

[Chairman: Mr. Stewart]

[9:05 a.m.]

MR. CHAIRMAN: Well, I think we will call the meeting to order. If the gentlemen from the Auditor General's office will excuse us just for a moment, we'll deal with a couple of routine matters.

First of all, members, I'd just like to point out that the agenda obviously is in your book. I think with the consent of the meeting, as far as the budget consideration is concerned, we'll follow the same procedures as we did last year, namely that we will have the opportunity of hearing this morning from the Auditor General's office as well as the Chief Electoral Officer and have them answer any questions members might have and explain the budgets on a line-by-line basis. That will give members an opportunity to consider the representations made and to study the budgets further, and then we'll have a subsequent meeting, at which time we can go into more depth from the standpoint of approval of those budgets. It's a process that I think worked quite well last year, and so I would propose that with your agreement we proceed on that sort of basis again this year. Is that agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Also, it's been some time since the committee last met, and a number of important things have happened since that point in time. Certainly at the top of the list is that our administrative assistant here, Louise, has been married. I think we would like to officially, on the record, congratulate Louise Kamuchik.

MRS. KAMUCHIK: Kamuchik.

MR. CHAIRMAN: Okay; I've got to get that right. It's a lot tougher than Empson.

DR. ELLIOTT: What's wrong with just sticking with Louise?

MR. CHAIRMAN: Yeah, we'll just stick with Louise.

In the tabs, you will find under tab 2 the minutes of the committee meeting of May 10, which you've had an opportunity to review. If you find those satisfactory, I'll ask for a motion.

MR. G. CLEGG: I'll move.

MR. CHAIRMAN: Okay. Moved by Mr. Clegg. All in favour? Carried.

Under tab 3 we have the budget estimates for the office of the Auditor General, and I think we'll just use those as a background for our discussions with the Auditor General. We welcome members of that office, Mr. Salmon in particular, to the committee. It's always nice to talk money.

I think, as I indicated earlier, we'll follow our usual procedure. Perhaps you could start off with introductions again. I know we pretty well know all of your staff, but you may want to do that for purposes of the record, and then we'll proceed. You might make some introductory comments and just proceed as you see fit.

MR. SALMON: Thank you, Mr. Chairman. I have beside me the three assistant auditor generals. On my right is Ken Smith; on my left are Andrew Wingate and Neil Henkelman. They've been with me before at the budget presentations. I recall that we

were together, I guess, in August. The committee came to our office, and we appreciated that experience of having you come and see us live and visit the office and answer some questions and explain some of the things we're trying to do.

I remember the comments of last year, in fact of every year. We've tried to improve the presentation of the budget to make it a little bit more straightforward for the committee. We again have got the format of a budget, forecast of the budget, and although the forecast is sometimes difficult because you're working on some five or six months that you have to go, we presented it that way feeling it'll be of some help to the committee. We have also designed several graphs that will give some indication in pictorial form of exactly how our budget is set up and what our staff mix is like as well. So those are there, and we can have any questions anyone would like to ask about that.

I believe the budget itself is fairly well presented. We have put the summary on page 1, following the graphs, and then the backup from there on the next several pages. If you want to take the budget in the general sense, Mr. Chairman, the increase in this budget is primarily due to two things: one, salary increases not budgeted for some two years past, which at some time have to be met because as you give increases in accordance with guidelines, those dollars are required in future years as well, and also anticipated increases based on negotiations within the government as they are going with respect to nonmanagement as well as management for the '89-90 year. The other area of increase is in the agent fee area. These are the only two basic areas; the rest are very small changes.

These agent fee increases include some dollars that were affected by things we do not have control over, such as legislation. We've got some dollars in there in that regard. One of our provincial agencies also purchased a subsidiary; it'll cause additional cost to us. Then the normal change in agency fees due to rotations. As one changes audits and auditors who are doing those jobs, sometimes costs are somewhat different because the amount of audit work being done on a particular job may be different from the previous one, as well as normal pressures of rate increases from the firms we are using, which is not unusual as well.

Other items within the budget that are indicated are that we are striving to maintain for the '89-90 year a 6 percent vacancy. We have not in our forecast attained that in the current year. In fact, it's pretty well estimated it will be in the nature of almost double that, to about 11.5 percent, but because of some things that are occurring within our own staff -- the changes with respect to the levels of our staff, the potential for some new CAs through passing exams, as well as some CMAs who will qualify and be able to be at the supervisory level -- we think probably in the '89-90 year we can maintain that vacancy a lot closer to the 6 percent. So we've budgeted on the same basis as the previous year.

Other than that, I think there is some factual information we can give, if the committee so desires, on the basis of questions asked. Something that's not shown in this budget is the fact that we generate between \$500,000 and \$600,000 in audit fees based on the regulation that has been passed by this committee as to how we charge fees. Sometimes we don't recognize that there is that recovery that does go back into the General Revenue Fund.

We can talk about it line by line, but I think if we look at it and comment to you as to your questions, it might be a little bit better than if I just go on about each line. It will provide the opportunity to have the committee ask where they would like to

ask, and we'll concentrate on those areas of explanation.

MR. CHAIRMAN: Okay. Thanks very much, Mr. Salmon. Are there any questions of a general nature with respect to the budget? If not, we can proceed with specific questions or comments from members.

One of the areas that I know the committee has always had some interest in is this matter of vacancy and the personnel problems you've had to cope with from time to time. You indicate in the note to the budget on page 2 that the vacancies were budgeted at 6 percent but that anticipated vacancies were 11.5. What, again, is the percent you're budgeting for in this coming fiscal year?

MR. SALMON: Six.

MR. CHAIRMAN: Six again.

MR. SALMON: Yes.

MR. CHAIRMAN: Now, would that be in line with what you actually anticipate, or do you think it would result in another 11 percent?

MR. SALMON: Yes. For instance, in the coming '89-90 year we'll have a number of CMAs who will be involved with the opportunity to be promoted to the supervisory level. It's the supervisory level that is the difficult area to maintain. That's the one that is constantly been drawn on the outside, and you have to keep replenishing that level. That's the team leader on the audit, the qualified person who is in charge of the team whether it be six or eight or two. That's the level. And there's a constant turnover at that level, not only in losing them to the outside but internally as well within the government service to some extent. Occasionally we're able to recruit back again. We were able to pick up a couple from Treasury because they took a couple from us -- this kind of thing. But those occur and they're normal things, because people apply for positions, get interviewed, and if they fit the mix, why then they go. So it's that area. What we're looking at in this particular area, we've got some CMAs that will move into the supervisory level. We can hire the lower level; we have a hard time with the supervisory level. When these people get qualified to that level where they can operate as a supervisor, we prefer to move them into that.

We also have three CA students, chartered accountancy students, who have qualified to write the final. If they pass, then of course they're at the supervisory level, and that helps us as well. We've got five other possibilities in '89. So internally we're generating 10 or 12 people who will move into the supervisory level. It will help that spot that is always a constant drain. Then we can hire at the nonmanagement level fairly readily through NAIT as well as through our university hirings in getting CA students. That's not a difficult thing to fill. We really don't need to fill those nonmanagement positions until we've got the supervisors as this mix occurs. During the past year, even though we've lost a number, we've hired about 11 new ones. So those things are a constant problem. But it was a real tough period in this year, and we'll not be able to fix that up until next year. Therefore, we've left the vacancy at that 11.5, which it looks like we'll face this year with. Regular competitions of hiring for that type of position are ongoing. We're pretty well doing it every three or four months, and that's been pretty standard procedure in the office as well.

I think basically in the marketplace, employment at the professional level in Alberta is improving. I think the opportunities for chartered accountants and certified management accountants are quite readily available to those who are well qualified and can meet those challenges. That's part of the problem for our drain of this year, and we'll have that battle coming in the next years. I've talked to some of the senior partners in some of the firms. They're struggling in some of those areas as well because of the change. People are moving into industry where they can get paid more money and this kind of thing. We're not losing them to practice. We're usually losing them to either internal government or outside the practice itself.

MR. CHAIRMAN: Any other questions from members?

DR. ELLIOTT: Just expanding on that a little bit please, Don, you say you lose them to industry. Would you give me an example there?

MR. SALMON: Well, for instance, just to give you one indication, we had a senior supervisor in charge of our AGT audit, one of the largest audits we do, and at the completion of the audit this year he was hired by AGT. He's not into the audit side; he'll be in the industry itself. Sometimes it's other than the client. That was a bit of a blow, because we thought he would stay on that for another year. Anyway, he's fairly young. It's a substantial increase in salary. That's the kind of thing that occurs.

DR. ELLIOTT: I think I've mentioned this before, and I'm mentioning it now because it's been quite a while since we last brought the topic up, and that is that periodically, as you know, some of my chartered accountant friends in Grande Prairie are a little bit critical of what we pay students to recruit them. They feel the competition is a little unfair for the private sector out there, like firms in Grande Prairie or wherever they are, to compete with your organization. I was wondering: is that a fact, and if it is, how do you explain it to the public?

MR. SALMON: The explanation of that is very easy, Bob. I have conversation with senior partners of the firms in Calgary and Edmonton, and we know that the competition within the cities is different from the country. That's your problem, that your country rates are different from the cities. We have to compete with the cities. We know that in Calgary, for instance, in the hirings of the CA students, the commerce student hirings out of the university, are some \$2,000 different from Edmonton.

DR. ELLIOTT: Higher?

MR. SALMON: Higher. But we don't compete with the Calgary ones, although we try to hire. So we have that problem. You can't draw people out of Calgary. Calgary's pretty well a dead area to draw to Edmonton, because of the higher pay. So we compete with the Edmonton firms, and we have always been sure that we are within the line of what the Edmonton firms are.

I was talking to a senior partner of one of the big eight firms the other day, and he said that the salaries this year -- we have already done our interviewing with the universities -- are going to be up a little bit higher. That's going to push a little harder on the Grande Prairie, Lethbridge, Medicine Hat, and Lloydminster types of firms, because you've got to find a country boy that's willing to go and work for what's local. Because they

compete locally. If you have Clarkson in Calgary, they compete for Calgary. If you have Clarkson in Edmonton, they compete for Edmonton. Those firms don't pay their students the same; they pay for the local area. So we try to stay within that. We try to stay within the high of that so that we can compete to a certain extent with the local firms. But we have no intention of hurting anyone on the outside, and that's the way we explain it. It's strictly local demand.

DR. ELLIOTT: What is the suggested starting rate for the Edmonton area, then, for a student?

MR. SALMON: Right now?

DR. ELLIOTT: Yeah.

MR. SALMON: Eighteen thousand dollars to \$20,000.

DR. ELLIOTT: Thank you.

MR. MITCHELL: Just a few small questions. Rental of equipment: what do you rent, and would it be better to buy? Or would it be possible to buy?

MR. SALMON: Well, the difference between whether you rent or buy sometimes has to do with the kind of equipment you're involved in, whether it's better to lease and then upgrade as you can versus purchase. In the case of our computers, we purchased. In the case of our xerox machines and this kind of thing, you're usually on a lease and you have a constant . . .

MR. MITCHELL: So these are leases, that xerox?

MR. SALMON: Yes.

MR. MITCHELL: Travel: there's a large chunk there. It's down from last year, but is that largely within the province?

MR. SALMON: Yes, the majority of that as dollars basically will be our staff on audits outside the city. It includes some other travel -- you know, conferences and this kind of thing.

MR. MITCHELL: The increase in data processing equipment: you have indicated that you're not going to proceed with the networking.

MR. SALMON: In the current year.

MR. MITCHELL: Oh, in the current year. I see. So you're going to do it . . .

