

[Chairman: Mr. Stewart]

[9:14 a.m.]

MR. CHAIRMAN: Perhaps I will call the meeting to order. As has been noted, Mr. Drobot has indicated that he will not be able to be present today, and we're still expecting Mr. Fox.

With respect to the agenda, we'll move to item 2 on the agenda, and then I'm going to suggest that we move to item 7. I've asked Mr. Grant Nicol to be on hand to provide us with further information on that item and to answer any questions that members of the committee might have in respect to that item. So for the convenience of Mr. Nicol, we'll move to item 7 after item 2.

Are there any other comments or questions with respect to the agenda?

MR. GOGO: On number 11, Mr. Chairman, Other Business, I want to raise a matter concerning the chairman's time spent on meetings. Can I address an item under Other Business, please?

MR. CHAIRMAN: Okay. You have the minutes of October 28, 1987, our committee meeting of that date. Are there any questions, comments? If not, may I have a motion in respect to those minutes?

DR. ELLIOTT: So moved, Mr. Chairman.

MR. CHAIRMAN: Dr. Elliott. A seconder? We don't need a seconder. Pardon me. It's been a long time. All in favour of the approval of the minutes?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: That's carried.

All right, then, we'll move to item 7. I'll just give members a moment or two to look at them before I bring Mr. Nicol. Thank you, Mr. Nicol, for coming and being with us. We are on an item that is shown on our agenda as a matter referring to the Baker Lovick interest charges for the Ombudsman Search Committee advertising. Each of our members has been circulated a memorandum that sort of outlines to the members of the committee the basic circumstances involved with respect to this item, so the Chair doesn't propose to elaborate on that any further. You're here to provide us with some insight with respect to the situation from your standpoint and perhaps to answer any questions that members might have.

MR. NICOL: Sure. Well, maybe if I may make comments, Mr. Chairman. I guess the final paragraph of the memorandum probably covers it all fairly well. This indicates when the invoices were received and when the actual invoices were paid. Baker Lovick charges after 10 days, and I guess the problem revolves around the invoices leaving their office at a certain date and not actually being received by this office till much, much later: two- or three-weeks' delay from Calgary. That appears to be the problem. I phoned to try to get it straightened out and couldn't get ahold of anybody. There wasn't anybody around to talk to me. Finally, I got ahold of Mr. Plouffe, who is their controller/accountant, and spoke to him about it. I told him that the invoices were late reaching this office, and he indicated that couldn't possibly be so. So we had an energetic discussion. Anyway, it ended up with me indicating that we did date-stamp our invoices when they did come in, so we would know when they were received.

He asked then, you know -- it came down to a point of me saying, "No, we didn't receive them," and him saying, "Yes, you did." I don't know who really wins an argument like that. So it ended up by him suggesting: would we pay at least half of the interest charges? I said that I would discuss that and bring that in front of the committee, making it clear to him that the committee would have to make that decision as to whether or not that charge would be paid.

Since then we have received other invoices which I guess gives an indication that there has been some difficulty in Baker Lovick in their billing systems, I guess. There's an indication that there's some difficulty in their billing system, because the invoices are still coming in for ads that were placed in May. I questioned that, and they said, "Well, we don't understand how these papers can operate when they're billing so late." Being a bit inquisitive, I phoned one of the papers directly, *The Edmonton Examiner*, and asked them why they would wait till November to bill for an ad that was placed in May, and they said, "Oh, no, we billed in May, and we've just received payment now from Baker Lovick." The accountant with *The Edmonton Examiner* indicated that there seemed to be some difficulty in Baker Lovick's accounting system in terms of getting their invoices out and getting them paid.

I guess that's probably all I have to say on it.

MR. CHAIRMAN: Questions from members? Mr. Gogo.

MR. GOGO: Well, on the first point, Mr. Chairman, we passed legislation in Alberta, either under the Interpretation Act or one of our statutes, that says that official notice of anything is deemed to have been received by the recipient five days after mailing. So if the Solicitor General's department sends out a suspension of a notice, regardless of what Canada Post does, Alberta law says that in five days you have received it. I don't see why a committee of the Legislature should be picking up any charges for what may have been, on the one hand, inefficient administration by a company. I think that what's good for the goose is good for the gander; that is, if they want to live by that, we have to make certain assumptions. If it's postmarked on a certain date, then within five days of that I say that we theoretically have received it, whether we have or not. But that's postmarked; that's not something that's typed onto an invoice. I mean, you could type something on an invoice and not mail it for three weeks. Surely that's not our problem, and I don't see why we'd be liable for anything.

As for the *Examiner*, I can't believe any business would remain in business if there was an expenditure in May and billing didn't go out till November. I can't believe that sort of thing happens. So I think we're talking about something in-house, and if business is that good at Baker Lovick that they can't get around to sending invoices out, then they sure as hell don't need any interest anyway.

DR. BUCK: Mr. Chairman, I deal with the *Examiner*, and they are absolutely the most punctual people that I've ever seen. I mean, as soon as you've got the hot little ad in the paper, you've got the bill practically next day, because they're a small company and they're operating very, very efficiently.

As a private businessman I always have this bad feeling that just because it's government and the taxpayer, they're eligible to be ripped off. Driving over the Coquihalla Highway, I said to my wife, "You know, this is a beautiful piece of engineering, and it's too bad the contractors have to try and rip the taxpayer

off because they're fast-tracking a program." So, boy, these people have got to do a better job of convincing me that we owe them any interest, and if they want to sue us, they can go ahead and sue us, as far as I'm concerned.

MR. MITCHELL: I certainly agree with the sentiment, Mr. Chairman. I just have one question about timing. In the memo, page two, at the last paragraph, it says that "the May 30 invoice . . . was sent to Treasury for payment July 24." That's different than paying it on July 24, and I'm wondering whether there's some complication due to the processing of the payment in Treasury. Maybe there's information here to confirm that. I certainly feel that we have no compulsion to pay interest charges that started 10 days after the end of the month, given that they were slow in getting their invoices out and so on and so forth. But at the same time, if we sent an invoice to Treasury on July 24 that didn't get paid till November 30, Baker Lovick has a stronger case to make. I mean, we can't use slow government processing as an excuse for not paying interest charges either. But pending an adequate resolution of that question, I agree with what Mr. Gogo and Dr. Buck have said: we shouldn't be held up because we're government.

MR. CHAIRMAN: Perhaps, Mr. Nicol, you could elaborate on sort of the process as you see it happening.

MR. NICOL: Yeah. This is something I guess maybe Louise may want to comment on, but I believe that once the invoice has been processed and approved for payment and sent to Treasury, the payment by Treasury is almost immediate.

MRS. EMPSON: Approximately two to three weeks after.

MR. NICOL: Two to three weeks after? Okay. It's longer than I thought it was actually.

MRS. EMPSON: If I may comment on the first invoice which took so long. I remember myself having received the invoice from PAO, but it was not accompanied by the tear sheets. I called Baker Lovick and was put through, and I said, "We need the tear sheets." I remember that the invoice sat on the corner on my desk approximately three weeks. Later on, when the interest charges started appearing and I questioned Baker Lovick about it, they denied the tear sheets had never been sent. I know they were not sent the first time.

MR. NICOL: There was some . . . Okay, so it's two weeks after. It's a little longer than I thought it was.

Here again, with *The Edmonton Examiner* there seems to have been some trouble in terms of processing accounts, because they indicated they were asked for tear sheets and they sent them immediately. Then they went missing. They were asked for a second tear sheet, and they sent it again.

MR. CLEGG: Well, I have to agree with just about everybody. I mean, we all know what people do when they're dealing with government: they add 20 percent on all their bills to start with. Everybody knows it; they won't admit it, a lot of them, but they do it. I can't see where we should even consider paying any part of that interest. If they want to try and prove that we, as Treasury or government, did anything wrong with the payments, then let them prove it, because I certainly can't ever vote to pay them interest or any part of their interest.

MR. GOGO: I have a question, Mr. Chairman. I understood that the policy of the Alberta government was not to pay interest and that it would require a Treasury Board minute. Is that accurate?

MRS. EMPSON: I've never heard of it, Mr. Gogo, but we've never been charged interest before either.

MR. GOGO: Well, I don't believe the policy of the government is to pay interest, and it requires a Treasury Board minute if in fact we're going to do it, which would mean anyway, Mr. Chairman -- I don't know if we can authorize it. Maybe our jurisdiction is to recommend it and, in fact, Treasury Board -- I think the Financial Administration Act says something about that, but I'm not in favour of paying it anyway, so it doesn't matter to me.

MR. CHAIRMAN: A question, Mr. Nicol, following up on Mr. Gogo's comment. The engagement under which Baker Lovick was asked to perform these services: is there sort of a standard form, or was there some sort of written exchange of letters or contract or whatever that related to those services that would have made a provision for the payment of interest? Or was the first that you knew about the payment of interest when it appeared on their actual invoices?

MR. NICOL: Yeah, that would be the first that I knew about the payment of interest. No, in terms of engaging them, it's done fairly informally. It's just a matter of business. When you place an ad through an advertising agent [inaudible] like that, they agree to take on the business, so it's handled normally like that.

MR. CHAIRMAN: So it's sort of a term that's imposed subsequent to the contract actually having been concluded.

MR. NICOL: Right.

DR. BUCK: Mr. Chairman, just one other thing that I find rather abhorrent. I've been in business for a few years, and I've never ever dealt with a company, ever, that had this thing on a statement, appendix II. It says:

Please note: Payment due within ten days from date of receipt of invoices.

I've never dealt with anybody in my life who ever had that on their letterhead, period. What nonsense.

MR. CHAIRMAN: Well, my American Express says: due on receipt. They don't even give you the 10 days.

DR. BUCK: But you've also got a new one now, Mr. Chairman, that says that if you don't pay, the same as MasterCard and VISA, they charge you interest, and they also charge you interest if you don't pay it in full. But they don't give you this 10-day nonsense.

MR. CHAIRMAN: Is there any other discussion with respect to this item? If not, may I have a motion with respect to it?

MR. MITCHELL: I guess I'd like to just make one more point. It seems to me that even if you take -- June 19 we received the first invoice. Give them three weeks to get the tear sheets to us, that's July 14. Take another two weeks for the standard Treas-

ury payment on it. So what's that? That's July 30. I don't think that is too long for a company to wait for payment without paying interest, but I would like to make the point for the record that at some point the government does have a responsibility to pay interest to a small business that is carrying that money at some interest rate, if the government can't make that payment expeditiously. In fact, I think it's probably a good pressure on the bureaucratic process that it should meet that kind of business discipline. But in this case, I don't think that particular period of time is too long, given that they in fact contributed to the length of delay.

MR. CHAIRMAN: Mr. Clegg, do you wish to make a motion then?

MR. CLEGG: Yes. I'd make a motion that we don't pay them any interest on the account. That's as simple as I guess I can make it.

DR. BUCK: I'll second that.

MR. CHAIRMAN: Any discussion on the motion? I'll call the question. All those in favour of the motion, signify.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Contrary? The motion's carried.

Thank you very much, Mr. Nicol. I didn't introduce you at the beginning, because I almost assumed that you know practically everybody around, if not everybody. The only person you may not know is Mr. Ady, who is a new member of our committee, the Member for Cardston.

MR. GOGO: Mr. Chairman, as a matter of interest, is it up to Grant to be notifying Baker Lovick, or does Louise notify? What happens? I assume they are to be notified.

MR. CHAIRMAN: Oh yes.

MR. NICOL: I could phone Mr. Plouffe and let him know. That's probably as far as . . .

MR. CHAIRMAN: That's okay with me.

MR. NICOL: Okay.

MR. CHAIRMAN: If you need anything more from the committee relative to the motion that was passed or anything that relates to that, I'd be glad to assist you.

