

[Chairman: Mr. Stevens]

[10:10 a.m.]

MR. CHAIRMAN: Let's call the meeting to order. If you look at the list of follow-up items Louise has given each of us, I was going to propose aiming, if we can, at closing the meeting certainly by 12 o'clock so that we can visit the offices of the Chief Electoral Officer.

I'd like to suggest that we go to item 2, the approval of the minutes, as the first item. We can then go down to item 5, which is the terms of engagement of Reid & Cameron. Louise has some correspondence for us. And I think item 6, Louise?

MRS. EMPSON: Yes.

MR. CHAIRMAN: I would like to ask if we could then go in camera to consider, number one, the reappointment of the Chief Electoral Officer, the salary review of our three officers, and the discussion about our budget estimates; then back into the regular meeting and I have some suggestions for us, gentlemen. I would like to add to that, reports. I would like to hear from John, Derek, and Bob about their recent visits on behalf of our committee.

MRS. EMPSON: Mr. Drobot prepared a memo.

MR. CHAIRMAN: We should put on that: reports of our committee members. I apologize.

We'll go to item 2. The first item today, the approval of minutes of October 22, '86. Has everybody received copies of the minutes? May I ask for their approval as circulated, unless there are any corrections or omissions?

MR. STEWART: I so move.

MR. CHAIRMAN: Fred Stewart has moved that they be adopted as circulated. All in favour? All in favour.

The next item I'd like to go to is the consideration and approval of the understanding of the terms of engagement of Reid & Cameron as auditors of the office of the Auditor General. I think Louise has some correspondence here. As you receive the information, members of the committee: this committee authorizes the appointment of an audit of the office of the Auditor General. I'll

give you time to read the letter.

MR. FOX: Do you have any idea, Mr. Chairman, how long Reid & Cameron have been responsible for the audit of the Auditor General's office?

MRS. EMPSON: This is the second year.

MR. CHAIRMAN: I was going to say last year, but I wasn't sure about the year before. Bob, I'm going to turn to you.

DR. ELLIOTT: They're relatively new. They've done one audit, have they not?

MRS. EMPSON: That's right. In fact, we have the invoice for that audit, and this is the second year.

MR. CHAIRMAN: I should indicate to the members of the committee, too, that not being an auditor or chartered accountant, I did seek the advice of the Auditor General as to the components and the terms and so on. He has indicated to me that he and his officials will of course comply with all of the requirements of this. He believes this will give us the best answer. As a committee our responsibility is to audit the office of the Auditor General.

MR. FOX: Mr. Chairman, do you know -- or perhaps Bob would know -- if there was a reason Reid & Cameron was chosen as the audit agency? Who did it prior?

MR. CHAIRMAN: That's an excellent question.

MR. FOX: Is it the habit of the committee to rotate auditors from time to time?

DR. ELLIOTT: The change was by prepared design that we would rotate once in a while rather than leave it with one auditor for an indefinite period of time. The other side of that story is that when you assign an auditor, it seems important that that firm have the audit for two, three, or four years, to give some continuity to the audit. There's some debate as to the disruption that's caused by changing an auditor. At the same time, the advantages seem to be that we should have somebody fresh

take a look at it.

MR. CHAIRMAN: Bob, can you refresh our memories? For those of us who are new here: was a list considered?

DR. ELLIOTT: Yes, there was.

MR. CHAIRMAN: Did you eventually meet with the audit committee?

DR. ELLIOTT: Yes, we did.

MR. CHAIRMAN: I would expect we'll have the same thing. The advice is coming to this committee.

DR. ELLIOTT: Yes.

MR. CHAIRMAN: If there are no questions -- and the advice I can give you is that this appears to be in order and will assist the committee in its function as required by legislation -- then I would look for a motion that we approve the appointment of Reid & Cameron as auditors of the office of the Auditor General for the coming year.

MR. STEWART: Do we make the appointment?

MRS. EMPSON: Actually, you have to approve the terms of engagement.

MR. CHAIRMAN: I'm sorry -- approve the terms of engagement and make the appointment.

MR. DAY: I so move.

MR. CHAIRMAN: Moved by Mr. Day. All in favour? Thank you.

MR. FOX: Mr. Chairman, would it be appropriate for me to bring up a nonagenda item at this time?

MR. CHAIRMAN: Can I complete the next item and come right back to it?

MR. FOX: Sure.

MR. CHAIRMAN: Oh, we've done it. We did them both together. We approved the terms of engagement, and we approved the appointment

of Reid & Cameron. Sorry, Mr. Fox.

MR. FOX: The concern I'd like to raise is in reference to the events of the last 24 hours, when it's become public knowledge that three senior officers of this Assembly have terminated their employment. They no longer work for the Legislative Assembly. It seemed to me appropriate, given the mandate and history of this committee, that we consider offering our services to the Speaker's office in terms of finding appropriate, qualified, and neutral replacements. I'm not sure if that's beyond the scope of the committee, but given the fact that we're meeting today and that this is a recent item, it seemed to me appropriate that we discuss it here and see if we do have anything to offer the Speaker's office in terms of finding replacements.

MR. CHAIRMAN: Any comments?

MR. STEWART: My only concern would be the mandate of our committee in that regard. I don't know that we would have any authority or jurisdiction to do it. It's a nice thing to do.

MR. DAY: I would agree with that, Mr. Chairman. I don't know that that falls within our mandate. I think we'd have to look at that.

