

[Chairman: Dr. Carter]

[2:11 p.m.]

MR. CHAIRMAN: Regrets from Mr. Hiebert and Mr. Gurnett. At the conclusion of our time with Mr. Collins, I'd like committee members to stay on for a while, because we've got a few minor housekeeping items we should deal with.

One thing we should point out at the moment is that we really had a land-office business; we now have 20 applicants. The deadline, of course, is about a week away now, the 15th.

Committee members will recall that the last time we met, we discussed with Mr. Rogers and a representative from Treasury the kind of impact the job might have, the inter-relationship between the Auditor General and Treasury in particular but also other departments of government. That was one of the reasons we decided to invite our guest today, especially in view of his long, varied experience with respect to the workings of government. What it boils down to, when we cut through the 'gabblefarb', is that we need to hear what you've got to say, Chip, please. If you've got some overview comments you'd like to make and then respond to questions from committee members, we'd appreciate that.

MR. COLLINS: First of all, I'm most pleased to be invited here. I hope I won't blot my copybook with whatever caustic comment I might have about the audit. I am pleased to have the chance to comment on our incumbent and, as I see it, some of the things that are required for the job.

I believe very strongly that this province has been very fortunate in the man who has been Auditor General since the position was started. He's a very forthright individual, but he combines his forthrightness with a great deal of common sense, in my view.

I think it's fair to say that Treasury, as a department, has more of an interface with the Auditor General than any other department. All departments have an interface, goodness knows, but I think Treasury's dealings with the Auditor General are on a daily basis. In addition, I have seen him and his people at work at AGT, where I'm a commissioner and where as a Crown corporation they have a resident audit staff. Similarly, being on the board of the housing corporation and the mortgage corporation, now joined as one, the Auditor has

a role to play. The Alberta Municipal Financing Corporation also -- indeed, all the Crown corporations, but these I've mentioned are those I've had some personal dealings with over the years.

Starting with Mr. Huckvale, who was the Auditor, and going on with Mr. Rogers as the Auditor General, he has, without exception in my dealings with him, been a first-class person. In a sense, that puts some considerable weight on this committee to make sure, as much as possible under the circumstances, that his successor is also a first-class individual. I'm sure that all of you are conscious of that requirement. The reason I stress it particularly is that having to work so closely with the Auditor -- his job is such that he can make the wheels of the implementation side of this government so much easier or so much harder. Therefore, I don't envy you at all as a committee the responsibility you have. I pray for you, quite literally, because the selection of this man or woman is so critical to the business of government.

Having said all that, as a nonauditor, a nonqualified person, I believe the Auditor General's scope is such that unless the individual himself or herself is one of more than usual common sense, I would see some great difficulties down the road. The chartered accountant profession is reaching out every day for more and more responsibilities. They're moving toward efficiency audit, which seriously disturbs me. I think Mr. Rogers has carried himself very well, but he has built a team who are auditors by the book. Their leader is going to be in a very delicate position, I think, with the government today.

I guess the question that sticks in my mind is: who audits the Auditor? To me that's a very serious question, because I don't really believe anybody does. There's a select committee of the Legislature that is responsible for him, but it is made up of busy people, nonqualified in the sense of accountancy training in most cases. To me it's abundantly clear that the Auditor General position is one of considerable power and strength that needs an auditor just in the same way I do.

Having mentioned the efficiency, the old three E business, you'll have to excuse me in a sense, because this is an old pet of mine. I find it very difficult, particularly coming out of

Treasury, where we were, just as an example, handling enormous sums of money for which we were responsible and for which we were advised by the Provincial Treasurer to maximize the return. That's obviously what should be done in any case of money management. The people handling those dollars are, in their own way, as professional as the Auditor. But I've never understood how the Auditor could be held in a position of responsibility to look over the shoulder of other professionals. Where does he get his training?

From the very beginning I've been quite loud, both with Mr. Rogers and at other times. There is no doubt in his mind how I feel about it: very strong in my defence of the operation itself as not necessarily being subject to an efficiency audit that he and his profession would put into place if they were allowed to. I have never believed it would work, and I haven't seen anything recently to change my mind.

Finally, Mr. Chairman, at the risk of this going on and on, the profile that the Auditor has with government, with the Legislature, not necessarily just with the party in control but with the Legislature as a total thing, seems to me to make it absolutely mandatory that the individual have a very, very high level of knowledge, experience, and forbearance — that may be as good a word as any — on the political side. He's in a position to provide from time to time, inadvertently as well as advertently, very sensitive political things. To me this is where Mr. Rogers has shown great talent. He works very hard. I don't know that he has always succeeded, but he works very hard. I know from personal experience with him to never, ever put the government in a political embarrassment at any time. When I say government, again I mean the Legislature. If there was one attribute that your applicants have to have in my view, that clearly is number one.

