there's a total of \$8,420. Now, on the previous page there's a figure of \$4,597 that refers to the same conference. I guess I'm wondering if you could explain the difference between those two figures and why they are there.

MR. CHAIRMAN: That expense that you see in the budget draft for \$4,597 is just that portion of the expense of attending that conference that would have to do with airfare and hotel accommodation. There's more expense than that involved in participation in that conference, and the member Mr. Lund has broken that out. Expenses for attending the conference also appear in other sections of the budget as well.

Ms Laing.

MS M. LAING: I'd like to speak against the amendment. I think we learn a great deal from conferring and communicating with other people from across Canada in similar positions. I think we tend to become too narrow if we only look inward and don't try to learn from others with different experiences.

As a way of maybe dealing with the cost, I would move a subamendment that we delete the expenses related to spouses and simply pay the expenses for the delegates.

MR. GESELL: Mr. Chairman, I would like to speak against the subamendment. I believe you've accepted it.

MR. CHAIRMAN: Yes.

MR. GESELL: Comprehensive auditing – and we've had this discussion in this committee and also in the House – is really not, the way I see it, a specific function of the Public Accounts Committee. I think accountants generally will agree that it is not. It's a management function more so than a public accounts function or a straight auditing function. Although there may be some areas where some information may apply in both cases, I feel the management accountability function of comprehensive auditing is much more critical – its application, the comprehensive audit or value-for-money audit – than it might be to the Public Accounts Committee.

MR. CHAIRMAN: If I may interrupt for a moment, I think you're really speaking in favour of the amendment, not the subamendment. The subamendment has to do with spousal travel.

MR. GESELL: No. If I understand the subamendment correctly, it wants to delete – perhaps I should address it through the Chair to the member – the spousal travel but leave the remainder in place.

MS M. LAING: No. The subamendment is just to delete the spousal allowance.

MR. GESELL: Only, and leave the rest of it so we still send delegates to this conference?

MR. CHAIRMAN: Your points are well taken with respect to the amendment, I think, hon. member. It's just the spousal

travel. If we could just restrict comments right now to whether spouses should . . .

MR. GESELL: Well, then I have problems with the amendment. I want to question you, Mr. Chairman, whether it is in order, because the initial amendment deletes the whole reference to that expenditure for everyone. The subamendment further deletes just spousal travel. It's redundant and out of order, if that's the case.

MS M. LAING: Okay, maybe I could reword it.

MR. GESELL: I can interpret it the other way, but I seek your advice.

MR. CHAIRMAN: Everybody's nodding their heads. On the point of order, I guess, Mrs. Black.

MRS. BLACK: I think the hon. member is correct that it is out of order, because it is a portion of the amendment that's already been made. So I think you have to deal with the amendment first and then entertain a further motion.

MR. JONSON: If I could just comment, Mr. Chairman. I'm not in any way opposing the right of a member to argue against the amendment, but I think the subamendment is really in direct conflict with the amendment because the intent of the amendment is clearly to delete that particular conference and expenses related thereto. It's sort of like the amendment that, with your advice, we changed the wording on earlier. The amounts themselves are not that important. The thrust of the amendment is to delete the conference, so to put in a subamendment which is directly counter to the amendment is not really in order.

MR. CHAIRMAN: Well, if it's acceptable, then, to the member that moved the subamendment, we could deal with the amendment, which is to delete it, and then I guess we could entertain a second amendment after that to restore the funding without the spousal allowance. Would that be acceptable? Okay.

MR. GESELL: I'll hold in that case.

MR. CHAIRMAN: Okay. So we're looking at . . .

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: The question's been called.

MR. EWASIUK: On the subamendment?

8:40

MR. CHAIRMAN: No; we've decided that we would withdraw the subamendment. What we're dealing with now is the amendment to delete all expenses associated with attendance at the Canadian Comprehensive Auditing Foundation conference.

MR. EWASIUK: I have a question, Mr. Chairman. Have we sent representatives or delegates to this conference on previous occasions?

MR. CHAIRMAN: I beg your pardon?

MR. EWASIUK: Have we sent delegates to this conference previously?

MR. CHAIRMAN: Yes, we have, by a special motion that went before the committee, and approval was obtained from a majority of members. Not all the expenses were covered in the past. I did attend the conference - I've attended the last three conferences - and some of my expenses were borne by the Canadian Comprehensive Auditing Foundation itself. I used bonus airline travel points, with the permission of the Speaker, and through separate motions the committee did endorse my arrangements. But this is the first time the item has ever been built into the budget directly.