MR. NICOL: Good. Thank you.

MR. CHAIRMAN: Thanks again.

We'll move on to item 3. Mr. Fox, for your benefit, we've dipped down to item 7 and have just dealt with that matter. Now we're resuming the order of the agenda, and we're back to item 3. This is: Review and Approval of Auditor General 1988-89 Budget Estimates.

As you are aware, we met with the Auditor General and officials of that office on October 28 to have an in-depth discussion and review of the line-by-line budget that had been submitted to us. At that point in time, it was felt by members of the committee that we should take that information and consider it and if

there was any further information that was required of the office, that we would provide that and then reconsider the budget in due course. That period of time has gone by, and we now have this matter before us again for resolution.

Are there any comments or questions in respect to the budget that have arisen since the period of last review? Perhaps I'll just give you a minute or two to move through the budget again to refresh your memories with respect to the details. I can advise the committee that the Auditor General has pointed out to me that on page 4, the bottom paragraph relates to an item of \$1,000 to cover some estimated hospitality costs related to the forthcoming meeting of the Auditors General practices committee that's going to be held in May of 1988. Apparently, he merely requires a letter from the committee sort of authorizing that particular payment. It's not an item that is in addition to the budget as submitted; it's inclusive of the budget. It just apparently requires a separate letter that gives him that authorization to allocate those funds for that purpose.

MR. GOGO: Well, this may have been explained before, Mr. Chairman, but on the same page, with regard to the Annual Dues, Course and Fee Reimbursements, and Professional Development, there's a jump from the forecast, which was the actual expenditure, I assume: \$106,000 to \$115,000. Did we have an explanation for that, do you recall? I can't recall.

MR. CHAIRMAN: I can't recall. I'd have to check the transcript to see whether or not he covered that. I would presume he did. He went through it virtually on a line-by-line basis.

MR. GOGO: Yeah. I just can't recall it.

MR. MITCHELL: What line were you referring to, Mr. Gogo?

MR. GOGO: Page 4, under details: the actual spending was \$106,000, and the budget this year is \$115,000; last year it was \$128,000. I'm just curious as to, you know -- there's a \$10,000 increase in the Annual Dues, Course and Examination Fee Reimbursements. Maybe they didn't take as many examinations as they planned on.

MR. CHAIRMAN: His budget is reduced from last year's budget, but it's more than what he anticipates for the current fiscal year.

MR. GOGO: Well, it's a 2 percent decrease, I guess, Mr. Chairman, on page . . .

MR. CHAIRMAN: A 2 percent decrease from last year's budget.

MR. GOGO: Yeah.

MR. CHAIRMAN: I can only assume that it's something that he feels the expenses for the current fiscal year are perhaps unusual in that the ordinary course of events could anticipate something similar to what was budgeted for last year.

MR. GOGO: I have no more questions, Mr. Chairman.

MR. CLEGG: I think it'd be kind of like -- maybe I shouldn't question the Auditor General's bookkeeping, but I have diffi-

culty with these titles: estimates and forecasts and budget. In my mind it's very confusing. I know that I've sat on a lot of these, and never have I seen it exactly like this. Now, estimate and forecast in my mind is -- what is it? It's the same. What I think they should have -- although I realize they couldn't have the actual in here in the '87-88, because the year isn't up. Can you really tell me: what is the difference? That's the question I'd like to know.

MR. CHAIRMAN: Well, we had quite a discussion on that.

MR. CLEGG: I know we did.

MR. CHAIRMAN: You recall the confusion the Chair was having at that time too.

MR. CLEGG: And then they say 1988-89, and they say "budget." Well, that in my mind is an absolute estimate budget. Now, why doesn't he put it there? Because there's no way that is going to be the budget. We all know that in any budget in the world that is an estimate budget, and it says "budget". The only time you know the budget is when the year is over. Then you have a budget for that department or whatever it is. So I would like to comment that he does a little different headline there really, because it doesn't read right to me.

MR. GOGO: Well, I was just going to say that if the Auditor General doesn't know, who does know? The estimate was what was passed by the Legislature in the blue book, and the forecast is as close as they can possibly get to the actual expenditures for the current year. Then of course the budget is always the one that is guesstimated for next year, which we are expected to approve. Because if you look at some of the other departments, right in the book you see different terms, like the Chief Electoral Officer, the use of different terminology. So perhaps they'll read the minutes of the meeting and get together for the same terminology.

MR. CHAIRMAN: Once the '88-89 budget is approved, then it will become an estimate.

MR. CLEGG: Yeah.

MR. MITCHELL: The total increase of the budget over the forecast is about \$138,000, which is -- what? -- 5 percent. So we're authorizing a 5 percent increase this year over last year.

MR. CHAIRMAN: There was a 2 percent decrease from the estimate of last year.

MR. MITCHELL: I'm just looking at Supplies and Services here. Okay. No. The budget of '88-89 is going to be \$200,000 higher than the forecast. I mean, it doesn't matter that the budget is down from what they estimated last year. That's not critical. What's critical is the comparison of the '88-89 budget to what they actually think they spent in '87-88. So we're looking at an increase of about \$200,000, which, just to confirm, is about a 3 percent, 3.5 percent budget increase. Is that right? Increase over expenditure? I'm looking at page 3 now, the bottom line of figures: \$6,285,000 to \$6,092,000. So you've got about a \$200,000 increase on \$6 million.

MR. GOGO: But have you read page 1? Two pages previously

they refer to a decrease of 2 percent. That's what the chairman said, I think. At the top of the page, '88-89.

MR. MITCHELL: Okay, so I'm looking at specific Manpower. So Manpower's going up 3 percent, a 3 percent to 3.5 percent increase. Supplies and Services are going up about 5 percent. Overall they've reduced -- this is interesting -- their budget by reducing the amount they expend on Fixed Assets. But Fixed Asset expenditure each year is net new, all of it, in my estimation. I mean, if you could work last year with the fixed assets you had, then theoretically you can work this year with the fixed assets you had. So what they've done is increase -- this is tricky -- Supplies and Services; they've increased Manpower. I'm not saying it's wrong, but they have, and I think it should be identified, which is why I'm raising it. Then in order to bring their budget down, they have done that by reducing Fixed Asset expenditure, which is a one-time expenditure each and every year that it did it. So I would argue that in fact they've increased Fixed Assets by \$158,000, because every year it's a zero base.

MR. CHAIRMAN: Well, if you look at page 2, which is the explanation by the Auditor General of the reasons behind the changes, it would appear that they regard the Fixed Assets as strictly the dollar amount of procurement each year for equipment, for replacement or upgrading or new equipment. I don't know that they treat it in the same way as a corporation, in building it into Fixed Assets and depreciating it down and keeping on that sort of a plane. It looks like it's strictly an item-by-item, year-by-year type of process here. So he gives as a reason a decrease in the requirement for replacement and upgraded computer equipment, so they don't need to spend as much this year under that particular item.

MR. MITCHELL: I guess my point is that theoretically, just looking at it from a logical point of view, if they were able to do the audits last year with the equipment they had, then is there some powerful reason for having to buy new equipment this year, or is it just what happens in the process, where, well, it was in last year; sure, we can find a way to buy a better PC or add on some other component, and it will make life easier? But does it result in greater productivity, and is it in fact necessary? That's all. That's what I'm saying. So when we are authorizing this, we are in fact authorizing, in my estimation, a net increase in Fixed Asset expenditure of 158,000, because each year we start from a zero base in capital expenditure.

MR. ADY: Mr. Chairman, is there some process on that same issue that Grant's making where fixed assets are more or less upgraded each year as opposed to letting them deteriorate and all of a sudden being faced with a million dollars worth of fixed asset replacement? Perhaps this is what the Auditor General's trying to do: have an ongoing process to maintain his fixed asset base.

MR. FOX: Well, I think you're on the right track, though, Mr. Chairman. Fixed Assets is the only category in here that they might be able to put repairs and maintenance and normal sort of upgrading. I think it's worth asking him to explain the capital expenditure situation in a little more detail next year, but in fairness it seems to me that what they're doing is asking us to approve budget estimates that are lower than the budget estimates we approved last year, and that's worthy of note. They've tried to come in with a leaner budget. Comparing it to their forecast,

the actual expenditures, it is indeed an increase, but I think that if you remember his explanation, the reason there was a decrease in the actual expenditure compared to the estimate is because they're never able to keep a full complement of employees because the level of remuneration is relatively low compared to the private sector. They never have as many auditors as they need to have, and that being the case, over a period of years we might well expect their forecast to be somewhat lower than the estimate for '88-89. I don't see any problem with it.

MR. MITCHELL: I guess I'm the same. We're not voting on a 2.1 percent decrease in my estimation, in any way. We are voting on an increase over last year's expenditure.

MR. CHAIRMAN: As they expect that it will come out.

MR. MITCHELL: Yeah, compared to a budget. I don't believe that we should be budgeting on the basis of comparing with what they estimated, what their budget for last year was. We should be budgeting it compared on a much more concrete figure, which is what they expect their expenditures to have been this year, and now both are subject to some speculation. But the latter, that being the forecast, is more likely to be correct, because it's closer to the end of the year. I think that what we are voting on is an increase, and I think there can be no doubt about that.

MR. CHAIRMAN: Well, I mean, there are two ways to look at it. You could say that if you want to take the forecast of last year as sort of the norm at which they should operate at all times, I think at the same time in all fairness you have to look at the circumstances of that given year, which may result in them not in fact being a norm, that the budget and the amount that was set aside and budgeted and scrutinized last year may in fact be closer to the norm. If you look at page 2 again and look at the comparison of the '87-88 budget to in fact the forecast they now have for this current fiscal year, he's identified three areas in which there are unusual circumstances that would result in them being able to pay out or estimated to pay out less than what was actually budgeted. But I suppose it's open to look at the records and to make whatever comparisons, percentage or otherwise, that you wish on it.

DR. ELLIOTT: Mr. Chairman, in reviewing the minutes of October 28, '87, under the section "Review of 1988-89 Budget Estimates -- Office of the Auditor General," I note it says that agreement was reached for the Standing Committee on Legislative Offices to receive the budget estimates from the three Officers at the current meeting but to allow adequate time for further study by Members, which could possibly include the recall of any of the three Officers.

An explanation of process, Mr. Chairman. How are we on the time frame. If there are serious questions or doubts about any of these things, do we have to be shy about inviting any of these officers back to clarify some of our comments or questions?

MR. CHAIRMAN: The approval of this budget is completely in the hands of this committee, and we can, as you say, call back any officer. It may very well be -- and I don't have copies of the transcripts available, but we had a very exhaustive explanation from all three officers. I wouldn't be a bit surprised that if we were to check our own transcripts, we'd find that further elaboration on this particular point was in there. If you wish to adjourn for a few minutes while we perhaps looked at those

transcripts, the Chair would be willing to do that. If then you wished to call back the Auditor General for further explanation on that point, I'm certainly willing to do so.

DR. ELLIOTT: Further to my question, Mr. Chairman, I was wondering if we might want to go through each of the budget items 3, 4, and 5, and then possibly . . .

MR. CHAIRMAN: Each of the offices, you mean?

DR. ELLIOTT: Yes; 3, 4, and 5, and then come back to the suggestion you just made. There could be questions of each of the three, in which case we might want to check transcripts or whatever.

MR. CHAIRMAN: Well, the Chair is in the hands of the committee. I don't see any difficulty in dealing with them one by one, and if you want any particular officer back, or all of them back, that's fine; no problem.

MR. MITCHELL: I would simply like to request that we check whether there was an explanation on Fixed Assets. This is the same kind of issue that we had last year with the Chief Electoral Officer's office, and it turned out that the reason they wanted the money was to buy new equipment which would make their job easier, more effective, and so on. Great. However, they had just done an election, which they had run perfectly capably given the equipment they had. I think we had a very fruitful discussion on that, and I would like to have that clarified.