MR. SALMON: Well, we've ended up with in that case . . . Andy, you can explain it. The networking will cost us a lot less by waiting than if we had gone earlier.

MR. WINGATE: Yes. We originally envisaged that we'd put in a full networking facility, networking our minicomputer with our microcomputers. But there are quite a number of technical problems yet to be resolved, and we weren't happy moving forward on that.

MR. SALMON: So we delayed it.

MR. WINGATE: What we've done is we've put a holding budget so we can have some manoeuvring room in the budget year.

MR. MITCHELL: To start next year.

MR. WINGATE: To start next year, yeah.

MR. MITCHELL: What does that network offer you? Does that mean that each professional will have their computer linked to a central computer?

MR. WINGATE: Yes, it does. The main advantage of networking, as far as we're concerned, is that all the financial statements, management letters, exit conference minutes would be accessible from a terminal or from one of the micros for further work on it. So instead of having a tremendous number of different files, each principal's got files of paper for his auditees. We've got central files, we've got chronological files, we've got departmental files that could all be organized electronically and would therefore be much more efficient; at least that's the theory.

MR. MITCHELL: Can you see that being translated into fewer people or just doing more audits with the same number of people or better audits? Have you been able to assess that?

MR. SALMON: I think it improves your process considerably.

MR. WINGATE: It improves efficiency. I wouldn't see that it would generate a large staff reduction.

With the word processing equipment we introduced a number of years ago, the staffing on the secretarial side has tended to go down. But the output has gone up tremendously.

MR. SALMON: Oh, yeah; the output is way up.

MR. WINGATE: So we've been able to hold staff and increase productivity.

MR. ADY: When you're budgeting for salary increases, I assume from your comments that you have to try and budget those to be competitive in your industry as opposed to try and budget for what's happening within government, because you're so susceptible to what's happening from the outside.

MR. SALMON: Yes.

MR. ADY: Without doing the arithmetic, on page 2, anticipated salary increases: what percentage is that? I suppose it's in here somewhere, but I haven't found it to work it out to a percentage.

MR. SALMON: It's approximately 3 percent. The nonmanagement increases that came through, where our people haven't yet been settled, were 3.6 percent in the '88-89 year and 3.6 percent as of April 1, '88. Then the bargaining is being settled on the basis of another 3 percent April '89, plus the 1 percent in October '89. Now, that's within the bargaining area. So there's about \$81,000 in there, and then there's about 3 percent on management, which is about \$100,000 as well for that in the year, which was basically the guideline.

MR. CHAIRMAN: Further questions from members?

MR. FOX: Don, I'm wondering about the number of vacancies that seem to exist in the department on an ongoing basis. You always know that you're going to have vacancies; you can predict the level of vacancies. I believe we budget as if there weren't going to be any -- like the vacancies would be filled and wages paid. Is that . . .

MR. SALMON: What one does in the budget is budget all the dollars for every position, then take 6 percent back off. That's not in here, so the 6 percent is taken out.

MR. FOX: Oh, okay. I was trying to account for the difference between the . . .

MR. ADY: The total is reduced by 6 percent.

MR. SALMON: Yeah, the total is reduced by 6 percent

MR. FOX: I was trying to account for the difference between the . . .

MR. SALMON: Because if you expect never to fill those, that's 6 percent level, so you don't need those dollars in your budget.

MR. FOX: Oh, okay. I was looking at the difference between the '88-89 budget and the '88-89 forecast and wondering if that was because of the . . .

MR. SALMON: Oh, yes. Now, we're saying that in this forecast we're estimating that the vacancy will be in the neighborhood of about 11.5.

MR. FOX: Eleven and a half.

MR. SALMON: So those dollars are taken out of that forecast figure.

MR. MITCHELL: How do you absorb the turnover? Do you hire more agents? Are you finding that you can't do everything you want to do?

MR. SALMON: Well, what happens in any audit office where you deal primarily in two types of auditing -- in our office, one, the attest audits, which are your opinion audits on all your financial statements, have to be done. The thing that suffers, depending on where your staff level is and what kind of staff you've got, is the systems work. So you do as much as you can with what you have. And that's the thing. You could budget for a hundred percent capacity and you'd do a lot more work, but then if it's not there, you just can't get it done.

MR. MITCHELL: Is there some way -- I don't want to use the word "overhire," but if you know that you're always going to be down, is it just that you can't ever find enough people, or could you actually, over time, begin to hire more people than on paper it looks like you need so that you would, with a standard vacancy rate, be basically a hundred percent?

MR. SALMON: Well, I think in time one could work towards a lesser vacancy rate, but there has to be recognized that in any organization it's almost impossible to maintain a hundred percent. You'd have to overhire, you know, to maintain it at such a high level. You're always going to have it. Basically, the trend

for many years was around 3, and pretty well throughout the government departments and anywhere else they were budgeted for about 3. But 3 has been really hard to maintain; 6 is a little more reasonable because of turnover.

MR. MITCHELL: But you're quite confident that this isn't diminishing the quality of what you're able to do or the essential quantity of what you're able to do?

MR. SALMON: We felt that with the capacity we have, with 180 people less the 6 percent, which is basically what we end up trying to budget for, and the agency work that we can do with the budget we have in that regard -- and they're primarily doing financial statement auditing, where they're giving opinions; they do some systems work for us, but not a lot -- that pretty well gives us the capacity to feel we are doing a reasonable amount for the mandate. Now, I think you could probably overaudit, or you could do maybe not enough. And I think if we had a reduction, then I would be concerned that maybe we are restricting ourselves too much and would not be able to do the systems work to the help of management, which is really what we're looking for anyway, to improve the controls of the existing entities we audit. So it's really a judgment call to a great extent.

MR. MITCHELL: When you say systems work, you're referring to recommendations to management to improve and have controls and that kind of thing?

MR. SALMON: Yes. Well, the Auditor General Act, remember, section 19 -- 19(2)(d) and (e), is it? -- is where you talk about the management and accounting control systems to measure economy and efficiency. You're looking at mostly accounting financial systems, but you're also looking at management systems, which are to point out those areas where management can improve the operations that they deliver. Now, that's a pretty expanding thing; you can do a lot or you can do a little.

MR. MITCHELL: You know, it's so hard to judge, but from the previous reports I've seen, you do quite a bit of that. It seems to me it is very worth while, and I'm wondering if you can anticipate that you're missing areas where you might be able to enhance management's control of processes. I know there have been some pretty glaring examples you have caught, and I'm wondering if you can make a judgment about whether more could be done, should be done, if you had the funding to do it.

MR. SALMON: Well, what we'd like to do, and which we were working on in the last year or two -- we've really concentrated on trying to do much more efficient attest audits, opinion audits, so that you've got the time and dollars to spend on the more . . . I'd like to see the mix change; I think the mix is a little . . . There's a certain amount you've got to do and you'll always have to do, but possibly the way it has been, we have done some systems work mixed with the attest. We'd like to concentrate on the attest very specifically, to get the opinions done, and then concentrate a little harder on the approach to the systems audits, within our budget controls, and that's why we really aren't pushing ahead to expand.

MR. MITCHELL: To the extent that your resources are limited, have you made a judgment as to which departments or agencies need it more than others?

MR. SALMON: Yes.

MR. MITCHELL: Then you're focusing?

MR. SALMON: Yes, which ones we concentrate on. We're looking for audit issues where we feel it benefits best, but it's a judgment call.

MR. FOX: I'm just wondering again. In terms of budgeting for vacancies, I'm curious. Is that a standard sort of thing in organizations that have a large number of employees? Do businesses regularly budget for a certain level and then subtract the anticipated vacancy rate from their budget?

MR. SALMON: Oh, yes, because of the turnover. You get a certain amount, especially where you get an organization like ours which has a large group of professionals. When you're talking about 75 or 80 professionals all doing this kind of work, the turnover is there. We get a certain amount of turnover in the nonmanagement but not as heavily. Yeah, it's pretty well standard in this kind of organization. CA firms have the same problem.

MR. FOX: So you need that kind of flexibility in case there's some unanticipated increase in volume.

MR. SALMON: That's right. Otherwise you'd get caught.

MR. MITCHELL: The conference next July: do we do that sort of one-tenth of the time in Canada?

MR. SALMON: Actually one-eleventh.

MR. MITCHELL: One-eleventh, right; okay.

MR. SALMON: Because Canada takes their turn too.

MR. MITCHELL: And that's international?

MR. SALMON: That's Canada; the 10 provinces and Canada.

MR. MITCHELL: So some of us will never see a request like this again.

MR. CHAIRMAN: Just some of us.

MR. SALMON: It's been 11 years since they've been here.

MR. MITCHELL: Have you begun preparation for that?

MR. SALMON: Yes.

MR. MITCHELL: Have you established a theme? Is that your choice?

MR. SALMON: From the point of view of the legislative auditors, it's my responsibility. It's usually done in about February or March, when we set the agenda for the conference. Pretty well everybody is aware that that's about the time we will be approaching them for the type of presentations they might like to have for the days we're involved in it.

Of course, we've still got to plan the aspect of the inter-relationship that exists with the public accounts committees,

which we've enjoyed, and it has been an interesting association. The conferences are separate, but socially they've been together. I think there has been some interdiscussion between auditors and the various members of the public accounts committees that I feel has been beneficial. For a number of years we've had, too, an afternoon together -- that's the only part of the conferences that have been combined -- where we talk relationships between auditors and public accounts committees. That's an interesting topic. But that's really the only part, other than the social. We've always had the reception, the evening functions, together with the spouses. So this is only once in 11 years.

MR. MITCHELL: So you establish the agenda.

MR. SALMON: We establish the COLA agenda, and Barry Pashak would be responsible to set an agenda for the public accounts committee.

MR. MITCHELL: So to the extent that there would be political input, because there are some issues that I would find really interesting.

MR. SALMON: It would come through public accounts; right.

MR. MITCHELL: Thanks.

DR. ELLIOTT: I just want to follow through a bit on that 6 percent vacancy again. Does that mean you're actively recruiting, then, every day to try to fill those vacancies?

MR. SALMON: Yes, we're always alert to the possibility of hiring. That's right.

DR. ELLIOTT: Is there a career change available? No, that's fine. Thank you.

MR. G. CLEGG: Don, have you done anything to find out which is cheaper, whether you do the audit or whether it's done by agents? Have you done any costs on this?

MR. SALMON: We can tell you the cost for the use of the agents by area: Calgary, Edmonton, and country areas; large firms, small firms. We can tell you all those costs, and we can tell you our costs.

I suppose there are two ways to look at it. If you want to take the strict costs, it would cost us more to hire the agents. But if you want to talk about the concept of what agents bring in to the office of the Auditor General and the management of those organizations that they audit, the exchanging of ideas and this kind of thing, then maybe there are some benefits in paying the extra costs.

There's also the benefit of using the private sector to some extent to be involved in the government audit area. In Alberta, because the Auditor General is somewhat unique in that we have responsibility for all of the auditing, we've been able to use the private sector and not have the pressure on possibly, say, the government to put out certain organizations to the private sector. See, most provinces and Canada have political involvement with respect to the appointment of auditors -- in other words, the government makes the decision -- and a certain amount of lobbying may be taking place. At least from my reports, that's what does take place.

I think in some respects, even though it costs us a little bit

more from the point of view of direct cost, we have been able to eliminate all of that difficulty which sometimes arises, and we have a very positive relationship with the profession.

MR. WINGATE: It also ensures, Don, that our work is . . .

