

[Chairman: Mr. Bogle]

[9:09 a.m.]

MR. CHAIRMAN: The meeting can officially begin. It should be noted that Tom Sigurdson will be a little late this morning. He has a family matter.

MR. TANNAS: And Derek will be late as well.

MR. CHAIRMAN: And Derek will be late as well.

Mr. Salmon, we're pleased to have you join us this morning so that we might review the 1990-91 proposed budget for the office of the Auditor General. What we'd like you to do is make some opening comments. We'll then go through the documentation, and members of the committee will ask questions where appropriate. Any matter which is deemed to be sensitive we can handle in one of two ways. Either we hold that matter until the end, when we would go in camera, or if it is a matter that requires explanation and you think it's going to be quite lengthy, we could go in camera at that moment. It's the Chair's preference that we would do that at the end, and at the same time we'd deal with a comparison that we've done in terms of other jurisdictions.

So without any further introductory remarks from myself, I'm pleased to turn it over to you.

MR. SALMON: Thank you, Mr. Chairman. I have with me Andrew Wingate, the Assistant Auditor General, and he'll be able to answer some of the more detailed questions if we get into some things where we want to get into the background.

I think what I'd like to say is that the budget presentation that we've provided to you this year is similar to last year in that we were able to include the forecast, which is sometimes difficult to come by if it's too early in the year, but certainly we feel quite comfortable with the forecast. We've done our best to relate the present budget to our forecast rather than to look at budget to budget, because that really does give us the opportunity to weigh matters and to determine where we're going in another year.

One of the factors included in this budget which I'm sure will be discussed by this committee will be our vacancy rate, which is of course whether or not we're able to fill the positions that we have and on this budget, which we did a year ago, worked on a 6 percent vacancy. The forecast has indicated it somewhat higher, but we do feel inclined to try to go back to the 6 percent because it is a target that we'd like to try to attain. There have been some recent indications that that is a little bit more possible because of some of the hirings and some of the things that have gone on within the office recently, with some of our students now becoming CAs and CMAs and able to move into the supervisory role.

So with that mind – and hopefully it's well enough presented – we would be happy to address any line item or any detailed item if it will help the committee to understand the budget. So I'll turn it back to the chairman.

MR. ADY: These are questions on the budget that you're prepared to entertain?

MR. SALMON: Yes.

MR. CHAIRMAN: A general question?

MR. ADY: No, it has to do with the manpower component. Just so I don't have to do the arithmetic, can you give me a

percentage of change on the manpower component, the cost of manpower component?

MR. SALMON: From budget to budget?

MR. ADY: Yes.

MR. SALMON: Three point zero two percent.

MR. ADY: Thank you.

MRS. GAGNON: Mr. Chairman.

MR. CHAIRMAN: Yolande.

MRS. GAGNON: How many people actually work for your department?

MR. SALMON: We have a complement of 181 including myself.

MRS. GAGNON: And you feel that all of those positions are necessary? We got a comparison printout with other provinces, and Ontario, for instance, supposedly has only 115 positions. Why are you high on staff?

MR. SALMON: I appreciate that question. In fact, that's a very good question, one which I can talk on for quite awhile. This question has been raised before; it's an interesting one. The office has been approximately 180 staff since the commencement of the Auditor General Act in 1978. At that time, with the inclusion within the Act of the opportunity to use agents, it was a conscientious decision by the office to try to hold that complement to 180 and to not expand that on the basis of manpower in view of the opportunity we could have of using firms of professional accountants to assist us in our auditing work. If you actually analyzed the role of the Auditor General in 1978 and today, there have been a number of additional jobs that have come into our responsibility. We've been able to utilize the agencies to maintain that level and to also have that private-sector involvement with the office, where we learn and they learn from our association.

The interesting thing about comparability between provinces in a general sense – and I'd certainly be happy to talk on an individual basis if you like; I'm very familiar with each one of the auditor generals in Canada personally as well as with their offices – is that the mandate differences cause a difference in size. With the office of the Auditor General of Alberta we were given the mandate to be responsible for all of the auditing of not only the government and departments but also the provincial agencies that were under the purview of the province; a hundred percent involvement. And in doing so, it meant that we had to have a fairly large coverage of staff to be able to handle all things throughout Alberta. There is no other province in Canada that has the full mandate. Therefore, because of the nature of their work, there are some Crown corporations and other areas that are government entities that they do not have jurisdiction over. There is actually one province that even has a mixed-up situation in their mandate – I'll just mention that one – where they do not actually do the audit of the financial statements of the province, which is a little unusual. A CA firm does it.

In Alberta there has been no government involvement with

the appointment of any auditors. Any auditors that we use are appointed by the our own office, and it's our decision as to who does the job. Those firms work directly for us; we pay the bill and we control the work. So that is one of the basic reasons why there's a difference.

MRS. GAGNON: Thank you.

MR. NELSON: Do you think you could tell me: have you met the Treasury Board's target for 1990-91? Have you been given a target?

MR. SALMON: We are never given a target.

MR. NELSON: You're not? Why not?

MR. SALMON: The Treasury Board does not send us the material. They do not interfere with any of the offices of the Legislature directly. Now, we know what those targets are because we're able to indirectly find out from the Budget Bureau through our contact, but we don't receive anything in the mail. They never give us any direction and have never interfered in any way.

MR. NELSON: A question regarding the Materials and Supplies in your budget here, an increase of some \$13,500. Is this inflationary, or is it additional supplies you feel you're going to require? What's the reason for that increase?

MR. WINGATE: Printing paper.

MR. SALMON: That's mostly paper.

MR. WINGATE: It could be the micros.

MR. SALMON: Yes. Part of it would probably be inflationary, the trend and what's happened over the past few years with the cost of the paper. There will be a slight increase in paper usage with respect to the aspect which you'll eventually get into, I know, with respect to the microcomputers we're purchasing.

MR. NELSON: Because that's about a 13 point something percent increase.

MR. SALMON: Yes. It's made up of about 10 or 12 different items. You get those spread around and a little bit of interest here and there . . . Most of it is paper product though.

MR. NELSON: Can you identify those items that may have the largest impact?

MR. WINGATE: Okay. Forms and printing have gone from - I'm doing a comparison . . .

MR. CHAIRMAN: Excuse me. Do we have the page you're looking at?

MR. SALMON: No, it's the detailed background, so we'll just give it to you.

MR. WINGATE: It's the background material that we've got. In comparing the forecast to the budget, on forms and printing we're going from \$20,000 to \$23,000, and on printer paper we're

moving from \$10,000 to \$15,000, which is a 50 percent increase.

MR. SALMON: Part of that's usage.

MR. WINGATE: Audiovisual materials are moving from \$5,500 to \$10,000. So those three items that I've mentioned explain quite a large proportion of the increases.

MR. NELSON: What's the audiovisual?

MR. WINGATE: This is material for our classroom, and we use it for training purposes. Since we're buying a number of micros, we feel that quite a bit of training will have to be provided on some aspects of the software that we're going to be mounting on those machines. So we have made an allowance for audiovisual materials, which is about the cheapest way of getting that training across to our staff.

MR. SALMON: We've used the opportunity to professionally develop within the office rather than an extensive amount on the outside. There is a certain amount of things that have to be done, but most of our training of our student-level individuals and our supervisory levels is done in-house, and that helps us a tremendous amount in costs.

MR. WINGATE: But the printing paper is undoubtedly due to the increase in micros.

MR. SALMON: Yeah.

MR. WINGATE: We're anticipating increased usages of that.

MR. NELSON: With the purchase of this high-tech material and things of this nature, this would supposedly make your office more efficient, I presume.

MR. SALMON: Yes.

MR. NELSON: In making it more efficient, should we not be looking at some decreases or some leveling off of manpower in some respects? Your manpower cost is going up \$675,000, which is - what? - 10 percent in salaries and wages.

MR. SALMON: Where do you get the \$600,000?

MR. NELSON: Well, I've just jumped away from there up to your manpower forecasts.

MR. SALMON: Well, part of that increase in manpower, of course, will be from moving from - in the forecast we've got 10 percent vacancy; we're moving to 6. Plus you've got to consider the increases that are awarded to not only management but also nonmanagement.

MR. NELSON: What kind of increases are you projecting for staff, management, et cetera, this next year?

MR. SALMON: We've included within the budget a figure of \$242,000. That figure would be equal to approximately a 4 percent increase.

MR. NELSON: That's across the board?

MR. SALMON: Well, yes, that's the calculated figure, the estimated.

MR. NELSON: Yeah. Okay. I understand.

MR. WINGATE: The increase between forecast and budget is 8.1 percent, and as Don said . . .