Again, I pray for you because I don't know how you'd find that out about a person with whom you haven't worked. I heard your chairman say there were 20 applicants. I presume that some of those will be in-house, but by the very nature of the job and the advertisement and so on, some of those will not be from inside government. It's a very difficult area to probe. I'm not suggesting how you do it; I'm just suggesting that is one of the things you have to do.

I'm sure I've forgotten something, Mr.

Chairman, that may occur out of some questioning.

MR. CHAIRMAN: Thank you.

MR. THOMPSON: Mr. Chairman, I'm obviously way, way down the list when it comes to accounting. Could you just give me a capsule definition of what you mean by efficiency auditing? I have never heard the term before. I understand efficiency and I understand some of the auditing, but just what differentiates that term from general auditing? Is it the fact that they comment on operation, or is it a new type of auditing they are doing?

MR. COLLINS: It's fairly new in the sense that — I think I said the profession is widening its scope. An auditor has traditionally had the ability to check the books, as it were, for accuracy, honesty, and procedures in accounting. In this day and age of modern electronic computer capability their scope has widened even unto the systems which are used by businesses. Certainly, in government — this is just a big business with a lot of departments and a lot of variations. The Auditor — and here I would defend him totally — must keep on top of the individual systems used by the departments to provide information to government. I have absolutely no problem with that. Where the systems are either not effective or too expensive or, indeed, ignored in some cases by management, I think the Auditor is bound to report on that. I know he thinks so too.

Where he and I come apart is — if you'll excuse me, I'll have to use the Treasury experience because it is the one with which I'm most familiar. If we have \$100 million to invest, as Treasury does most every day, that sort of money, the Auditor wants and believes he should be able to look over our shoulder and say whether that \$100 million invested at 10 percent should have been invested at 10.8 or 10.2 percent or if invested for 30 days should have been invested for 45 days. If you think about it for a minute, he is not looking over our shoulder on the day we do it; he's looking over our shoulder 30 days down the line with the benefit of twenty-twenty vision called hindsight. I just find it impossible to accept that as a routine involvement of the audit work and responsibility.

MR. CHAIRMAN: Just on that point. Has that been a pressure from Mr. Rogers himself or from somebody else within his group?

MR. COLLINS: I guess it would be more fair to say that that's a pressure coming from the profession, Mr. Chairman. The generally accepted accounting principles, GAAP, which is the bible of the accounting and auditing profession, has in the last few years been widened to include what they call the three Es. What are they? They don't call it "efficiency"; they call it "effectiveness", which to me is just another word for the same thing. I've forgotten what the first two are.

MR. MILLER: Don't they refer to this as a comprehensive audit?

MR. COLLINS: It's certainly included in the words of a comprehensive audit, so the profession is driving their members towards it. I don't think the Auditor would ever admit this to me in a hundred years, but I think he himself has some doubts, partly because of the capacity that would be understood to be in his people, which couldn't possibly be there. And he is such a responsible individual that I believe he is aware that in a sense that is a trap. But there is no doubt in my mind at all that his staff would go that way and that he in some way or other has been a checkrein, if you like, in that direction.

MR. CHAIRMAN: I think that underlines our experience about it, doesn't it? He doesn't really want to go with the comprehensive audit process, where you have to bring in this team of experts, either in medicine or social sciences or whatever. But how far down the system is it that he's really holding the reins? I think that's the thing on John's question: how much of a difference is there between the efficiency audit and a comprehensive audit, and is the efficiency audit really just the first step getting you farther down the road to where the professionals, the Thorne Riddells or the Price Waterhouse out of eastern Canada and all the rest of them, want to make this the name of the game?

MR. COLLINS: With my bias I would look on it unquestionably as a step towards that. I'd even go further. Should that come about, as it is in

some industries, I don't really know how we could keep staff. The Auditor looking over my shoulder to audit my work is one thing, but to be critical of my professionalism is another. Sooner or later I'd hand him the operation and say, "Here, you run it." I'm back talking about who audits the Auditor.