MR. SALMON: Yeah, they work for us and therefore are very much aware of how we want to do things, and we're not getting criticized for our approaches. In fact, because of the mandate we tend to be a little bit more thorough in the way we want to approach an audit than what they would normally do. So they follow our guidelines.

MR. G. CLEGG: What you're saying, Don, is that you've probably got the right mix right now.

MR. SALMON: Yes. I wouldn't like to see it really increase. I mean, if you increase, then you have a harder time to control.

MR. G. CLEGG: If you went more to private, then maybe you would lose some of the control.

MR. SALMON: The 20 or 25 percent is basically something you can kind of handle. We haven't increased the size of our office since 1978.

MR. G. CLEGG: You mean in manpower.

MR. SALMON: In the manpower complement. Well, we were about 185; we're now 181.

MR. G. CLEGG: So the percent has basically stayed the same in the amount of audits that are done by agents then?

MR. SALMON: We've varied. When we first got started, we were about 15. We're around 20.

MR. G. CLEGG: So there hasn't been a great change then?

MR. SALMON: No. At times, you know, you vary because of your rotation, but basically the target figure is to maximize at 25. Of course, it's been the dollars that are available too, and you have to look at that. But we have rates, and we negotiate hard with the firms. We don't let them just tell us. We know all of the other firms' rates too, so they can't come to us and say, "Well, we're going to charge you \$70 an hour to do this audit," because we know very well all these other firms are at \$56, sort of thing. They have to come in line or else we get after them.

MR. G. CLEGG: So what you're saying is that this is an absolute negotiated price before they ever start, any of these agents?

MR. SALMON: Yes.

MR. G. CLEGG: Because I'm not an auditor. I'm not a book-keeper, for that matter. Any chartered accountant -- well, whatever work they're going to do, they're going to charge me, and I have no idea how long we should take to do the work.

MR. SALMON: Well, that's where we have the advantage.

MR. G. CLEGG: Yes, I understand that.

MR. SALMON: Because we know how long to do the audit. But they give us a proposal.

MR. G. CLEGG: That's negotiated before, and that's the figure that . . .

MR. SALMON: They give us the time, and they give us the rates, and we determine whether or not we're satisfied.

MR. G. CLEGG: And you should know how long it should take.

MR. SALMON: Yes, we work that out prior to them starting.

MR. G. CLEGG: Okay.

MR. CHAIRMAN: Mr. Ady and then Mr. Fox.

MR. ADY: Pardon me for maybe asking you to educate me a little, but I wasn't on this committee last year when you went through this exercise. My question has to do with the irrigation districts. I notice that some of them are listed to be performed by agents. That only means that those that are not listed here, you are doing in-house, but they all are audited.

MR. SALMON: Yes. There are five that aren't being done by agents, and they're all small.

MR. ADY: Yes, I noticed that they were small.

MR. SALMON: They're all the little ones, and they've been harder to put out because of the size.

MR. ADY: Yes.

Okay. My next question has to do with credit unions. I notice that the Credit Union Stabilization Corporation . . .

MR. SALMON: That really should say credit union deposit guarantee corporation, if that helps you, because that's only based on the passing of the legislation that was there last spring and probably will come this spring, which means -- by discussion with Treasury, we have agreed that we would accept that as an audit because it's going to be a provincial agency.

MR. ADY: The individual credit unions let their own contracts through their board, and you don't concern yourself with that.

MR. SALMON: No; it's strictly this controlling organization.

MR. ADY: Right. Okay.

MR. SALMON: The other one that was shown in the front part is this Canola Crushers, which is right above that, which was a corporation purchased by Alberta Terminals Ltd., and we need that done now. We're using an agency on that.

MR. FOX: Mr. Salmon, I guess my question is a jurisdictional one relating to the mandate of the AG's office. There's has been a lot of discussion -- controversy, if you will -- lately about whether or not there is a fairly extensive system of kickbacks in the gravel trucking industry. Now, I would think it would be beyond your mandate to investigate that in terms of, you know: that's not the government spending money; it's the contractor

spending it after the government has awarded the contract.

But my concern is that there is some suggestion that this kickback network has allowed some firms to underbid on government contracts, knowing that they'll be able to make up their lack of income from the government side of the ledger by demanding some performance money from the people who work for them. I just wonder, does this overlap into your area of interest, wanting to make sure that public funds are spent fairly and according to the guidelines of the Legislative Assembly?

MR. SALMON: Well, certainly our mandate is to ensure that the dollars are properly authorized and that it's within the mandate of the organization. We would, of course, be looking at all of the systems, including the tendering system of the transportation department. But as soon as you move out of that, it becomes a little bit harder to get a hold of, because then you're dealing with corporations and truckers and this kind of thing, which really aren't under the mandate of the government, where you can actually see it. I think that if there was anything internal, we would certainly be interested in it.

MR. FOX: I'm not sure what the status of the situation is right now as to whether or not there will be a judicial inquiry or a departmental investigation, but I could assume that your office would take an interest in the investigation if one was . . .

MR. SALMON: Anything within, yes.

MR. CHAIRMAN: Before we go on, Mr. Mitchell, I'd just ask members, when they're speaking, just to raise their voices a little bit to make sure that *Hansard* will be able to pick it up.

Mr. Mitchell.

MR. MITCHELL: I'm aware of one association in Alberta which receives lottery funds and then, in turn, allocates those funds to member institutions in its association. An issue raised with me by somebody who had formerly worked with that association was that not all the procedures in allocating those funds were followed up; for example, at the end of each year, in order for subsequent funding to be permitted, the institution receiving the funds is to report in certain ways, provide certain information, and that wasn't always done. Would you review those kinds of procedures, and do you report on those?

MR. SALMON: Is this one that we are actually the auditor of?

MR. MITCHELL: I don't know. In fact, I don't want to get it public right now, because. . .

MR. SALMON: No. Because we had publicly in our AG's report, you may recall, considerable concern over the Wild Rose Foundation, which received moneys from the lottery and then, in turn, had some very difficult regulations to follow. We pressed a few years to ensure that those were better, and they've certainly improved that, but that was over a period of time. Well, the Sport Council shifts money too. We do a lot of those organizations, and we certainly are concerned that they've got proper procedures in place to ensure that those moneys are flowing in accordance with the regulations.

MR. MITCHELL: In fact, I see here that the one I'm concerned about isn't on the list as performed by agents, but that doesn't mean you're not doing them.

MR. SALMON: We may be doing it ourselves, though.

MR. MITCHELL: Yeah. Maybe I could talk to you some other time.

MR. SALMON: Sure. That would be fine.

MR. CHAIRMAN: Other questions?

Just turning back to the matter of the agency and the accounts, you've indicated some go out and some come back and so on. Can you tell us the degree to which your schedule 1 reflects change?

MR. SALMON: Yes. Schedule 1 is the dollars to be expended in this fiscal year. Therefore, some of these will be new audits that are not yet placed with agents, and some will be on the rotational out. Okay? So there are the dollars involved. We've got eight on here that are new, and the rest have been there before.

MR. CHAIRMAN: About how many would have come off?

MR. SALMON: Approximately the same number, depending on the size of the audits. But it's basically the dollars and the shifts that take place. When you move one in for us to do . . . For instance -- what would be a good example? -- we take one in and we may want that firm that we're taking back to do an additional amount of work because we've still got the same amount of staff too. In Calgary, we took back the University of Calgary, and we've been doing the University of Calgary this last year. The firm that did the University of Calgary for us for over five years is doing two different audits now for us because we needed the time to do the university versus the time on those other jobs. We basically equated that, and we can fit the schedule for the firm. So those two audits are back up. So that's how we prefer it, equate. In some cases where we've had a concern with an agent -- sometimes the auditee has been complaining, and we've had a hard time with him -- we may let him go for a year or so, but we try to work back to get them back on eventually. There's not much of that. Most of the time we've had, actually, basically an exchange with the firm.

MR. MITCHELL: Of course, if the auditee is complaining, that may be exactly why that agent's good.

MR. SALMON: Oh, we've had a few.

MR. MITCHELL: I ask this, I think, from time to time, but maybe you could give us an update on the progress that's been made with the effort to create generally accepted accounting principles for government accounting. I believe you were involved in that.

MR. SALMON: You're talking about the change to the chartered accountants committee . . .

MR. MITCHELL: That's it.

MR. SALMON: . . . on the Public Sector Accounting and Auditing Committee.

MR. FOX: That's easy for you to say. Let's have an acronym.

MR. SALMON: PSAAC.

MR. FOX: Public Service Alliance of Canada.

MR. SALMON: The PSAAC committee is directly involved, and they have issued four accounting statements and three auditing. They're continually working in the area. I went on the committee effective October 1 for a three-year period. The Deputy Provincial Treasurer, Al O'Brien, has been on for the past three years. When he was coming off his rotation, they were looking for some legislative auditors and put the pressure on me to go on the committee for the next three years.

Now that there's been some value-for-money guidelines from the audit point of view, they're also working on some additional areas as to how to approach some of those standards that they've issued. From an accounting point of view they're working on municipalities, and they recently issued a statement -- well, it hasn't been public; it will be this month -- on the entity question of what should be consolidated in government. They've also issued a statement recently, which will also be out in November, on pensions. So for the first time we'll have now some particular standard laid out by this committee on the recording of pension liabilities, et cetera.

MR. MITCHELL: Right now you only record a liability to the extent that it's funded, don't you?

MR. SALMON: Right.

MR. MITCHELL: And you don't record the unfunded, which is exactly the liability that should probably be recorded.

MR. SALMON: There'll be an acceptance period, a time when there'll have to be some debate and some consideration of the effect. The committee membership is composed of people from the government side as well as the legislative audit side and industry in developing the standards. It will take time to be well accepted, but it certainly is a move in the right direction.

MR. MITCHELL: What that offers you as an auditor, really, is moral suasion.

MR. SALMON: That's right.

MR. MITCHELL: Just as now you report that deemed assets shouldn't be recorded, for example. It just gives you greater credibility and moral suasion in making a statement such as that pension liabilities should be recorded.

Would your committee be considering the issue, say, of loan guarantees and how they are reported?

MR. SALMON: I think eventually, when they get into more detail. They're still looking at the overall financial statement presentation of a government. When you consider the variations that exist across Canada, what they're really trying to do is get some comparability. You should be able to look at Ontario's and Alberta's and B.C.'s and know you're basically talking about the same thing; whereas if you looked at them today, you would not be able to follow them at all because they'd be so different. I think things have moved a lot in the last five years, and I think we'll see a tremendous change in the next five because of that constant working at it a little piece at a time to improve the process.

MR. MITCHELL: That committee, I guess, sets its own

agenda, but say a legislator such as me is concerned with a given accounting approach or an auditing principle that maybe constrains you. I am thinking of the whole question of reporting on loan guarantees as an example, because that was a contentious issue and it seemed to me that you were restricted. Could we propose to the committee that this would be an issue that should be considered, and would they?

MR. SALMON: Oh, I think this is a professional body that looks at all sources of information, so I think the timing of the examination would depend on where the pressures are. I mean, they try to pick up the best thing to move ahead. So it's quite common to hear from all kinds of sources.

MR. CHAIRMAN: Okay. Any other questions or comments?

MR. G. CLEGG: I just have one small question. I see on -- I don't know what page it is. Your travel is going down. I travel, and every time I get on the plane it seems to go up 10 percent. Yet your travel budget here somewhere is going to go down, I believe. Is that going to be possible?

MR. SALMON: Sure.

MR. G. CLEGG: Do you just quit traveling?

MR. SALMON: No. Actually we had in there in the past senior management doing some traveling in their professional development in management training. We've completed that process, and this will save us a bit of money this next year end. We are not going to approach that with anyone else, so that will be a reduction.