MR. SALMON: Part of that is that 4 percent vacancy.

MR. WINGATE: Oh, out of that is the 4 percent that we've allowed for salary increases, but the rest is the reduction of the vacancy factor that we're budgeting, going down from 10 percent to 6 percent.

MR. NELSON: Go ahead and ask someone else. I don't want to take over.

MR. CHAIRMAN: Okay. Yolande, and then Alan.

MRS. GAGNON: Just for clarification. The last column: is that the actual?

MR. SALMON: The last column is last year's budget.

MRS. GAGNON: But is that an actual of the figures spent?

MR. SALMON: No, that's the last year's budget as approved by this committee.

MRS. GAGNON: So we have no actuals. We don't know what you've spent anywhere really.

MR. SALMON: The middle column is the estimated for this current year, based on actual plus what we've got for three or so more months to go.

MRS. GAGNON: But we have no idea if that budget in '89-90 was actually spent exactly in that fashion, et cetera. This was just last year's approved budget, and we don't have the actuals.

MR. SALMON: Well, we're not there yet. We won't be there until the end of March.

MRS. GAGNON: Okay. And you don't have the . . .

MR. SALMON: See, we're talking about the budget to March '90; this is March '90. The middle figure is what we project we will spend by the end of March.

MR. WINGATE: As Don said earlier, we're very confident that the figures in the forecast will be very close to actual.

MR. HYLAND: Because you've got three-quarters of the time . . .

MR. SALMON: Yeah, we've got three-quarters behind us this year; that's right.

MRS. GAGNON: But sometime you'll get a breakdown of budget spent to date or, you know, that kind of thing. You don't do that?

MR. SALMON: Budget spent to date plus projected three and a half or four more months included in the middle column is what this is. This is actual plus a projected four more months.

MRS. GAGNON: Okay. And at the end of March, then, would we see the actual?

MR. SALMON: This is what we're predicting that it'll be, about \$10,675,000, and our auditors, of course, will come along with financial statements and tell exactly what we've spent.

MR. CHAIRMAN: Okay. Alan, and then back to Stan. Anyone else?

MR. HYLAND: Okay. My questions are related to the list of audits to be performed by agents.

MR. CHAIRMAN: Schedule 1? Just let everybody get to that page first, Alan. It's not numbered, but schedule 1.

MR. HYLAND: It shows the different organizations that have agencies auditing them, and my question is . . . You know, there are some fairly substantial amounts coming out of there, like the University of Lethbridge is - what? - \$50,000 or something; \$53,000. And then we go to things in smaller towns like the irrigation districts. Who does the auditing on them? Is it local guys, or do we continue to bring people in from the big city?

MR. SALMON: All of the irrigation audits are done by local firms except for the very small irrigation districts. There are about four small irrigation districts that are not with firms. We've handled them because of the size.

MR. HYLAND: You've handled them yourselves, not an agency?

MR. SALMON: Yes, that's right. But out of the 14 irrigation districts, there are at least 10 that are done by agents.

MR. HYLAND: What about Taber, for example, because that's in a small town?

MR. SALMON: It's a local firm.

MR. CHAIRMAN: In Taber?

MR. SALMON: Yes. And the same firm does Bow River; they do both of them.

MR. CHAIRMAN: On this point, Don, I've got . . . [interjection] Go ahead, Alan.

MR. HYLAND: Okay. Now, like U of L, where you get a fairly substantial audit, is that a Lethbridge organization?

MR. SALMON: Yes. Lethbridge Community College, as well, is done by another firm in Lethbridge.

MR. HYLAND: So Medicine Hat College is probably the same thing?

MR. SALMON: It was. Medicine Hat is on a rotation. We're doing it, and it will be going back out. It's just one of those

changeovers. It's been out for a number of years.

MR. CHAIRMAN: To a firm within the city?

MR. SALMON: Uh huh.

MR. HYLAND: Do you rotate it? Do you do it sometimes?

MR. SALMON: Yeah. We rotate it back for a couple of years, and then we put it back out.

MR. CHAIRMAN: And that goes for them all?

MR. SALMON: We try to put them all on rotation; that's right.

MR. CHAIRMAN: Jack, were you a supplementary on this point?

MR. ADY: On the irrigation districts.

MR. SALMON: Except for some of the smaller towns where we have just kind of hung on to them because they're doing a good job of it, and you can't really rotate because there's not a lot of opportunity. But where we could, we have.

MR. ADY: I'd just like to come in on the irrigation districts, primarily because I have six of them in my constituency. I notice, just in a quick count, that there are six out of the total 13 irrigation districts that you have performed by agents. Do you not assign those small ones out to agents because you don't think that the agents there locally would want to do them because they're so small, or what's your reasoning? I would think that the local accounting firms would be anxious to do those.

MR. SALMON: Well, one of the problems a considerable time back was that we were not getting a good job done by those very little ones, and we had a little bit of a problem. Then the individuals involved got involved in management of the irrigation districts, and therefore it wasn't proper for them to be agents. Some of the little ones are so small you have to be careful of what the fee might be, and it gets a little bit out of hand. I do think there is a possibility of one or two or maybe even three others that could go. We just have to find the right people that we would feel comfortable with.

MR. ADY: One more question on that.

MR. SALMON: I think we're doing seven.

MR. ADY: Okay. If an accounting firm is involved with one particular irrigation district, retained by them for some purpose, does that mean, then, that he could not be an agent for another one?

MR. SALMON: Well, there was one case where the principal CA in an accounting firm was the manager of an irrigation district, so that's why we had to pull it back.

MR. ADY: Okay. But would that only apply to that one particular irrigation district?

MR. SALMON: Yes, just the one. If they're independent of

the others, it wouldn't matter.

MR. ADY: Okay. So he could still be eligible as an agent to act for the others?

MR. SALMON: Yeah.

MR. ADY: Okay. So you're going to review that to see if . . .

MR. SALMON: Yes, we do periodically. We have a number of the smaller firms who have submitted what we call résumés of their firm and the things they can do, and we'll be weighing those and considering them.

MR. CHAIRMAN: Okay. Stan, and then Don.

MR. NELSON: I've developed a couple more since then, so it's nice to get in. The two questions I have . . . [interjection] Yeah.

The vacancy factor you're talking about is a 10 percent vacancy presently, or has been this past year, and you're endeavouring to bring it down to a 6 percent vacancy factor. Assuming that you had a full complement of staff, would there be a reduction in the amount of money you would need to spend as outlined in schedule 1 in your presentation here? If not, with the complement of staff you have presently, are you in fact concluding the audits that you do? And I guess thirdly, if you're able to conclude that work under the present condition, why would you not want to reduce the size of your staff by that 6 percent?

MR. SALMON: That's also a very good question. Firstly, I would say that if we were to maintain the 6 percent, there would not be a reduction in agency work. Secondly, the audits we're doing of a financial nature, the actual financial statement audits where I actually sign an auditor's opinion on those particular financial statements, are all being done and, we feel, in a reasonable time. We've not been faced with any problems other than internal problems. They're all being done by our staff or by the agents, and those opinions are issued as quickly as we can get that work done.

Thirdly, and the interesting thing about our office, is that under the Auditor General Act, under section 19, I have a responsibility to examine not only accounting systems but also management control systems. Those are done on the basis of selection by our staff and priorities established by senior people within the office and myself. That work is done on the basis of the amount of time and availability that we have with our staff. It isn't a case of saying that we are ever completely, fully, all done; it's a case of there's always something we could be doing. So it's a case of where we have the hours and the staff, we will do as much as we can. Where we can't do it, where we lack it, then we would do less. That means the opportunity to review some of the systems may have to be postponed. So it really is a case of how much you can do based on your manpower.

Now, we feel very comfortable that if we could maintain a 6 percent vacancy rate, we could easily keep all of our staff busy and we'd be doing a reasonable level job. What happens when we slip back, as we've done this year and done several years, is just that things don't get done. That's where we have to set priorities and determine what are the most urgent and most important things to do.

MR. NELSON: Thank you. I guess the other question I have is related to the purchase of fixed assets. You've got a budget of \$138,000. Your forecast is \$403,000. Your 1990-91 guess-timate is \$228,000. The jump in your forecast as against your budget is caused by what?

MR. SALMON: It's caused by a decision to utilize the opportunity in 1989-90 to move this year rather than next year on the process of obtaining laptop computers for our audit supervisors in the field. It has become essential that we keep moving on this technology business to stay on top of needs, to be efficient with respect to auditing and also in our working paper review and things that we do in that line. It was the case that the pressure was building to either do it next year or this year. And because of our need to move, we felt we could split the purchase between the current year and the next year, based on the fact that we've got a high percentage of manpower dollars not being used. By the end of next year we will have the complement that we need. That's why you're seeing those differences. There has actually been a transfer between Manpower and Fixed Assets of \$285,000.