MR. EWASIUK: Then I have another question. Because I've heard the hon. member speak, it may not be fair, but what is your assessment? I mean, what is the value, or is there value for us to participate in this particular convention? How will it help us as members of the Public Accounts Committee?

MR. CHAIRMAN: Well, to answer that question, if you would like me to answer that, I guess I'd have to ask Mr. Moore to take the Chair.

MR. JONSON: Go ahead and answer it.

MR. CHAIRMAN: Go ahead and make an attempt to answer the question?

Obviously, because I attended the conference, I thought there was some value in it. Now, on the one hand, from the conference itself I became quite impressed with the whole concept of comprehensive auditing in the public sector and attempted to become more informed about the advantages of public-sector accounting. I think there is a relationship between the public accounts process and comprehensive auditing in the public sector. I think there's something of value for all members to learn from attending that conference.

The other importance of the conference is that you do get to meet auditors general from the public sector and you also get to meet private-sector auditors. You get to meet other people from Public Accounts who attend these conferences and develop some informal linkages and further the dissemination of ideas, all of which I think are important. The Chairs of the public accounts committees in Canada also used that meeting to come together to plan for the spring conference, so attendance at that conference served a number of purposes.

Thank you for permitting me to speak to the issue and stay in the Chair.

MR. GESELL: Thank you, Mr. Chairman. I'd like to also respond to the question. I think it's a fair one. I also find attendance at comprehensive auditing functions valuable. That's not the point. I think it's a valuable exercise to do that, but still it's a management and an accountability function. To me there isn't that clear a relationship between what we do in Public Accounts, the straightforward auditing function auditors engage in, and the comprehensive program review functions. They are separate; they are not interrelated to the degree that perhaps you, Mr. Chairman, might see or other members in the committee might see. They are not - and I've reviewed the question quite clearly - within the mandate of this particular committee, number one, and they are related to the government operations. Now, I feel that government needs to engage in that. Calgary, for instance, does that quite effectively as a municipality, but not separate and apart from the straight auditing process they engage in. That needs to be clear. So for any member to want to attend this conference may be fine, may be valuable, but it

should not be funded through this committee because it does not directly relate to the function or the mandate of this committee.

MR. CHAIRMAN: Thank you.

Mr. Hawkesworth wanted to be recognized. Mr. Gesell had mentioned Calgary.

MR. HAWKESWORTH: Thank you, Mr. Chairman. Well, I may be unique in this room – I don't know – as being perhaps the only person in this room that's actually made a presentation to the Canadian Comprehensive Auditing Foundation.

MR. CHAIRMAN: If I might interrupt, I have too.

MR. HAWKESWORTH: Oh, have you? Then there are two of us.

I would just like to pick up on Mr. Gesell's comments. I had that privilege as chairman of the city of Calgary audit committee six or seven years ago. I had been invited to come and speak about comprehensive auditing at the municipal level. I would like to say that in the city of Calgary comprehensive auditing was very much a part of the political process, it was very much a part of the management process, and it was very much a part of the audit process. Because there was that interlinkage between the three, I think there was a lot to be learned by all parties about the audit function and particularly the value-for-money audit function.

Attending that conference were representatives from the public sector and management as well as auditors. Mr. Kenneth Dye was one of the keynote speakers, and there was also extensive representation from the private sector as well. I'd just say that the marriage or the intermingling of ideas that takes place at those conferences is extremely valuable to anyone who might attend. I would speak very highly of the work that that foundation is doing in helping the different parties – I don't mean political parties; I mean the different groups within the public sector – understand the pressures and demands on each other and, as part of that, bring together and make effective the whole comprehensive auditing function. The politicians, the senior management, and the auditors: each one has as a different role to play in terms of value-for-money auditing of public sector entities. Those three groups are very much a part of what the Comprehensive Auditing Foundation conferences are about. I don't think if you removed any one of those three, either the politicians, the managers, or the auditors, that comprehensive auditing can possibly be effective.

I don't particularly wish to go. I'd be happy to see even a government member on this committee be a part of that delegation that attends in Montreal. I just think it's important for the politicians to be in that place talking with and being a part of the process with senior management and with auditors. I think that triad of representation is essential, and I would hope that some member along with our chairman could participate. I think it would be extremely valuable.

MR. CHAIRMAN: Are you ready for the question?