MR. FOX: Might I suggest that it bears closer scrutiny? I realize the positions involved are administrative and completely under the jurisdiction of the Speaker's office. But given the fact that they're politically neutral positions and that that has been the thrust of this committee's activities over the years -- and I understand the committee has a good record in that regard -- it might be helpful if we offer our services, seeing as it's an all-party committee, to the office of the Speaker in terms of finding replacements. Neither am I sure of the procedure that's involved in that sort of thing. It's a fairly unprecedented occurrence, so there might not be anybody who is completely sure of the proper procedure.

I don't think offering our services is too bold a step for the committee to take, if we discuss it in that light rather than suggesting that we do have a role in finding replacements. That certainly would be overstepping our mandate. But I don't think merely offering our services to the Speaker's office would be inappropriate.

MR. CHAIRMAN: If the Speaker of the Assembly requests assistance of this committee, I know this committee will be willing to offer that assistance. My understanding of our mandate, though, is that we are to provide advice to the Legislature, and therefore the Legislative Assembly and all members, about the administration and the operations of the three legislative officers: the Ombudsman, the Auditor General, and the Chief Electoral Officer. But certainly if the Speaker contacts me as chairman, I would bring that to your attention.

MR. FOX: Might I suggest something else that is fairly routine? I think it would be well and proper, without pretending to know any of the reasons involved in all of this, given the involvement of Mr. Bubba in the administration of this committee, that we send him a card of thanks for the service he's offered and the advice he's given to the committee, without trying to prejudice the circumstances or involve ourselves in any way, a simple courtesy to recognize the services of someone that's been involved with this committee.

MR. CHAIRMAN: Take that as advice, Louise.

Committee members, I would like you to go to the review of the audited statement of revenue and expenditure for the office of the Auditor General for the year ended March 31, 1986. Louise, generally this has been received and the committee . . . Has the committee received copies?

MRS. EMPSON: No.

MR. CHAIRMAN: As of now. I wonder if the committee would like to take this for information at the current time. If you have any questions before the next meeting, would you like to direct them to me? How would you like to approach this? You haven't seen this as of yet; this is the audit for 1986.

MR. FOX: I think your suggestion is the proper way to go, Mr. Chairman. It's a little difficult for us to absorb all that's in here.

MR. CHAIRMAN: Would you like any other advice on this? I'm not sure. This is our audited advice. For example, would you like to have a meeting with the principal, have him

come forward and present this? Bob, how does the committee approach this?

DR. ELLIOTT: I would like to recommend that we be given time to review it and have it as an agenda item at some meeting in the near future and have a representative of Reid & Cameron present to respond to questions.

MR. CHAIRMAN: All right.

DR. ELLIOTT: If there are no questions, his visit will obviously be a short one. But I think we'd find it difficult to discuss it and have questions back and forth without somebody representing them. I'm sure they would be very prepared to comment on it. That's offered as a suggestion.

MR. CHAIRMAN: We might be able to time that with the visit to the offices of the Auditor General that we might do. Okay. Thank you.

MR. FOX: Mr. Drobot and I have newfound audit expertise we could offer our fellow committee members.

MR. CHAIRMAN: Before I go to the other important matters that are on the agenda, might I ask John, Derek, and maybe Bob -- John and Derek, you were together. Could you give us a report on your recent trip?

MR. STEWART: Excuse me, Mr. Chairman. With respect to the actual invoice of the auditor . . . Are we still on item 6?

MR. CHAIRMAN: A very good question. We might find that we should pay it, shouldn't we?

AN HON. MEMBER: Yes.

MR. CHAIRMAN: I'm sorry, and I thank you. There are good reasons for lawyers and accountants.

Reverting to the invoice now, should we pay the invoice even though we haven't had the meeting? This is within our budget. We have an invoice, within our budgeted amount of about \$11,000, I believe, for fees from Reid & Cameron -- it's just coming round to you now -- for the fee of \$10,500 for the engagement, audit, and meetings. We have not the opportunity to review the report and meet with

one of the principals of the firm until our next meeting, but would it be in order to seek your approval to pay the invoice?

MR. FOX: Perhaps Fred would know if that's proper or not. It seems to me that given the date on the invoice, October 29, if we wait until we've had a chance to review and approve that, it might be a delinquent account and they might not feel too . . .

MRS. EMPSON: I've had two reminders since then, the last one in December. I called the office and told her that we couldn't pay it until it was approved by the committee. The second reminder came in this morning.

MR. CLEGG: I think it's 2 percent per month. It's in here somewhere; I just read it.

MR. MITCHELL: Mr. Chairman, I would just like to say that I will exclude myself officially from this decision because I have a relationship with this firm which would obscure my objectivity.

MR. CHAIRMAN: I must apologize. I was away in December. That's not the fault of anyone in the system; I should have attended to this and brought it to your attention. I would look for a motion that the invoice fee be approved.

MR. CLEGG: Make that that we in fact pay it, Greg, because we're going to have a bigger one if we don't.

MR. CHAIRMAN: Thank you. It was my fault; my apologies. Thank you, Fred, for reminding me.

John, can you tell us about your trip? Oh, you want to vote. All in favour?

MR. MITCHELL: I'm abstaining.

MR. FOX: Do we need seconders for a motion in committee?

MR. CHAIRMAN: No.

MR. DROBOT: The Comprehensive Auditing Conference was November 30 to December 2 in Toronto. It was attended by Mr. Fox and myself, and perhaps I should make a comment on that. My understanding was that Mr. Fox

and myself were the only two MLAs at the conference. However, I found it very interesting, and it certainly gave me an insight into what comprehensive auditing is all about. There were about 400 delegates from all over the world, including China, Saudi Arabia, South Africa, et cetera, et cetera.