MR. TANNAS: Can I ask you a question on that point?

MR. SALMON: Maybe you just want to add any . . .

MR. WINGATE: The other thing that influenced our decision and the reason that we moved this purchase forward from next year was the fact that this September the industry started producing portable microcomputers using the 386SX chip. We've been waiting a long time for the 386 chip to become available in the SX version. The SX version is a cheaper version of the 386 chip. So it was the availability of the sort of machine we were interested in that also influenced our decision to bring it forward. Our feeling is that the 386 is the uppermost important chip in the '90s, so we feel confident that it's going to have a life span of between five and 10 years. Ten years is a bit long; maybe five to seven.

MR. SALMON: At least five, I'm sure.

MR. WINGATE: But at least five. So that will so influence our decision.

MR. SALMON: We wrote schedule 2 hopefully to . . . I mean, it's a little technical to get into the terms and stuff like that or the types of equipment, but it was to try to give that flavour and that understanding of the reasons why.

MR. NELSON: Hey, I don't even understand all those numbers.

MR. CHAIRMAN: Don, you're next on the list in any event.

MR. TANNAS: Okay. I just wanted to ask - I have an imperfect understanding of how government budgets work, but I didn't realize that you could move money from one sort of category to another. Wouldn't you, as an Auditor General, jump on a department if they were shifting money around?

MR. SALMON: Well, they have to go through a formal process to do that.

MR. TANNAS: And that was done?

MR. SALMON: Yes.

MRS. GAGNON: This isn't a school board.

MR. SALMON: Now, that raises an interesting question, and I hope you'll raise it, or let me mention it before you do.

MR. CHAIRMAN: I was going to, relative to salary and wages.

MR. SALMON: What we did is not what I think was right, but there is no other provision at the present time to do it. That is, there is a process whereby you submit a document to the Treasury Board, and the Treasurer and the Deputy Provincial Treasurer have to sign it. Now, they don't want to sign that, because I'm the Auditor General.

MR. CHAIRMAN: But in a department what happens is that it is . . .

MR. SALMON: That's what they do in a department.

MR. CHAIRMAN: No, in a department it is first submitted to the minister. The minister must sign it. It then goes to the Treasurer and . . .

MR. SALMON: No, we probably should have come to the committee, but we've never done that in the past because it's only been done two or three times in the past. We just sort of said, "Well, we'll do it, and then we'll talk to you when we come and talk about the budget."

MR. CHAIRMAN: Unless the process has changed over the last few years, the department can move dollars around within the vote, but to make a more substantial move requires the documentation referred to. What I wanted to get to is this, because I don't have a further breakdown before me and this is the first time I've gone through your process: is this one vote, or are these a number of votes within the office of the Auditor General? In other words, how . . .

MR. WINGATE: One vote.

MR. CHAIRMAN: It's one vote?

MR. SALMON: There's one vote, but there is a need, if you transfer from Manpower. That's the problem.

MR. CHAIRMAN: Well, do you see any difficulty in going to the practice? Because following up on Stan's comments, we're projecting a \$313,000 surplus in our Salaries and Wages category. If you wish to move those dollars to any other area, do you see any problem in coming back to the committee?

MR. SALMON: Yes, I would have preferred to have talked to the committee, but this was something we'd proceeded with and decided we'd do it today.

MR. CHAIRMAN: Talking about the future, talking about 1990-91.

MR. SALMON: Oh, okay.

MR. CHAIRMAN: We're working on the future.

MR. SALMON: If there was any need to change, I'd prefer to come back to the committee first. That would be my preference.

MR. NELSON: Any significant change.

MR. HYLAND: Well, any time you do manpower . . .

MR. SALMON: If it's manpower.

MRS. GAGNON: I guess the question is, once you've removed it, you've decided to use the money, you know, elsewhere, but you also want to get back to your needed complement of staff. You would now have to wait a whole budget year before you could proceed to do that because the money has already gone into computers.

MR. SALMON: No. The budget is presented in the right-hand column exactly the way it was approved last year. The forecast is an internal process where we have shown you exactly the way we think it's going to be in the current year for the actual. The budget here is the way it should be for the new year. So that's why on that bottom line of Fixed Assets it shows up: Computer Equipment is so much higher than the budget figure in the right hand column.

MRS. GAGNON: Right. Again, just to follow up – and maybe I don't understand – it means that internally you can monkey around with this a lot.

MR. SALMON: Well, for the current year we're going to spend some manpower dollars to buy the computers. Just for the current year.

MR. WINGATE: The reason for that is that we originally budgeted \$7.874 million for salaries and manpower and we anticipate that we're only going to spend \$7.5 million. The principal reason for that reduction is the increase in the vacancy rate over that budgeted. So what we've decided to do is use the funds we weren't able to employ under Manpower and move them down to Fixed Assets.

MR. HYLAND: What happens if you go over now? It comes out of both your wages if the budget goes over?

MR. SALMON: We won't. We still won't spend it all, by the looks of the bottom line.

MR. CHAIRMAN: Well, one of the factors the committee should deal with, and not just for the Auditor General's office but for the Ombudsman and the Chief Electoral offices as well, is that if we wish to be involved as a committee in transfers from the general areas – and looking at the Auditor General's budget as an example, there are three general categories: Salaries and Wages, Supplies and Services, and Fixed Assets – if we wish to be involved so that prior to moving dollars from one of those areas to one of the other two the committee has involvement in, we would require to do that through a motion. And if we're going to do it with the Auditor General, we should be doing it with the other two offices as well.

Okay. Alan, then Derek.

MR. HYLAND: I think it would be a good idea if the committee's involved, because it maintains the standing alone of the Auditor General's office and the other offices. I can see what you did – no problem with it – but it still kind of ties you back into government, and it's meant to stand alone. I think it makes it easier for you, as well as for us, to stand alone to be able to use the committee rather than have to go to the Provincial Treasurer.

MR. SALMON: I agree with you.

MR. CHAIRMAN: Derek, and then Don.

MR. FOX: Yeah. I concur with your suggestion, Bob, and I'm sure it would be something acceptable to the Auditor General and his office there. I guess there'd be a decision made from time to time if, for example, you're not able to achieve that 6 percent vacancy rate. If it's still running around 10 percent sometime next year, there may be a decision made that, gee, at this point we actually need a new piece of equipment more than we need a new CGA or something like that. You know, you make those kinds of management decisions. But if it's something that has a significant impact on the budget in terms of moving from Manpower to Fixed Assets to Supplies and Services, I think what we're requesting is that that be done in consultation with us.

MR. CHAIRMAN: Derek, I would assume members of this committee will be watching closely, and if we find that two years in a row dollars are taken out of one area and transferred to another, we're going to ask, as any good auditor would, why we aren't adjusting the figure down.

MR. SALMON: May I make one comment about this vacancy thing?

MR. CHAIRMAN: Go ahead.

MR. SALMON: If you look at the staff mix chart at the back, actually the last chart – which is the blank column of 21 – the reason we have vacancies at the present time . . . It'd be interesting to note for the committee that we have actually hired seven. But they're not on staff yet; they're coming. So we'll be down to 14 fairly soon, and the vacancy figure is 11, the 6 percent. So the trend is positive. We had five students pass their CA finals this year, able to become supervisors, and we had five students who obtained their CMA this year with our office, so that's given us 10. So that's helped to give us senior people. It's not difficult to hire at the lower levels. It's more difficult to hire at senior levels. So that'll help.

MR. CHAIRMAN: I have Don to finish off, and then John.

MR. TANNAS: Okay. I have a couple of quick information questions and then one other one. On schedule 1, Alberta Educational Communications Corporation: is that ACCESS?

MR. SALMON: Yes.

MR. TANNAS: Okay.

Secondly, I see Glenbow-Alberta Institute. Relative to a whole bunch of them, it is a relatively expensive one. Is there a reason for that?

MR. SALMON: Glenbow?

MR. TANNAS: Yeah.

MR. SALMON: Well, that's the museum in Calgary.

MR. TANNAS: No, no. I'm quite aware. But I wonder, that seemed to be awfully high for that particular institution.

MR. SALMON: It's an interesting audit. The inventory problem itself is fairly extensive.

MR. TANNAS: You have to do an inventory every year?

MR. SALMON: They do some testing and stuff like that, because they have a lot of stuff that's stored and it's all over the place.

MR. NELSON: They've got about 300 and some thousand pieces down there, photographs and paintings.