HON. MEMBERS: Question.

MR. CHAIRMAN: Okay. Those in favour of the motion as distributed? Those opposed? The motion carries.

Do you now wish to present your . . .

MS M. LAING: Yes. I would move that we reinstate the cost for two members of this committee to attend as delegates. It is different from the other motion in that it would exclude the cost for spouses attending.

8:50

MR. CHAIRMAN: The motion is to reinstitute funding for two members of this committee, and two members of this committee only, to attend the Canadian Comprehensive Auditing Foundation conference in Montreal.

HON. MEMBERS: Question.

MR. CHAIRMAN: Any discussion on the amendment? Okay, those in favour of the amendment as proposed? Those opposed? The amendment is defeated.

Now we're back to the main motion, which is to adopt the budget proposal as amended twice, in effect. Mr. Gesell.

MR. GESELL: Thank you. I had a couple of other motions. In reference to your comments that the matter needs to go to the Members' Services Committee for final approval, I just wish to make some comments for the record. I have some questions as well, directed to you, I think, Mr. Chairman for some explanation.

The first comment relates to the allowance portion and the payment for spouses that attend. I believe it's of benefit to let spouses attend, but if we do provide the expenses for spouses, then I think we should not also pay the allowance to members. This is a matter that I think should be decided by the Members' Services Committee. I see it as an either/or situation. Now, I don't know what they do in other standing committees, and that's why I defer to the Members' Services, because I think they can give better direction in that situation. My personal position would be that we either pay the allowance if the member does not get the benefit of the spouse attending or, alternatively, if he receives that benefit of the spouse attending, then he should not get the allowance. It seems to be a double situation to me.

The second point I want to ask about relates to page 3 of the estimate detail that you've circulated, dated November 30. The question relates to the item in brackets on the bottom of each one of these travel expense matters. It's referred to as a per diem, and in my consulting practice a per diem has a specific meaning. It's a small amount, of \$4.60. My question really to you, Mr. Chairman, is: why do we pay that per diem to spouses, and what is it? What does it mean? What does it actually cover?

MR. CHAIRMAN: I think the member is quite correct in drawing this to our attention. Actually, it's just something that's on the books that perhaps should be deleted because no one has ever collected it. It's in there, and it's built into the budget because it's part. If someone wanted to claim it, they could, and it would be just to cover incidental kinds of expenses that a spouse might incur, like having to take a taxi or a bus or buy a copy of a book. I don't know.

MR. GESELL: Whatever. Okay. Mr. Chairman, that's not my understanding of a per diem. That's an expense. I thought expenses generally were covered in another item, but whatever.

MR. CHAIRMAN: I think that's not a problem for me. That's a problem for you to take back to the government.

MR. BRADLEY: Well, there's something in the public service employees' regulations that says there are incidentals. Whether it's cleaning or something like that, it's there. Any public servant who is traveling at government expense can claim this small amount for incidentals.

MR. GESELL: I appreciate that, but my original question was: why do we pay it for spouses?

MR. CHAIRMAN: Through the Chair, please.

To answer that again, that's not a problem for this committee. It's in other regulations, and I think that if you want to pursue that line of inquiry, it should be with the Provincial Treasurer.

MR. GESELL: Well, that's fine. I've raised it in this committee. I assume, because it will be recorded in *Hansard*, that it will be dealt with at Members' Services at the appropriate time, and I think that's sufficient.

There's one other comment I wanted to make with respect to the total budget. If my arithmetic is correct, we have through the motion by Mr. Jonson deleted some \$21,000 roughly for out-of-session meetings. That's fine, but I still have a further question. We've deleted some additional allowances that would be in that total amount, but when I look at the last sheet that you've circulated, page 7, Mr. Chairman, we've got a '90-91 estimate of \$23,600 basically for allowances, or per diems, as I would call these, but allowances would be sufficient. By November 20 we've actually used some \$7,000 of that, if I'm correct, yet I see a very substantial increase, even with the deletion of the \$21,000 for out-of-session meetings and the deletion that relates to the attendance at the comprehensive auditing conference. I'm raising the question: what else is still in there that I haven't accounted for that raises that budget by that amount?