MR. FOX: Would that reduction be due in part to the fact that the conference is being held in our province this year, that there is no out of province requirement?

MR. SALMON: Yes, we have no travel to COLA in the current year. It would depend on where we went in COLA, what it cost us. If we went as far as Halifax or something like that, it would be a lot more than when we went to Regina.

MR. CHAIRMAN: Okay. What I would like to suggest is that if Mr. Salmon wishes, we could move to an in camera session briefly to hear any comments he might have that relate to salaries.

But before doing that and excusing the other members of the department I would like to move on to item 4 on the agenda, which is a review of the auditor's statement of the office of the Auditor General and see if there are any comments Mr. Salmon has in connection with that or any questions any members may have.

MR. SALMON: Mr. Chairman, as far as the statements are concerned, I assume you have received the audited statements. I guess my own comment would be that we have no problem with the statements at all. Of course, they worked well with us, closely with us.

I believe the committee was going to consider the changing of auditors, and if there was some assistance that we could provide in that change, we would be happy to assist you. Because if you recall, Reid & Cameron have now merged with Peat, Marwick, and we use Peat, Marwick on a number of jobs.



If there are any questions on the statements, or explanations . . .

MR. FOX: If I recall our discussion . . .

MR. SALMON: We were going to use them this year but not next year.

MR. FOX: Yeah, and from their point of view they would much rather be an agent for than an auditor of the AG's office. You know, from a business point of view it's much more sensible. But the committee's feeling was that it would be inappropriate to hire as auditor of the office someone who's active as an agent.

MR. SALMON: Yeah. That was the committee's discussion.

MR. MITCHELL: Are you able to fix this recording of expenditures issue that they raise in their letter?

MR. SALMON: I don't have that. You'll have to raise it with me. We probably discussed it with them, but we haven't got the letter.

MR. CHAIRMAN: The letter of August 24?

MR. MITCHELL: Yeah, August 24, and they attached. Do you want to look at it?

MR. HENKELMAN: Oh, yes, we've taken care of that. It was just an additional step they were suggesting.

MR. SALMON: A control step, was it?

MR. HENKELMAN: Yes it was, Don.

MR. SALMON: Yes, I remember it.

MR. CHAIRMAN: It may be helpful to the committee, Mr. Salmon, if you were to provide us with perhaps a list of firms from whom we might discuss the possibility of appointment.

MR. SALMON: I've gone through that in my own mind, Mr. Chairman, and discussed it internally with a particular fellow who is connected with the institute. He's on council there. They recently went through a process of getting submissions from a number of the local firms to be their auditor. The committee actually basically did that last time, because Reid & Cameron had been appointed auditor of the Institute of Chartered Accountants. Because they are so sensitive to who their auditors would be, because they're the professional body, in a sense you have somewhat the same need to have some sensitivity. You wouldn't want to hire a firm that had a poor reputation or anything of this nature.

I have three names that you could consider that would possibly give you some comparability. We're not using them as agents. There's one firm that they have hired, and that firm has come to us for the potential to be an agent. We haven't used them. They look really good, and if you'd like, I can leave with you a copy of their submission to us, which will give you just a little bit of background on them. The other two names we could give you, and if you would like to seek some information on them, we could probably get it for you.

MR. CHAIRMAN: Okay; I think that might be valuable to do that.

MR. SALMON: Okay.

MR. CHAIRMAN: By what date should that appointment be made?

MR. SALMON: Neil, when do they usually come in?

MR. HENKELMAN: Approximately June. So it should be before.

MR. SALMON: So you're okay. Early spring.

MR. CHAIRMAN: Okay.

MR. SALMON: We could get all three if you'd like.

MR. CHAIRMAN: I think that would be helpful if you'd give us that information and, indeed, maybe some of the other members have other firms they would like to suggest too.

MR. SALMON: Oh, yes. I mean, we're not restricting you in any way.

MR. CHAIRMAN: I know.

MR. SALMON: As long as they're not one of our agents, and we're using quite a few.

MR. CHAIRMAN: Okay. We'll ask you to do that, and then we will follow up in due course with respect to that appointment.

MR. SALMON: Fine.

MR. CHAIRMAN: Okay. Before members of your office leave, I'd just like to express on behalf of the committee our appreciation for your presenting of your budget today. As indicated earlier, we will be reviewing your comments and suggestions in light of \$13 a barrel oil and all that sort of stuff. We'll be giving it further consideration and perhaps, if necessary, asking you to return for further discussions with the committee. This therefore constitutes our sort of preliminary cut into the matter of budgets, and I use the word "cut" loosely, just throwing that around.

MR. SALMON: Thank you.

MR. CHAIRMAN: So thank you very much, gentlemen, for attending before the committee.

[The committee met in camera from 10:07 a.m. to 10:10 a.m.]

[The committee recessed from 10:10 a.m. to 10:18 a.m.]

MR. CHAIRMAN: We're back on the record again, and I'd like to extend a welcome to Patrick Ledgerwood, our Chief Electoral Officer. Thank you, Pat, for submitting your budget estimates for the review of the committee. As usual, you've laid it out nice and organized for our simple minds to comprehend. I'm sure there'll be some comments and questions from mem-

bers, but before getting to that, I think perhaps we'll give you an opportunity to enlarge upon the information you've given us. I'm sure as well that members will be interested in the current enumeration and how that's working out, and you might make some comments with respect to that as well. So we'll just turn it over to you and proceed from there.

MR. LEDGERWOOD: Thank you, Mr. Chairman.

First of all, does everybody have a copy of the budget?

MR. CHAIRMAN: Yes, they're all with our books here.

MR. LEDGERWOOD: Okay. Thank you very much.

As you said, Mr. Chairman, it's a very simple budget. It's designed to meet the requirements of current legislation. It's a similar format to last year. I should also point out that the expenditures you see here aren't necessarily those reflected in reports that are published, in that the report covers all expenses associated with that activity regardless of which fiscal year it took place in.

MR. CHAIRMAN: Explain that again; sorry.

MR. LEDGERWOOD: For example, if you look at an election report or an enumeration report, it includes all of the expenses associated with that activity regardless of the fiscal year the expenses were incurred in.

MR. CHAIRMAN: Oh, I see. So there'd be a crossover in fiscal years.

MR. LEDGERWOOD: A crossover, yes.

Now, you notice there are five tabs: A is the Administration, B is the Election, and C is the Enumerations; D is a new one this year, a liquor plebiscite; and E is the computer compilation required by the Treasury Board.

The Administration Element is basically to run our office. It includes the wages and benefits, the current salaries and benefits, but no estimate of future increases. I think you're aware that nonmanagement personnel have recently received -- actually it will be three increases: the 3.5 percent effective April 1 this year, the 3 percent effective April 1 in '88, and the 1 percent in '89. Those figures are not reflected in here. This is our current expenditure. It also includes the office supplies. The other Act that I administer, the Election Finances and Contributions Disclosure Act, we put under Administration. We don't break it out as a separate entity.

Elections are straightforward. These are basically the forms and materials we use. The reduction there relates to the fact that we have most of our materials in place. We are anticipating some changes to the Act which will change our forms, our brochures, our returning officers' handbook, and our training aids, and we'll have to update some of the printing. Also, the returning officer and election clerk training is in that block.

Enumerations is straightforward. That includes the supplies and materials, the returning officers' honoraria, the funds to train them, advertising, mapping, and actual enumeration training and the fees paid to enumerators. The Plebiscites I'd like to leave until the end, until we actually get to that. So if we could turn . . .

MR. CHAIRMAN: Excuse me for interrupting. Could I just ask a general question, just so we're clear with respect to our

headings? When you say the '88-89 estimate, is that the current fiscal year's budget or is it the current fiscal year's anticipated expenditure?

MR. LEDGERWOOD: The '88-89 forecast was the estimate that the committee passed last year, so the '89-90 estimate is our estimated expenditures in fiscal year '88-89. Next year, when we defend it, we will just simply move the forecast over to the estimate side.

MR. CHAIRMAN: Okay. Now, we don't have a record of actual budget figures for '88-89, right?

MR. LEDGERWOOD: No, not in this budget. I have that hip pocket information if you want it.

MR. CHAIRMAN: I think it would just be interesting from the standpoint of measuring how your estimates are actually coming in as they relate to the budget for the current fiscal year.

MR. LEDGERWOOD: Okay. Basically we're right on line. You may remember that when we talked about enumeration in '88, the committee approved \$3.7 million for that enumeration. At that time I mentioned it was a worst case scenario in that we had about 4,550 polls. We allowed for two enumerators for each poll because that is the flexibility we allow the returning officers. In actual fact we had about 7,600 enumerators, plus or minus. We're just getting in the data now. As a matter of fact, yesterday we got in the last two reports from the returning officers. We don't have the questionnaires back yet. But it looks like about 7,600 enumerators rather than the 9,100 that we'd budgeted for. This budget we have here is also budgeted for a worst case scenario.

DR. ELLIOTT: How many polls?

MR. LEDGERWOOD: It will be about 4,600. I'm rounding these figures.

MR. MITCHELL: I think I should know this, but do you do an enumeration every two years, sort of automatically?

MR. LEDGERWOOD: The question was: do we do an enumeration every two years? The answer is no. We do an enumeration the second calendar year following the last general election and then each subsequent year until there is another general election. So we will do an enumeration in September of '89 if there's not an election before that. We'll do one in September of '90 if there's not an election before that. And of course there has to be an election by May of '91.

So if we could turn to page A1. I think rather than go through that, if anybody has any specific questions that I might answer . . . As I mentioned, the salaries are the salaries as of July 1, '88. Remember that we had to prepare this budget in July and submit it to Treasury in August.

MR. ADY: I'm not clear on what you said earlier, Mr. Ledgerwood, on the inclusion of the increases and when they're included. Which figures are included and which ones are not? Could you just review that again?

MR. LEDGERWOOD: Okay. The salary figure you have there of \$302,467 was our actual wages for staff personnel as of July

1, 1988. Subsequent to that, nonmanagement personnel received a salary increase of about 3.5 percent. That is not reflected, nor have we tried to forecast the management increases or the nonmanagement increases. So that is our budget figure as of July 1.

MR. ADY: That included the increase you people received in . . . Didn't you say they got one earlier in April?

MR. LEDGERWOOD: No. You see, that did not come through until sometime in October, and it was backdated to April. So it was after we had submitted this budget.

MR. ADY: Okay, but I'm just trying to understand why you didn't put it in when in fact it was an established fact that it was going to happen.

MR. LEDGERWOOD: We did not know it was going to happen.

MR. ADY: I see. Okay. That was my question. That was not certain.

MR. LEDGERWOOD: No, we didn't know what the percentages were going to be. Now, I think we have within our budget enough slack to take up any salary increases in that, as I mentioned, we budgeted on the Enumerations side for a worst case scenario. Also, budget bureau has a salary contingency fund if we aren't able to provide it out of our own resources.

MR. CHAIRMAN: So the figure of \$302,467 costs you . . . It's a status quo situation.

MR. LEDGERWOOD: That was our salary as of July 1, 1988.

MR. MITCHELL: And you do not include any provision for increases.

MR. LEDGERWOOD: We don't anticipate any increases. We don't forecast those.

MR. MITCHELL: That's not to say you won't be proposing them; you just . . .

MR. LEDGERWOOD: Oh, yes, we will be proposing them.

MR. ADY: But you're not anticipating them in the figures is what you're saying.

MR. LEDGERWOOD: No, we don't include them in the figures.

MR. MITCHELL: Contract Services is up over '87-88 because these are enumeration years? Oh, no; this is Administration. So why would Contract Services be up from \$565 to \$9,500?