MR. SALMON: It's a lot of stuff. It's quite a bit different from, say, normal audits because of the nature of their assets.

MR. ADY: You have to do a cross section check on their inventory, don't you?

MR. TANNAS: My other question is that I don't see here where you go to conferences, seminars, that kind of thing. Is that travel? That wouldn't be Professional Fees and Development. Or is it? Where does that fit in?

MR. SALMON: It's in Professional Fees and Development. The conference costs and travel to those conferences will be in Travel.

MR. FOX: That includes your membership in the national associations?

MR. SALMON: Yes. That's right.

MR. NELSON: That would be under Professional Fees and Development, wouldn't it?

MR. SALMON: Yeah. It's in there.

MR. TANNAS: That's a lot of money.

MR. SALMON: We have a lot of professional people.

MR. TANNAS: So you pay the fees for all the . . .

MR. SALMON: Yeah. That's a common government practice, to pay the fees for professionals. The annual dues.

MR. TANNAS: So could a person belong to, say, five or six professions?

MR. SALMON: No. We only pay one. We'll pay their prime one. I'm talking about to be a CA or a CGA or a CMA or to be a . . . We have an engineer, and we have a lawyer.

MR. CHAIRMAN: Okay. John, and then Yolande.

MR. DROBOT: My question relates to fixed assets and the matter of microcomputers. You state that important to retaining a leadership role in computer auditing, the benefits of a leadership position should not be underestimated. My question is: is this leadership role in Alberta, Canada, North America?

MR. SALMON: Legislative auditors across Canada – because of the nature of our work and the magnitude of the coverage of the public sector, there's a considerable need there to be on top of what's going on, and that's what we're really referring to. In Alberta, from a point of view of computer audit, with our own software and the things we're doing, we are probably able to do a lot more things than a lot of the firms can do locally in the size of some of our audits. Our minicomputer, which is different from a micro, we've had for a long time; we can do a lot of things in that regard. But the micros are coming into being, and there's a strong need to be involved in that area as well and to improve our technical ability to accomplish a lot of the things on an individual basis.

That's an interesting reference there. I wasn't trying to say too much other than to say that we're trying to stay with it.

MRS. GAGNON: As regards travel, do you operate under a set of guidelines, like so many conferences per professional per year and spousal travel and that kind of thing? What are the guidelines?

MR. SALMON: Well, no spousal travel for one. I wish there was.

That travel includes all of our auditors going to the audits throughout Alberta, and also includes work to the conferences, of course, but that is a small cost in relationship to the actual travel within Alberta to do our work, which goes from Grande Prairie, Peace River, Fairview, and all the way in the south. We do have to have our senior people go to those extra conference meetings and be involved with the agents as well so that the agents do not operate totally on their own.

MRS. GAGNON: But as far as conferences national and international, it's restricted.

MR. SALMON: We have numbers. We always set numbers.

MRS. GAGNON: Okay.

MR. CHAIRMAN: Possibly as a supplement to Yolande, following the meeting you can provide us with a list of who has attended conferences outside of Alberta in the 1989-90 fiscal year.

MR. SALMON: Sure.

MR. CHAIRMAN: All right. Anything else?

MR. HYLAND: Back on these audits performed by agents, just looking at the list, taking irrigation districts, it seems to vary: Taber Irrigation District, for example, \$7,000; United Irrigation District, \$8,500. Now, United is probably – what? – a quarter the size of Taber, or less? I guess even less than that. Yet it's more money. Is it the way they have their books? Is it like farmers used to be years ago: walk into the accountant with all their bills in a box and he puts them all in place?

MR. SALMON: Well, I can tell you this. The Taber Irrigation District is run very well, and the auditors have not been too involved with the irrigation district for many years. The efficiency is excellent.

The United Irrigation District is probably fine. It's just not quite as . . .

MR. CHAIRMAN: That's actually indicative of a lot of things between Taber and Cardston constituencies.

MR. SALMON: Also, you've got different firms, and sometimes the costs are a little different, and the mix and how they've approached this. We do our best to maintain consistency amongst those, but they are different, peculiar, and sometimes there are different problems that occur.

Raymond district is \$9,000.

MR. HYLAND: Yeah, but it's . . .

MR. SALMON: Raymond is fairly good. It's not the size of the irrigation district that necessarily causes the cost of the audit. You've still got to do certain things.

MR. HYLAND: I just wonder if it was the way they kept books, if one wasn't . . .

MR. SALMON: Yes, some are not as efficient as others.

MR. NELSON: Can I ask: what is this Miscellaneous?

MR. SALMON: Whereabouts?

MR. NELSON: Under Supplies and Services: \$25,500, \$44,500. The budget forecast is the same: \$25,500, Miscellaneous.

MR. SALMON: Advertising, freight and postage . . .

MR. NELSON: What are you advertising?

MR. SALMON: We have to pay under the new rules if we advertise in the newspapers for supervisors or anything like that.

MR. NELSON: Oh, I see.

MR. SALMON: That's all. That's the only thing we're advertising; we're not advertising the office.

And telephone, insurance, hospitality; we had a management staff of seven in there, and \$1,000 for COLA. We had \$25,000 last year.

MR. NELSON: For a cola?

MR. SALMON: Well, that's the Conference of Legislative Auditors.

MR. NELSON: Oh.

AN HON. MEMBER: Not coke.

MR. SALMON: Sorry about that.

This year it'll be in Newfoundland, and it should cost us only about \$1,000 other than the cost of myself and others that have to go. A couple of us go. We hosted this year, as you know.

MR. ADY: Under the Computer Services line under Supplies and Services, is that where you have to perhaps rent service? What is that?

MR. SALMON: I'm going to let Andrew talk about that, because you're getting into the computer jargon.

MR. WINGATE: This is where you're comparing the \$42,591 to the \$61,850?

MR. ADY: Yes.

MR. WINGATE: Okay. The majority of that expenditure is annual software subscriptions for both software on our main-frame and some on our micros, a software subscription for the operating system on our minis. For instance, on the 10,000, that cost \$12,000 a year. This is where you get updates to the system once a year. We've also got increasingly the same sort of thing happening with micro software, where Lotus, for instance, will say, "If you want to take advantage of our latest offering, then you have to pay us a software subscription."

MR. SALMON: So much to get the update.

MR. WINGATE: It's not like a capital purchase, because you've already got one Lotus. You just want the next upgrade.

The other things in there: we have a degree of audit processing. Sometimes our computers can't handle the volumes we encounter, say, at Energy. What we do is ship it down to the main government data centre and purchase it through the main government data centre. They, in turn, of course, charge us for that processing.

MR. ADY: So it's a farmed-out service.

MR. WINGATE: It is, yeah.

MR. SALMON: The farmed-out service is always within the government. It is not a lot. Most of it's done by our own computers.

MR. CHAIRMAN: Don.

MR. TANNAS: Curiosity prompts me to ask this question. A little while ago there was a bug in many programs that had something to do with the Cookie Monster, feeding the Cookie Monster. You had to say "Give cookie" or something, otherwise your program would go down. One was even frightening more organizations just a little while ago. I can't remember the wrinkle on that. Do you have a debugging device or a glitch-search system with yours, because it could be a really serious thing if somebody was playing around.

MR. WINGATE: So far . . .

MR. HYLAND: We haven't buggered up, in other words.

MR. WINGATE: That's right. Yes. That's it exactly.

We have not suffered a virus to this point. One of the things we're particularly careful of is that when we hear there's a virus going around, we take backup copies of all the information on our hard discs. So if it should strike us, we can restore the system afterwards.

The main way you inherit a virus is by sharing software. We deal directly with the manufacturer, and we don't share software. I mean, that's a policy we had right from the start, because there are risks in doing that. People with their own private machines very often go to a bulletin board, for instance, to pull in a program which is on the bulletin board. As a result of doing that, they get the virus at the same time.

MR. SALMON: Sounds like the flu, doesn't it?

MR. FOX: But you have these data storage banks. Most of the data is stored on tapes in the vault there that we . . .

MR. WINGATE: Yes, that's right.

MR. FOX: Even if there were a problem, it wouldn't take much to correct it, and the damage wouldn't be significant.

MR. WINGATE: No, because we can back up everything very quickly.

MR. HYLAND: It probably affects the machine the same way the flu affects a human too: nothing left by the time it's done.

MR. SALMON: That's right.

MR. WINGATE: The worst sort of virus is one that attacks you slowly over a long period of time, because then you go to backup copies and find they're corrupted as well - to a lesser extent, but they're still corrupted. So if a chap wants to get hold of a virus that'll do real damage, it's one that doesn't show itself for a very long time. It just grows slowly.