MR. CHAIRMAN: Again, that's an amount that we do have to budget because the Members' Services Committee approved an expenditure of \$100 per day per member for attending these sessions of the Public Accounts Committee, whether we're meeting in session or out of session. That was approved for all committees of the Legislature. The caucus representatives, I guess on the Members' Services Committee, got together and between themselves worked out an informal understanding, as I understand it, that they would advise members of their caucuses not to submit a claim for that amount that has been budgeted at least while we're in session, that we would not claim for the \$100 that is actually provided in the Members' Services order. I think there's some indication that they may change that Members' Services order at some future date. I don't know. That's up to the Members' Services Committee. In actual fact, there were a few claims at the beginning of last session that were paid out, but shortly after that, when it became clearer that this understanding existed, there were no further claims submitted to the Chair of the committee, and there was no money paid out. We still have to maintain that figure in case members should decide to do that and submit these claims, which they're perfectly entitled to do. Okay? So that's why that figure is larger. That accounts for . . .

MR. GESELL: I appreciate that, and I'm relating last year's estimate to the projected one.

MR. CHAIRMAN: Well, last year we didn't have provision for . . .

MR. GESELL: Well, the \$25,000 does include the \$100, yet if I deduct the \$21,000 and the portion that accrues to the comprehensive auditing, it's still an increase. It's still a bump from the previous one. That's what I'm seeking an explanation for.

MR. CHAIRMAN: Well, last year we only budgeted for eight meetings. This year we budgeted for 12.

MR. GESELL: That explains it.

MR. CHAIRMAN: We wouldn't have had enough money to pay out last year. Okay?

Mr. Jonson.

MR. JONSON: Well, Mr. Chairman, I think you're quite correct in that this is a provision now that has been duly put through Members' Services and so forth, and it needs to be budgeted for. That's a requirement.

Secondly, you've covered my second point, which is that the budget last year was only for a limited number of meetings over this year because of the timing of that decision.

MR. CHAIRMAN: Thank you. Anything further on this point?

I do have to respond, though, to the first point that Mr. Gesell raised, which had to do with spousal travel and the allowance that members get when spouses travel. From my point of view at least, that's not a matter for this committee to decide. I submitted a certain budget on the advice of representatives on the Members' Services Committee. The Chair of Leg. Offices advised me that I should redraft my budget submission and bring it in line with practice that is now established in other committees. It think that if you have a concern about that, again, you should take it to the Members' Services Committee. You've entered it in the record. I'm sure they will be aware of this record, and they will deal with it at that time.

Mrs. Black.

9:00

MRS. BLACK: Mr. Chairman, as a member of Members' Services Committee, I certainly will bring those items forward that have been discussed in this committee for discussion within the Members' Services Committee at the next meeting.

MR. CHAIRMAN: Mr. Moore.

MR. MOORE: Well, I won't say anything. I'll have a lot to say later, but right at the moment in this meeting I don't have anything more to say. I call the question.

MR. CHAIRMAN: Well, members are entitled to continue to speak if they have points. Seeing no other speakers, then, we'll call for the question on the main motion.

I was just advised that there is one other item in here that I hadn't mentioned the other day. It was an oversight on my part. The budget does include an amount of \$250 to produce an annual report similar to the kind of report the Heritage Savings Trust Fund committee releases. It would be just a summary of our activities that would be tabled in the Legislature. It's an amount of \$250 for photocopying of the report, essentially.

HON. MEMBERS: Question.

MR. CHAIRMAN: The question's been called. Those in favour of the motion as amended?

MRS. BLACK: This is the amended motion?

MR. CHAIRMAN: The motion as amended twice, by two subsequent amendments? Those opposed? The motion carries.

The final order of business would be the date of the next meeting. Provided we're in session, we will have a meeting a week from today, and in attendance will be the Hon. Fred Stewart, Minister of Technology, Research and Telecommunications.

Mr. Hawkesworth.

MR. HAWKESWORTH: Mr. Chairman, could you tell us: since we started back in whenever it was, March, how many different ministers have actually appeared before the committee?

MR. CHAIRMAN: I think it's 11, but we'll check that out and confirm that figure.

MR. SEVERTSON: I move we adjourn.

MR. GESELL: I have a question. I had my arm up.

MR. CHAIRMAN: Mr. Gesell has a question.

MR. GESELL: Mr. Chairman, just for clarification - I know we voted on this matter - has this committee ever submitted a report previously to the Assembly?

MR. CHAIRMAN: No.

MR. GESELL: Okay.

MR. CHAIRMAN: There's a motion to adjourn by Mr. Severtson. Are you agreed that we adjourn? Agreed. We're adjourned.

[The committee adjourned at 9:02 a.m.]