MR. LEDGERWOOD: Okay. We budgeted \$9,500 in 1988-89. We're budgeting the same figure. Contract Services is one of those difficult things in that we have a lot of flexibility. If we hire an individual on our own, then we pay him out of a different block, so to speak. Contract Services is where we have to go to an agency and hire an individual. You'll notice that in the other blocks as well.

MR. MITCHELL: How much have you spent so far this year on Contract Services?

MR. LEDGERWOOD: I'd have to get hold of the budget. As I say, they're broken down into the three categories. Generally, you'll find that in an enumeration year we will charge most of the Contract Services to the Enumeration side of the house rather than to the Administration. Similarly with the returning officers' honoraria of \$900 a year: we don't absorb that in Administration. We price that to the Enumeration.

MR. MITCHELL: Do you build something in your budget for the possibility of a by-election every year?

MR. LEDGERWOOD: No, we do not budget for by-elections nor general elections in that if required on a by-election, we come in with a special warrant. On general elections we always come in with a special warrant. By-elections, generally, we can absorb within our budget. I have some figures on recent by-elections.

MR. MITCHELL: In the \$75,000 that you've budgeted for the coming year under Election Element, it looks like that's for training of returning officers.

MR. LEDGERWOOD: That's basically for training of returning officers and election clerks.

MR. MITCHELL: In anticipation of the next general election or by-election, as the case may be.

MR. LEDGERWOOD: The next general election. What our . . .

MR. CHAIRMAN: Excuse me. Maybe we could just keep to the Administration Element first, and then we'll move into the Election Element. Are there any other questions or comments with respect to the Administration Element?

MR. MITCHELL: Yes, I have one that would be a general question, Mr. Chairman. It would be really helpful to me if I could see a listing of a forecast of expenditures for this year based on what you're actually spending, if you see what I mean. If we're just budgeting against budget -- and I'm not being pejorative or accusatorial in this -- we could just be compounding budget errors every year rather than having some stab at actuals. Do you see what I mean?

MR. LEDGERWOOD: Well, we'd have to set up some parameters as of specific dates. As I say, we prepared this budget estimate in July, sent it over to Treasury Board in August.

MR. MITCHELL: Right.

MR. LEDGERWOOD: So what we would have to do is if you would tell me what you'd like to see in the actual expenditures as of any particular date, because we get a computer printout and I could provide that information to you.

MR. CHAIRMAN: I'm still confused, then. What is shown in the second column, '88-89 estimate, is the approved budget, then, for that fiscal year?

MR. LEDGERWOOD: For the current fiscal year.

MR. CHAIRMAN: Okay.

MR. ADY: On that point that Grant raised, don't we in effect have that with the actual of '87-88? Grant, doesn't that satisfy your concerns?

MR. MITCHELL: Well, it does; yeah.

MR. CHAIRMAN: It's one fiscal year away.

MR. LEDGERWOOD: Yeah, that's a fiscal year away.

MR. ADY: Right; as opposed to it being up to date, say, a month ago or something.

MR. LEDGERWOOD: Even the information we're going to get from Treasury Board will be a couple of months out of date, the computer printout.

MR. MITCHELL: I'm sort of comparing it to the office of the Auditor General. We have a different approach there where we get 1988-89 forecasts of expenditures, but we don't get an '87-88 actual, so maybe we need both of those. But your point's well taken, Jack.

MR. ADY: That keeps us from being distorted too far.

MR. MITCHELL: Yeah, you're right.

MR. ADY: I see your point of continually trying to evaluate against forecasts and never dealing with actual expenditures. But that does bring us back to some definite numbers, going back to '87-88.

MR. CHAIRMAN: Before final decisions are made, is it your wish that we have the information that you mentioned brought forward?

MR. MITCHELL: I'm probably okay at this time. I thought that maybe we could talk about standardized reporting, but so far, I think, Jack's point would really solve my problem.

I am interested in this Contract Services, under the Administration Element, and what that's doing -- we discussed it last year, I'm sure -- how that went from \$565 to \$9,500 and what progress you're making on that.

MR. LEDGERWOOD: Well, what we had was that we had estimated we would spend \$9,500, but in actual fact we only spent \$565.

MR. MITCHELL: Okay. So if you're estimating that you're going to spend \$9,500 in '89-90, what conviction can you give me that you will spend it?

MR. CHAIRMAN: Or that it's necessary to budget for it.

MR. MITCHELL: That's what I'm saying: that it's necessary to budget for it. Yes.

MR. LEDGERWOOD: Okay. In that, we're estimating printed material for about \$6,000, and again a lot will depend on

whether or not the Election Act is amended. If the Election Act is amended, then we're required to come up with new brochures, a new returning officers' handbook, new training aids, this type of thing. As I mentioned, we have flexibility whether this will be in the Administration Element or in the Election Element. However, we don't have anything in here for the Election Finances and Contributions Disclosures Act. We also anticipate some amendments to that Act, in which case we will then have to buy new Acts; we will have to design new forms. That's where the printed material will come in. Also, we'll have temporary labour services of about \$3,500 if we have to hire somebody, for example, to design new forms to fit in with the amendments to the Act.

MR. MITCHELL: You're anticipating amendments to the Act?

MR. LEDGERWOOD: We have proposed amendments, and I know that there's a committee looking at them.

MR. MITCHELL: Okay.

MR. ADY: On that same point, following what Grant was asking. In view of the fact that you had budgeted that previously and only spent \$565, were you anticipating this for some time? Were you anticipating it way back then, and it's still a thing that you just expect is going to happen, and you're protecting yourself by budgeting for it in the event . . .

MR. LEDGERWOOD: No; I proposed in 1987 some amendments to the Act, and the committee has been working on them. I don't know just when they will come. The amendments have not reached the first draft Bill stage.

If there are no other questions on the Administration Element . . .

MR. CHAIRMAN: Any further questions, then, on that before we move to tab B?

Okay; Election Element.

MR. LEDGERWOOD: Okay. Basically there are only two elements in this. As I mentioned, elections are funded by special warrants, so that really what we're looking at here is funding to conduct the training of returning officers and election clerks and also our election material: the forms and supplies, et cetera.

Grant, you were asking about by-elections?

MR. MITCHELL: Yes.

MR. LEDGERWOOD: The Olds-Didsbury by-election held in February of 1982 cost \$41,000. The Spirit River-Fairview by-election held in February 1985 cost \$23,000. The Edmonton-Whitemud by-election in December '85 was \$57,000, and the Chinook by-election in November of last year was \$37,000.

MR. FOX: Can I ask, Pat: would the difference be because of the opportunity to use recently updated voters' lists, depending on when the by-election is called? Like, the expenses in the Spirit River-Fairview by-election were significantly less than they were for Olds-Didsbury. Is that because we had an up-to-date, current voters' list to work with?

MR. LEDGERWOOD: No. As a matter of fact, in the Spirit River-Fairview by-election we made a decision not to have a

special enumeration in that we felt there was very little movement in that area since the general election. In actual fact, if we had it to do over again, we would have done a special enumeration. The RO didn't anticipate the number of changes to the list of voters. Basically the difference in cost is the number of polls, the number of election staff.

MR. FOX: But is it common practice, if a by-election is called, to do a special enumeration of the electors in that poll regardless of when the most recent provincewide enumeration was taken?

MR. LEDGERWOOD: It's a judgment call, and we rely on the advice of the returning officer.

MR. MITCHELL: Yes, and the returning officer is a part-time position just appointed for that particular . . .

MR. LEDGERWOOD: Yes, the returning officer is appointed by order in council. We retain them on an honorarium of \$75 a month; then they're paid specific amounts for each of the activities they do.

MR. MITCHELL: How would the returning officer in Spirit River make a decision like there hasn't been much movement and therefore it's not necessary?

MR. LEDGERWOOD: Okay. The returning officer lives in Fairview. He's now retired, but he was a UGG elevator agent who traveled throughout the area and knew the area well and also contacted various individuals in the communities. The general feeling was that there had not been much movement.

MR. CHAIRMAN: It's your decision, though.

MR. LEDGERWOOD: Our decision.

MR. CHAIRMAN: You rely upon that information.

MR. LEDGERWOOD: On the advice of the returning officer.

MR. MITCHELL: And this is critical at the sort of outer reaches of the two-year period. Normally an election wouldn't go unless an enumeration had been done within a year, because it's two years and then every year thereafter. So you'd always be within a year of enumeration. But in a by-election within the first two years after an election you could be as long as two years out of date; then you make the judgment. But you don't do any sort of statistical or scientific evaluation of that. It would be more of a gut view of who's moved and who hasn't moved.

MR. LEDGERWOOD: The returning officers are generally very knowledgeable of the situation in the local area.

MR. MITCHELL: Right.

MR. LEDGERWOOD: Once there's a vacancy in the House, we must have a by-election within 180 days.

MR. FOX: Does that mean called or held?

MR. LEDGERWOOD: It's one of those technical problems, in that the Election Act specifies 180 days, and the Legislative Assembly Act says six months. The wording is just a little dif-

ferent. That's one of the things that the committee is looking at, to bring those two Acts into concert.

MR. FOX: But would it mean a by-election would have to be called or completed? I'm just not sure.

MR. LEDGERWOOD: That's what I'm saying. The two Acts don't read exactly the same.

MR. ADY: That doesn't reply to his question.

MR. MITCHELL: No. The point is: can the government announce the by-election on the 180th day or the last day of the six-month period, or does the actual election have to be held within that period or can it be held outside that period?

MR. CHAIRMAN: The former.

MR. MITCHELL: It has to be held within the . . .

MR. FOX: No, announced.

MR. CHAIRMAN: I think it has to be called within that period of time.

MR. MITCHELL: So it could be seven months.

MR. CHAIRMAN: I think so.

MR. FOX: Yeah. So you just want to see the anomalies removed between the two Acts?

MR. LEDGERWOOD: Yes, between the two Acts. Actually, I think you can interpret the Leg. Assembly Act that it is called within six months, and I think ours says held within 180 days. So there are some technical differences.

MR. FOX: Which Act overrides, in terms of which is the senior piece of legislation there?

MR. LEDGERWOOD: Mr. Chairman, you're the lawyer.

MR. CHAIRMAN: I don't know. I was always under the impression that it just had to be called within that period of time.

MR. FOX: Yeah; it's not likely there would ever be a conflict, but it's good to have these things . . .

MR. G. CLEGG: We get into lots of arguments because Acts contradict each other, like the County Act and the School Act. Nobody's figured it out yet.

MR. CHAIRMAN: Let's move on, then, to the Enumeration Element under C in your material.

MR. LEDGERWOOD: And you notice that this is basically the same as the budget approved for the '88 enumeration, which we recently completed. I don't have the figures available on the actual cost yet, nor will I have for about another three weeks. We have a fair number of outstanding invoices from returning officers. I do have the figures on the numbers in each electoral division. If any of the members are interested in that particular information, I can provide it to them.

One of the interesting things that Mr. Ady will find in the report is that he now has the lowest number by quite a margin.

MR. G. CLEGG: Well, I guess they all moved out when they found out who was elected.

MR. LEDGERWOOD: No; the difference is that the Blood Indian Reserve would not allow the enumerators on, and there were about 1,550 electors there at the general election.

DR. ELLIOTT: Would they all be sworn in, then, on election day?

MR. LEDGERWOOD: Could we go off the record for a minute, please?

[The committee met in camera from 10:43 a.m. to 11:04 a.m.]

MR. CHAIRMAN: On the Enumeration Element: are there any other items with respect to enumeration, Mr. Ledgerwood, or other questions or comments from members?