MR. THOMPSON: Another question. It comes right back from this. What weight would you give the factor in this transition -- and, believe me, it's a transition -- between the continuity? You've expressed a certain doubt at bringing in somebody who is in the office against bringing in somebody from outside. To my way of thinking at least, some credit should be given to keeping the transition as smooth as possible. It isn't a dominant factor in your mind?

MR. COLLINS: I guess it's a matter of degree in the word "dominant". It's another bias of mine, if you like, and I guess when you get to my age you're loaded with biases.

MR. CHAIRMAN: How old are you? Thirty-nine?

MR. COLLINS: As a manager, which I consider myself to be, I have always adopted the approach of hiring in-house, all other things being equal. To the extent that you can find an individual who has worked for Mr. Rogers, if you like -- again, I don't know what applicants you may have, but I'm sure you have at least one if not more from in his shop. I'm aware that there's a rule in management that says that you must insert new blood from time to time. That's a very judgmental thing, and it's something I agree with too. But I think you do that when you find yourself too ingrown. So in the Treasury Branches, for instance, which I've had the happy experience of supervising for a lot of years now, we have stayed in-house with our people. Even though from time to time there has been a small cost to that, in our view there has been a big benefit. I guess that's a long-winded way of saying that should there be a candidate in-house who measured up, I'd put the benefit of the doubt on him.

MR. THOMPSON: Thank you.

MR. MILLER: Mr. Collins, we really appreciate your coming today and sharing your wisdom

with us. I couldn't agree more that the most important thing that we look for in a candidate is common sense, and it's an ingredient that you either have or haven't got.

In regard to the auditing, we think Bill Rogers did a very commendable job, as you mentioned. You should be aware that David and I attended the Auditor Generals' conference in Ottawa, and there was no doubt in our minds that the best man there by a country mile was Bill Rogers. All the other auditors, including the Auditor General from Ottawa and the provincial auditors general, were of the mind of expansion, as you pointed out. They want to go into this efficiency audit or comprehensive audit and expand their role. We were quite gratified that Bill Rogers wasn't going along with that train of thought. But I can see where a person of lesser stature would be tempted to go along with the thinking of these other auditors general and where it could cause us some concern.

While we have you here, I would like to ask a question. When we had Mr. Huckvale as the Auditor, the auditing was a preaudit; the Auditor General's is a postaudit. Is this correct?

MR. COLLINS: Yes.

MR. MILLER: Why did we change, and was it a wise move? Did we do it just because it was fashionable to do it across Canada?

MR. COLLINS: First of all, it wasn't done just to be fashionable, although I think we as a province were one of only two who by that time did not have an Auditor General. So in a sense, I suppose, it was fashionable, but that was not the basic reason.

I guess the fundamentals were that the preaudit held things up. If you think about it for a moment, if you put in an expense account -- in those days your expense account was administered by your financial officer in the department. It then went to Mr. Huckvale's shop, where it was audited in detail, and if it followed the procedures laid down, it was passed for payment. He also made the payment. So the Auditor was in a position of enormous power bureaucratically in that if he, for whatever reason, didn't want to pay you, he just didn't pay you. The history of the bureaucracy in this province, as I've studied it a

little, is that that really is how he and Mr. Manning ran this province. In fact, the two of them did -- administratively, I'm now speaking. Everything stopped at his desk, and what was allowed to proceed was what he allowed to proceed.

When I came on board in '72, that's what I came nose to nose with. Huckvale and I started out as pretty good friends. I'd admired the history and the background. He was an incredible administrator. But even by that time the business was obviously too big for one individual. My advice and the advice of many others, not just mine, to the then Provincial Treasurer was that a preaudit was fine but it shouldn't be married up with the payment as well. Again, nobody was auditing the Auditor. A more realistic approach to speed things up -- to keep the wheels of this growing business on the rails, we needed the ability to process our accounts payable and have them audited on a postaudit basis, which is how the rest of the world operated. Over a period -- I've forgotten now; when did we have Mr. Rogers? He's been there for eight years?

MR. CHAIRMAN: Is it '77?

MR. COLLINS: So I guess the decision to switch was made in mid-76, and it was timed with the retirement of Huckvale, though I think like me he would have probably stayed around as long as anybody said, "Stay here." But he had come of age. In my view, he was a tremendous man in his day, but his day had more or less come to a close. The business had gotten much too big. I think the decision was made about nine months ahead of the actual implementation of the decision, because it took that long to get us shifting the gears of the payment procedure and the mechanization of it into Treasury so that the Auditor could become an auditor.