MR. CHAIRMAN: Well, perhaps what we might do is adjourn for a few minutes and get copies of the transcripts. I don't have them with me here.

MR. GOGO: Well, Mr. Chairman, I'm sure members of the committee want to deal with all the issues, and I'm sure Mr. Mitchell has valid concerns. I guess that probably, as Mr. Mitchell wasn't at the last meeting, he could look at the transcripts.

MR. MITCHELL: Okay.

MR. GOGO: Because maybe these questions have been answered to members' satisfaction. So it might be appropriate -- I'm just checking the attendance at the last meeting, Mr. Chairman -- if we do take three minutes and Grant wants to read those transcripts, he may be satisfied with those answers.

MR. MITCHELL: Sure. Yes, that's fair. In fact I can even phone Mr. Salmon; I'd be prepared to do that.

MR. CHAIRMAN: Why don't we adjourn, then, till 10 o'clock? That's five minutes away.

HON. MEMBERS: Agreed.

[The committee recessed from 9:54 a.m. to 10:06 a.m.]

MR. CHAIRMAN: May I call the meeting back to order.

MR. GOGO: Well, Mr. Chairman, I would approve the proposed budget of the Auditor General for 1988-89.

MR. CHAIRMAN: Any comments, questions, discussion on the motion? Mr. Mitchell, anything further on it? Okay. May I call the question then? All those in favour of approval of the Auditor General's budget for the fiscal year '88-89, please signify.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Contrary? Good. Motion carried.

Item 4 on the agenda. I beg your pardon. Let me just go back to that point I raised in respect to the special letter that's required for the Auditor General for the allocation of \$1,000 to hosting. Is it in order for the chairman to go ahead and write that letter to the Auditor General in that regard?

MR. ADY: Do you need a motion?

MR. CHAIRMAN: I don't think we need a motion. I'll just . . .

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Okay.

MR. FOX: That's an annual thing, and it's his turn to host . . .

MR. CHAIRMAN: Yeah, it's just \$1,000 for some particular meeting, not of the Auditors General per se. I think it's a committee of . . .

DR. BUCK: Last year it was down east; this year it's out here.

MR. CHAIRMAN: This is the Legislative Auditors Practices Committee. Is that the full meeting of the Auditors General?

DR. BUCK: No, it isn't.

MR. CHAIRMAN: I thought it might just be a committee meeting under the various offices. But in any event, it's a \$1,000 item. It's not an increase in budget; it's an allocation.

MR. GOGO: Mr. Chairman, before proceeding to the Chief Electoral Officer, if that's where we're going . . .

MR. CHAIRMAN: Yes.

MR. GOGO: . . . there was the matter of the Auditor General and salary. Are we deferring that to a later date or something?

MR. CHAIRMAN: Yes. I've just received as of today a letter from the Auditor General on that point, and that will be dealt with at a later date. I want to get copies of that letter out to each of you first so that you might consider it.

Item 4, Review and Approval of Chief Electoral Officer 1988-89 Budget Estimates. Again, we had the Chief Electoral Officer just by himself at our meeting of October 25 for a review of the line-by-line budget estimates. Are there any questions or comments in connection with either the budget itself or anything that arose out of the October 25 discussion? If not, may I have a motion with respect to the approval of the budget as submitted by the officer? Mr. Fox. All in favour of the motion, please signify.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Contrary? The motion is carried.

Item 5, Review and Approval of the Ombudsman 1988-89 Budget Estimates. Again, we followed the same process and had a fairly lengthy discussion with the Ombudsman and members of his staff. Are there any items arising out of that?

MR. GOGO: Mr. Chairman, I'm just curious about the November 23 letter to you from the Ombudsman and the salary for investigators. The pages are unnumbered, so I can't really refer to them. But there's one dated March 2, '87, about the comparison. Is that built into the proposed budget? Does anybody know?

MR. CHAIRMAN: No, I don't believe it was. I think it was a matter that he was merely bringing to our attention to be dealt with as a budget matter later on. Excuse me. Do we have the Ombudsman's budget here yet?

MR. GOGO: Is that the 5 percent increase? Is that the proposal?

MR. CHAIRMAN: On sages and salaries?

MR. GOGO: I'm just going by the total, Mr. Chairman, on page 2 of his submission. Page 2 of the submission, Mr. Chairman, gives the total of \$940,000.

MR. CHAIRMAN: I'm sorry, Mr. Gogo. I'm just -- oh, here.

MR. GOGO: Well, section 5, of course, that we're on, following his letter to you . . .

MR. CHAIRMAN: Sorry; \$940,800 is the total budget which he is submitting.

MR. GOGO: Right. Which is a 5 percent increase according to that information.

MR. CHAIRMAN: That's right.

MR. GOGO: So that, I guess, is the issue.

Mr. Chairman, if I could continue, we were maybe over this ground before, but Alberta hosted the Ombudsman Conference 1987, and item 712M on page 1 of the budget shows that 88 percent increase. My recollection was that most of that obviously is picked up in other areas. For example, item 712H, Telephone Communications: a dramatic increase. As I recall, the explanation of the Ombudsman was to encourage Albertans to be calling him all the time or something. Wasn't that the intent?

MR. CHAIRMAN: Yes, that was the WATS line service, which he found in this past fiscal year was utilized much more than before. He wants to keep that service obviously, so he's got an item for \$12,000, 712H. You'll notice that in '86-87 that was up to \$9,000. It appears that last year's usage of that particular phone dropped off almost by 50 percent.

MR. FOX: Could be due to the vacancy.

MR. MITCHELL: No. In fact, Mr. Chairman, the forecast, which is actual for '87-88, is \$12,000. So if he were comparing this to actual or as near as actual as we have, he would be having no increase.

MR. CHAIRMAN: That's right. I'm sorry.

MR. MITCHELL: We were just talking about a question here. Cannot people use the RITE line?

MR. CHAIRMAN: Yes, but this is in respect to those areas where they don't have access to the RITE line.

MR. GOGO: I'm sure the advertising by the Ombudsman doesn't ask people to use the RITE line. They use a Zenith number or whatever; that's advertised that way. My recollection is that there's some inference of confidentiality or whatever.

So one can assume, Mr. Chairman, from the proposed budget by the Ombudsman, that the special warrant passed for the \$200,000 regarding the Principal affair is probably not only a separate issue but satisfactory in that none of these expenditures here in any way relate to that. This is for the regular ongoing operation of the office. Right?

MR. CHAIRMAN: That's correct. That's right. That's what he anticipates will be the requirements for the ongoing office during the 1988-89 fiscal year.

MR. FOX: Have we had any indication from them, Mr. Chairman, if that amount has proved adequate or how his investigation is proceeding? I notice that the Code inquiry has required extra funds because the hearings are lasting longer than they anticipated. Do we have any idea of the status of the Ombudsman's inquiry?

MR. CHAIRMAN: Just before the year-end I phoned the Ombudsman to ask him that very question, because I wanted to find whether or not he would be coming to the table relative to any further requests and to find out how the \$200,000 was working. He responded that he was having a difficult time getting a handle on exactly how long and how much would be involved from the standpoint of his office and that he didn't anticipate being in a position to really get a handle on making those sorts of forecasts that would be relevant to our discussions until at least the end of this month or into February. I asked him to touch base with me at that time. He also indicated that the investigation that they were undertaking was progressing much slower because the Code inquiry itself was going much slower than had been anticipated. And, as you know, they're just sort of picking up and trying to avoid duplication, if possible, in tracking the Code commission.

He was very pleased with the progress that was being made by his office and the people that were involved in it and pleased with the performance of his staff and felt that they would have a better handle on the things they say the end of this month or sometime into February.

Is there a motion then with respect to the budget for the Chief Electoral Officer? Did we have a motion?

MR. FOX: We're dealing with the Ombudsman.

MR. CHAIRMAN: Yes. Right.

MR. MITCHELL: You said Chief Electoral Officer.

MR. CHAIRMAN: Oh, Ombudsman. I beg your pardon.

MR. MITCHELL: I move we accept the budget estimate as

proposed.

MR. CHAIRMAN: Moved by Mr. Mitchell. All those in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Carried.

The next item is now the Chief Electoral Officer. Okay. No, wait a minute. What did I do there? How did we get over to the Ombudsman?

MRS. EMPSON: We've already done CEO.

MR. CHAIRMAN: Oh, we did CEO.

Okay, item 6 is a review and approval of the standing committee's budget estimates for '88-89. You have a copy of that budget in your booklet. The preliminary work on this was done by the previous chairman of this committee, so I can't give you a lot of assistance on how the various numbers were made up. The bottom line is that the budget to be put forward is a reduction of 4.6 percent from the previous year, and as I understand it from discussions with the secretary, she feels that our estimate of costs or our forecast of costs to come in for this current fiscal year will probably come out close to our existing budget, which is \$35,000. I am going to distribute to you a copy of the budget for the current fiscal year, '87-88, along with the expenditures to date, not a forecast of what ultimately might be spent but strictly the expenditures, in fact, that have occurred to this date.

MR. GOGO: Mr. Chairman, is this now open for discussion?

MR. CHAIRMAN: Yes.

MR. GOGO: Mr. Chairman, I need assistance from Dr. Buck, who has been here the longest. I'm relatively new on the committee. It would appear to me that this committee deals with in many ways the most important offices in the Legislature: the Ombudsman, Chief Electoral Officer, and the Auditor General. I wanted to ask Dr. Buck if he could be helpful about . . . This committee is appointed by the Legislature, answers to the Legislature. We're now discussing the budget for our program for the next year. Other than I guess Alberta Treasury, which has to find the money for this committee -- and I suppose that they would issue guidelines that this committee or all committees should operate within a certain scenario. For example, there's a general restraint program of 1 percent or 5 percent or whatever, and I don't know whether that occurs. Mr. Chairman, you could advise the committee.

But I'm concerned about the process. When we approve this today, does this go directly to Treasury for preparation in the estimate book, or do we have to go through another committee? Is there a committee on top of this committee? I understand the Heritage Savings Trust Fund goes through a budgetary process and so on. But, Walter, do you know if, for example, this committee has to report to something like Members' Services Committee for approval?

DR. BUCK: No, I don't think so. I think Louise can . . . Or does it? Do we have to go through Members' Services?

MRS. EMPSON: Yes. It's part of the budget process of the Legislative Assembly. In fact Members' Services have already

started to meet. They met Monday and Tuesday for half a day each day. Dr. Elliott was in attendance, so he might want to enlighten you.

DR. BUCK: How's that?

MRS. EMPSON: Dr. Elliott was in attendance. He's a member of the Members' Services Committee.

DR. BUCK: Yes.

MR. GOGO: If I can just add to that, Mr. Chairman, to follow through on my question then, does that mean that if this committee approves this budget today, there is another committee of the Legislature that can reduce our budget?

DR. BUCK: Yes. But it doesn't seem to work that way. The only time you have a problem is if you come in and you want double what you got the year before, then you have to justify why you need that double rate of expenditure.

MR. CHAIRMAN: We justify that to another legislative committee.

DR. BUCK: Yes.

MR. GOGO: Members' Services Committee.

DR. BUCK: Right.

MR. CLEGG: Has this always been the method, or is this something new.

MR. CHAIRMAN: You're looking at a new boy up here. I have no idea.

MR. CLEGG: Louise?

MRS. EMPSON: In the past there was a straightforward \$100,000 a year put forth in the Legislative Assembly estimates to cover committee activity. If a special committee was struck, such as a search committee, then they would get a special warrant to cover its expenditures. It's only in the past two or three years, three years if I recall correctly, that each committee has its own separate budget. So it's still a fairly new procedure.