MR. LEDGERWOOD: I'd be pleased to try and answer any questions any of the members have.

MR. CHAIRMAN: I presume that your costs are flowing in at the present time that relate to this year's enumeration, and presumably they are in accordance with what was estimated.

MR. LEDGERWOOD: The figures will be available in about three weeks, and we're well under budget in that, as I mentioned earlier, we budgeted for two enumerators for each poll. In actual fact, we had about 7,600 enumerators. Incidentally, we have about 42,000 more electors on the list of electors at the '88 enumeration than we had at the '85 general enumeration. The 41 rural polls are basically the same total number. The 42,000 extra are all in the urban ridings.

MR. FOX: Would this be the appropriate point at which to discuss some enumeration issues over on the budget? I think there are implications here. The electorate was a little confused this year because the federal enumeration came close on the heels of the regular provincial enumeration. In a riding like the one I represent, it's very confusing for people because the federal riding has the same name as the provincial one. A lot of people assumed that a provincial election was imminent because of the enumeration, and then the federal one came along. Or they didn't bother to call the federal enumerator if he or she had missed them, because they felt they'd done it provincially.

It caused a lot of problems, and it's given me pause to consider. Is our system better than the federal one, or is the federal one better, where they have a relatively longer election period and try and accomplish an enumeration early on in that period? It seems to have caused a lot of problems with missed electors. Ours is certainly a more thorough system, but again we may have two more complete enumerations prior to the next provincial election, depending upon when that's called. I'm just wondering what your assessment is of the relative merits of our short campaign period. I think it's one of the shortest, a 28-day campaign period, relying on an annually updated enumeration.

MR. CHAIRMAN: I don't know that it's really an appropriate question to Mr. Ledgerwood. It's a matter of him following the

statute as it exists, and to the extent that there may be amendments to that statute, or desirable amendments . . .

MR. FOX: Oh, sure, but with respect, Mr. Chairman, I just thought he's presenting to us a budget, and it's based on an enumeration annually, and he operates the system. So I'm just wondering . . .

MR. CHAIRMAN: I have no objection to any comments that he might make on it, but it's a matter for general policy as reflected in the statute that really is the bottom line.

MR. FOX: Yeah.

MR. LEDGERWOOD: Thank you, Mr. Chairman. I can only say that I administer the legislation and have very little input into the actual writing of it, so I don't think it would be fair for me to comment.

Now, there are advantages in the 50-day period. There are also advantages in our system. So it would be a political decision as to which was the best. I should point out that there are significant differences between the enumerations, in that when we look at our 83 electoral divisions and their 26 electoral districts, very seldom are the boundaries coincidental. We have up to 450 electors per poll; they have up to 350 electors per poll. So they have far more polls than we do. Also, our criteria for electors are different in that our age requirement in this one was the full age of 18 by October 1; theirs was the full age of 18 by November 21. Ours are Canadian citizens only; federally, you have Canadian citizens and certain British subjects. We have that six months' residency immediately preceding the enumeration; federally, it's where you are residing when the enumerator calls. So there are significant differences between the two systems.

MR. FOX: Okay.

A further question if I might. Do you provide the six complete copies of the voter lists for every constituency after every enumeration, or do you keep them on hold until an election is called and then release them?

MR. LEDGERWOOD: Okay. What happens is that the Act requires that by February 1 we provide up to six copies of the list of electors, the electoral division map with the polling subdivisions on it, and the legal descriptions of the polling subdivisions. It actually amounts to tons of paper. So what we did is that last June I went out to each of the parties and asked them how many copies they wanted. Some of them requested all six; some parties didn't want any.

MR. FOX: But you're obligated, unless advised otherwise, to provide six copies to every registered, bona fide party after every enumeration by February 1?

MR. LEDGERWOOD: After every enumeration.

Incidentally, we will have those lists of electors, maps, and legal descriptions distributed by mid-December, a full six weeks ahead of the deadline.

MR. FOX: Now, one other question, if I might, on the enumeration, Mr. Chairman, about the budgeting for enumerators. Do you budget as if there were going to be two enumerators for every poll?

MR. LEDGERWOOD: For every poll.

MR. FOX: Now, if the top two parties in each polling division, which I believe is the way enumerators are chosen, submit a list sufficient to provide at least one for every poll, is the returning officer obliged to use the people provided to him or her, or do they have a lot of discretion? Can they say: "We only want 20 of the 50 you've provided us. We're sending out other people." You know, what are the guidelines?

MR. LEDGERWOOD: Okay. They have great flexibility in selecting enumerators. It depends on the political parties involved. Sometimes they will provide excellent lists of people that are qualified and available to act as enumerators, and it's very easy for the returning officer to just call individuals from both lists and get the number of enumerators required. Other parties simply send in the party list, and the returning officers start calling, and of the first 25 individuals they call, none of them are available to act as enumerators, none of them want to act as enumerators. Many parties don't send any names at all. So it runs the full gamut.

MR. MITCHELL: When do you need them by? What's the cutoff?

MR. LEDGERWOOD: Okay. What we do is send a double-registered letter to the president of the constituency association of the two parties, and that letter goes out the first week of June. Each individual returning officer will normally ask for the names sometime in July.

MR. FOX: Usually July 31 or something. So a returning officer, if a properly prepared list of qualified and available people is presented to him or her, still has the leeway to say, "I don't want any of them," or "I want some of them," or "I want all of them." They have a lot of discretion there.

MR. LEDGERWOOD: They have flexibility, and they have personnel cards, so the individuals they employed in enumeration '85 who did a good job they likely employed as election staff at the '86 general election. If they did a good job, those are the individuals they will likely select for enumeration '88. If a party provided the name of an enumerator for the '85 enumeration and that individual did not do a good job, likely that individual was not employed at the '86 general election, and even if the party resubmitted that name for the '88 enumeration, it's not likely that the returning officer would select that individual as an enumerator.

MR. FOX: Thank you.

MR. CHAIRMAN: Okay; let's move on, then, to tab D. This is a new element, you were saying.

MR. LEDGERWOOD: We've been running liquor plebiscites for quite some time. Does everyone understand what a liquor plebiscite is? Is there anyone that wants any detail on that?

MR. FOX: I'm not sure what you're referring to.

MR. LEDGERWOOD: A liquor plebiscite takes place when an individual -- for example, somebody has a golf course out in an area and they want to get a liquor licence. They apply to the

Liquor Control Board for a licence. The Liquor Control Board has to advertise that an individual has applied for licensing. If you or a group of individuals does not want that golf club to have a liquor licence, then you get a petition. It takes 10 percent of the electors in the local option area to force a liquor plebiscite.

Where we get involved is, first of all, they will come to us and describe the local option area. If the boundaries are coincidental with a polling subdivision, then we're great; we just say there are X number of electors in that area, and they can figure it out very quickly. If it's part of a polling subdivision and we can make a good estimate of the number of electors in that area, we'll provide them with that information. If we can't give them a good estimate, then we actually do an enumeration of that local option area.

Once the plebiscite is called, it's exactly the same as a general election or a by-election. There's a 28-day period; there are incapacitated and absentee voting procedures provided; there's an advance poll provided; polling day hours: everything is exactly the same. The costs vary from \$3,000 for a normal one, where the returning officer is very handy to the area, to over \$8,000 for the last one in Fort Chipewyan, because the returning officer lived in Fort McMurray and had to charter an airplane every time she went up there. So, you know, she had to go up there and select an election clerk; she had to select individuals to do the enumeration; she had to train those individuals; she also had to train election day staff. Because this was the third try of individuals in the area to get a liquor licence, we wanted to make sure that it went well, because the first two were lost on a very small percentage of the vote.

MR. FOX: Did this one carry, by the way?

MR. LEDGERWOOD: This one carried.

Now, one of the problems we have is that we don't budget for general elections; we don't budget for by-elections. The Liquor Control Board cannot tell me how many liquor plebiscites they're going to have in fiscal year '88-89. The Controller, when his audit team came through our office, found that we were following a procedure which he didn't think was quite correct. What we were doing was conducting the liquor plebiscite, costing X number of dollars; we consolidated those figures; we sent an invoice over to the Liquor Control Board; they sent over a cheque to us to bring our budget back to what it was; we sent the cheque on to Treasury.

Apparently that's not the way it should be done. What happens, according to the Controller, is that we should budget for this as an expense. We submit the bill to the Liquor Control Board as normal. When their cheque comes back to us, instead of balancing our expenses, it goes into general revenue, and at the end of the year when Treasury consolidates the billions of dollars for operating the government for that fiscal year, our liquor plebiscites will be in there. The rationale for that is that it will then make available to the public the amount of money spent on liquor plebiscites.

We didn't agree with the Treasurer; we thought the way we were doing it was exactly fine. The Liquor Control Board was happy. It makes no difference to them. We submit the bills to them, and they give us the cheque. Nothing will change except that now this committee will be required to examine and approve a budget. The figure we received from the Liquor Control Board was their best estimate. I don't know what it was based on; they didn't tell us. It's a figure I have no control over. I

simply get it from the Liquor Control Board, and I put it in the budget for your approval.

Now, we have three options, as I see it. You can approve the budget as submitted, which will be fine, following the Controller's suggestion. Or we can leave it out and we can follow our current procedure. We've been audited by the Auditor General; he has never commented on this. Certainly it will be something he will observe next time; we'll some guidance from him. Or there is a provision in the Act where this committee can give me authority not to follow all the regulations that are available.

Now, if we want to get into a long discussion on it or even a short discussion, I have some background information which I can distribute.

MR. ADY: Having to do with those options?

MR. LEDGERWOOD: Well, what it does, Mr. Ady, is give the background of the correspondence I've had with the Controller.

MR. G. CLEGG: I would think it would be very hard to budget, because I don't think anybody would possibly know how many plebiscites you're going to have. You might have none; you might have five. It depends on the people in the area.

MR. LEDGERWOOD: I gave you the costs on the various by-elections. It depends on where the local option area is: how close it is to available communications, how close it is to the actual residence of the returning officer.

MR. CHAIRMAN: Pat, can you tell us where this has shown up as a budgetary item in the past then?

MR. LEDGERWOOD: It hasn't shown up at all, sir.

MR. CHAIRMAN: At all?

MR. LEDGERWOOD: No. The Liquor Control Board has budgeted for it; it's stayed in their area. We have not budgeted for it in the past. This will be the first time.

MR. FOX: Is the problem, then, that Treasury doesn't like the idea of your department receiving funds, that there is no mechanism really whereby you should be having a revenue side of your ledger sort of thing, and for that reason they'd like you to budget against a possible expenditure and that would be balanced by the General Revenue Fund income?

MR. LEDGERWOOD: What they're saying is that we can't have a cost reimbursement.

MR. MITCHELL: Does it matter to you?

MR. LEDGERWOOD: It doesn't really matter to me. It's just that I hate having something in my budget -- the other items in my budget I have absolute control over. This I have absolutely no control over.

MR. G. CLEGG: Certainly I can agree a hundred percent that you have no control. Why should you be involved in something you can't control, and nobody else? Why don't we just leave it out?

MR. LEDGERWOOD: That'll be up to the committee, and

then we'll have to . . .

MR. FOX: Do you submit an invoice? Let's say at the end of such a plebiscite, do you send a bill to the Alberta Liquor Control Board itemizing your expenses, and it's got "office of the Chief Electoral Officer" on the top of the invoice, and then they cut a cheque to you, which you in turn give to the Provincial Treasurer?