MR. SALMON: You've carried it for a long time.

MR. WINGATE: Over a year or so.

MR. CHAIRMAN: Any other questions?
I think we're ready for a motion then. Derek?

MR. FOX: I'd just like to move, Mr. Chairman, pursuant to our discussion earlier, that effective from this point on in dealing with the '90-91 budget, any transfer of funds between the Manpower, Supplies and Services, and Fixed Assets components of the budget structure proposed for the office of the Auditor General - perhaps I'll wait and not include the Ombudsman and CEO until we see how they break their budget down.

MR. CHAIRMAN: Let's wait; yes.

MR. FOX: Dealing now with the budget proposal from the Auditor General, any changes would receive prior approval by the Standing Committee on Legislative Offices. Perhaps in moving, I might suggest there may be a need for amendment in terms of the word "all." If it's an insignificant transfer, it's not worth convening the committee if there's a management decision there. But I'll leave the motion as it stands. It says, "All transfer of funds between the Manpower, Supplies and Services and Fixed Assets components," but we may need to . . .

MR. TANNAS: The chairman could surely make that decision, whether it was needed to call a meeting.

MR. CHAIRMAN: Yeah. I guess the only request we'd make back to the Auditor General's office is don't surprise us with a request if you'd like something done in 24 hours, because you won't get it.

MR. SALMON: That's fine. We don't make quick decisions.

MR. CHAIRMAN: Good.

MRS. GAGNON: Mr. Chairman, would it be helpful, though, if we'd amend that with the word "significant" - all significant changes?

MR. CHAIRMAN: No, it doesn't, because then you're getting into a gray area. If it's not significant, why is it needed? I like the word "all." There's sufficient latitude. We've got \$8 million in the Salaries and Wages component, there's almost \$3 million in Supplies and Services, and there's over \$200,000 in Fixed Assets. There's considerable scope within those three areas as is.

MR. FOX: Do I have a seconder for the motion?

MRS. GAGNON: I'll second.

MR. CHAIRMAN: Okay, Yolande. Further questions?
Ready for the vote? The question has been called. All in favour? Are you in favour, or are you . . .

MR. NELSON: No.

MR. CHAIRMAN: All right. All opposed? Let the record show it.

Are there any other questions while Mr. Wingate is here? If not, we thank you very much, and we'll call a short coffee break.

[The committee recessed from 9:59 a.m. to 10:07 a.m.]

MR. CHAIRMAN: All right. I believe we're now ready to go to the second item in this morning's agenda: Salary Review - Auditor General. Therefore I would entertain a motion that we go in camera.

MR. NELSON: So moved.

MR. CHAIRMAN: Okay. The motion's been moved. All in favour? Opposed? Carried.

[The committee met in camera from 10:08 a.m. to 10:49 a.m.]

MR. CHAIRMAN: The Chair will entertain a motion.

MR. NELSON: All right. I'll move that the Auditor General's salary be increased by 7.5 percent and that the date of April 1 continue to be his anniversary date.

MR. CHAIRMAN: Thank you. Any discussion on the motion? Are you ready for the question?

MRS. KAMUCHIK: Effective 1989 or 1990?

MR. CHAIRMAN: Did you say effective 1990?

MR. NELSON: Well, I'm sorry. I didn't say that. Certainly 1990.

MR. CHAIRMAN: April 1, 1990, for clarification. All right. Alan, did you have a question?

MR. HYLAND: No.

MR. FOX: Just in terms of discussion, this is to be recognized as a show of appreciation for the fine work done by the Auditor General and his staff. The committee is very satisfied that the job is being performed at a level above our expectations, and we expect that to continue.

MR. CHAIRMAN: Okay. Are we ready for the question?

MR. HYLAND: Question.

MR. CHAIRMAN: The question's been called. All in favour? Let the record show it's carried unanimously.

All right. Could we now move back to the formal agenda? Item 3(c), Discussion of Financial Statement for the Office of the Auditor General as Prepared by Kingston Ross. Louise.

MRS. KAMUCHIK: In the past the committee would receive this statement as information. So if you want to have a look at it first . . .

MR. CHAIRMAN: Let's take a look at 3(c).

MRS. KAMUCHIK: The actual final auditing of the Office of the Auditor General.

MR. CHAIRMAN: You'll note there is a recommendation under Treasury Reports, second paragraph.

MRS. GAGNON: Would you like a motion that that recommendation be . . .

MR. CHAIRMAN: I think just that we accept the report by Kingston Ross as presented.

MRS. GAGNON: I so move.

MR. CHAIRMAN: Thanks, Yolande.

We have a motion to accept the report as presented. Any further question on the motion? Are you ready for the question?

MR. HYLAND: Question.

MR. CHAIRMAN: The question's been called. All in favour? Opposed? Carried.

All right. We will now take a short recess until 11:30, when we'll reconvene.

[The committee recessed from 10:52 a.m. to 12 o'clock]

MR. CHAIRMAN: We'll officially declare the meeting reconvened. It's now 12 noon.

A special welcome to Mr. Ledgerwood, Chief Electoral Officer for the province of Alberta. As members know, we'll be dealing with the 1990-91 budget estimates for the office of the Chief

Electoral Officer, and once we've gone through that process, we'll move to the second item today, which relates to the salary for the Chief Electoral Officer. Of course, as was the case with the Auditor General this morning, we'll move in camera for that discussion.

Mr. Ledgerwood, I turn it over to you for some opening comments, and then we'll go through the budget on a line-by-line basis.

MR. LEDGERWOOD: Thank you, Mr. Chairman. First of all, does everyone have a copy of the budget? I have some extra ones here if you don't.

We've tried to present a very simple budget. It's very similar to the formats we've used in the past; however, it has been changed slightly, at the request of the previous committee, to reflect a little more information. You can see there are only three areas that we're interested in: Administration, which is basically to run the office, the wages and benefits of the staff, and office supplies; Elections, which really deals with election supplies in that anytime there is a general election called, that is funded through a special warrant; and Enumerations, self-explanatory except I should explain that all fees and expenses associated with returning officers are shown under the Enumeration block.

So if everyone would look at the very first page, you'll see we have four columns at the top. The 1988-89 actual: those are the actual figures that were spent in the fiscal year 1988-1989. The next column is the '89-90 budget. Those were the figures the select standing committee approved last fall at this time. I think you can appreciate that there's been a fair amount of activity in my office since that time in that we've had a general election, we've had a by-election, and we've had a senatorial election. That's why when we get into the forecast '89-90, it looks like we did some bad planning. Actually, that's not the case at all. Then the final figure, the '90-91 estimate.

Does anybody have any question on the overview before we go into tab A, which is the Administration?

MR. CHAIRMAN: Any questions on the overview? Don.

MR. TANNAS: Presumably we're not looking for either a senatorial election or a general election, yet the Manpower salary requirements are going to move up by a significant amount.

MR. LEDGERWOOD: Okay. There have been no staff changes. I think you're likely aware that all management personnel, effective June 1, 1989, received a 7 percent salary increase. On April 1 the nonmanagement staff received a 3 percent salary increase, on October 1 they received a 1 percent salary increase, and on December 1, as a result of reclassification, it varied from just over 3 percent to just under 5 percent. So on the management side a 7 percent salary increase, and on the nonmanagement side between a 7 and 9 percent salary increase.

MR. NELSON: How does that then . . .

MR. TANNAS: That's reflected in there.

MR. CHAIRMAN: We're just general right now. We'll go to the specific. It's broken down into A, B, and C.

Okay, we're ready to go to A. Turn over tab A, Administra-

tion Element.

MR. LEDGERWOOD: First of all, does anybody have any questions on the detail on the four headings at the top?

MR. CHAIRMAN: Stan, first of all.

MR. NELSON: I'll wait, because I don't have any problem with details on the headings, but I want to talk about the other components.

MR. CHAIRMAN: All right.

MR. LEDGERWOOD: The Manpower is straightforward. The Salaries you see there, the \$352,000, was our estimate. We didn't know at that time about the last couple of pay increases, so in fact that may be down a slight amount. Wages relates to the half man-year we program each year for temporary staff. Employer Contributions – straightforward, and that's on a percentage basis. Allowances and Benefits, the \$1,800, is for staff development.

Any questions on Manpower?

MR. NELSON: Manpower – the Salaries, for example, look like they're something in the order of 14.5 percent above the budget amount for '89-90 to '90-91 for your forecasting. You indicated just a moment ago that you may be a little high on that from present knowledge. Can you give me that number, what you feel it would be?