Being the recording secretary for Members' Services, at the Tuesday meeting there was a motion that was passed to have the chairmen of three committees, being Public Accounts, Alberta Heritage Savings Trust Fund Act, and the Leg. Offices Committee, meet with the committee probably on February 8 to discuss the budget estimates for each of those committees with, I would say, possibly a view to reducing the budget estimates.

MR. CHAIRMAN: Did they have a copy of . . . Or no, they wouldn't have had a copy of our proposal. Did they?

MRS. EMPSON: Yes. They knew it was proposed and had not been approved.

MR. CHAIRMAN: Notwithstanding our reduction?

MRS. EMPSON: That's right.

MR. MITCHELL: Excuse me. Louise, are you saying that they are looking for a reduction?

MR. ADY: Could I just ask a question? There is no budget for Public Accounts.

MRS. EMPSON: Yes, there is a small budget, because the chairman and deputy chairman attend a public accounts conference every year. This year it's in Halifax, I believe. So there's a small budget of about \$6,000.

DR. BUCK: Mr. Chairman, just to enlighten the members. This thing over the years has evolved. Rightly or wrongly it has gone from practically nothing really to where we set up the Members' Services Committee, we set up the Leg. Offices Committee, and so on. This has evolved over the 20 years that I've been here, so that's why we are at the point. Now, I honestly can't tell you how come we got under Members' Services, but that's where we got stuck. So I guess that's the way it is. Glen says, "Rightly or wrongly." He says, "It doesn't seem reasonable." But I guess that's the mechanism that we have to work within. But I have no problem with that, because the chairmen of these subcommittees meet with the Members' Services, which really represents all of us in the Legislature. So as far as I can see there's nothing wrong with that process. It seems to work well. But it has evolved to this point over the years.

DR. ELLIOTT: Part of the history, Mr. Chairman, I can add to. In 1982 I became chairman of this committee, and the budget process prior to that was, as Mrs. Empson said, a lump sum somewhere tucked off to the side. But the administration of the Legislature just took us under their umbrella, and it was during the period '82 to '86 that there was, as Dr. Buck pointed out, a detailed involvement of preparing a budget and a more detailed budget each year, actually. So the financing of this committee has always been under the Legislature process, which is in the hands of the Members' Services Committee. There has always been money there for this function, but the detail of accountability is becoming a little more focused each year. That's the process we're at right now.

DR. BUCK: Mr. Chairman, I would just like to say that I feel much better with the process we have at the point we've evolved to right now, because before it was sort of lumped in, and if you're going through it . . . When I was in Members' Services for many years, it was just: that's what they want, and that's what they get. I think we're doing a lot better job on behalf of the taxpayer with the system we have in place here now because we've gone through these three offices fairly detailed, whereas in Members' Services it was just lumped in and said, "Yes, I guess that's what they need; that's what they get." This way it's basically committee and subcommittee, so it gives you better scrutiny of expenditures. So I feel at ease with the system we're using.

MR. MITCHELL: Are we debating whether we should be checked by the Members' Services Committee or not? Because if we are, I would like to say that I have no trouble with that either. I think it pays for us to be checked.

MR. ADY: Because even the point being debated, we don't have an option.

MR. MITCHELL: Yeah, I know.

MR. CHAIRMAN: Well, as far as the Chair is concerned, number one, I haven't had anything official from Members' Services saying, "Look, you are not authorized to go ahead with the normal business that you have before you." As far as I'm concerned, the determination of our budget is a matter for this committee to determine. I think it's properly before me today. Now, whether or not, having approved it, if the committee should so do, that is then subject to some other process along the line, well, so be it. But I don't know that we need to hold up, as far as the Chair is concerned, the consideration and indeed approval of the budget for this committee as we see it to be. I mean, we're the people that are charged with these responsibilities, and hopefully we'd be the ones to determine the types of moneys that are required for the proper operation for the committee to carry out its functions.

DR. BUCK: We have the ultimate weapon, Mr. Chairman. We'd all resign en masse if they didn't think we were doing the job and taking our recommendations.

MR. GOGO: Mr. Chairman, are we going to go through this line by line?

MR. CHAIRMAN: Yeah, I think we should. I might just, with the consent of the meeting, elaborate on a couple of the items in here as I recall, and please correct me if I'm wrong. There are really three major areas of expenditure of this committee. One relates to the hiring, in effect, of the Auditor General; it's to do an independent audit of the committee itself. Pardon me; of the offices. [interjection] Yeah, beg your pardon. The Auditor General. So that's been one that's taken about 33 percent of our budget.

MR. FOX: Mr. Chairman, just so that reads right in the minutes. You said, "The hiring . . . of the Auditor General." What we mean is the hiring of an independent auditor to audit the Auditor General.

MR. CHAIRMAN: That's right; I'm sorry. Last year that came in at \$10,695, so we have budgeted \$11,000, approximately the same amount of money, for that particular item.

The other fairly large item is the normal indemnities and allowances that are paid to members in respect to their attendance and carrying out their responsibilities to this committee. That is shown as an approximately \$9,000 item.

The third item is a general one under the heading of Travel, which actually deals with the mileage of people coming and going.

MRS. EMPSON: No, that's covered.

MR. CHAIRMAN: Oh, that's covered down in the . . .

MRS. EMPSON: That's right.

MR. CHAIRMAN: Okay. So it covers any attendances by members of this committee with one of the officers at meetings of the officers that are held. As you know, a number of you have attended with the Chief Electoral Officer or the Auditor General or the Ombudsman at a convention or meeting. Now, that item this past year was approximately \$13,146, and we're

budgeting for a decrease of 12 percent in that regard.

As I recall, this committee decided that whereas in the past we had found it appropriate and indeed beneficial, from the reports we received from our members when they did attend, to have perhaps two of our members -- a maximum of two -- accompany an officer to a convention or a meeting with that officer, I think it was decided at one of our meetings that we would cut back on that and say that perhaps one of the members of this committee would attend with an officer, as a maximum.

I might just distribute to you the conferences that are forthcoming. One of the conventions this year, the conference of the legislative officers -- this is a Public Accounts Conference -- is to be held in Halifax this year. So the Auditor General's conference will be in Halifax in July. The International Ombudsman Institute conference is going to be held in Canberra this year. Montreal will host the Canadian Comprehensive Auditing Foundation, and the Council on Governmental Ethics Laws conference is going to be in Florida next December.

With the one in Canberra, rather than, as I said before, having the potential of two attendees, we would cut that back, if the committee approves this budget, to one, maximum. But because of the extra costs in distance and airfare it doesn't just amount to taking our last year's travel budget and automatically halving it about 50 percent; it turns out to be a 12 percent reduction from last year. But it still comes in at the \$11,725 figure that's shown there. I think that's the underlying basis upon which that figure was arrived at. I haven't had any discussions with the previous chairman -- perhaps I should have -- to get more detail in respect to the figure and precisely how it was arrived at, but that's the general thrust of it.

DR. BUCK: Mr. Chairman, I take great exception to that reduction, and I'll tell you why. First of all, the [offices] we are reviewing answer to us and to the Legislature. They have a fixed term of five years, and they can basically do whatever they want in the line of duty to fulfill their mandate. The elected people, we are responsible for them, and over the years that I've been in this Assembly, we are the ones that have got our neck on the line all the time. We answer to the people. Either they say we've done the job or we haven't done the job. We come up for review every four years. The elected people are the ones that should know as much or more than the people who are appointed, as to what's going on in the world, what's going on in their field of expertise. And I just really think that the politicians and the taxpayers shortchange themselves when we say, "Oh, well, we'll just cut the budget because we'll just send one person," and we send these people wherever they have to go, to these conferences. I really find that disturbing, because I pay a lot of taxes, and I want to make sure my money's well spent. Well, I think our money as taxpayers is being well spent when we send elected people to sit in on these conferences and come back and report to our committee and to the Members' Services Committee and on to the Legislature and the people of this province. I have no difficulty with that.

As a matter of fact, when we're talking about evolution, I have seen us go from where I almost got thrown out of E.C. Manning's caucus when I suggested that the northern members and the southern members have just four air passes a year to come into the Assembly instead of having to drive for 12 and 14 hours or ride a bus for 20 hours. So our system of communication has evolved, and I think it's good. I think it serves the people well.

So I am just saying that I will strongly vote against this be-

cause I think the elected people should be at these conferences to find out what the dickens is going on and why we need these people and why they are doing what they are doing in their jobs, if we are overseeing them. I make this emotionally, but I think it's an expenditure that . . . We're shortchanging the taxpayer in the long run by not having our elected people informed as well as they should be.

MR. MITCHELL: Mr. Chairman, I'm impressed by that argument. Perhaps we could receive the report from Mr. Clegg concerning his trip at this time, unofficially or officially, to give us some basis for assessing what he felt he got out of that particular conference. And Derek, did you go to . . .

MR. FOX: No.

MRS. EMPSON: Mr. Drobot, and his report is at the back.

MR. MITCHELL: Was there another trip that somebody from this committee went on this year?

DR. ELLIOTT: I was on one and reported on the trip at the last meeting.

MRS. EMPSON: Mr. Drobot's report is contained under tab 8.

MR. MITCHELL: I guess what I'm trying to get at is: are these worth while? I believe they probably are.

MR. FOX: Mr. Chairman, I appreciate Walt's expression there. I guess it's something that was raised by me a little over a year ago after Mr. Drobot and I attended the Comprehensive Auditing Foundation meeting in Toronto. I found it a very worthwhile experience, learned a lot, and was able to apply that knowledge in a practical way here. In fact, I spoke to a group in Edmonton here about comprehensive auditing and its application to effective management. So there's certainly a useful function played by that, but it's a matter of deciding where you draw the line.

It seemed to me that with one member attending, that member is able to report back to the committee, to assess the situation, to accompany the officer and keep that important liaison there and show that the officer has the support of the Legislature or whatever, and that two was a duplication in a sense. It was certainly useful for the member to be in that learning experience, but it's a matter of where you draw the line. Do we have one, two, three, four? It just seemed to me that in the current fiscal environment it would be a responsible decision of this committee to limit it to one member per conference. I gather there has been the occasional conference where no one has gone. Is that true? Was it because of circumstance?

MRS. EMPSON: It's only happened once. There's been at least one member attending on behalf of the committee at these . . .

MR. FOX: Okay. Well, that's good. Our record is pretty good then. But I know there have been occasions when it's been awkward for people to attend. So I think the attendance is important, but just in terms of the message we send to people about fiscal responsibility and restraint, we can count on one member from the committee being sufficient representation at these conferences.

MR. ADY: I just raise the question of what we're really trying to do here. Are we trying first of all to restrict the number of people going, or are we trying to live within a budget? I can see that it could happen that if no one went for a time or two, due to circumstances, and then you could only send one person to the succeeding ones, you'd be well under budget. It would seem that maybe the budget should take precedence as opposed to how many go. Is there some rationale on that?

DR. ELLIOTT: I think those comments apply, but maybe we should put the focus on why we have anybody from the committee attending the conference in the first place. I think Dr. Buck's comments about increasing the knowledge of the committee, et cetera, were very effectively said, but I think the important thing is to make sure that we as a committee have a very strong feeling for what our three officers and their conferences are doing for us as a Legislature and for us as a province.

I'm quite convinced that there are many cases where any of our members could attend alone and bring back a report as to the status of our appointed officers and the performance of members of the organization that we're representing. I think that the few times I have attended these conferences I was able to report back how we as a province relate to other jurisdictions and the performance and behaviour of our officer with respect to the obligations he had to perform, the input we had, the impact we had on the conference as a province.