MR. LEDGERWOOD: That's exactly the system. We don't charge any operating costs or anything. What we submit an invoice for are our out-of-pocket expenses: the returning officer's fees, the hall rental, the advertising, election staff expenses, the travel expenses -- only out-of-pocket expenses. There is no 15 percent surcharge or anything; it's strictly out-of-pocket expenses. So as far as we were concerned, we had done the plebiscite in accordance with the Act and at the request of the Liquor Control Board. Our costs were billed to them, and they reimbursed our out-of-pocket expenses.

MR. FOX: Wouldn't it make more sense to handle it the way by-elections are held? If there's a special need, then there's a special warrant, and it doesn't impinge on your budget at all. ALCB would be billed for the expense by the Provincial Treasurer rather than by you.

MR. LEDGERWOOD: I can see a problem, for example, if we had three or four plebiscites next year, coming in with three or four special warrants. I'm not sure cabinet would look on that very favourably, particularly if they're only for \$3,000 or \$4,000.

MR. CHAIRMAN: Grant, you, then Bob, then Jack.

MR. MITCHELL: Actually I think you've pretty well covered my question. I was just trying to work through how you might otherwise do it. I was thinking: why not handle it like an election? But you're right; you can't be doing special warrants on it all the time.

MR. LEDGERWOOD: Certainly it's manageable this way. If the committee agrees, we will take the figure from the Liquor Control Board and put it in our budget. As I say, I don't know how they determined the estimate. On the handout I've given you, you will notice some figures on the back two pages of costs of plebiscites that we have done. If you look at Harvie Heights, we completed that with just under \$4,000 in November of 1985. They can carry out these plebiscites every three years, so it could be that we could anticipate another application for a licence from the motel operated at Harvie Heights. Harvie Heights is just outside the gates of Banff National Park, and I know that that particular individual is anxious to get a licence in his motel.

DR. ELLIOTT: Mr. Chairman, I'd like to make a recommendation. I'm going to suggest that either the Chief Electoral Officer or you as chairman of this committee pass this concern on to the Treasurer and the Auditor General and let them decide how they want us to handle it. I think that as far as our sitting here as a committee, we couldn't care less how it's done. What we're trying to do is accommodate a set of rules or impediments or whatever you want to call it that we perceive to be there as to whether the Treasurer is going to approve a special warrant for



some of these things. I don't consider it a big issue; it's taking time that it doesn't deserve. I think we can get a ruling from those people who are going to be critical. If we do it in some way that's perceived to be incorrect and somebody's going to be critical of it, let's let them tell us now. If those aren't the right people to send our letter to asking for guidance, then maybe there's somebody else; I don't know.

MR. CHAIRMAN: Is that a motion?

DR. ELLIOTT: I'd make that a motion, yes.

MR. CHAIRMAN: Okay. Are you going to speak on that motion, anybody?

MR. ADY: I guess my comments were going to relate to that. I just think it's really difficult for the Chief Electoral Officer to be expected to budget for something that can't be budgeted for, and that's really what he's got on his hands as it pertains to ALCB plebiscites. I can certainly see why he wrote his letter to the Controller trying to simplify it by just asking to be reimbursed for the actual expense. I have a little problem understanding why we have to get so bound up in regulations that that couldn't have been accomplished. Perhaps an amendment to the regulations could still accomplish it. So in view of that, I would have to speak in support of Dr. Elliott's motion.

MR. FOX: I would speak in favour of the motion but just make note of the fact that I believe Treasury's opinion on this has been expressed by their Controller, and while we may not appreciate the reasons they're asking for this sort of procedure, it would presumably be to bring practice into accordance with other departmental expenditures in terms of their legislative guidelines. So I would think all we'd need to do is just get a judgment on the correspondence from Mr. Salmon's office and see what they would prefer. Again, I'm not sure it would make much difference either way. If the Auditor General has a fairly significant amount in his budget every year for positions that aren't going to be filled -- you know, vacancies -- due to their large number of staff members, I don't think it would be a problem on an ongoing basis to have a certain amount allocated for ALCB plebiscites even if none were held. It would just be something the Chief Electoral Officer's office and our committee would have to adjust to. I'm not sure it would make a big difference either way.

MR. CHAIRMAN: Anyone else? Okay. All in favour of the motion then? It's carried.

MR. LEDGERWOOD: Mr. Chairman, I don't think we want to get into tab E. That's the computer consolidation and all of the other items.

MR. CHAIRMAN: Right.

MR. FOX: Thanks for the background on that, by the way.

MR. CHAIRMAN: Then by way of summary, are there any other comments or general questions to the Chief Electoral Officer? Okay; at this point, then, can we go off the record?

[The committee met in camera from 11:30 a.m. to 11:39 a.m.]

MR. CHAIRMAN: I'd just like to conclude by thanking Mr. Ledgerwood for coming before the committee and presenting his budget documents for consideration of the committee. We will be reviewing all of these matters and hopefully getting back to you shortly. It may result in us having to ask you to reappear to answer any further questions members may have. In the meantime, thanks very much, Pat.

MR. LEDGERWOOD: Thank you very much, Mr. Chairman. I'm certainly available at your request anytime to discuss any of the matters in the budget. Also, I would like to invite anybody that is interested to come out to the office for a tour. We will show you the facilities we have, and if you want to discuss anything on the enumeration, I'd be pleased to do that.

MR. CHAIRMAN: Right. It's very interesting. I know that those of us who visited there last time found it very helpful, and we do have some new members who may want to take you up on that particular offer. Thank you very much.

I think we'll have a small adjournment, and then we'll move on with the balance of the agenda.

[The committee recessed from 11:40 a.m. to 12:14 p.m.]

MR. CHAIRMAN: We'll come back on the record and continue our agenda. As indicated earlier, we will skip item 6 and await the report of Dr. Buck and Mr. Drobot on their conference when they return.

Item 7 is sort of a first cut at the standing committee's budget for review by the committee members. It's in tab 7. Now, again we've got a number of versions that Louise has prepared for us under A, B, C, and D, with changes only as it relates to conferences and the number of members who might attend and the nature of the air travel. Now, I don't know that we'll do much more than just have a cursory review of this at this point in time, but it does give us some information with which to look ahead and anticipate what sort of expenditures the committee is likely to encounter over the next fiscal year.

I think that at the present time Louise's indication is that as far as our current year is concerned, we are on schedule and are likely to come within and perhaps under the existing budget for the current fiscal year. We haven't produced a breakdown of that for distribution to the members at this point in time because there are still some outstanding conferences and travel, et cetera, that will be coming forward, as well as further meetings, of course, and other related matters, until the end of the fiscal year, March 31.

I think what we did prove in our last budget was that notwithstanding our difficulties in trying to ensure that there would be an adequate amount actually budgeted for to provide two members per conference and utilize economy airfare, we were able, through some flexibility, to achieve almost the same sort of a situation, where we have members that have been able to attend, as we all think it's important to do, those conferences. I don't know that we've had any situation where we've had to virtually say, "No, I'm sorry; because of budget reasons you can't go."

Maybe we should just review, first off, because that is a major element of the budget, what might be anticipated by way of conferences for the next year. Louise.

MRS. KAMUCHIK: There are four conferences scheduled for next year. The first one is in July, which is the Conference of

Legislative Auditors. As you know, the committee attends the public accounts conference. That one's going to be held in Edmonton, so there should be a saving on travel expenditures. The Canadian Ombudsman Conference will be held in late October; it will be in Quebec City. The Canadian Comprehensive Auditing Foundation haven't established the location, but it's always in Montreal, Toronto, or Ottawa. The last one is COGEL; it will be in New Orleans, in Louisiana, and that's always in December. So those are the four conferences.

The budget estimates were prepared, as the chairman outlined, with attendance by either one or two members. There's a great difference in airfare if one travels economy as opposed to excursion, and the budget estimates reflect those different rates.

MR. FOX: Excursion is cheaper?

MRS. KAMUCHIK: Pardon me?

MR. FOX: I'm sorry. What's the difference between excursion and economy?

MRS. KAMUCHIK: If you're going to New Orleans, for instance, the economy fare is \$971, as opposed to excursion of \$435. Quebec City, economy is \$1,086 and excursion is \$516; Montreal, \$1,006 and excursion is \$435.

MR. ADY: Louise, on that point, the big risk we run in dealing with excursion rates is this thing of having the reservations 30 days ahead and the difficulty in canceling if something goes wrong, isn't it?

MRS. KAMUCHIK: Right. With excursion you have to stay over a Saturday night -- you have to stay a weekend -- and there are some restrictions applicable to cancellation. Usually for family illness or family loss you should be able to get a refund. Sometimes it will be \$50 nonrefundable, \$100 nonrefundable, depending on the terms of the seat sale at the time of reservation.

Bookings: the maximum will be 30 days ahead of time. It could be as little as 15 days ahead of time, again depending on the seat sale.

MR. ADY: Well, it's not really a very difficult thing for us to plan that far ahead to take advantage of excursion rates. I guess the only thing is that we are at risk, to some extent, of losing the full amount of the excursion rate if somebody just decides they can't go for reasons that aren't valid to the airline.

DR. ELLIOTT: Substitution is not acceptable from the committee?

MRS. KAMUCHIK: It happened one year when we had gotten a seat sale to go to the Canadian Comprehensive Auditing Foundation in Montreal. The member who was scheduled to go couldn't go and I couldn't find anyone else to go, so we lost \$325. It's the only time it's ever happened.

MR. MITCHELL: Can you transfer or exchange with somebody.

MRS. KAMUCHIK: I don't see why not. It's not like going through customs, where they check the name against the bearer of the ticket, so I can't see why not.

DR. ELLIOTT: Mr. Chairman, on that discussion about fares for the number of meetings, is there another Australia kind of thing hiding in the wings or something?

MR. CHAIRMAN: Certainly not in this next fiscal year.

MRS. KAMUCHIK: The international one is once every four years, which is the Ombudsman Conference. So after Australia it would be another four years before there's another one.

DR. ELLIOTT: Thank you.

MR. CHAIRMAN: You'll notice that budget C, which does in fact include two members per conference, which I know a number of the members of our committee feel strongly about, based on the excursion fare, does bring us almost within dollars of the budget in total. But with the 1988-89 it seems to me that if we were to come in with a budget of equal bottom dollars approximately, hopefully that's something the committee could probably recommend. I think it still has shown that we can exercise the degree of flexibility the committee wishes relative to participation in those conferences.

MR. FOX: Mr. Chairman, one thing to consider. The reason we're able to suggest a C budget that is something less than the current fiscal year is because one of the conferences is held in Edmonton. That might get us into a problem in a subsequent year when the travel demands on the committee are somewhat greater. Whoever reviews our budget will compare it only to the '89-90 budget and see a projected increase when in fact, compared to the '88-89 budget, it may be relatively the same amount. I just raise that as a possibility.

MR. MITCHELL: But you can't budget for money you don't need.

MR. FOX: No. I know.

DR. ELLIOTT: We'd just point that out to anybody that wants to make an issue out of it.

MR. ADY: There should be a note to the budget submission, the reason why it was reduced.

MR. G. CLEGG: I don't know why you're worried. You won't be here anyway after what we heard this morning; they're going to cut that constituency out.

MR. ADY: Be a member at large.

MR. CHAIRMAN: Let's leave the travel area aside for a moment and look at some of the other line items; in particular, the bottom one, which is the next largest area for expenditure. We've assumed four meetings of this committee throughout. That's about what we've done this past fiscal year, I think, and hopefully that's sufficient to handle the business of the committee unless something very unusual crops up.

MRS. KAMUCHIK: This is also four meetings outside of session.

MR. CHAIRMAN: That's right; outside of session.