MR. LEDGERWOOD: I should mention that the budgeted \$302,000 last year did not include my salary increase which the committee granted last year, nor did it include the management or nonmanagement increases, whereas the estimate now – that was one of the changes the committee recommended last year, that we show any salary increases. So if you look at the 1989-90 forecast of \$319,000, that was our actual salary in October of 1988. We did not forecast any increases in salary.

MR. NELSON: The 319 is the actual salary as of October 1988?

MR. LEDGERWOOD: Yeah.

MR. NELSON: So in essence, then, what's going to happen: your forecast is going to be over your budget by \$11,000 for the year . . .

MR. LEDGERWOOD: That is true.

MR. NELSON: . . . which is a significant amount. However, as such, has there been some manner in which you're going to receive those moneys from government? Will you show a deficit at the end of the year?

MR. LEDGERWOOD: No, no. I think you can appreciate that we had budgeted \$3.7 million for an enumeration which did not take place.

MR. NELSON: Yeah. So you're going to be taking moneys from the enumeration moneys to balance your . . .

MR. LEDGERWOOD: Yes. So we're well within our overall

budget.

MR. NELSON: And do you have to identify this to Treasury? How do you get access to – who gives you permission to change that?

MR. LEDGERWOOD: Whenever we have to exchange within an element, we send documentation through the Deputy Treasurer, and it's approved by the Provincial Treasurer.

MR. NELSON: Should that not come through the committee here?

MR. LEDGERWOOD: There's no reason why it can't. It's a very simple procedure. We provide the rationale.

MR. NELSON: Well, it makes you look like you're reporting directly to someone in Treasury rather than to this all-party committee.

MR. LEDGERWOOD: No. Okay; as I say, there's no problem in doing that if the committee would like me to do that. It's usually just once a year that we send adjustments in.

MR. CHAIRMAN: Anyone else?

MR. NELSON: We've just got to think about it being consistent, that's all.

MR. CHAIRMAN: Don?

MR. TANNAS: That's what I was going to do: just reinforce that point that I think it should come back.

MR. HYLAND: So then the differential is misleading in the estimates, because it really isn't as much as it looks because you didn't include last year's salary increases. From this estimate to next year's won't show that.

MR. LEDGERWOOD: No.

MR. HYLAND: It'll be just a normal type increase.

MR. LEDGERWOOD: A normal type increase, and that was one of the problems the previous committee had, that we came in with our actual and didn't forecast any increases. One of the problems in forecasting increases is we have no idea what the cabinet is going to approve.

MRS. GAGNON: This may be just a little off the topic, but when we visited your office you mentioned that there were a number of people from Alberta going to Namibia to supervise that election, and there would be accommodation costs, travel. Would that be picked up by the federal government or by your department?

MR. LEDGERWOOD: No, that was picked up by the federal government.

MRS. GAGNON: All federal.

MR. LEDGERWOOD: Incidentally, we sent a good cross section of representatives to Namibia, and the feedback I've

received from Ottawa was that they all conducted themselves in a very professional manner and contributed greatly to the success of the election. There was 97 percent turnout at the Namibia election.

MR. CHAIRMAN: Stan, and then Don.

MR. NELSON: Well, I want to get back to the Salaries thing, because what . . .

MR. CHAIRMAN: Could you speak a little louder, please?

MR. NELSON: Oh, I'm sorry.

What you're estimating here at \$352,000 as against \$319,000 forecast is still a 9.3 percent increase over your actual forecast. Now, you weren't able to identify the numbers that you feel you're going to have, because a 9.3 percent increase obviously is going to cause you some concern as far as that number. I'd like to get what you really feel that number could be.

MR. LEDGERWOOD: Well, I'm hoping for a \$25,000 increase. I don't think you're going to give it to me, so . . .

MR. HYLAND: Somewhere between there and nothing.

MR. NELSON: Well, now.

MR. CHAIRMAN: Stan, it's seldom that you're at a loss for words.

MR. NELSON: Okay. Well, we'll fiddle around with that after.

MR. CHAIRMAN: Don.

MR. TANNAS: Perhaps I'll be able to determine a place where that may come from.

I want to go back to the Namibia deal again. If the federal government was picking up the costs of your staff going over there, will that be reflected in a saving in terms of the costs of pension, wages, and so on and so forth during the period of time they were away?

MR. LEDGERWOOD: No, they were not paid by the federal government. The federal government only picked up their costs and the per diem expenses while they were there.

MR. TANNAS: So I didn't find any extra money. Okay.

MR. LEDGERWOOD: Actually, I should clarify that. It was not my staff. I simply recommended individuals who were suitable to act as election officials in Namibia.

MR. NELSON: I didn't see my name on that list.

MR. LEDGERWOOD: There were six federal politicians there.

MR. CHAIRMAN: Any other questions on section A, Administration Elements?

MRS. GAGNON: Well, if I might. Just to come back to travel but from a different angle. This would include travel by your staff to conferences, nationally and internationally? And do you have guidelines to control that whole exercise?

MR. LEDGERWOOD: Yes, we're guided by the normal government travel fees and schedules.

MRS. GAGNON: How many people in a given year might travel to a conference, for instance?

MR. LEDGERWOOD: Okay. I'm involved in two particular conferences that we have annually. The Conference of Canadian Government Election Officials we take turns in hosting. I think Alberta's turn will be in 1992, so the committee will be looking at that particular conference a very detailed part of that time. Normally I attend that conference and either my deputy or one of the managers. The other conference I'm involved in is the Council on Governmental Ethics Laws. This is a conference that normally a representative of this committee attends. It's held in the United States. We held it in Quebec City two years ago, and Ontario is bidding for that particular conference in 1992. I normally attend that by myself. My spouse accompanies me at my expense when I attend these conferences.

MRS. GAGNON: Did you attend the one in New Orleans?

MR. LEDGERWOOD: I attended the one in New Orleans, yes.

MRS. GAGNON: Other than yourself, your staff, then, don't travel to conferences?

MR. LEDGERWOOD: Well, we have a conference where we send our junior managers to examine a particular issue, and then they report back to the Chief Electoral Officers at our July conference. That's held on an ad hoc basis. We'd hoped to have a conference each year, but in actual fact it just doesn't work out that way.

MR. CHAIRMAN: What might be helpful as a supplement to Yolande's question – it's the same request we made of the Auditor General this morning – is if you would provide us with a list of the conferences that were attended either by yourself and/or others from the staff and if any others traveled with you for the 1989 year. So if you would provide that as a supplement. Okay?

MR. LEDGERWOOD: I can give you that information now if you'd like, Mr. Chairman.

MR. CHAIRMAN: No, give it to us in writing if you would, in that way.

Is there anything else? Any other questions members have on this issue?

MRS. GAGNON: I would like to just make one comment, please. I'm very pleased to see the Actual column there. In some cases you don't see the Actual in your budget, and although it's there somewhere, this makes it much easier. Also, although we'll see it later in the audited statement, it still makes it easier for us.

MR. LEDGERWOOD: Well, one of the problems when you look at that is the actual in 1989 in Administration, for example, of \$400,000; the budget was for \$381,000. So we were over-budgeted in that. Elections – the committee had approved \$100,000. Of course, we spent \$3.5 million, so we missed that by

a great deal. But as I mentioned, budgets for elections are by special warrant. On the enumeration budget we had budgeted \$3.7 million, and we came well under budget at \$3.1 million.

MR. CHAIRMAN: Any further questions on the Administration Element under tab A? All right. Tab B.

MR. LEDGERWOOD: Okay. I should mention that in the Administration Element previously we have shown everything to do with the Election Finances and Contributions Disclosure Act. That data will now be shown under the Election Act. That includes copies of the Act, copies of the forms, the guides, et cetera.

MR. CHAIRMAN: Okay.

MR. LEDGERWOOD: Going to tab B, which is Election Element, we estimate \$135,000. We anticipate there will be major revisions made to the Election Act, so we will require a new printing of the Election Act. Anytime there's a change in the Act, it involves a change in forms. I think those of you that had the tour appreciate that we have 58 separate forms we use for elections, by-elections, and enumerations, so those forms will have to change as a result of changes to the legislation. The Election Finances and Contributions Disclosure Act also requires major revisions, so we'll have to buy some more Acts and, of course, create the new forms.

I would like the committee to look at the \$50,000 item which will be an updating of our 1905-1982 report. We publish it with your approval: 1905 to 1989. I should tell you that this particular report, a first project when I came into the office as the deputy chief, was extremely well received throughout the province, from politicians to high schools to libraries. As a matter of fact, I think it's used as reference material in a great many institutes. I would like your approval to update that and include the last two general elections and the by-elections since 1982.