Perhaps we should look at -- and I'm not making a recommendation here -- what the real reasons for attending are, for having us accompany any of these officers to any of these conferences. There's no doubt about it; there's the impact on the dollar. We can talk about the perception from the public's point of view. I attended a meeting in Vancouver with the late Grant Notley. Two of us from this committee accompanied our Ombudsman to that relatively important conference with respect to the future policy of ombudsmanship in this country. The committee counterpart of this in Ontario came, and alas, the whole committee arrived and brought their own lawyer to Vancouver to sit. They either didn't trust each other or something or didn't understand what was said; they had to bring their legal counsel with them. That's the committee's legal counsel, Mr. Chairman, not the counsel of the Legislature. We haven't developed that.

But I think the public is cautious; they're concerned about travel. I think we can see that in the way in which some labour review would have been conducted by this government in the recent past. That was travel to another country and certainly caused a lot of commotion. The public is very perceptive of the government paying the traveling.

MR. CHAIRMAN: Mr. Gogo, and then Mr. Clegg.

MR. GOGO: Well, first of all, I support Dr. Buck's proposition. Comments have just been made with regard to criticism of the government. This, Mr. Chairman, is not the government; it's the Legislative Assembly. So whatever the government does has nothing to do with this committee, I submit.

The role of this committee, in my view, is to hire and assess and evaluate the officers of the Assembly, and I think that in a substantive way that is done when conferences occur around the world that introduce new change. I don't know how you would know new change occurs unless you're there to evaluate (a) that it's been done and that it's implemented here. So I strongly support what Dr. Buck is saying.

Secondly, as members know, the Public Accounts and Auditors General work hand in glove, and their conferences are simultaneous, although members of one are not allowed to attend closed sessions of the Auditors General, for obvious reasons. But in Quebec last year, the entire 12-man committee of the Public Accounts Committee of Queen's Park was there, so I see no difficulty at all with having two members attend. I get a little uptight when we think that we're performing a duty by only sending one. Are we not, in fact, shirking our responsibility? Because if new methods are introduced in various places with regard to these organizations, Mr. Chairman, I don't know how you'd know whether they're going to be implemented here unless you had a member of the Assembly -- not a member of the government, a member of the Assembly -- in attendance. So I would certainly support Dr. Buck's position.

MR. CHAIRMAN: Question from Mr. Clegg? Sorry. The question on . . .

DR. ELLIOTT: I'm sorry, John. I heard you say "more than one member." Then I heard you say "one member." Is attendance the issue or the number of people attending?

MR. GOGO: Well, I think attendance is the issue, and I don't think one member does the job. I have no objection with three members. I like Mr. Ady's suggestion: you strike a budget and live within the budget. There are exceptions to the rule, I suppose. But I think it's wrong to tie ourselves to one member. If the practice in the past has been two members, I have no trouble with that at all. I don't think we should restrict the number of members who attend, as much as Mr. Ady puts the case: let's strike the budget.

MR. CHAIRMAN: Mr. Clegg.

MR. CLEGG: Yeah. Well, I'm going to combine my remarks here, first on what I feel about this budgeting process, and secondly, I just want to make a few comments on the Comprehensive Auditing Foundation in Ottawa that John Drobot and I attended. Let's just start. I myself have been in private business all my life. I've been in local government for 20 years. I have yet to send my hired man or a grade foreman or somebody else to do business that I am responsible for. I personally have no intention in this job to send my employee to do the job that I have to make the decisions on. If, in fact, we're going to cut a budget, then I suggest we cut our employees' budget, not our budgets.

When we went to the Comprehensive Auditing Foundation in Ottawa -- Mr. Drobot, John and I went -- how did we go? We went second-class. How did our Auditor General go? First-class. Right at the top. He got the service, big cushion seats. Who's making the decisions around here? It's pretty obvious in my mind who's making the decisions. Not us. [interjection] What's that?

MR. MITCHELL: He went first-class?

MR. CLEGG: I didn't go first-class.

MR. MITCHELL: But he went first-class.

MR. CLEGG: He went first-class; exactly.

MR. MITCHELL: Maybe we should check this budget.

MR. CLEGG: So who's answering to the people of Alberta? Who's answering? We are. That's opposition parties as well as government. We're being asked these questions. I can't believe that we could bring in a budget that would lower the decision-making people's budget when we don't control the other end, the people that are working for us. To send one person to a convention or a conference or whatever you want to call it, is, in my mind . . . Don't send anybody. Because when we went down to this Comprehensive Auditing . . . I don't know. Derek, you were there the year before. After the first session, one hour long, there were four sessions going on at one time. So how can one person cover four events?

AN HON. MEMBER: Catch 'em at the coffee break.

MR. CLEGG: Well, that's exactly what you do. I mean, how can you keep up to it with one? Two is bad enough, because sometimes they overlap each other. You know, they have that to run to . . .

AN HON. MEMBER: They run simultaneously.

MR. CLEGG: Yeah. So sometimes you can catch them, but no way could one person possibly get even half without four.

Now, just to remark on the conference itself. I had the belief that a lot of the auditors there -- and lots of them were private; remember that -- were there not really to help government, but they were wanting to take more part in something that I felt really wasn't their business. I think they wanted to get into more of the management consulting business, that they were really trying to warrant their existence in many cases.

Auditing local governments: that was one, and I went into that. It seemed like they were questioning the decisions that local governments were making, and it really burnt me up. If they want to be in local government, let them be duly elected. If they want to be an MLA, let them be duly elected like we have been. It really bothered me, and I don't know what much else I can say about it. Certainly I've got . . . You can always get information from these people. You know, it's good, but they still were there to warrant their existence and to try and promote the auditors of this country.

Thank you.

MR. FOX: Well, granted, Ottawa can be a pretty frustrating place, Glen. I can . . .

DR. BUCK: Mr. Chairman, I . . .

MR. CHAIRMAN: Sorry; I guess I recognized Mr. Fox first, Dr. Buck.

MR. FOX: I think we have to find a balance between meaningful participation and restraint. You know, we have to set some sort of example, and I certainly don't think sending one is worse than sending none. I'm not sure you meant to say that that way, Glen, but, you know, perhaps five would be better than two. Certainly it would be good if we could all go to all of the meetings, because then we'd all be in touch, we'd all learn, we'd cover all the bases, we'd get to know each other better and function better as a committee.

One of the reasons the Ontario committee sends all of their

members to these things is because they don't trust each other. That's why they have legal counsel, because they can't even . . . Don't you remember we were told that? Somebody at the Ombudsman conference told us about the Ontario committee, that there's such animosity between members of the committee that they need legal counsel when they meet all the time, because it's a zoo. I'm glad we're nowhere near that point. So it's a matter of striking a balance between reasonable attendance and a responsible approach to budgeting.

I appreciate what Jack had to say, though. I think, upon reflection, that setting a limit of one per conference is something we couldn't live up to. In fact, we haven't. We all, I think, attended the Ombudsman conference this year because it was in Edmonton and it didn't cost anything for us to go. We certainly wouldn't want to duplicate that when the conference is in Canberra, Australia, so maybe it's a matter of exercising case-by-case judgment as a committee and trying to live within a budget. There may be some conferences that are relatively easier for a bunch of us to attend. For example, going to a conference in Vancouver would impinge on the committee's budget a lot less than going to one in Halifax. So perhaps it might be that we just do it on a case-by-case consideration rather than trying to set up the restriction I suggested, which may be not only difficult to live with but impractical.

DR. BUCK: Mr. Chairman, I think there's a point that I wanted to reinforce, and that's the point made by the hon. Mr. Gogo: this is not a government committee; this is a legislative committee.

I was supposed to go to China on a trade mission when the last leadership race was taking place in this province. Horst Schmid, the minister at that time, was supposed to go to China. Now, if there's anything I ever learned from E.C. Manning, who I think was probably one of the best statesmen we've ever had in the history of this country, it's that the taxpayers' business comes first. Horst Schmid made a bad decision on behalf of the people of Alberta because he scrubbed that business trip to China to do the taxpayers' business. The taxpayers' business comes first; politics come a distant second. That's the first thing I learned from E.C. Manning.

Secondly, because this is a legislative committee . . . Horst Schmid said to me . . . In most other jurisdictions in the world there's the government side and the opposition side. And this is basically what we're representing. It should be almost mandatory; it should be carved in stone that when we go to these conferences, a member of the government and a member of the opposition side . . . Because it is a legislative committee which represents both sides of the House. That's the best reason I can think of that there should be a minimum of two and possibly three, two from the government side and one from the opposition side, depending on how you want to look at the numbers. But I think it's very, very important, Mr. Chairman, that at these conferences both sides of the Assembly be represented, because we are a legislative body, not a government body.

There stands my case, Mr. Chairman.

MR. MITCHELL: Mr. Chairman, could you just reiterate or clarify what it is we buy with \$11,725? Are we buying attendance at all four of those conferences?

MR. ADY: For one person.

MR. CHAIRMAN: The figures apparently were calculated on

the basis of one attendee at each of those four conferences, and that's the total of \$11,725.

MR. FOX: How did it work for us this year, just as a matter of information? I wasn't aware . . . Did we send people to the Auditor -- like the Public Accounts meeting? So the chairman of Public Accounts invites the deputy chairman to go, as well as representation from this committee, because there are two conferences concurrent with each other. Is that . . .

MR. CHAIRMAN: Yeah.

MR. FOX: And did we send one or two this year?

MR. CHAIRMAN: We sent two.

MRS. EMPSON: I believe there were two.

MR. CHAIRMAN: I think the only one in which there was one, strictly from a matter of circumstance, was when Dr. Elliott and I were to attend the conference with the Chief Electoral Officer in Quebec City. Dr. Elliott went to that. I had to back out at the last moment because of an illness in the family. But that's the only . . . In every other case, I think there were two.

Now, that brought our actual cost in at -- at least, what we estimate it to be -- \$13,146. Now, taking one instead of two, you'd think, well, there's a 50 percent cut right there. But because of the unusual circumstances of travel in 1988-89 the figure that has been put in the budget for '88-89 comes to \$11,700, which is a reduction of 12 percent from last year and not a reduction of 50 percent.

DR. BUCK: Mr. Chairman, if you're ready for a motion, I'll make a motion.

MR. CHAIRMAN: A motion is acceptable at any time, except when it's not in order.

DR. BUCK: Mr. Chairman, I make a motion that the travel expenditure remain or be increased, whatever -- if there's any statutory or some guidelines -- that the travel budget be the same as last year, plus whatever government figure they're using for an increase. Does that confuse you sufficiently? Does that give you my intent?

MR. CHAIRMAN: The last half gives us an uncertain figure, and also I'm not sure, in view of your other comments about the point of this committee being a Legislative Assembly committee -- it makes it irrelevant.

MR. ADY: Could we have some discussion on that motion?

MR. CHAIRMAN: The motion, I gather then, is to . . .

DR. BUCK: Mr. Chairman, I'll just make the motion very simple then: that the budget we had last year for that expenditure be the same as we propose for this year.

MR. CHAIRMAN: Okay. I will accept that as a motion. Mr. Gogo?

MR. GOGO: Well, Mr. Chairman, I have no difficulty with that. The difficulty I have is that if we accept in principle that

members of this committee should attend meetings . . . What if Canberra took the whole budget, for example? Is this committee prepared to accept that no member of the committee attend any other conference? Because now we're talking about the matter of degree. What if Canberra took the total budget? That's my problem. Either we will or will not attend these conferences in doing our duties as members of this Assembly.

So it's extremely difficult, I think, to put the dollar figure in stone. We have from Louise a guesstimate of what Canberra may be. Well, if the next one, for example, were in Edmonton, Alberta, one would think you would recoup all of that, because that's the international conference. And that makes it very awkward, it seems to me. I have no trouble operating within a dollar figure as long as the committee understands that if there were four -- in this case, four conferences in '88-89 that we know of. If because of the money we had to sacrifice two, we may make the judgment, if I can just continue, that . . . I have no trouble if there was a conference in Calgary and you wanted to send four members; as long as it was in the budget, what's wrong with that? If because of budget limitations only one can go to Canberra, so be it.