Perhaps the highlight of the conference was the keynote address by Kenneth Dye, who is the Auditor General for the Canadian government. The section dealt with the effectiveness of auditing the public sector, the opportunities, the choices, et cetera. Secondly, there was a strong emphasis that anyone who conducts public business should be accountable for the effective management of the resources entrusted to them. Audit reporting both within the Legislature and the bureaucracy must be adequate, accurate, and timely.

Another keynote speaker was Mike Ozerkevich from Alberta health and Social Services. He explained how they do a comprehensive audit in their department. It was felt that he was one of the highlights of the entire conference.

Comprehensive auditing falls into three basics: the financial statement, the compliance, and value-for-money auditing. The afternoon sessions dealt with reporting by the various provincial auditors as to how they conduct audits. It's fair to say that each province does it in a perhaps different way but the end results are similar. Here again, in comprehensive auditing they don't question policy decisions but they assess the value of information. The auditors may direct attention to specific practices and systems where appropriate and make recommendations to get better value for the money.

You will notice, Mr. Chairman, that I am using some notes. That's not necessarily simply because of a faulty memory, but to some extent, as Mr. Fox mentioned earlier, because neither he nor I are auditors. We found it very interesting.

Auditors have to be familiar with the law and the principles involved. Today modern governments are so large and have so many administrative actions taking place every day that no one person can be aware of the decisions being made. In some provinces, the public accounts committee requires civil servants to answer questions. In other provinces the ministers answer the questions,

which is more traditional and is true of Alberta.

Basically, the session reflected current issues and developments in comprehensive auditing and the growth and acceptance by world governments of the need for comprehensive auditing; that is, the accounting of government business.

I thought it was a great privilege, and it certainly was a lot of value to me. I have a really clear understanding of what government auditing is all about. I had some concern, Mr. Chairman, that it would be entirely out of my world, but I found it so interesting that it wasn't.

Thank you.

MR. CHAIRMAN: Thanks.

MR. FOX: Mr. Chairman, I'd have to echo John's sentiments. I too went to the conference without much background in auditing procedures -- auditing in the broadest sense -- but I found it most enlightening. I learned a lot of things, and I really appreciated the privilege of representing the committee at the conference.

I must admit that I was more than a little surprised to see that John and I were the only two legislators at a conference with over 450 people, because comprehensive auditing is a developing field of practice with special relevance to governments and government departments. I was keenly interested in it. I've written a letter to the chairman of the foundation suggesting that they might want to target legislators per se as a group to deal with in the future, because to the extent that we're better informed, we're better able to deal with people that are charged with these responsibilities.

Very briefly, to follow up on what Mr. Drobot said, a straightforward auditing procedure was done and is still done to determine whether the records are accurate and complete. That's simply that, and they've developed a whole set of accepted practices by which they can measure that. Then people got into compliance auditing, which is trying to determine whether or not money was spent within the guidelines established, and that got a little more difficult. What comprehensive auditing is doing is trying to take that practice into a judgment sort of thing where they try and determine whether or not money is well spent, whether or not government departments are getting the

biggest bang for their buck. It's a very difficult thing, because what they're trying to do is apply very objective procedures to subjective situations and make judgments, and they're having difficulty coming up with generally accepted good management practices by which they can judge things.

Mr. Ozerkevich from our Department of Social Services did a session on the effectiveness and actual implication of comprehensive auditing. I'd have to agree; he set the standard by which everyone else's presentation was judged. As far as I was concerned, and it seemed quite general, none of the other contributions quite measured up to his. I sent him a note passing on that information to him, because it was nice to be there from Alberta and see that someone who works for our government created such a sensation down there.

In terms of being there with our Auditor General, Don Salmon, I don't mean to say that he was a gracious host, because he wasn't really a host, but he made sure that John and I were involved and understood what was going on. I would have to say that it was apparent to me that he is very well respected in the audit community and within the Comprehensive Auditing Foundation.

It was an enjoyable and enlightening experience, and I really appreciated the opportunity to go and represent the committee.

One thing I raised with them -- and it's something we might want to think about -- is that if you try and apply the concept of value-for-money auditing to the process itself, you end up with a potential catch-22 situation where the comprehensive auditors, in order to justify their existence, may have to come up with enough to please their employers. It may be that you could do a comprehensive audit of a given government department and find nothing that you can deal with or recommend to that department. That may not be the kind of result that the principals require, so they're going to have to be very careful that their procedures are scrupulous, I think.

It's a very current thing too. I might mention that all federal departments are required to submit to a special examination by 1989, so they're all coping with how to go about it, which firms to engage, and what to get out of it.

It's an intriguing field, and I think our Auditor General's office is right in step and will

be better served for it.

MR. CHAIRMAN: Are there any questions, gentlemen?

MR. MITCHELL: I'm very interested in this issue of value-for-money auditing, Mr. Chairman, because I'm under the impression that we in Alberta actually limit our auditor from doing that. You see findings by the Auditor General of Canada such as the \$400,000 spent on fiberglass coffins and the value of the comments on the quality of pension fund investments or the need to evaluate that quality; we don't see that here. In fact, our auditor is strictly limited to saying: the Legislature said you could spend this on economic development initiatives. If one of them was fiberglass coffins, that's where you spent it, period. Or that's where you didn't spend it, and if you spent it instead somewhere else, you were told not to. If that were discovered, then that's an interesting and important discovery.

However, as you're saying, the further point is that our Auditor General is not allowed to make judgments. Was it used here for economic development when it could have been better used here, and was it used in a competent fashion or not? If there is a value in comprehensive auditing, it is in this value-for-money judgment process. Am I right? Do we or do we not?