MR. THOMPSON: Just on that point, if you don't mind. Now what happens? We had Mr. Huckvale back there, the single fellow who said yes or no. Is it now Treasury that has taken over that role that says yes or no, or does each department itself say this or that will be paid? Somebody out there is making the decisions today that Huckvale made in total before. How does the system work?

MR. COLLINS: The system works somewhat in

the same way that it did when Huckvale did it, except that it's not such a one-man show.

MR. CHAIRMAN: Since you left? [laughter]

MR. COLLINS: Touche.

MR. THOMPSON: That's what we call diversification.

MR. COLLINS: What we invented was a payment procedure. There's a name for it, and I apologize; I can't give it to you at the moment. I'll think about it.

There's a payment procedure with about 50 people over there who, following a policy, interpret that policy to pass items for payment, so it is a system thing as opposed to an individual thing. Certainly, when I was there, and I know it isn't happening now, the Deputy Treasurer never, never got into the payment procedures at all, except to the extent that I would have my kick at the cat at the time we set up the policy.

MR. THOMPSON: It was basically a routine formula that you used.

MR. COLLINS: Yes. That has some slippage in it, in the sense that those people are only human. They're processing mountains of paper. You should take a trip in there someday, just to see the volume of payment that runs through a \$10 billion business; it's impressive. But also, being human, they'll make mistakes. That's what the Auditor's for. He's not part of that procedure, so he can take a very cold, clammy look at it, and say, "Hey, your systems are just letting you down." From time to time that happens. He had to move in pretty close a couple of years ago on the revenue situation in energy, if you remember. I think you were in the other wing of that department. The systems got away on us.

MR. MILLER: Yes.

MR. COLLINS: That was the department's fault and, certainly to some extent, Treasury's fault, because we didn't pick up that situation quickly enough. The Auditor fingered it and helped us correct it. But in that sense it was a team effort.

MR. THOMPSON: Thank you.

MR. MILLER: You mentioned something about who audits the Auditor. I don't know if you're aware, Chip, that our legislative committee, as such, is a lot more active than any other legislative committee has ever been. Maybe it was because of the need to make some new appointments; for example, the Ombudsman and the Chief Electoral Officer and now the Auditor General.

I think there is a role this committee can play to audit the Auditor. The reason I say that is that having been in legislative council and having to go before priorities with my concerns as to what I was wanting, one of the things that bothered me was that it seemed to me that when we were looking for increased personnel, for example, we were criticized in the department of wildlife for not having a handle on all our equipment: the shovels and axes in our regional offices, a skidoo, and things like that. In doing his audit, the Auditor recognized the fact that in some areas the way we were keeping track of our inventory was a little sloppy and recommended that we put, in each of our five regions, a person to be more or less the accountant for the department in that area. In other words, he was asking us to have five people.

From the department point of view and from my point of view, we had greater need for maybe some wildlife officers. Yet, because of the Auditor, we were having to have a greater accountability, and in some cases, as Merv Leitch pointed out, the amount of checking and manpower and cost it took was greater than any loss that we might incur over a given time.

Through this committee I was able to sit down and express my concern to Bill Rogers on this aspect. I felt that it was a plus. I could do it as a member of a committee, but I couldn't do it when I was a minister. This is where I think there is a role for this committee to play, in being able to say to the Auditor General, "Okay, why are you doing this? It just doesn't make sense."

I have a neighbour who farms next to me, and he has a lot of hired men. His advice to his hired men is that if you get out to fix something and you drop or lose a wrench or hammer, don't bother looking for it. The cost of your taking an hour to look for that bloody hammer or wrench is greater than what I'd lose in the

wages I'm paying you. As a result, he has hammers and wrenches all over his farm.

I felt that we were able to talk to Mr. Rogers. He's a good Auditor General, and he's a nice fellow, a great guy.

MR. COLLINS: And a very honourable gentleman.

MR. MILLER: And very honourable.

MR. COLLINS: He is all good things, but he's not going to be with us too much longer. That's your problem.

I guess my response would be that I'm nervous about the communication. I'm not nervous about the action the committee might take if you are aware of the problem. I'm concerned that you're not aware of the problem, because the communication path to the standing committee is -- I guess I don't understand. I don't know how it works. I don't know how I as the deputy of a department that was getting into trouble with Rogers has -- I don't think I have any ability to reach out to you. If I have, I don't know where it is except, again, through the minister.

[The committee met in camera from 2:45 p.m. to 2:47 p.m.]

MR. MILLER: I've always been of the opinion that auditors always come up with the negative. They never say anything good. I'm thinking that one of the instructions to the man we hire should be to recognize on occasion some of the good things that government does.