So I feel very strongly -- I'm going back to Mr. Ady's point that if we set a dollar limit, then we have to live within the dollar limit. I have no difficulty with that. If there's an exception and we want a special warrant, there's a process for that. For example, if the topic at the Canberra conference is such that we have a committee meeting and say, "We think it's essential two people go, but we can't do it within budget," surely there's a process, Mr. Chairman. We could go to government and say, "We'd like a special warrant for an extra \$4,000." I don't see a problem with that.

So having said that, I would support Dr. Buck's motion that the last year's estimate, '87-88, of the \$13,146 I think was what he's saying. I have no trouble supporting that. If we have to reduce in other areas, then let's address the other areas. But I would hate to see, for all the reasons given, why we should restrict if we feel that members of the Assembly are doing their job in evaluating our employees -- that it's important to be there. I have difficulties accepting in principle that we should reduce the numbers from this committee going. So, in essence, I would support Dr. Buck's motion.

MR. ADY: As you all know, this is my first time in attendance at this committee meeting. So maybe you can answer a question for me without me reviewing all the old minutes. Was there a motion passed that there would only be one attend, or was that just built into the budget as an assumption?

MR. CHAIRMAN: Built into the budget.

MR. ADY: Built into the budget as an assumption. Well, then let me make another observation. It seems to me that the committee can make a decision whether it will carry it or not, as to whether they want one or two people to go. Based on that, it also seems to me that it's easy to draw a budget from what we already have here. We know what the conferences are. So it's easy to draw a budget. Anyone can extrapolate figures of what that's going to cost. So why don't we decide what we want to do and put a budget in and finish?

MR. CHAIRMAN: I'm sorry, I don't have the information. Mr. Stevens did this over the budget building process when he was chairman of the committee, and I don't have the actual

breakdown conference by conference on this thing. But I agree with you that it would be possible . . . Mr. Clegg?

MR. CLEGG: I kind of have to agree with Jack. I don't like doing that either. But I am, here today. But I think we'd be a little bit wrong in putting in the \$13,000. I think we're a little bit wrong knowing the fact that we know this. You know, if we didn't know this then I would certainly agree. But I don't think we can . . . You know, why draw a budget up that we can't stay with? I don't think we can if we're going to send two people to each one of these. In fact, it's obvious we can't. So really, why draw a budget up that we can't possibly keep within, if we're going to send two people?

DR. BUCK: Mr. Chairman, what power do I have to withdraw the motion?

MRS. EMPSON: You need unanimous consent from the committee members.

DR. BUCK: Unanimous consent. I agree with what's being said. Because when I get the opportunity, I would like to withdraw the motion. I would like to put a motion before this committee, wherever that would be appropriate, that at these conferences when we send delegations, there must be both sides of the Assembly represented. So there must be a minimum of two members going to these conferences. Then if the budgeting process is such that we can only send a group to three conferences out of the five or whatever it is, so be it. I could live with that. But where we do send people as observers, there must be both sides of the House represented, because this is a legislative committee.

MR. CHAIRMAN: With respect to your motion -- just before I call on Mr. Fox -- I suppose it would be in order. If we have the unanimous approval, you can withdraw the motion. Failing that, we could table the motion pending the chairman getting up some further information as a breakdown of actual costs in respect to each and every conference that is forthcoming in the '88-89 fiscal year. That's an alternative.

Mr. Fox and then Mr. Ady.

MR. FOX: Well, I was just going to suggest that a way of proceeding, you know, in terms of our budget process, would be to determine the costs involved in sending one member to each conference. Then when we look at that, we can say, "Well, balancing the need to have more than one with the cost involved, we suggest we send three to this one, one to this one, and two to the other two," or whatever. We can make that decision based on numbers that are provided to us about the relative cost of each conference, and that I think would be perhaps a more thorough way of arriving at the figure here.

Just in terms of Walt's last statement and suggested motion, I can appreciate the intent, but I'm concerned, I guess, that we are a legislative committee and as such our considerations from time to time may be very political. That's why there's representation from both sides of the House. But in terms of conferences, certainly the one I was at, there's not very much political consideration going on at those things, and I didn't see myself or Mr. Drobot as being representatives from both sides of the House. We were just members attending the conference. Perhaps it's a lack of experience, but I don't worry about, for example, Mr. Clegg and Mr. Drobot going both from the same

side of the House to the conference this year instead of a member from each side. Where we sit I don't think has much impact on what we're able to contribute to or get out of those conferences, and in fact, it may be pretty restrictive because there's only three of us on the committee and there may be times when we're not able to go to a conference. I'd hate to see that mean that nobody from the committee could go, if we established a rule that was that rigid. That's an appropriate guideline to perhaps keep in mind. But if we set it as a rule it may be very difficult.

MR. ADY: I'd just like to see some flexibility left in; in other words, I would not like to see a motion passed where we're restricted to one. I think the committee's got to have flexibility in that area, and secondly, what I wanted to mention when I spoke earlier has to do with the budget for this type of thing. I think it has to be understandable by whoever approves the budget that this sort of thing can vary vastly, because look at the item on here that causes us the problem we got this year. Next year it might drop 30 percent, but it might be up 30 percent this year. The budget has to be sold on that basis, that we've got a glitch in there this year and it's threatening the whole attendance structure of the committee. Somebody has to understand that.

MR. CHAIRMAN: Mr. Mitchell.

MR. MITCHELL: Thank you, Mr. Chairman. I wanted to emphasize Mr. Fox's point concerning the practicality of always having representatives from both sides of the House. With three of us it's difficult. It seems to me that, second point, we might be able to cut costs, if you will, by having those people where possible who attend the conference of legislative auditors from our Public Accounts Committee who also sit on this committee represent both committees. Thereby, we're not sending more people than we have to.

MR. FOX: They're two different conferences. Sorry; I didn't mean to interrupt.

MR. MITCHELL: I know, but we do have to send somebody to the conference of legislative auditors? Attendance at Public Accounts conference. Oh, it's the same thing. Okay. Then I withdraw that point.

I certainly do not see any pressing need, from my point of view, given the [inaudible] within which we operate in this committee, for both sides of the House to be represented as a matter of course. I certainly feel that we operate extremely well. And I don't feel a really pressing need to have more people at these conferences. While I accept Dr. Buck's point concerning background for people in this committee, my feeling is that you don't get in-depth background at those kinds of conferences; you have issues flagged. One person from a committee can see those issues, can bring them back. If we wanted to get in depth, we should probably sit down and read a lot and really do something much more intense than that. So to put it all into perspective, the bottom line is very, very important to me. I would not want to see our committee budget in total go up, and if it required that we limited our travel budget in order to achieve that, then I would vote to limit our travel budget.

DR. BUCK: A motion to withdraw.

MR. CHAIRMAN: Okay. We'll put that then before the meet-

ing. Is there unanimous consent that Dr. Buck's motion be withdrawn?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Withdrawn. As I read the . . . Sorry, Mr. Mitchell?

MR. MITCHELL: I was going to make another motion, but I want to do it just after we have finished with this budget, I guess.

MR. CHAIRMAN: We're just dealing, obviously, with one item here on the budget; it's one area. But as I read the meeting, there are two things that seem to me to come out of that. Number one is that I don't think anybody, including Dr. Buck or Mr. Gogo or anybody that has spoken along the lines of the value of these meetings, has suggested that our budget line be increased. In fact, your motion was on that. But it also seems to be very important that the committee have further information with respect to each of the conferences that are scheduled for '88-89, to have more detail with respect to what the costs and the considerations may be in respect to each and every conference. In other words, as I read you, you need a little bit more information in respect to those so that we can do a budget-building process that takes into account not only money but the value of the conferences themselves. As chairman, I would certainly be willing, if the committee so wishes, to get that information and come back to the committee with more detail in that regard so that a decision can be made that's based on the proper criteria.

DR. BUCK: Mr. Chairman, that's fine; I have no difficulty with that.

I'd just like to comment on the point that Mr. Mitchell made, which I think is very, very valid, that these things have evolved through tradition. Somehow, some great magic force in the sky comes down, and at these conferences nearly always it works out that way, that there's one member from either side of the House. So if we were to put it into writing, it would be nonsense, as you say. So it seems it worked well at parliamentary committees; at Canadian Commonwealth Parliamentary conferences it works out that way. So it's been working well without having to put it down.

There are times when something comes very, very quickly. I know how many times Louise has phoned me and says, "Can you be on the plane tomorrow or two days hence, because somebody had to back out." Sometimes somebody can go; other times we just have to send one person or scrub the whole thing. So that's worked well.

MR. CHAIRMAN: The other thing is that I was trying to sort of read a consensus here on those items that seem to stand out from the debate so far. I certainly concur as far as the comments that were made concerning the value of these. There's just no doubt about it, and I tell you that that was reinforced in my mind in attending the Ombudsman Conference here in Edmonton. When we talked to a number of the Ombudsmen and officials of Ombudsmen's offices from across Canada who did not have representation of elected people here at all -- and they were numerous -- they were saying, "Boy, we really, really wish we had one or two or three of our elected people here with us," because they felt that they would have benefited immeasurably from that sort of experience. So I think the feeling is out there,

from both the Ombudsmen's standpoint as well as the elected officials' standpoint, that that sort of getting together and joint participation is very valuable. I know that the reports I've heard around the table here from people who have attended conferences have been nothing short of ensuring, you know, that the dollar is well spent, as mentioned.

DR. BUCK: Mr. Chairman, I'm not trying to get the last word in, but over the many years that I have attended the Canadian Commonwealth Parliamentary conferences, it has made me -- and my wife, whom I have always paid the tab for, which always costs more money than what you get for going to the conference, I might add. It has made me a better Canadian, which I think is very, very important. But most importantly, I think, it has made me a better parliamentarian, because I'd get an opportunity to rub shoulders with Canadians from one coast to the other coast, get their point of view, plus being a better Canadian. I think that's very important, and that's what we're here to do.

MR. CHAIRMAN: Okay. Is there any further discussion on that item of the budget?

MR. ADY: I just have one question. What are your time constraints for getting this budget finished and submitted?

MR. CHAIRMAN: Well, obviously, as soon as possible.

MR. ADY: But I mean, do you have time to do this and call another meeting?

MR. CHAIRMAN: We want to do it properly. I'm not for pushing to make sure that we make a final decision today. I think that if the committee doesn't have full information, they should have that information.

MR. FOX: Well, I sense some real consensus in here now about the process, and you certainly expressed my feeling well. There may even be a case in the future where two members from the opposition side would end up attending a conference, and I'm not sure anyone would have a problem with that. You know, it goes both ways. So we'll try and balance, you know, the fiscal side with the importance of our attendance.

I know when I was at the comprehensive auditing conference, I was shocked to learn that Mr. Drobot and I, other than a couple of guys from the city of Regina, were the only elected people in attendance there. The auditors, private and public, were spending all their time talking about auditing public bodies. No other jurisdiction had twigged to the importance of having elected people there. So I think we're . . .

AN HON. MEMBER: On track.

MR. FOX: Yeah. Sure.

MR. MITCHELL: Do you need a motion to formalize that?

MR. CHAIRMAN: Well, no. We really don't have a motion on the floor at this point in time. We laid out the proposed budget. The discussion today is strictly in respect to one item of that budget. So we have no motion at all.

MR. GOGO: Mr. Chairman, dealing -- unless you want a motion -- with the item 515, MLAs. Is that, Louise, a planned re-

duction in number of meetings for '88-89, or is the search committee included in that?