MR. FOX: I'm not completely sure, and it might be prudent for us at some time in the future to broach this topic with the Auditor General. Historically, the whole concept of comprehensive auditing originated with federal Auditor General J.J. Macdonell, who is seen by the foundation as the father of comprehensive auditing. Certainly the mandate of the federal Auditor General, Kenneth Dye, is very broad and perhaps quite intriguing and sensational at times. My understanding from talking to Mr. Salmon about it is that his mandate is generally broader than that of most provincial auditors. Whether it goes as far as he'd like it to or as far as we'd like it to, I'm not sure, but it might be appropriate for us to review that.

MR. CHAIRMAN: I'm not sure, Grant, if you arrived when we had discussed what we might do at our next meeting. I apologize. We might

bring that up at our next meeting with the Auditor General at his office. I think that was our intention, to visit all the offices. We'll follow this meeting with an Auditor General's visit and the brief in camera discussion. That might all be a nice opportunity for it.

Could I ask, John, if you . . .

MR. DROBOT: Pardon me. I think the other factor, Grant, is that comprehensive auditing has really come into its own since 1978. In fact, it's worldwide now. It has come a long way, and I agree that it's got a long way to go. I agree that it's really coming along.

MR. CHAIRMAN: John, you and Derek both mentioned the fact that you two were the sole elected officials. Did that cause any concern? As a learning experience, would you . . .

MR. FOX: There were a couple of municipal councillors from Regina there.

MR. DROBOT: Apart from within the Toronto area generally and right close to home. Perhaps I'm overly conscientious. I just wonder about the expenditure of sending an MLA. This is new to me, so . . .

MR. CHAIRMAN: Do you think one representative that the committee chooses would have been -- I guess I want to . . .

MR. DROBOT: I want to clarify that by saying it's a must that we send somebody.

MR. CHAIRMAN: Okay. That's the message I get from you.

MR. FOX: If I might go further, I certainly appreciated the opportunity to get to know John better. It's a rare opportunity for members opposite to share ideas and come closer. In terms of the expenses of the committee, I think it's important that our officers be accompanied by someone from the committee at these functions. I think that sending more than one is difficult to justify in the context of current fiscal conditions.

MR. CHAIRMAN: I take that as good advice for our coming year. Do we agree?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Bob, you went to the . . .

DR. ELLIOTT: I went to a thing called COGEL, Council on Governmental Ethics Laws. It's an American-based thing; it originated in the States. Canada is a member, and the provinces are accepted as full-scale members, but it's basically an American organization. The objective of this organization -- what we attended was their eighth annual meeting, so it's not an old organization. Its roots are founded in the Watergate issue, and frequently throughout the three days of the discussions reference was made regularly to pre-Watergate and post-Watergate and how things were handled.

We heard a discussion just now about audit and dollar control. My report would be identical, except it's vote control and how jurisdictions set up operations like we're going to see at lunchtime today to manage enumerations, elections, the ballot box, and all of those things. There comes a time in a society when votes are almost more precious than dollars, because you can pick dollars up at any time.

The Chief Electoral Officer's role was reviewed. Every jurisdiction seems to have a different approach as to how these jobs are done. They seem to be rewriting the book in many jurisdictions on this very concern of making sure that they have an accurate way of looking after their electorate, accounting for them, and making sure that their ballots are cast in a proper manner. The enumeration program, for example, had case after case. By the way, this whole program was done primarily by panels and involved case histories and then audience involvement and questions. It was an extremely interesting way to approach a very complicated topic. We covered a lot of topics that way.

For example, on the business of enumeration, the Chief Electoral Officer or the equivalent from New York made reference that the enumerators in New York City are officers of the law and enumerate wearing a side arm. When they have to run a control to find out if those people -- you come up with an address, go into this particular residence, can see from the structure that it might have at the most five families or 18 rooms or something in this particular apartment, and there are 75 votes registered from that. Are you going to go in

there and challenge that? You don't go in alone, and you don't go in unarmed. The man was challenged on this, and he got quite belligerent.

Anyway, in a following session another speaker again came back to the fellow from New York and made reference: "Why the big deal about the 14 or 18 or 75 votes from an apartment block or from one family? Who is looking after the governor and the manner in which he collects his votes?" There was a little bit of dinging back and forth that made you kind of wonder what was behind some of this stuff.

Also, they had samples where votes are controlled by people like highway contractors. Another person brought forth a sample of his case -- and this is in New York state; it's back out of the way. For those of us who live in northern Alberta, gentlemen, we aren't remote at all. There are places not many miles from New York that are very remote where a contractor can control as many as a thousand votes.

MR. CHAIRMAN: How do you control that?

MR. ELLIOTT: With a Christmas turkey.

MR. CHAIRMAN: And they actually get the yeses or the noes or the ayes or the . . .

MR. ELLIOTT: That's right. In the federal elections with primaries that could swing a primary and have an impact on the presidential. It's a whole new ball game to me.

We also touched on expense accounts and the control of this type of thing. The lady who was giving this particular discussion put an overhead display on the screen that showed an expense account that was submitted by Paul Revere for his famous ride. It went through a committee and was adjusted because he tried for something that didn't qualify. It had a lot of humour, interest, and fun; nevertheless, it was there.

The way Pat Ledgerwood explained it to me, he thinks that anything we see in the worst form in the American system we had better prepare ourselves for in Canada and in the provinces now, because we can predict that some of those things could be happening here. In fact, in some of the older jurisdictions in our central provinces, those accusations are being made now, that some of our older jurisdictions in Canada really don't have to take any lessons

from the American system. It's a very serious business to those of us in this kind of work, very serious. I think our participation and involvement monitoring it as a committee here is absolutely vital.