MR. CHAIRMAN: There are three different elements. Why don't we deal with them. The first is resupply of Election Act forms and guidelines, and that's based on the assumption that the Act will be amended this coming session. I guess I'm a little uneasy with it because I'm not aware, as a government member, that that Act will, in fact, come forward this spring. Now, it could be that the responsible ministers are intending to bring it forward. If any other members want to shed light on that - I may have missed a discussion.

MR. LEDGERWOOD: I think, Mr. Chairman, if you appreciate that this budget goes until the end of March of 1991 . . .

MR. CHAIRMAN: But the Act wouldn't be proclaimed. If it's brought in in 1991, it wouldn't be effective until the 1991-92 fiscal year.

MR. LEDGERWOOD: But as soon as the Act has third reading . . .

MR. CHAIRMAN: What I'm saying is that could not occur before March 31, 1991. So I'd suggest we hold this item until we get some clarification, because if we can save \$75,000 in the budget, we should do so. If, on the other hand, it appears that

it's coming forward, well then, it's a timely matter.

MR. ADY: Why are you taking the position that it couldn't come forward till '91? If it comes on in the spring session, then it could be proclaimed.

MR. CHAIRMAN: Jack, my comment was that I'm not aware of the Act - I think there's an understanding the Act has to be opened during the life of our session. But assuming we've got three and a half to four and a half more years, what I'm saying is I'm not aware that it is going to be dealt with in the spring of 1990. If in fact it is the intention of the ministers to do that, it's appropriate. On the other hand, if it's not, why put \$75,000 in the budget that will go unused, only to find that it's being put in again in a subsequent year? Because we're not going to finalize the budget until Monday in any event. Between now and Monday we should be able to get clarification on that point.

MR. ADY: Oh, okay.

MR. CHAIRMAN: That's my point. I think the Chief Electoral Officer is very prudent in putting it in as part of the request. We in turn can do a bit of work to determine whether or not it's necessary.

Okay. Could we go on, then, to the second item, resupply of Election Finances and Contributions Disclosure Act forms and guides?

MR. LEDGERWOOD: That's exactly the same thing. We were hoping . . . I think at least the government members will know that we attempted after the 1986 general election to have the Act amended because there were problems at the '89 election which were very similar to the problems we knew existed at the '86 general election. I think the Act will be amended this time.

MR. CHAIRMAN: Okay. We'll check on both of those.

Now let's deal with number 3, printing/production for *A Report on Alberta Elections 1905-1989*. Members will recall that we currently have a book, an excellent historical overview. It covers the years 1905 to - '82?

MR. LEDGERWOOD: To 1982, sir.

MR. CHAIRMAN: To '82.
Stan?

MR. NELSON: Does that book generate any revenues?

MR. LEDGERWOOD: No.

MR. NELSON: None whatsoever?

MR. LEDGERWOOD: None.

MR. NELSON: Do you think it's timely to produce this when I think we're going to find some fiscal restraint happening probably this fiscal year? I'm just wondering if it's timely to spend \$50,000 when there's going to be some fiscal responsibility.

MRS. GAGNON: What would happen if . . .

MR. CHAIRMAN: Yolande, excuse me.

MRS. GAGNON: Sorry.

MR. CHAIRMAN: Tom first, and then Yolande.

MR. SIGURDSON: Thank you, Mr. Chairman. Mr. Ledgerwood, are we looking at producing another hardbound copy for 1905 to 1989? Would that be the intent of this \$50,000?

MR. LEDGERWOOD: No. I think we will only have a limited number of hard copy editions. The rest will be paper covers.

MR. SIGURDSON: How many new pages would be going into the book for the elections in '86 and '89?

MR. LEDGERWOOD: We'll put in the 1986 report, the 1989 report, and the by-elections in between. We will take out the back portion, the proportional representation section, so the total number of pages should be very similar. On the front we're going to add more information on the leaders of the opposition and also the Speakers of the Assembly.

MR. SIGURDSON: How many copies of the original report were printed and sent out? Do you recall?

MR. LEDGERWOOD: We printed 3,500, and we're down to a handful.

MR. SIGURDSON: Is there any way we could take the new information and just print that information to send out as an addendum to the report so that perhaps at the year 2000 or on the 100th anniversary of our province we might . . . Again, given some of the fiscal considerations that are before us, I'm just wondering if there's any way we could send something out as an addendum to the original report.

MR. LEDGERWOOD: Well, as you know, the first one was a hardcover book. There's no way we can open it up and insert the pages, so you're looking at two separate documents. Also, we have published the '86 and the '89 general election reports plus the by-election reports, so if anybody wants to have a whole stack of separate books, they've already got them. What we're trying to do is consolidate so that those individuals who are interested in the political process in Alberta since 1905 have got one copy of a book.

MR. CHAIRMAN: Patrick, I wonder – and I should know – if the current hardcover book contains maps of the constituencies for each general election showing how the province has changed. In addition to the information on the leaders and the Speakers, is there any information on past members? I was thinking of a short biography, anything to give us an indication as to, looking at Highwood, for instance, who the representatives have been in Highwood from . . .

MR. TANNAS: That's what I used for both my nomination meeting and my maiden speech, that book. It gives names.

MR. CHAIRMAN: There is a biography?

MR. TANNAS: No, it just gives names.

MR. CHAIRMAN: I know it gives the names. It has to because of the election results.

I wonder if the committee might come back to this item on Monday. If we ensure that we all have a copy of the book and look to see if . . . I think what I'm hearing from members is that unless we have some substantial new information, we might be better to leave it alone, but if on the other hand there is a way to enhance the book in terms of its value . . . The Alberta Teachers' Association puts out a book showing the makeup of our House, the various cabinet and caucus committees. It's an excellent document in terms of an overview.

Yolande?

MRS. GAGNON: There are two things – well, maybe three. There may be some boundary changes because of the committee that's now doing its work, so I'm concerned that even though you update it as to the '86 and '89 elections, there would be some information that would be out of date if changes occur. You know, they'd be out of date within the next couple of years.

The other thing is that if a number of people already have this and also have the updates but in different form, it seems to me that for those who want a new one-document effort, they might be willing to pay \$20 for it and we'd recover the entire cost. I mean, \$20 isn't a lot to get the history of elections in Alberta.

MR. CHAIRMAN: Tom?

MR. SIGURDSON: Well, I just want to make a comment about perhaps some printing. There are some schools that would have some difficulty paying \$20. It's the schools that certainly received a number of the volumes and benefit from that, so I would hope that when we print the quantity that we hope to print, they are sent out to schools free of charge, because there is some very important political history contained in that document.

I'm just wondering, though, if there's any way we could get a printer to look at rebinding the project, because I think, Mr. Chairman, the point that you make about having a biographical sketch of past members is important. But perhaps what we could do is that if it could be put in volumes so that it might go every 25 or 50 years, I suppose, or say even 25 years, that way all you'd be doing is catching up by volume those elections that are going to be coming, or have passed actually, because it's a history of the political process and not a vision of the political process. That way schools could retain three volumes and we'd just be adding another volume at a later date.

MR. LEDGERWOOD: There are several issues which have been addressed, Mr. Chairman. First of all, on the biographical information, a father and son team in Lethbridge have been lobbying me for some time to come out with a biographical sketch of all the candidates in federal, municipal, and provincial elections.

MR. CHAIRMAN: Candidates?

MR. LEDGERWOOD: All candidates, not even elected individuals. They felt that the fellow that had been defeated was as important as the member elected. This was a major undertaking, and I said no. They went to Alberta Culture and they got some support, so eventually there will be a biographical sketch of all elected members. Now, with X number of dollars, I think they've run out of money again. They are lobbying long and hard for this. They have nine separate projects they want the government to fund. One of their other projects is that they

would like to do a history of each area in the province and go back to the culture of the area and all of the boundary changes that have affected that particular area. I don't think they really looked at the 1905 maps and the changes up until 1989 – a very difficult project.

So on the biographical, some jurisdictions show the candidates by occupation, so that was one of their projects. They said, "Okay, if we can't provide a complete biographical sketch, can we take your 1905-82 report and update it, showing the occupation of all the candidates?" I said no, I wasn't particularly interested. We're talking major, major dollars.

MR. CHAIRMAN: Well, I think we've strayed so far and there are so many unanswered questions that I'd like to recommend that a motion be made to table the item until Monday so the Chief Electoral Officer can further consider some of the comments that have been made around the table and so we can readdress it on that date.

MRS. GAGNON: I would like him to address, however, the issue of boundary changes and how to update that.

MR. CHAIRMAN: Remember, no matter what date we go to print, you are going to be faced with that somewhere down the road. But there was another suggestion that we look at it in volumes so that rather than reprinting the entire book, you're doing it in such a way that you add to what has already been done.