MRS. EMPSON: No, the search committee would be completely separate from this. If one member only of the committee were attending conferences, then the payment to the MLA would be reduced, because instead of being two members there would only be one.

MR. GOGO: Okay. So that item is in abeyance too then, I take it.

MR. CHAIRMAN: Yes. That impacts strictly from the decision on the other, yes.

MR. GOGO: So are there two issues outstanding for consideration at another meeting, Mr. Chairman, when you bring back . . .

MR. ADY: You've got to deal with them both.

MR. FOX: One question, if I may. Isn't it likely that our actual '87-88 figure for payments to MLAs will be somewhat less than the estimate because there are meetings where some of us aren't able to attend? You know, there . . .

MR. CHAIRMAN: We have to budget for the full amount.

MR. FOX: Oh, I know. Yeah, we have to budget for the full amount, but if our actual expenditures will likely come in lower, that's worthy of note.

MR. CHAIRMAN: It's just the same. This year it's anticipated that we probably will come in under our budget of \$35,000. But it'll be close, I gather, from what Mrs. Empson has been saying.

MRS. EMPSON: It'll be close depending on a number of meetings you have between now and the end of March or between now and the beginning of session. When session starts, then. Because it's the attendance at these meetings that costs a bit more money.

MR. CHAIRMAN: Okay. That really concludes discussion on the three major areas of the budget. The other ones are \$1,000 or less, the other two items. We have just two items. Is it the wish of the committee that we come back on this item or on the budget with full information with respect to each of the -- well, full information on a line-by-line basis in respect to each item that's proposed? All in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Carried.

MR. MITCHELL: Mr. Chairman, can I raise another issue at this point? I think it's appropriate, but if it isn't you can defer it. I am very concerned about first-class travel by employees of committees that report to us. I've read in one of the submissions that there may be a problem in the fact that the committees don't always receive the directives from government which would go to normal departments. But if it's appropriate at this time, I would like to make a motion that no employees of committees reporting to this committee, and also no members of this committee, would, as a matter of policy, be permitted to travel first-

class on airlines.

MR. CHAIRMAN: Well, I don't know that I can accept the motion right now, the reason being that Mr. Clegg has made an observation with respect to the situation. I do not know whether that is a course of conduct that is carried on on a consistent basis, whether it was an isolated incident or whatever. I'd hate to see us make a motion and rule on a matter that we really don't know what the circumstances are at this time. I think if you wish, I as chairman would certainly be willing to discuss it with each of our officers to find out exactly what they have to say about it, what their current practice is, et cetera, and then come back to the committee at a later date. Dr. Buck.

DR. BUCK: Mr. Chairman, that again takes away the flexibility. In all my years of service I have flown first-class one way once in my political career, and there was a legitimate reason for it. The committee we were going down with on historical sites had not had an opportunity to meet, and we flew first-class on the way down because that's when the committee was meeting. We flew back economy class. But there was a legitimate reason. I could defend that on any public platform in the province. So I think we've got to find out if this was an isolated case or these people go first-class all the time, and then I would be more comfortable if we have to come back with a recommendation, Grant.

MR. MITCHELL: I just want the point raised.

MR. GOGO: Mr. Chairman, I think this was one area -- if you recall in our discussions about salaries of our three officers, reference was made often about deputy ministers, the deputy minister category, et cetera, et cetera. I think this is one area where government policy has to be considered. Whatever the policy of the government is, I think it's politically wise to probably accept the wisdom. In other words, if we have 25 deputy ministers who are in one category, I find it kind of awkward for us to try to discuss this in isolation of that, if in fact their salaries are based on deputy minister level. So I would think, Mr. Chairman, with regard to Mr. Mitchell's suggestion, that's an area you should talk to the government on, and you could advise this committee about what policy is.

MR. CHAIRMAN: Okay. I will undertake to do that.

MR. MITCHELL: And then we will make a decision.

MR. CHAIRMAN: Yeah, then we'll know what the facts are.

MR. MITCHELL: Because I'm not entirely persuaded that we have to do what we do with the rest of government. For example, we might be able to base our decision on future government policy, if you know what I mean.

MR. GOGO: Yes, Mr. Coyote, I understand.

DR. BUCK: We still remember the national energy policy.

MR. MITCHELL: Anyway, I just want that as a matter of discussion in the future, at the next meeting.

MR. CHAIRMAN: Unless there's anything else in respect to that item, that will then take us to our next item on the agenda,

which is item 8. Mr. Drobot . . .

MR. MITCHELL: If you'll excuse me, I have to go. I have another commitment at this time. Thank you.

MR. CHAIRMAN: And I guess this is a timely topic to follow, a report by Mr. Clegg in respect to the Canadian Comprehensive Auditing Foundation annual conference. He and Mr. Drobot attended. Mr. Clegg.

MR. CLEGG: Well, I did partially say something. You know, I certainly got some knowledge out of it, but I found they were there as auditors, and most of them were auditors for private companies, big companies. A lot of them were. The groups I went in, it always seemed to me in their minds -- and that's why I spoke so strongly that we'd better make sure we get there, because they're promoting their business and their jobs. They're making sure that we in the government . . .

DR. BUCK: They're needed.

MR. CLEGG: They're needed. Yes, exactly, Walter. And certainly nobody's questioning that they are needed. But when they got into management and management consulting work, and they even got into . . . Some of them got up and discussed items of bad decisions that government had made and local government had made. I personally thought they weren't right. That's not what they were there for. They're not auditors. Like I said before, if they want to be in local government, let them be in local government. If they want to be auditor, let's audit the books that somebody else had made those decisions. It really bothered me.

In the discussion this morning we've . . . And like Derek, I believe you're right. I only met about two people that weren't auditors at that meeting. You know, they kind of looked at you: "Well, you don't know anything about it. What are you doing here?" That's the kind of feeling I got, you know: "Oh, you're an MLA from Alberta? Well . . ." They didn't say, "What do you know about auditing?" because I wouldn't know how to answer it, but it really had that . . .

I don't know what else to say, except that I had that real feeling that they wanted to make sure their job was secure and they wanted to get into the consulting and more in the management end both in private business and in local governments and provincial and even the federal government. And Ken Dye -- I saw him on television one night and he really upset me. Of course, being a farmer, I guess he really upset me more because he said the government had no need or reason, no economic reason, to pay out to the farmers this billion dollars they paid. Well, I guess there was no formula there. Of course there was no formula like he wanted. But the farmers were all starving, so I guess that's why the government paid it out. You know, in my mind the auditors are not paid to make those decisions. But they would like to get more into that field, to make those kinds of decisions.

MR. CHAIRMAN: Do you find that in your view the conference was focused more on private-sector matters as opposed to public-sector matters, or was there sufficient in there that you felt would have been beneficial to our Auditor and indeed yourself?

MR. CLEGG: No, I wouldn't suggest it. They had it fair be-

cause they had auditing local governments; they had local and provincial governments and private business. I think that was fair, you know, how the conference was set up. I really had no quarrel with the way it was set up. But in all cases they were still wanting to warrant their existence. You know, it seemed that they want to get this little bit more power all the time. That's what really bothered me.

MR. FOX: We could get into a discussion of the merits of comprehensive auditing, but I'm not sure that's the role of the committee. I do think we have to recognize that auditors general are there to monitor the expenditures of government and to report on the same. Often they find some ludicrous inconsistencies in the ways local governments and provincial and federal governments spend money, and as such they're a help to us, not a hindrance. I think what they're just trying to do is refine that service. There may be the job justification aspect to it -- I'm sure that's built in to some degree -- but they're responding to a service that the public's demanding. At the federal government level, for example, it's required now that all departments submit to a special examination, not only of how the money is spent but whether it's been spent the way it's supposed to be spent and whether it's been well spent. The public demands it, and that's why this comprehensive auditing has developed, and we have to learn how to interreact with it.

MR. CHAIRMAN: Any other comments or questions, Mr. Clegg? Okay. Thanks very much, Glen.

Under tab 8, John Drobot has likewise given us a report of his impressions of the conference, and this has been circulated to members ahead of time. So we'll just let the minutes record that his report has been received as well.

Item 9: Approval of Terms of Engagement -- Reid & Cameron. If you will look at your minutes of October 28, page 3, there was a motion made by Dr. Elliott at that time that the firm of Reid & Cameron be appointed as auditors for the office of Auditor General for the year ending March 31, 1988. That was carried. I think the reason it is on our agenda as of today is the fact that we've now received, at our request, the terms of engagement from Reid & Cameron, and that's before you under your tab. I think that all we require is a motion that would authorize myself to enter into the terms of engagement as proposed.

MR. CLEGG: Well, I'd certainly be prepared . . .

MR. CHAIRMAN: Excuse me. I just want to point out that the secretary's made mention of the fact that the terms of engagement here are identical to those of last year. Mr. Clegg?

MR. CLEGG: Well, I'd be prepared to make a motion that we allow you to get to make an agreement with -- what's the name of the outfit?

AN HON. MEMBER: Reid & Cameron.

MR. CLEGG: Reid & Cameron for the auditing of the Auditor General's department.

MR. GOGO: Mr. Chairman, I wanted to ask Louise: on page 2, under fees (c), are we going to get ourselves into a hassle? It says here the interest is 2 percent on 30 days or more. We have the assurance that when the statement is received . . .

MR. FOX: Maybe Baker Lovick is a client of theirs.

MR. GOGO: When the statement is received, the normal process is they've had payment within 30 days of that date. Is that . . . We don't want to get into another hassle.

MRS. EMPSON: If I recall, last year it took about three months before the committee met to approve their billing, and we weren't ever charged any interest. I had explained to Baker Lovick that we could not have processed the invoice until the committee had approved, and they were quite agreeable to that.

MR. FOX: You meant Reid & Cameron, didn't you?

MRS. EMPSON: Yes, it was Reid & Cameron.

MR. GOGO: As long as the transcript shows it's even been raised, I think it's sufficient.

MR. CHAIRMAN: Well, Mr. Gogo, let's take it one step further. Are you suggesting perhaps that we amend Mr. Clegg's motion from the standpoint of authorizing me to sign the letter of undertaking, provided there is an amendment made in that particular provision to delete the reference to interest?

MR. GOGO: Well, you know, I don't want to dictate to Reid & Cameron how they do their business. If that's the standard operation -- you know, I guess I'd have some concern if we were to say, "Hey, change your practice just for us."

MR. CHAIRMAN: I guess what concerns me and why I raise it is that if we sign a letter of undertaking, which in effect amounts to a contract . . .

MR. GOGO: We're committed.

MR. CHAIRMAN: . . . then we're committed regardless of circumstances.

MR. ADY: I don't think you can ask them to delete that phrase. I don't think they would do that. It really opens the door for a lot of things to happen to them. I don't think we need to do that.

MR. CHAIRMAN: Okay. We have Mr. Clegg's motion. Is there any further discussion on that motion? If not, I'll call the question. All those in favour of the motion, please signify.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: The motion is carried.

Item 10. The purpose of having this on the agenda is that it's been on our sort of follow-up list for some time, and I believe -- and members can correct me if I'm wrong in this -- the situation arose some time ago, in fact under the previous Ombudsman, in respect to the appropriate term of office for an Ombudsman. The suggestion that came from the previous Ombudsman Sawyer was that the term of office should be seven years, as I recall. As you know, we have just completed a contract with our new Ombudsman, and the term of office there is five years. Obviously we're bound by that even if the committee did feel that the term of office was not appropriate.

I'm not sure whether or not you wish to discuss this. It has been on our follow-up, and that's why it's been brought forward

at this time. If you wish to enter into some discussion on this particular point, fine. If not, we can just table that item and have it come up at some future time when perhaps it may be more relevant.