Another panel was held with respect to press. They had a radio, a TV, a weekly, a daily, and different things like that, and the committee went at them. They figured that the role of the press in this whole thing is so important.

Just as an aside to this, on an earlier visit I had for different reasons, from the Speaker's office, attended a Canadian Parliamentary Association conference that was held in Washington, and we were studying the Washington system. Out of that particular meeting I remember one of the speakers advising us that in the American system a whole government operates on the administration section, the elected section, the consulting section, and the press. All four of those areas are what make the American political system work, and no one is less important than the other. They put press right up there with the hired guns, the paid consultants, the elected officials, and the administration in the President's office.

The importance of the press came out here again. The way those representatives of various media types were attacked by the group was interesting, and it seemed as though I had heard some of those things before. They had some universal problems that people have with the press.

I just want to follow up on our previous speaker about involvement of Ledgerwood and the Alberta system. In Pat Ledgerwood I think we have somebody who brings not only his own dedication to this work but I think he was well trained under Kenneth Wark. Kenneth Wark was a real stinker when it came to wanting things done properly. I believe he is part and parcel of having set up an electoral system in this province that really is something we can be proud of. He is looked upon in that group as something like our Auditor General, gentlemen. Ledgerwood and the Alberta system are looked upon down there as a bit of a standard or model. I felt really good about that part of it.

I wasn't the only elected member who was there on that particular occasion, but there were surely only about three of us as far as I

could determine, so it's not a big deal. I was certainly made welcome wherever I went. There was a spouse's program -- and Ledgerwood and I each chose to take our wives and pay their way, so we were there as a foursome -- with banquets, guest speakers, and so on. It did have a social component which we appreciated from that point of view. It was an excellent opportunity for me, and I appreciated the opportunity to go. I, too, have a letter for you, Mr. Chairman, but it's back in my other office at the other end.

Thank you.

MR. CHAIRMAN: Any questions to Bob? I was going to say, Bob, that I think John has given us all a standard to follow now. He has given us an excellent summary in writing. Derek's going to have one, I know.

MR. FOX: I was just going to ask you. I feel guilty.

MR. CHAIRMAN: And Bob's got one on the way. I think it's really helpful. I take it as advice to us from John and Derek and yourself, Bob, that we would look carefully at our budget for the upcoming year and select those committees where a member should be invited to attend.

DR. ELLIOTT: Yes, it's been suggested. The standard we put out at first during the period I was chairman, Mr. Chairman, was that we attempt to -- I hate to use the word -- tag along. For purposes of this discussion, it implies that we're accompanying our officers. The officers that we've been working with have never at any time resented that. They have made us most welcome, and they have introduced us with considerable pride as representatives from our committee. And many aspects of this committee from the Canadian point of view are unique.

But we do have to look at dollars. I was the only one representing the committee at this particular one. It think it was Dr. Buck who was also designated to come but he had to back off at the last minute, so I went alone. Maybe it's not important that we get to every one of them, maybe we might consider distance, or maybe we'll take in the closer ones. I don't know. I think, though, we must maintain some sort of contact on some basis. We might have



to forgo one member or maybe the faraway, expensive ones, depending upon how our budget is. But I think we've just got to maintain some kind of contact. I think it's vital to the way this committee has to operate and maintain contact with those three officers.

MR. CHAIRMAN: Grant, will you be able to come this afternoon? I have a car that can take five people. We're going over to Mr. Ledgerwood's office between 12 and 12:30 for lunch.

MR. MITCHELL: I have a caucus meeting, so I will have to pass.

MR. CHAIRMAN: Okay.

MR. MITCHELL: But I've been there.

MR. CHAIRMAN: You've been there? Okay.

I'd like to go in camera to discuss the appointment of the Chief Electoral Officer and the salary review. But I think we could do our budget estimates right now as a committee. I have some notes for you. Louise, have I got them buried somewhere? Yes. If you could circulate that ...

MR. MITCHELL: Could I ask a question?

MR. CHAIRMAN: Sure. Could we circulate this while you ask?

MR. MITCHELL: Sure, no problem. How many provinces sent elected officials to that particular meeting?

DR. ELLIOTT: At this particular time I think there were only five. There was Alberta, Manitoba, Ontario, Quebec, and Nova Scotia.

MR. MITCHELL: So there was wider ...

DR. ELLIOTT: Most provinces at one time or another apparently had been represented, but this particular time there were only five. And the federal system had representation. The next meeting is being hosted by Canada, and it's going to be in Quebec City this coming fall.

MR. CHAIRMAN: By the way, on behalf of all of us, I do appreciate that the three of you took those assignments on short notice at a busy

time in the year for all of us. I think that was really helpful.

Gentlemen, I'm going to ask you to review the estimates. You will recall that I wrote a letter after we had met and approved our estimates. If you would bear with me for a minute, I'll take you through the time frame. You can see our estimate detail in the material Louise has just circulated. We submitted that to the Speaker as a result of our last meeting, and it showed an estimate for the coming year of \$50,768, 1.2 percent less than the forecast for the current year.

I'm going to ask Louise to circulate another document. While she does that, I'll explain what has happened. As a result of my circulation to you of a memorandum asking if you would approve revisions to our budget, we made a submission to the Speaker and that's what you have in front of you. The Speaker then circulated to the Members' Services Committee of the Legislature just recently a list of the budget submissions of all standing committees.