MR. THOMPSON: A more balanced approach.

MR. MILLER: More balanced, yes.

MR. COLLINS: In fairness to the Auditor General, it seems to me to be a very tough area. He can say in his annual report that the Department of Culture is operating as smoothly as it ever has and that things are beautiful, but I don't see that in his terms of reference. By nature, he's looking over their shoulder to be critical. In my view, this is what Rogers does so well. He is critical, he is constructive, he is helpful, and in the final analysis makes his report as he sees it.

MR. THOMPSON: He's quite discreet too.

MR. COLLINS: Exceedingly. Very often, in having to do it, he hurts more than the subject of his criticism, because by nature he's not that kind of individual.

I guess I would plead that, whoever the Auditor General is, essentially he pretty well has to be critical.

MR. CHAIRMAN: Is it fair to say that using his discretion as he has and in his brevity of comment, for an Auditor and for a CA in particular, that really means he is in essence giving a compliment?

MR. COLLINS: Giving a compliment?

MR. CHAIRMAN: Working towards what Bud's point is, which we've incorporated in one of the last pages of the document.

MR. COLLINS: As a recipient of some of his comments over the years, I guess that's a pretty good way of saying it, Mr. Chairman. If he leaves the senior bureaucracy alone, he's complimenting them.

MR. CHAIRMAN: When did you stop beating your wife, when did you stop beating your head against the wall, or something like that?

MR. COLLINS: If I might offer this as a freebie, as it were, he has people in his own department who are on both sides of this area. All chartered accountants don't cleave to that one position. I guess it's only natural that in his department I'm sure they have some pretty strong discussions themselves in this area.

MR. CHAIRMAN: To follow up a bit on who audits the Auditor General, we've been approving an estimate of -- I've forgotten what the figure is per year, where he has an independent group of auditors look at his operation and provide a statement. I suppose that's the only process we really have from the professional side. Part of the question is: should we be changing those who do the audit of the Auditor General every two years? Every year? Move it around? At least that way, we work on the theory that they won't get too cosy.

MR. COLLINS: I'm not sure I understand, Mr.

Chairman. You're talking about the committee?

MR. CHAIRMAN: As the Legislative Offices Committee, the committee on which we also serve, we have this process every year for payment of the bill of an Edmonton firm of chartered accountants who have deemed some kind of opinion with respect to the Auditor General's operation.

MR. COLLINS: I wasn't aware of this. You actually hire Price Waterhouse -- just to use them as an example -- to look at the Auditor's shop?

MR. CHAIRMAN: Yes.

MR. COLLINS: I wasn't aware you did that. I guess I'd be very suspicious of the results, because I can't even remotely imagine Price Waterhouse saying that the Auditor's office is a mess in this and this and this area. There's a professional -- if you hired me to do it . . .

MR. CHAIRMAN: It would be a conflict of interest.

MR. COLLINS: I'm sorry; with great respect to the audit profession, I really don't think you get your money's worth.

MR. CHAIRMAN: May the record show there was healthy skepticism. We'll check out the firm, and perhaps you and I can have a conversation and a cup of coffee another day about that, as a follow-up.

MR. COLLINS: Fine. Any time. I'm at your service.

I might add one thing, Mr. Chairman, if you'll allow me. I guess I question, and I say this with some trepidation in this room, the ability of the select committee really to audit the Auditor, not because of lack of willingness or direction but the lack of -- what's the word?

MR. THOMPSON: Competence.

MR. COLLINS: No, because as a committee, I'm sure you're competent, but you don't have the traffic. I don't know how to phrase it, but as I see it under your setup, with the time you have, you can't possibly see enough of his

transactions to be critical of him. For instance, as far as I know, he's the last place in this government working on flextime. That's a no-no everywhere else. I don't want to be a tattletale, but using that as an example, is the committee aware of that and does the committee feel -- and please don't answer this -- that it should go on allowing him to do it? As I see it, that sort of situation is very, very difficult for you to handle as a committee.

MR. THOMPSON: I just assumed that all departments used flextime to some degree.

MR. COLLINS: Approximately half the departments did, but a year ago or thereabouts, there was a decree that it disappear. And it has disappeared.

MR. MILLER: The Auditor General mentioned it to us, Chip, and we went along with it on the basis of, okay, the end of the year is the busy time for them. If they can have staff do extra work then, there is a slack time later on when they can more or less stretch it out. In other words, you work hard today because of the nature of the business, but you get free time further on.