DR. BUCK: Well, Mr. Chairman, I was involved a bit in the discussion about why it was made for five years, and five years is a very good number. So if you want a motion that we recommend it remain five years, I would do that. Otherwise, I would just say that I don't care what he recommends; five years is a good one. Because that gives some person two terms or 10 years, which is fine. If we want to get rid of him after that time, we as members of the Legislature can do so. Fourteen years would be . . . A five-year term is just fine.

MR. CHAIRMAN: If you wish to make that motion, I certainly will accept that for discussion.

MR. FOX: I was under the impression, Mr. Chairman, that we'd discussed this some time ago and came to some resolution. Was it just discussed and tabled?

MRS. EMPSON: That's right. It was discussed and tabled.

MR. GOGO: Discussed and dropped.

MR. CHAIRMAN: The Chair just wants to get it off our follow-up list. Either we dispose of it now or else we say, "Look, let's table it and not discuss it for a while."

DR. BUCK: I'll make a motion that this committee recommend to whomever we need to recommend to that the term of these legislative officers remain at five years.

MR. FOX: Are we dealing with all or . . .

MR. CHAIRMAN: No. Just the Ombudsman.

MR. FOX: Just the Ombudsman. Because he said "legislative officers."

MR. CHAIRMAN: Just the Ombudsman.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Okay. That motion is made and carried.

DR. BUCK: The next thing, you'll be wanting him appointed for life.

MR. FOX: What are the terms of the other two officers?

DR. BUCK: The same thing. It's all five years, I believe.

MRS. EMPSON: There's the Chief Electoral Officer.

MR. CHAIRMAN: Oh, that's right. His is determined by statute and expires X number of days beyond a provincial election.

MR. FOX: Yeah, a year after the election or something like that.

AN HON. MEMBER: In case he screwed up, you might as well

get rid of him.

MR. CHAIRMAN: Okay. We'll move on then to item 11, Other Business. Mr. Gogo has a matter there apparently. I also have one small matter, and I'll ask Louise to distribute on that while we ask Mr. Gogo to speak to his.

MR. GOGO: Mr. Chairman and members of the committee, with regard to Other Business under item 11, I understand that the chairman has spent some considerable time in discussing the budget and other items. He hasn't discussed this with me, but I understand from other people that he has spent some time in preparing this material for us. So I would move that the chairman receive up to five days' pay -- up to; he can determine how many days he spent -- for his time spent in finalizing the budget and meeting with government or the Treasurer, whoever he's met with, in preparing the documents.

DR. ELLIOTT: I have a question on that motion. Will this include a possible appearance before the Members' Services Committee?

DR. BUCK: Mr. Chairman, we're having more and more difficulty hearing at this end of the table.

MR. GOGO: Did you hear my comments on the motion?

DR. BUCK: Yes.

DR. ELLIOTT: My question has to do with the timing, the effective date of the motion. Does that include possible activities in the future or just up to this point?

MR. GOGO: Well, I guess I make it in the context of the number of meetings and time the chairman has spent between the meetings we've had.

DR. ELLIOTT: Up to this point. Up to now.

MR. GOGO: If I find something different after the next meeting, I might make another motion. I just know that the chairman has spent a considerable amount of time, and he may not even want to share that with us. But my motion is that he should be able to claim up to five days of meetings in preparation for the meetings -- the budget documents and the other reports before us. If he says it's two, it's two. If he says it's four, it's four. If he says it's 10, it's only five.

MR. CHAIRMAN: Any other discussion on the motion before the chairman comments?

MR. FOX: I'd appreciate those comments first, I guess.

MR. CHAIRMAN: Well, I would just say that I know this matter came up in connection with my responsibility as chairman for the Privileges and Elections Committee. While I appreciate the motion and so on, I sort of felt that acting as chairman ran with the normal responsibilities of being an MLA: some are chairmen; some are members. So although it does require a number of other attendances and obligations, I suppose, or responsibilities of the office, I'm not too sure, if the motion were to pass, of the extent to which I would put in for those. I think that was Mr. Gogo's point the last time around: well, if

you don't, you don't. But at least the motion was there. When I was chairman of Privileges and Elections, I did not put in for any extra hours or days in connection with that, although quite frankly I did put in a fair amount of time in respect to that. So I leave the matter strictly in the hands of the committee, and I suppose it's then up to me to determine whether or not I do take all or any of it.

DR. BUCK: A question. Mr. Chairman and Louise, do we have the power to do that, first of all?

MRS. EMPSON: Yes, the committee does and has done so in the past with other committees as well, for the time the chairman does put in to prepare for a meeting. What had been the case was that the chairman would put in a claim for a particular number of days and the committee would approve that particular claim. So you can do it every meeting if you want to. Mr. Gogo's motion is quite in order.

DR. BUCK: Okay. Can I give another little history lesson in 30 seconds, Mr. Chairman? This process has gone from the ridiculous to the sublime. I mentioned the four airfares, when E.C. Manning almost threw me out of caucus because I made that dastardly suggestion. The first year I was elected, I was on a committee with Bill Yurko, Bill Dickie, and somebody else. We were on the legislative committee on automobile insurance, which was a two-year committee. The first year we sat as that committee, we didn't get paid one cent, not one red cent, because E.C. said: "You guys just got a raise from \$4,800 to \$5,400. That's part of your job." Well, the whole Legislature almost rioted, because we didn't think it was fair that people on that committee, who put in so much time, didn't get any compensation. So good gravy, if there's a mechanism to compensate this poor soul who has to do five times more days' work than we do as members of the committee, then by all means I support that without any reservation.

MR. CHAIRMAN: Any other comments?

MR. GOGO: If I could close debate, Mr. Chairman, you may do whatever you wish if the motion is adopted. I want to point out that if the chairman were a schoolteacher and had to pay a substitute \$100 to come here, I think that's unfair unless we make provision for that person. So I leave it up to you as to the number of days, but I certainly think you should have the opportunity to claim up to five days as indemnity and expenses.

MR. CHAIRMAN: I'll call the question. All those in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: The motion is carried.

The second item under Other Business is that the Auditor General wrote me a letter yesterday and presented it to me today and had discussed this matter with me previously by telephone. It relates to forthcoming hosting of a delegation from our sister province in China, Heilongjiang. A delegation is coming over here to meet with the Auditor General and certain members of his staff on auditing procedures. Since he will be encountering, I guess, some hospitality costs within his current budget for the current fiscal year, nevertheless he apparently does require approval of this committee to allocate up to \$2,500 in respect to those hospitality costs.

AN HON. MEMBER: Out of his current budget.

MR. CHAIRMAN: Out of his current budget.

MR. GOGO: I so move.

AN HON. MEMBER: Agreed.

MR. FOX: Are we obliged to pay their accommodation and meals and everything all the time?

MR. CHAIRMAN: No. I don't think that \$2,500 . . .

MR. ADY: Maybe it involves a little bit of hospitality, touring around, banquets and meals, possibly a gift.

MR. GOGO: That's what it says here.

MR. CHAIRMAN: Hospitality.

MR. FOX: I might suggest there's not much time to not approve this. I mean it's imminent. But I would suggest that the Auditor General provide us with a breakdown of what the money was used for, because at first blush \$2,500 hosting expenditures for five people seems extravagant. It may well be that that involves officials from the Auditor General's department and perhaps people from government or private industry and it'll turn out to be a frugal and reasonable budget. But based on the information in the letter here, it looks a little unusual.

DR. BUCK: Derek, it won't be too generous. I took my staff out; we had a Christmas party. It was \$700 for 14 of us for one night, and the service was lousy.

MR. GOGO: But this may be to fly in food from Beijing.

MR. FOX: Yeah. Bring some ice.

No, I just think as a committee we should have a breakdown later. I mean, I'm sure it's a prudent request, but we do need to be able to defend it.

MR. CHAIRMAN: All right. I think the point is well taken, and I'll call the motion. All those in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Carried. And I will take up the matter Mr. Fox has raised with the Auditor General.

Date of our next meeting. I think in view of the consideration of our committee's budget, we'd better have a meeting in fairly short order. I'm open to suggestions from members as to when that might be, if you want to dig out your calendars. Mr. Gogo.

MR. GOGO: Well, Mr. Chairman, looking at my schedule, the 28th, a week today, would be appropriate. I won't be available after that.

MR. CHAIRMAN: I don't see any difficulty in having the information fully available for the 28th, one week from today.

MR. FOX: What would we be doing at this meeting? Just re-

ceiving information on our budget?

MR. CHAIRMAN: Approving it.

MR. FOX: Approving our particular budget.

MR. CHAIRMAN: Yes.

MR. FOX: Is there any need for the committee to meet in the near future to consider other things? Because just calling the committee together, we'll spend more than we'll save on the budget. [interjection] We should have more than one . . .

MR. CHAIRMAN: The other item that's on our agenda, which I've just received today -- and Louise will get some information out to you -- is the salary consideration for the Auditor General. That may be an appropriate second item for that agenda.

MR. FOX: Okay, but we're not under any time pressure to do this within a week or two.

MR. CHAIRMAN: The Auditor General?

MR. FOX: Yeah, or our budget. It may be appropriate to wait . . .

MR. CHAIRMAN: Well, it has to be built into the overall budget process that will ultimately be put before the Legislature fairly soon.

MR. FOX: Okay, but what I'm suggesting is that if we wait until sometime in February, there may indeed be another agenda item or two that would be included.

MR. GOGO: Mr. Chairman, on that point, I thought we understood earlier that Members' Services were calling chairmen of various committees before them for the budgets. That's why I thought it . . .

MR. FOX: Oh, I see. Do we know when that is?

MRS. EMPSON: February 8.

MR. FOX: Oh, I'm sorry. Okay. That missed me. I'm in Calgary on the 28th. I can't come.

AN HON. MEMBER: How about the 27th, Mr. Chairman?

MR. CLEGG: I can't come at all next week.

MR. FOX: We're in Calgary; we've got caucus meetings in Calgary.

MR. ADY: What happens to February 2 -- that date?

MR. FOX: You're gone, John.

MR. CHAIRMAN: Yeah, he's gone by then. Aren't you, John?

AN HON. MEMBER: That's a Tuesday.

MR. GOGO: Well, my preference would be the 3rd.

MR. CLEGG: The 3rd is the one. We're coming in for the 4th and 5th anyway, so why not have it the afternoon of the 3rd?

MR. FOX: What do you mean, we're coming in for the 4th?

DR. ELLIOTT: Aren't you going to be here on the 4th?

DR. ELLIOTT: Aren't you going to be part of that on the 4th?

MR. CLEGG: Sure. We've got you on the agenda.

AN HON. MEMBER: You're going to have roast fox for supper, are you?

MR. FOX: The 3rd is good for me. If the 3rd is good for others, it's fine with me.

MR. CHAIRMAN: Well, it's not so good for me, but I can probably make it.

MR. GOGO: In the afternoon?

AN HON. MEMBER: Yes. Have it the afternoon of the 3rd.

MR. CHAIRMAN: The 3rd, in the afternoon? I have to go back for a meeting that night; that's the only thing. 1:30 or 2 o'clock?

MR. GOGO: Two is fine.

MR. CLEGG: Sounds good. Two o'clock.

DR. BUCK: That's a Wednesday?

MR. CHAIRMAN: Wednesday, February 3.

MR. FOX: Is that okay for you, John?

MR. GOGO: Yes. That's the only time, besides the 28th.

MR. CHAIRMAN: All right.

MR. FOX: So Mr. Mitchell and Mr. Drobot will need to be . . .

MR. CHAIRMAN: They will be advised.

Now, item 13 is Adjournment. Is there any other business? I guess we've passed that. Pardon me. Adjournment: moved by Mr. Ady. All in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Carried. Thanks very much.

[The committee adjourned at 11:52 a.m.]