Our budget submission, the document you have in front of you, will show you in the first column what was forecast for '86-87, \$51,375, and what we originally approved, \$55,962, which was an 8.9 percent increase. With your assistance I then gave the Speaker the column headed number 2, the revised option I circulated by memo, which you all agreed with and had some comments and suggestions. That number, \$50,768, is a 1.2 percent reduction, and I need confirmation of it.

Before you do that, I'd like some advice. This is what has happened. The Speaker has circulated all budgets for each committee. We've looked at them all. He wrote to us — and I think you have a copy — and asked us if we would review this. I spoke to the officer of the Assembly who prepared our submissions. I'll tell you how these are arrived at, and then I'd like some suggestions. I have a recommended option for you.

The column that is marked number 1, that we originally approved, was based on an assumption that we might have 10 meetings outside of session and have two delegates attending the three or four conferences in a year. In the column marked number 2, the revised option which has gone to the Speaker and was based on my memo to you, the rework assumed nine meetings of the committee. That's where that number of \$50,768 comes from.

What I'd like to ask, if we would make this a suggestion . . . My last column -- and I can go over each of the items -- assumes that we would have seven meetings at the maximum. I don't know; I have no way of foretelling how many more meetings the committee will need outside session. I think we agreed before that we would try to call the meetings in session and as few meetings as are necessary. I also assumed we would have not more than one attend the conferences the committee chooses to attend.

What I have in front of you, then, the last column, would be a final revised option, which of course you are free to amend or propose adjustments to. The first heading, employer contributions, is no longer required to be submitted in our budget. That's a policy of government across the government. I've left conference fees at \$600, because that's the best advice we had from the Clerk's office. Travel is reduced. There are nine members of the committee. There are two urban representatives from the Edmonton region; they are you, Grant, and Dr. Buck. The rest are traveling. Apparently, that's more by one than there was in the last formation of the committee. I think that's about the best I can estimate for seven meetings maximum. The audit, of course, is about \$11,000 -- and you've seen that -- based on last year's. We reduced hosting on the assumption that we would have that one hosting function, which we share with the Speaker. We may not need that next year. You can reduce that amount if you wish. Louise, is that for our own lunches and things?

MRS. EMPSON: That's right.

MR. CHAIRMAN: That sort of thing assumes seven meetings. The payments to MLAs are based on the assumption that we would have seven meetings and one delegate for those conferences.

I came out, therefore, with the revised total of this amount. I don't expect we will expend that, but at this time I have no way of knowing how many meetings we will need. I don't think there would be many more. Certainly we've had a number of meetings this year. I don't know how to foretell that in the coming year. This is based on an assumption that we would have only seven.

I leave it open to you to suggest revisions.

MR. MITCHELL: I'm very interested in supporting column 3, the 17 percent. I'd like to see us get it to around 20 percent. I think it would be a nice leadership gesture.

I guess the one question I have -- it's always been traditional that the Public Accounts Committee doesn't meet between sessions, and we've been able to live with that. I'm wondering whether we can even revise our estimate of seven meetings between sessions. That's not to say that these aren't effective or worth while and that I don't appreciate them; I do. I'd be prepared to meet twice a week during the session, if we had to, in order to avoid that extra expense. It's roughly \$1,000 right here just on MLA indemnity which we wouldn't have to pay. I don't know if I have to move something, but I'd like to at least throw that open for debate.

MR. STEWART: Can I comment on that point before Bob raises a new point -- unless you're going to comment on that.

DR. ELLIOTT: No, go ahead.

MR. STEWART: The only point I would raise with respect to Grant's suggestion is the fact that we are required by statute to do certain reviews in relation to those. Because of the contractual year in which those operate, that might be difficult to do. However, I do believe this is a step in the right direction of trying to reduce the number of meetings held outside legislative time. So I, too, would like to indicate in a general way my support for number 3.

DR. ELLIOTT: Was there a question on this input?

MR. CHAIRMAN: Did you have a question? Sorry; I didn't hear you, Bob.

MR. MITCHELL: It's a good point. Given that we have certain required reviews, I wonder if we could somehow assess what those might be. Maybe there are only three times we'd really have to do that, instead of seven. I don't know what an average meeting costs us.

MR. CHAIRMAN: It's probably \$2,000 plus travel costs.

MR. MITCHELL: Okay. I would be in favour of taking out the hosting. That's 1 percent, so now we're at an 18.4 reduction. We just need another couple of thousand.

MR. CHAIRMAN: Leave us a little bit for lunch.

MR. MITCHELL: I'll eat less.

MR. FOX: You could do with that.

MR. MITCHELL: You should talk.

MR. CHAIRMAN: Bob, have you had your shot yet?

DR. ELLIOTT: One of my questions was a fast figure on what a meeting would normally cost. I think we just got that now, and it looks like it's about \$3,000.

MR. CHAIRMAN: If you include them both.

DR. ELLIOTT: The other question I have, Mr. Chairman: review conference fees with us again. What does this consist of?

MR. CHAIRMAN: Basically, the fees are any fees of the delegates who attend the conferences. That's why we reduced it from \$1,400. There's a separate charge made to any delegate for conference costs, I guess. That isn't covered in travel costs. It has to be paid separately.

DR. ELLIOTT: Registration fees.

MR. CHAIRMAN: Registration fees.

DR. ELLIOTT: Okay.

MRS. EMPSON: Both COGEL and the Canadian Comprehensive Auditing Foundation have registration fees.

MR. CHAIRMAN: I thought that could be part of travel, but it has to be separately identified.