MR. COLLINS: It may be a very logical thing. I raised it because it was sort of at the top level in my mind. The Treasury Branch head office has three floors in the same building where the Auditor has two, and we share the parking lot. The biggest single problem I have with staff today is: why is the Auditor on flextime and I'm not?

MR. THOMPSON: You just used it as an example.

MR. COLLINS: I just used that as an example.

MR. CHAIRMAN: All right. That still takes us to the current situation, though. Whether it's the Ombudsman's office, the Chief Electoral Officer's, or the Auditor General, they're not the government, even though you're in the same building. Does a decree that comes down from the Provincial Treasurer, or whoever, really apply to these three legislative offices?

MR. COLLINS: Not per se, but the individual members of the staff of those three offices are

all on the public service pension plan or the public service management pension plan. To some greater or lesser degree, they are on the Public Service Commissioner's pay administration grid.

MR. CHAIRMAN: They want to take advantage of that, yes.

MR. COLLINS: They all hire people who are — I think most departments of government have a chartered accountant in one place or another. It appears that we're all working for the same end. We may have a different boss.

You make a good point. If the Auditor General's office is going to march to a different drum, fine; but then, in my view, it should be different.

MR. CHAIRMAN: What about physical proximity? Do we have to have the Auditor General in the same building as you folks? It just saves a lot of driving time and checking up on each other. At least if you moved to separate buildings, you wouldn't be checking each other's parking slots.

MR. COLLINS: No, I think the proximity is a small part of the problem, because you can see the empty slots when you know who parks there. I doubt if a move of one or the other would fix it.

MR. CHAIRMAN: Could we ask you what you see as being the effects of computerization on the interrelationship between Treasury and the Auditor General? We assume, of course, that nobody is going to throw out the computers now. What are the new kinds of challenges which lie ahead in the interrelationship?

MR. COLLINS: Actually, I don't see that as an area of problem. I see that as an area of positive co-operation, with one caveat, I guess. The history of automation of the administration of this government started with Bill Rogers. It isn't generally known, and I'm not even sure that it's known at this table, but he is probably — I think arguably — the most knowledgeable data processing individual in government today. He doesn't use that as much as he used to, but starting in the mid-60s, he was the individual officer under Huckvale who was given the actual, physical responsibility of

mechanizing the government. So his knowledge and ability to advise Treasury -- we've been leaning on that shoulder of his for a long time, and he has never let us down in that area.

The caveat I mentioned is: what happens after he goes? There are a couple of people in his shop — one occurs to me, who, next to Rogers, I guess would be the reigning expert. Normally, and particularly if you go outside in your choice, I think the likelihood of having a data processing adviser in the position of the Auditor General would be very slim. It just happened here. He just happened to come up that way through the Auditor's office. If you broke him down a little, I think he'd admit that that's probably his first love, after his wife and dogs.

MR. THOMPSON: Well, he's very proud of the system he's got in place.

MR. COLLINS: No question, and I give him full credit. I think he is responsible for the efficiencies that we have. It bothers him to find areas -- we've got a problem area in the Treasury Branches right now, where we're trying to catch up with the banking system. The time it takes is expensive and nauseating, and I know he's concerned. There is nothing he can do. He can't just march in and take it over. There are days when I know he'd like to.

MR. CHAIRMAN: Any other questions, gentlemen?

MR. MILLER: That's an excellent overview. I appreciate that.

MR. CHAIRMAN: Could I ask one more, please, Chip? Does the Treasury Department use the Auditor General as some kind of big stick to thump another department with, saying: if you don't do it absolutely correctly, the Auditor General is going to come in and embarrass us all?

MR. COLLINS: Yes, I think so. From time to time I think it gets overdone. It's the old story of the housewife with the child, who says, "I'm going to get your daddy to spank you when he comes home." I guess if I had to itemize it, I'd say that about 80 percent of the time it's a valid statement. If we know the Auditor better than you do and we can advise you not to do



something at risk of incurring the Auditor's wrath and having a mention in his report, I think it's our duty to do that. But 20 percent of the time, when it's used as a bully tactic, I think it is just human and does happen. If you asked Al O'Brien, who's in part of my old saddle now, I'm sure he would give you the same answer. He would certainly not want any of his people to do that, but he's fully aware that from time to time it happens.

MR. CHAIRMAN: I guess I would use two examples. One, I find it in the Legislative Assembly with respect to the Speaker, but more devastatingly I find it in the department of social services, where they seize up and use it as an excuse for not getting things done.