MRS. KAMUCHIK: You could still have many meetings during session, for which you don't claim.

MR. CHAIRMAN: Right. It seems to me that's probably a realistic number, and the only one that . . . Why is this changed, this \$5,500 in the B budget? That should be the same, shouldn't it?

MRS. KAMUCHIK: No, because you have one member going or two members going. You see, in the B budget there's only one member going to the conferences.

MR. CHAIRMAN: Oh, right. Okay.

MRS. KAMUCHIK: So the daily indemnity changes.

MR. CHAIRMAN: I see.

MRS. KAMUCHIK: And you're back up again in C because you're back to two members.

MR. CHAIRMAN: So any comments or suggestions with respect to the bottom category -- Payments to MLAs, Indemnities -- and the number of meetings we would be anticipating? Do you think that's realistic?

DR. ELLIOTT: Well, we have a total of \$10,355, and I understood from the explanation that that includes the per diems for two MLAs on those visits to those conferences.

MR. CHAIRMAN: Yes.

MRS. KAMUCHIK: Yes, it does.

DR. ELLIOTT: Plus four meetings like this a year.

MRS. KAMUCHIK: Yes, that's right. It also includes two members going to the public accounts conference next July. Even though it will be here in Edmonton, you're still entitled to claim.

MR. ADY: A question on that. We discussed this once, and I don't recall what conclusion we came to as to how many of this committee would be attending that conference in Edmonton. What was the conclusion?

MR. CHAIRMAN: The one that Louise is speaking of?

MR. ADY: That will be hosted here, that she's speaking of.

MR. CHAIRMAN: I don't recall that we've had any discussions on that.

MR. ADY: I thought we did.

MRS. KAMUCHIK: Not on the record.

MR. CHAIRMAN: We discussed, obviously, the Ombudsman Conference, which was held here . . .

MR. ADY: Oh, okay; that's what I'm thinking of.

MR. CHAIRMAN: . . . which is a similar sort of situation

really. As it happened, a number of us did attend, you know, a variety of parts of that program and, indeed, participated.

MR. FOX: I think we should expect that same sort of involvement. We are the hosting province, and if we can be of any assistance to the Auditor General in terms of hosting delegates, taking part in sessions, or whatever, I mean, it's here and it's our responsibility. Again, likely none of you will have the opportunity to go to another one in our province given the 11-year time line here.

MR. MITCHELL: I have to agree with you, Derek.

MR. G. CLEGG: He's dreaming.

MR. CHAIRMAN: What is your wish, then, with respect to this? Do you want to just take this under advisement at the present time and have a full-scale discussion of this when we deal with the other budgets at a subsequent meeting, or do you want to make a decision with respect to our committee budget at this point in time? This budget, by the way, is submitted to the Members' Services Committee. Have they got a sort of time frame within which they want to hear from us?

MRS. KAMUCHIK: They're meeting on December 5, but I don't know if they're going to review budget estimates at that time. Last year, as you may recall, the discussions began in January and concluded in February. So it might be earlier this year; it might be later. I'm not sure. We haven't received any indication of that yet.

MR. FOX: Well, Mr. Chairman, I don't see any reason for us to not approve a budget and submit it for consideration, you know, coming out of this meeting. I'd like to make a motion that we approve the budget estimates as presented under item C as being a realistic and attainable budget objective for the committee in the '89-90 fiscal year.

MR. CHAIRMAN: Okay, that's the motion. Anybody wish to address that motion before I call for a vote?

DR. ELLIOTT: I have a question first. The difference between A and C is the airfare, which you pointed out to us, Louise.

MRS. KAMUCHIK: That's right.

MR. MITCHELL: Are we able to get excursion fares to all these places?

MRS. KAMUCHIK: Yes.

MR. MITCHELL: At the right time?

MRS. KAMUCHIK: Yes, as long as the members give me enough warning.

MR. CHAIRMAN: Which is approximately how much time?

MRS. KAMUCHIK: I would say 30 days.

MR. G. CLEGG: Minimum.

MRS. KAMUCHIK: Minimum.

MR. ADY: Just as a point of discussion, we have a fair amount of leeway between budget A and budget C in Travel Expenses. I just wonder if we want to discuss leaving some flexibility there for the chairman to be able to travel at his or the committee's discretion to additional ones, as opposed to just falling into the one, perhaps, during the year.

MRS. KAMUCHIK: Well, it's been the practice . . . [interjection] I'm sorry; go ahead.

MR. FOX: I'm sorry. I was just going to say that the chairman is a member of the committee and has the opportunity to go as a member of the committee to any of the conferences. I think that provision is there.

MRS. KAMUCHIK: It's just unusual that the chairman didn't get to go this year on any conferences.

MR. G. CLEGG: Well, he can go to Edmonton next year.

MR. FOX: Well, living in Calgary and going to Edmonton is a holiday for anyone.

MR. CHAIRMAN: I think the practice in the past has been that the chairman is just considered to be another member of the committee and takes his chances on the various conferences like any other member.

MR. FOX: I've said before, Mr. Chairman, and I think it should be reiterated, that the committee try and send the Liberal member to the committee on government ethics and cross our fingers.

MR. CHAIRMAN: No comment from the Chair.

DR. ELLIOTT: Agreed.

MR. MITCHELL: Couldn't you say something to censure this guy?

MR. CHAIRMAN: We have a motion from Mr. Fox that we approve in essence budget C as the budget to be submitted to the Members' Services Committee. Is it agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: It's carried. That's that.

Now, on item 8, Other Business, I just want to circulate to you a response from Mrs. Ivany. I sent a letter to her on behalf of the committee expressing sympathy on the death of Randall Ivany. This is a response from her, which I'll just circulate if you wish to look at it.

Are there any other items to come forward? Mr. Mitchell.

MR. MITCHELL: Yeah, Mr. Chairman, I would like to discuss briefly the reporting format of the budgets for the Auditor General and the Chief Electoral Officer, and I guess it will have implications for the Ombudsman. For some reason I was more comfortable with the presentation of the Auditor General, although there was important information included in the Chief Electoral Officer's presentation. I just wonder if we could get them to use one standard terminology, because, one, I think they're using "estimate" and "forecast" differently, and two, if

we could use the Auditor General's format with the previous year's actuals, then we'd have a hybrid of the two, which I think would be really just about perfect for me.

MR. FOX: You mean you'd like the AG to include the previous year's actuals as well?

MR. MITCHELL: Yeah. Then I guess what I'd like the Chief Electoral Officer to do is to provide a forecast and then use "budget" instead of "estimate." I believe it is helpful to have. The Auditor General is making some prediction about what his actual expenditures will be when he talks about forecast. He shows, for example, that there is a difference between budget and what he expects the actual to be. I think that's very helpful, and we don't get that from the Chief Electoral Officer. At the same time, I think the previous year's actuals are very helpful, and we don't get those from the Auditor General.

MR. CHAIRMAN: Okay.  
Any others?

MR. MITCHELL: How would that be done? Could you write a letter to them and sort of outline it?

MR. CHAIRMAN: Yes. I recall that this matter did come forward a year ago, and we did have some confusion at that point in time in trying to understand exactly what was meant by the various labels that were put to the columns. I think that would be a helpful thing, and I'd certainly be willing to drop a note to them and see if we can't get consistency in that regard. Would you wish, for purposes of this year, to sort of have them run through the thing with the appropriate labels on the top? That would mean one more piece of information coming from the Chief Electoral Officer.

MR. MITCHELL: That might not be a bad idea.

MR. CHAIRMAN: His biggest item, of course, is the enumeration. As I heard him this morning, it appears that he will soon have all the information, that he should be able to forecast even up to the end of the fiscal year on what sort of actual expenses might be encountered. So we might be able to get that from him. We can raise that with him. Okay, we'll do that.

Any other item?

Our next meeting is scheduled for November 30. I know Mr. Gogo will not be able to make that particular meeting, and I know Louise has canvassed members to see whether or not another alternative date might be suitable. It happens that two other dates were checked out with at least some until she ran into the point of finding that a lot of people were just not available for either of those two dates. So I think we'll ride with the 30th. That's the one we gave you in the first instance, and I know a lot of you have plugged that date into your calendars, so I think we'll go with that date on the 30th. Is that all right?

MR. MITCHELL: So there isn't one tomorrow?

MR. CHAIRMAN: No. There never was one.

I think at that next meeting of November 30 we will have two major matters. One is that the Ombudsman will be available to us to do the sort of review we asked each of the two officers today to do. So we will receive the budget estimates from the Ombudsman. The other item of business, depending upon

the wishes of the committee, will be to return to the budgets of the Chief Electoral Officer and the Auditor General to see whether or not we're in a position to make recommendations and to finalize those two particular budgets.

The other area we'll have to deal with very shortly -- and Mr. Fox raised this earlier -- is the matter of consideration of salary adjustments, if and to what extent salary increases are going to be granted by this committee to its officers. I think Mr. Fox's suggestion was that we should allow sufficient time for that particular discussion as well and perhaps involve Jim Dixon or at least information from Jim Dixon that might be helpful to us to get some objectivity into this thing. I think what we'll do, Louise, is try to assemble as much information as we can that would be helpful for the committee. Obviously we do have a lot of that information now from the Chief Electoral Officer, but I think we can add to it. Then if members wish to have Jim Dixon here personally or whatever to answer any questions, I'm sure he would be willing to do so. But in any event, that may be another item, depending on the time frame available to us on the 30th. We've got two hours only, so it indeed may be just the Ombudsman; I don't know. We'll have to play that by ear and make sure we utilize the two hours well but not try to cram too much into them.

MR. G. CLEGG: Can I ask why we only have the two hours?

MR. CHAIRMAN: I've just forgotten. There was some difficulty in having the full period normally.

MR. FOX: Is that in your schedule, Mr. Chairman?

MR. CHAIRMAN: I beg your pardon?

MR. FOX: I could stay longer on that day.

MR. CHAIRMAN: I've just forgotten the circumstances, but I know we checked that out with members at the time and there were sufficient people that said they could manage between so-and-so and so-and-so but not beyond sort of thing. I've just forgotten what the circumstances were. I think it's important that we at least hear from the Ombudsman at that point in time, and that will bring that particular office up to scratch with the other two in our progress on budgets. So that will be our number one

item, and we'll proceed from there as time permits.

Okay. Any other business? Let the record show . . .

MR. FOX: Well, I'll be. If it isn't . . .

MR. GOGO: Better late than never.

MR. CHAIRMAN: John, we are currently at Other Business on the agenda. We'll do our best to bring you up to date after we adjourn.

Item 9 is our next meeting, and I was indicating to the members that because of your unavailability on November 30, we had canvassed two other dates to see whether or not we could move. We unfortunately found there were three-plus or something like that unavailable on those other dates.

MR. GOGO: The 22nd is not good?

MR. CHAIRMAN: The 22nd and the 28th are the two we canvassed. December 2 was the other suggestion, and unfortunately the Ombudsman can't make it on that one. So I guess we're stuck with the 30th. It's only going to be a two-hour meeting, so essentially what we will be doing is receiving and reviewing the budget of the Ombudsman, and that may be pretty well the only item on the agenda at that time. So we'll have to call a subsequent meeting for purposes of further consideration by the committee of those budgets before they're finally determined.

If there's no other business, then I'll receive a motion for adjournment.

MR. GOGO: Well, I could make that.

MR. CHAIRMAN: Moved by Mr. Gogo.

MR. GOGO: I came in lots of time.

MR. CHAIRMAN: All in favour?

HON. MEMBERS: Agreed.

[The committee adjourned at 12:42 p.m.]