MR. FOX: In terms of the number of meetings, Mr. Chairman, it seems to me that you've made it clear and the committee concurs that we would call meetings only when necessary and that we would avoid it if possible. But I agree

with Fred that it would be difficult to restrict ourselves to a set number that is too low. For example, we've delayed by almost three months dealing with an outstanding account because of not holding meetings. So I think seven seems to be a good upward limit, and if there's no need to hold that many -- hopefully there won't be a pressing need.

MR. CHAIRMAN: On that point, maybe what I should have done on that invoice was to circulate a note: unless I hear otherwise, may I approve this, and we'll confirm it subsequently. If I'm very careful how I do that -- if you objected to that at any time, I would of course stop and we'd hold a meeting. That might be another way of handling those kinds of things.

MR. MITCHELL: I agree that that could have been handled . . .

MR. CHAIRMAN: My fault.

MR. MITCHELL: No. We hadn't even thought of it, but phone calls, a conference call or something like that -- quite quickly. I'd like to go five arbitrarily and see if we can squeeze it. That's \$6,000. We're at \$36,400 -- well, we'd be at \$36,000 because we wouldn't do the hosting. I think that would be a real contribution; we'd lead the way.

MR. FOX: You perhaps might have some inside information as to whether or not we'll have one sitting per year, as has been suggested at the past Members' Services meeting.

MR. CHAIRMAN: I don't know either.

Louise knows the tenor of our discussions now. From experience, Louise, what would you suggest? Five, six, or seven?

MRS. EMPSON: Six or seven would be a good, safe number, keeping in mind also that you're likely to come under budget because not everybody attends the meetings. This is the best turnout we've had with this membership. I'm sure Dr. Elliott will vouch for that.

MR. CHAIRMAN: What about a compromise of six? If I can work some numbers here that would give us a six number -- I can only guess, and we need the advice of our officials to round

that out -- would you give me the opportunity ... I don't know how we do a motion like that. Would a motion be in order that the budget -- call it option 3 right now -- be revised so that the adjustments be made in travel and payments to MLAs to allow for six meetings if required? That will bring us down to probably \$37,000 or \$38,000; I just don't know the number yet, because I don't have the advice.

MR. FOX: Greg, in terms of airfare, we have some members that have to fly to meetings here. At what point does that become an expense charged to the Legislative Offices Committee and at what point is it ... Because I know members have air travel credit cards and you've just used them ...

MR. CHAIRMAN: It depends on how the member has budgeted his or her time for the day, I think. If we had an all-day meeting that one was required to travel to here and back for, then that would normally be charged to the committee. If the member was traveling on other matters ...

DR. ELLIOTT: In my particular case, I was traveling on other matters and I showed no charge.

MR. CLEGG: I'd be the same; there would be no charge to here for airfare. I'd just like to comment that I think the travel is healthy, because in a lot of cases that's exactly what happens.

MR. FOX: I was just wondering. Maybe it's a redundant consideration, because it's legislative money regardless that is spent to transport members.

MR. CHAIRMAN: But you're right; it's where it's apportioned.

MR. FOX: Yes. I just wonder at what point it's our expense.

MR. CHAIRMAN: The other thing I'd like to do, and I'll do this better, is to try and set it so that we have a full meeting rather than an hour here and an hour there, because that would be very inefficient, unless absolutely necessary. Then we could do those in session for sure. If it was a little hourly item, we could do that in the

session at some time.

But other than reviews and the audit function that might be required, I'm not aware ...

MRS. EMPSON: The visits you've got planned to the various offices.

MR. CHAIRMAN: I'll try and tie that to a meeting.

MR. MITCHELL: We won't have to do those visits next year, because we will have done all our visiting, unless you feel we -- the new members will have seen them and so on.

Just to make a point, I'm reluctant in my heart to overbudget just for safety. I believe that budgets really have one overriding function; that is, to put pressure, to be an objective, to be a guideline, and not so much to be an ease of doing things.

MR. CHAIRMAN: As another suggestion, would you like me, with the assistance of the secretary to this committee, to submit to the Speaker a revised budget of some number? Let us say some number such as \$35,000. If you would give me the authority to continue to show the amount out of the conference fees -- I hate to bring the hosting down, because it's our own lunches, but if you want me to drop that down a bit, I will. If you would allow me to work out, in travel and payment to MLAs, some number so that the total budget is \$35,000, would that be a reasonable approach?

MR. DAY: Mr. Chairman, just on that hosting item, is a significant part of that the event that we had?

MR. CHAIRMAN: Yes.

MR. DAY: So that is something that could be forgone next year also.

MR. CHAIRMAN: That's an excellent point. Louise, do you know how much we may need?

MRS. EMPSON: That part was taken out, because it had already been done in conjunction with the Speaker's office.

MR. CHAIRMAN: Oh, it is out? So this is basically nine ...

MRS. EMPSON: Catering at meetings, which is the luncheon and pastries when you have them. We supply the coffee now, which is less of a charge.

MR. CHAIRMAN: Can we reduce that number by some number, for six? A thousand dollars?

MR. FOX: We usually have far too much. We have enough food to feed the masses.

MR. CHAIRMAN: How about giving you \$1,000, and if we run out of money, we won't eat?

MR. MITCHELL: That's great. I agree with that.

MRS. EMPSON: The whole thing is, in case someone comes to town and you want to take them out for lunch, it's only there in the event that it might be necessary.

DR. ELLIOTT: Mr. Chairman, I'm just going to say that that actually happened, because the province of British Columbia came to visit us to see how we function, because they wanted to model their system after ours. Four or five of us took four or five of them to lunch, so Louise picked up the tab for about 10 lunches. That's the kind of thing that can happen.