MR. COLLINS: For not doing something.

MR. CHAIRMAN: Yes. And that keeps coming back: oh well, Treasury, Auditor General. It's always good to pass it on to someone else.

MR. COLLINS: I also think that Treasury is sometimes a whipping boy. Because we are sitting at the disbursement control office, which are the words I was trying to think of before, we're seen as having a bigger stick than I think we actually have. We get blamed, rightly so in many cases and not rightly so in others, for something the department does or doesn't want to do.

At some risk, I'll mention a name here. In the Dr. Horner days, Dr. Horner used that with great effectiveness. He'd phone and say, "The Premier would like you to do this, Chip." There were times when there was absolutely no way in the world that even a man with the detail capacity the Premier has could possibly have been aware of what was going on.

MR. CHAIRMAN: When, after all, the real detail man has just left Treasury.

Perhaps there are some other things that you want to comment on before we wrap up. Are there any other things that come to mind?

MR. COLLINS: I have the feeling that I've taken up the committee's time. I guess not, Mr. Chairman. I think that would be gilding the lily a bit now. I hope you're aware of how fundamental I feel your decision is in this case for the next five to eight years. It's an

incredibly powerful job, however it's used, but it can make such a difference for good or for bad. I don't envy you your responsibilities at all. But I've said that twice now.

MR. CHAIRMAN: I'm sure all three of us, as members of the committee, agree with Bud's words: it's been very interesting. We also appreciate the historical perspective, because your comments about Huckvale and the transition period, as well as how things have been impacted in their relation between Treasury and the Auditor General, are very useful background information for us.

So a simple thank-you, but really a big thank-you, for coming to spend the time with us, because I think it has added a couple of extra dimensions to my thinking. Thank you.

MR. COLLINS: Not at all. It's a pleasure, and if at any time you think I can offer any counsel at all, I'd be delighted.

MR. CHAIRMAN: Thank you.

Committee, should we take five-minute break?

[The committee recessed from 3:09 to 3:14 p.m.]

MR. CHAIRMAN: Just to back up a little bit. You'd be interested that the applications have come in: two from British Columbia, seven from Alberta, one from Saskatchewan, eight from Ontario, one from Quebec, and one from Africa.

MR. THOMPSON: My God. What paper did we advertise in in Africa?

MRS. EMPSON: The Globe and Mail in Toronto, but he's moving to Canada.

MR. MILLER: I wonder if we should interview that fellow.

MR. CHAIRMAN: Before he gets to Toronto.

MR. MILLER: We don't want to leave any stone unturned.

MR. CHAIRMAN: Had we set a date for the next meeting, or are we going to leave it to the call of the Chair after the 15th, when we've had

some time to see what we have by way of applications and whether you've had a chance to vet them? Or have you already done so with some?

MISS PREVISICH: We've had a preliminary look at about 12 so far, I think. Including those that were submitted to us just recently by Louise, we appear to have about three people that we would consider at this point. I guess the next step as far as we're concerned is establishing a date for the screening meeting.

MR. THOMPSON: Mr. Chairman, I think it's somewhat difficult to start setting dates with just this number, because basically it would be a miracle if we could come up with a date when we would get all the committee here. I think we've got to wait — maybe the chairman could find a suitable date on an ad hoc basis of some kind.

MR. CHAIRMAN: Could we flag Wednesday the 21st as a maybe? That is a week after the deadline. To call a meeting just to deal with three is a bit too much. Cries of anguish? Wait a minute. You're away on holiday.

MISS PREVISICH: Right.

MR. CHAIRMAN; When are you back from holidays?

MISS PREVISICH: On the 21st.

MR. CHAIRMAN: John, you're on heritage savings?

MR. THOMPSON: Yes. We've got a meeting on the 21st from ten to four.

MR. CHAIRMAN: Terri won't be back. What about Monday the 26th?

MR. MILLER: I have a meeting that day.

MR. CHAIRMAN: Have you an all-day meeting that day, Bud?

MR. MILLER: Yes. I have the 27th open.

MR. THOMPSON: The heritage trust fund is from ten to four that day.

MR. MILLER: The 28th is open, except for a lunch. How about back to the 22nd or 23rd, David, or is that no good? Maybe it's no good for Terri.

MR. NICOL: Do you return on the 21st?

MISS PREVISICH: Right. It would be a matter of going through what has come in and submitting it to Louise to have her put it together. So it's that processing time, that extra time in terms of being able to get it all on paper.