Alan?

MR. HYLAND: I was just going move we table that until . . .

MR. CHAIRMAN: Monday.

MR. HYLAND: . . . Monday.

MR. CHAIRMAN: Okay. All in favour? Carried unanimously.

So we're in essence tabling all of the estimates under the Election Element until Monday.

Enumeration Element, C.

MR. LEDGERWOOD: The Enumeration Element really is our preparation for the next general enumeration. Now, the supplies are contingent upon changes to the Act. I won't order any supplies until the Act is changed. I think you can appreciate that we were very fortunate at the '89 general election because we were waiting for changes to the Act and we'd been led to believe the Act would be changed. However, I had to gamble, and I was correct in that I ordered the supplies for the general election based on an Act that we knew had some serious flaws in it. So I was very fortunate, as I think you can appreciate, in that there was a snap election, so we had our supplies available. Now, an enumeration is completely different than their program, so we would start to build in our supplies, start to train our returning officers, and start to get them ready for the next enumeration.

Back to Mrs. Gagnon's comment on the boundaries, the new boundaries normally come into effect with the writ of election for the next general election. So the next general enumeration theoretically will be done on the new electoral divisions and the new polling subdivisions within those electoral divisions.

MR. SIGURDSON: The next scheduled enumeration would be

for 1991, in the fall, September?

MR. LEDGERWOOD: Yes.

MR. SIGURDSON: Okay. Thank you.

MR. LEDGERWOOD: However, the Act provides that the Chief Electoral Officer may decide not to hold a general enumeration if a boundaries commission is sitting.

MR. CHAIRMAN: Another question? Are there any questions?

The total \$311,000 in this element: I believe you indicated in your opening comments, Mr. Ledgerwood, that part or all of that is subject to or is premised on a new Act.

MR. LEDGERWOOD: No, only the supply portion. If you'd go over to page C2 . . .

MR. CHAIRMAN: Well, all right. What part of the supply? The whole \$309,000?

MR. LEDGERWOOD: No. Most of that money is for returning officers' fees and honorariums. You'll have 83 returning officers; they are paid an honorarium of \$75 a month, so we're looking at just over \$6,000 a month in returning officers' honorariums. They receive \$125 a day plus per diem for every training day, and also we pay their travel expenses.

MR. CHAIRMAN: Well, can you break out of the element, then, the amount that would be required in any event and the amount that's based on the premise of a new Act?

MR. LEDGERWOOD: Well, I don't think we would wait until a new Act to train returning officers. Historically . . .

MR. CHAIRMAN: No, I'm sorry; I'm not communicating with you then. I understood that some supplies would be prepared once the new Act has been proclaimed. Am I wrong on that? We can't do that unless we have a new Act.

MR. LEDGERWOOD: Right.

MR. CHAIRMAN: We're going to attempt to find out between now and Monday whether or not that's a likelihood for 1990. What I'm trying to get at is: are there some dollars under the Supplies and Services portion of the element that are based on the new Act that could come out if in fact we're not moving in 1990?

MR. LEDGERWOOD: Yes, I can get you that information. It's shown here as \$80,000 for new forms. Now, there are some forms that we would anticipate there wouldn't be any changes to, so some of those forms we could order. Now, I don't know just what, in the breakdown of that \$80,000 for anticipated new forms, are forms that we don't anticipate changes in.

Similarly, on the returning officers' fees and honorariums, for the sake of this budget we are assuming that the returning officers will be appointed on April 1, 1990. We have no idea when those returning officers are going to be appointed.

MR. CHAIRMAN: So if you could give us some supplementary information on Monday, that would help us. If, on the other

hand, we feel that there's a reasonably good chance we're going ahead with the Act in 1990, I'm assuming we'd leave it in. Okay?

MR. SIGURDSON: Mr. Ledgerwood, you said that the returning officers are going to be reappointed or appointed on April 1 of '90?

MR. LEDGERWOOD: No. Because this budget starts on April 1, 1990, we're assuming that they are appointed at that time.

MR. SIGURDSON: April 1, 1990?

MR. LEDGERWOOD: As you know, it's always better, when you're talking about your budget, to come in with a worst-case situation. I would hate to estimate that they will be appointed in September or October or maybe not at all this year, and all of a sudden they're appointed April 1 and I've got to come back to the chairman and say: "I didn't anticipate that the returning officers were going to be appointed. Could you hold a special meeting to approve funds for returning officers?" The same with the Election Act. We anticipate the Election Act and Election Finances and Contributions Disclosure Act will be dealt with before this budget ends on March 31, 1991.

MR. SIGURDSON: I appreciate your having to have that budgetary consideration, but I'm wondering: can you advise whether or not you think it's in the best interests of fiscal responsibility, I suppose, to appoint returning officers prior to a commission deciding where constituency boundaries are going to be? We may very well see some changes on the electoral map that combine, merge constituencies. We may have in some constituencies two returning officers residing within the boundaries of one constituency. I'm just wondering about the advisability of that.

MR. HYLAND: Like in Taber-Warner.

MR. SIGURDSON: Or it could end up being Edmonton-Belmont, you know, the way that . . .

MR. CHAIRMAN: Just a minute. Jack, on this particular point, first.

MR. ADY: I appreciate your comments, Tom, but probably the Chief Electoral Officer has to take into account the possibility of a by-election anywhere. He would have to have an officer in place, and how could he know? So I suspect that has to be a factor in his decision.

MR. SIGURDSON: That certainly would have to be a factor. I guess that I'd then come back and say, "Well, is there sufficient staff at the Chief Electoral Officer's office to properly conduct all that's necessary in the event of a by-election, or do we go out and expend all of the honorarium and multiply it by 83 for that potential by-election?" I'm just concerned about spending a lot of money when we haven't set the electoral map for our province.

MR. CHAIRMAN: Just before Mr. Ledgerwood responds, I think it's important that we go back and review what's happened on both the federal scene and our own provincial scene when

the Houses are going through redistribution. If we think back to our recent trip to British Columbia, if a general election is called prior to the end of January, I believe, they're on the old maps, the old boundaries. Once they pass the magic date in January, everyone has to gear to the new boundaries. You have to have a date. I recall in the federal House after they had gone through the redistribution process, there was a magic date and there was considerable speculation as to whether the election would be called prior to or after that date, and there were some substantial boundary changes in the province.

MR. SIGURDSON: I very much appreciate that there has to be a date, but I'm suggesting that rather than the date being April 1, 1990, the date might better be the return of the commission report.

MR. CHAIRMAN: No, what I hear the Chief Electoral Officer say is that he must operate under the basis of the current Act in what is happening. Notwithstanding that we're working on boundary changes, he's got to get staff in place and do certain things. Assuming that our process moves along and a commission is struck and new boundaries are created, adjustments will be made as they have in the past.

MR. SIGURDSON: Just one final question, then, perhaps. Do you appoint the returning officers or does the government appoint the returning officers?

MR. LEDGERWOOD: The returning officers are appointed by order in council.

MR. SIGURDSON: Oh. Well, then I get to blame you guys, not the returning officer, when you appoint whomever.

MR. LEDGERWOOD: On Mr. Sigurdson's point of could the Chief Electoral Officer run the election, certainly we could, but the Act requires that the returning officer and the election clerk reside in the electoral division.

MR. SIGURDSON: Okay. Thank you.

MR. CHAIRMAN: Anything else on this element? All right.

Then to be clear, we're coming back with supplementary information on Monday dealing with travel to conferences and dealing with B and C elements in the budget. Are there any other questions of the Chief Electoral Officer regarding the budget in general? Are we then ready to move in camera to deal with the salary question? May I have a motion? Jack.

MR. ADY: I so move.

MR. CHAIRMAN: So moved. All in favour? Opposed? All right. Thank you. [interjection] No, I just needed a majority.

[The committee met in camera from 12:42 p.m. to 1:32 p.m.]

MRS. GAGNON: Mr. Chairman, I move that a salary adjustment be made for the Chief Electoral Officer in the amount of 6 percent retroactive to August 1, '89, and in the amount of 7.5 percent effective April 1, 1990.

MR. CHAIRMAN: Thank you. Any question on the motion?

MR. HYLAND: Question.

rather than at 1 p.m., as agreed to.

MR. CHAIRMAN: Question has been called. All in favour?
Opposed, if any? Carried unanimously.

Any further business before we adjourn today? Motion to
adjourn? Jack. All in favour? Thank you. Carried.

As previously mentioned, we'll reconvene on Monday at 2 p.m.

[The committee adjourned at 1:33 p.m.]