MR. DAY: Next time brown-bag it.

MR. CHAIRMAN: We're all grappling with this.

DR. ELLIOTT: While I have the floor, I suggest that with morning meetings like this, we go straight coffee. If we're meeting over lunch, I want a sandwich.

MR. CHAIRMAN: Okay. Glen?

MR. CLEGG: I had just about the same question as Stockwell about the \$1,350. I didn't really know. I think that meeting we had while the session was on was important so these people could meet all the other MLAs. I personally think that was a good idea, but if it doesn't come out of this, I guess I have no concern. I think it's important that the other MLAs get to meet these people on a one-to-one basis.

MR. CHAIRMAN: You know, Glen, that's a

very good point. It may be that just because we did it, we should not stop it.

MR. CLEGG: I don't think we should. I know it's a cost and I want to cut budgets too, but I think it gives all MLAs a chance to meet these people. Certainly they have a chance, but they won't meet them unless they -- I would hate to see that cut out. I thought this was what we were talking about, but I guess it isn't.

MR. DAY: I agree with that, Mr. Chairman. It was a very valuable time, and I certainly enjoyed the delicacies offered to us at that particular time. Maybe in the future we could even limit that and go with coffee and pastries.

MR. CHAIRMAN: My suggestion was: will you let me come back to the Speaker directly with your approval? I don't know how we will word this yet, but the motion would be in the order of this: we rescind our previously approved budget and resubmit a budget of \$35,000, with the reductions to be taken from travel and payment to MLAs. Would that be all right? That leaves us with our \$611,000 and \$1,350. I just don't have the ability to give you that today, but I think it will give us a maximum of about six meetings. If we can't have any more, we won't have any more.

MR. DAY: Do you need a motion to that effect?

MR. CHAIRMAN: I need that, because I think it has to . . . Grant, would you move that?

MR. MITCHELL: I'll move it.

MRS. EMPSON: I'll word it.

MR. FOX: This is an annual process. We have a chance a year from now to see if the committee has been able to function effectively with that reduced budget. We may be able to further eliminate.

MR. CHAIRMAN: I know that Bob, for example, never did spend the money that was in the last budget. You couldn't. You didn't have those meetings because of the other things.

DR. ELLIOTT: May I speak before we recess? If you go far enough back in history, this

particular process that we're involved in as a committee was handled almost by the chairman alone. Now the expenses in that case were obviously very low. So was the effectiveness of the committee, so was the impact on the Legislature, and so on. By building the committee into this activity, we've had good feedback from the officers for whom we are responsible. We think we've had good feedback from the other members of the Legislature, such as the annual hosting of that luncheon that has been referred to here earlier, where MLAs can meet these three officers of the Legislature. While we could probably cut this back to \$100 and just put on a show, we would be right back to where we were 15 years ago. There's nothing wrong with that, except that I don't want to do it.

So while we're being very generous in cutting this back, let us not cripple ourselves. I want to protect what this committee does. While we can maybe do an adequate job with less money, we still have an important function to do. If we as committee members are going to make a contribution and feel that we're involved and enjoy our work, we have to have a little [inaudible] and it's going to cost a little bit of money. Let's be cautious while we're cutting and do it with our eyes open.

Thank you.

MR. CHAIRMAN: I appreciate that. I think all of us share the way you've said that.

Gentlemen, on the motion that would rescind our previous budget submission and present to the Speaker a revised budget totaling \$35,000 for the coming year, with the reductions to be achieved in the areas of travel and payments to MLAs. The motion is moved by Mr. Mitchell. All in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: May we go in camera? If Doug would turn off the machine, I have no objection if Louise and Doug stay. I'd like to talk, before we leave for the next meeting, about the process of the appointment of the Chief Electoral Officer.

[The committee met in camera from 11:13 a.m. to 12:08 p.m.]

MR. CHAIRMAN: Coming back into the regular

meeting, we'll be adjourning shortly to go to the Chief Electoral Officer's offices for his hospitality and to meet the staff.

We have before us the responsibility of the committee to confirm the appointment of the Chief Electoral Officer within one year after date of poll, May 8, 1986. May I call for a motion?

MR. STEWART: Mr. Chairman, I move that the reappointment of the Chief Electoral Officer be confirmed.

MR. CHAIRMAN: All in favour of the motion? Let the record show that it is unanimous.

With respect to the other assignments of the committee, the salaries of the three Legislative Assembly officers, the committee has received recommendations from the chairman, has discussed those recommendations in committee, and has empowered the chairman to advise the three officers of the committee's decisions with respect to their salaries, and I will convey the decisions of the committee to the three officers for implementation. Is that in accordance with the committee's wishes?

MR. FOX: Would a motion on record be required?

MR. CHAIRMAN: Yes.

MRS. EMPSON: They may need a letter.

MR. CHAIRMAN: I'm sorry. It would be conveyed in the form of a letter, if you would add that.

Mr. Fox has asked if a motion would be in order. I'm very happy to receive a motion.

MR. FOX: I'd like to move that the committee approve the salary adjustment recommendations brought to us by the chairman and as discussed in camera and that the three officers be informed as to the committee's reasons for the adjustments.

MR. CHAIRMAN: In writing.

MR. FOX: In writing.

MR. CHAIRMAN: All in favour? It's unanimous. Thank you.

The next meeting of the committee will be at the call of the Chair. A call for an adjournment? John. We're adjourned.

[The committee adjourned at 12:10 p.m.]