MR. MILLER: Would you anticipate that the first meeting we have will be to go over all the applications that have been submitted and to establish dates for the interview of the candidates?

MISS PREVISICH: Right. Unless a large number come in, I think we should be able to do it all in one meeting.

MR. CHAIRMAN: The 22nd is the day a number of people are going to Fort McMurray. What about the 23rd?

MRS. EMPSON: They're going to Paddle River on the 23rd.

MR. CHAIRMAN: John, were you going to go on that one?

MR. THOMPSON: Where's that?

MRS. EMPSON: Paddle River.

MR. THOMPSON: Yes, I guess I'm supposed to go to that. That isn't essential for me; I can miss that one. Gurnett is on the Heritage Savings Trust Fund committee too, and he may want to go to that. I don't know.

MR. CHAIRMAN: Louise, are they going to Fort McMurray and back, and then going to Paddle River the next day?

MRS. EMPSON: Yes.

MR. CHAIRMAN: Maybe if we could strip them off the Paddle River, we could be in here on the 23rd, although I was supposed to stay up there for Social Services. What about the 23rd? Do

you think we can put it together for Friday the 23rd? What time would you like to meet?

MR. THOMPSON: Anytime before four, so I can get out of here on the 5:30 plane. For me, at any rate.

MR. CHAIRMAN: Given the numbers that we have, if we meet at two, do you think we're not going to be longer than two hours, from what we see?

MR. NICOL: I wouldn't think so. There seems to be quite a wide gap between the candidates that are up on top and the ones that are not. There's quite a spread.

MR. CHAIRMAN: Well, let's go for the 23rd at 2 o'clock. I figure I'm going to do my other balancing act. Louise, I think we'd better send a notice to everyone, please, and ask their secretaries to phone them, wherever they are scattered across the world.

Okay. Is there any business we need to deal with other than expense accounts? Do we need a motion to okay the extra meeting Bud and I had one day, plus the other dates that I've put in?

MRS. EMPSON: Yes.

MR. THOMPSON: I'll make the motion.

MR. CHAIRMAN: John, would you make one jointly for Bud and me on July 23, when we met with the Auditor General?

MR. CHAIRMAN: All those in favour of the motion? Carried. Thank you. And another one to deal with July 10 and July 15 for me, please?

MR. THOMPSON: Right. I'll make the motion.

MR. CHAIRMAN: All those in favour, please signify. You can vote on this one, Bud.

MR. MILLER: Yes.

MR. CHAIRMAN: Thank you. There was another on June 20, but I'll need to check back in the records as to whether that was submitted or not.

MRS. EMPSON: I'll have to check for that one.

MR. CHAIRMAN: So if we give an approval for June 20, please, and we'll see whether it's been dealt with or not. Thank you, Mr. Miller. Okay.

You have expense accounts for today. A question, Louise. With respect to the Leg. Offices expense forms, we'll deal with those when we meet with Leg. Offices, or should we be filling them out and just leaving them on your desk anyway?

MRS. EMPSON: You could fill them out and leave them on my desk.

MR. THOMPSON: What's the Leg. Offices committee?

MR. CHAIRMAN: Wark's reception.

MRS. EMPSON: But when the committee meets in September, have them approve it then.

MR. CHAIRMAN: Okay. I'll just remind you that in that other part of your life, gentlemen, you do have one for July 31.

MR. MILLER: Louise, I put it on this one. Maybe I should make out a new one, or does that cause you a problem?

MRS. EMPSON: It should be put on two separate ones, because they're two separate committees.

MR. MILLER: I'll just put down for this committee.

MR. CHAIRMAN: You could include July 23 and August 8 on that, Bud.

MR. MILLER: I have those and I have July 31, so I'll scratch that off.

MR. CHAIRMAN: Okay.

MR. MILLER: I'll make out a new one.

MR. CHAIRMAN: Sure.

MR. MILLER: Will that cause you a problem, Louise?

MRS. EMPSON: No. But I'll have to get the Leg. Offices forms from the office. I don't have one here.

MR. MILLER: I'll just put the two for this committee.

MRS. EMPSON: Okay.

MR. CHAIRMAN: Other items that need to be dealt with, anyone? Everything's fine?

MR. NICOL: Everything's fine, I think.

MR. CHAIRMAN: Okay. Thank you all very much.

[The committee adjourned at 3:25 p.m.]

[The report of the Special Select Auditor General Search Committee is found on page 56 of the 1985 Legislative Offices Committee transcript]