

Standing Committee on Legislative Offices

1:03 p.m.

[Chairman: Mr. Bogle]

MR. CHAIRMAN: I'd like to call the meeting to order.

At the outset, I would ask that we bow our heads for a moment's silence in respect for our departed colleague, the hon. Member for Calgary-Buffalo. May we have a moment's silence, please?

Thank you. Could we look at item 2, the approval of the agenda? We have, as you note, minutes to approve going back to October, and that's because Louise has been very busy with the select committee on constitutional reform. We'll deal with that. We have Mr. Salmon appearing before us today so that we can finalize the budget estimates for the office of the Auditor General. We are then going to deal with our own committee budget estimates. We have an official from PAO coming in today to speak to us about the question of out-of-country travel by officials -- this really relates back to Pat Ledgerwood's recent invitation by the Canadian Chief Electoral Officer to attend the elections in Ukraine and the referendum -- and to review what implications, if any, there are for us relative to insurance and other matters. Then we have the office space availability. You may recall that Harley Johnson advised us that there was space next to his in that particular building, and we'll come to that. That will conclude our agenda for today.

Tomorrow morning we begin at 10 o'clock. We begin with the Ombudsman. We then deal with the Chief Electoral Officer's budget, and we've got a special warrant request to do an enumeration in the Little Bow constituency. We're also meeting with representatives from Kingston Ross Pasnak regarding the audit for the Auditor General's office. We have any other business that may be raised, and then, of course, we meet next week on the 10th, 11th, and 12th. That's re the selection of the Ethics Commissioner.

Yes, Tom.

MR. SIGURDSON: Just with respect to item 10, the request for a special warrant for the Little Bow constituency. In that Calgary-Buffalo is going to have to have a by-election, can we ask the Chief Electoral Officer's staff to bring a request for both?

MR. CHAIRMAN: We'll deal with that matter tomorrow. In the absence of the Chief Electoral Officer, I've spoken with his new assistant, and he will brief us on it tomorrow. It was my view that it would be more appropriate for that request to come forward either the week of the 10th or a week later. We will be meeting, in any event, dealing with the Ethics Commissioner's position. I just felt that out of respect for the former member we might wish to not move with the enumeration for at least one more week.

MR. SIGURDSON: Okay.

MR. CHAIRMAN: The matter will be addressed.

Anyone else on the agenda? Do we have a motion to accept the agenda then? Alan.

MR. HYLAND: I move we accept the agenda.

MR. CHAIRMAN: Thank you. Further discussion? All in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Opposed? Carried.

Okay. Let's move on, then, to item 3, Approval of Minutes. There's quite a series of minutes, so why don't we deal with them one at a time and then have a motion at the end. First, the minutes of Tuesday, October 29: pages 1, 2, 3, and 4. There are two appendices with information relative to the senior administrator's position for the office of the Ethics Commissioner.

Moving on, then, to the minutes of Wednesday, November 13: pages 1, 2, 3, and 4. Again there are two appendices attached relating to the senior administrator's position for the office.

The minutes of Monday, November 25, 1991: pages 1, 2, 3, and 4. The appendices relate to the proposed budgets at that time.

Tuesday, November 26, 1991, under tab D: pages 1, 2, 3, 4, 5, and 6. There's some additional budget material.

Monday, December 9, 1991: page 1, page 2.

Tuesday, December 10, 1991: page 1, page 2, and appendix.

Okay; that takes us through the minutes. May we have a motion to approve the minutes? Jack.

MR. ADY: So moved.

MR. CHAIRMAN: Discussion? All in favour? Carried unanimously. Thank you.

We expect the Auditor General momentarily, so we'll just take a short break until he arrives.

[The committee adjourned from 1:11 p.m. to 1:15 p.m.]

MR. CHAIRMAN: All right, we'll reconvene.

Welcome to Don Salmon, the Auditor General, and Andrew Wingate from the office. We've dealt with the budget of the Auditor General on previous occasions. We're now here to deal with it one final time.

I draw members' attention to the format being used by the Auditor General, which will be used by the other two officers as well. You'll note that in the first column we have the proposed 1992-93 estimate, the 1991-92 estimate beside it, the 1991-92 forecast, and the 1990-91 actual. So we have four columns.

As Don or Andrew are going through this, if you have any questions you'd like to raise in the various elements, please do so. This is decision day in terms of budget for the Auditor General.

MR. HYLAND: I notice they found a computer that writes bigger numbers.

MR. SALMON: Oh, yeah.

MR. TANNAS: Bigger numbers or larger print?

MR. WINGATE: Larger print.

MR. CHAIRMAN: Don.

MR. SALMON: Thank you, Mr. Chairman. We've prepared, as you said, the first page, being the one that we had sort of agreed to as the format. This time I think we've probably given you more detail than we have in the past on the basis that it was important that you see some of the background of what we are including within the budget.

We've done our best to try to explain Manpower. That detail is there, and we have further detail if there are certain questions that anyone would like to ask. It doesn't show any increase even though the increase is there. The increase can be explained as being primarily things such as management salaries last year being increased as of June 1, and of course then in the current year you have to include 12 months rather than 10. So that's really the real

purpose in Salaries and Wages being different. Of course, Employer Contributions is adjusted accordingly; there have been rate increases in CPP and unemployment insurance.

As far as the details are concerned, we have the support in the documents. You have actually 10 pages. You may have numbered them; we didn't number them, but there are nine supporting pages. We'd be happy to describe however you'd like, whether it be the difference between the forecast and our estimate for the new year or just the difference between the two estimate years. We have that detail available beyond even what's here, and we feel that it's comprehensive. The opening statement that I made last time still pretty well stands as far as our feeling is concerned, that there needs to be that ability to manage the resources, and that management is only in the sense that the student area is constantly on the turnover and needs to have a constant examination and update. So that aspect has been built into this as well, although there is nothing in here as far as management hiring or management salaries.

So I don't think I need to dwell on it or walk you through it. I think you've had the chance to look at the various documents, and we'll open it up for any which way you'd like to ask questions.

MR. HYLAND: How is the student mix? Last year when we looked at the budget and set an amount, you came back and asked to have the ability to do the mix within that amount, not for us to designate which to hire. How has that worked out?

MR. SALMON: I think if you look on the second page in the right-hand column, it shows the distribution and change in the actual -- you can see 10 new versus 11 decrease in student -- or if you flip to the next page, it gives the breakdown in specific numbers at certain times. This thing is a rotational thing. It changes throughout the year, but it does show the flow between, say, 39 supervisors in the forecast -- we'll have 49 in the new year, and the students naturally drop in numbers. I think that's what you're after.

MR. HYLAND: Yeah.

MR. CHAIRMAN: Are there any other . . . I'm sorry, Alan. Then we'll deal with general questions.

MR. HYLAND: You've been able to work it, and it's worked out?

MR. SALMON: The projection as we see the results coming through is that we should be able to work that out; that's right. Now, this is '92 we're talking about rather than '91.

MR. CHAIRMAN: Any other general questions on page 1 before we get into a bit more detail?

Okay. I think we can move on, then, to page 2, Salaries and Wages. Any questions there?

When we last met, Don, you indicated that you had hoped that we could continue to provide support for the student auditors.

MR. SALMON: Yes.

MR. CHAIRMAN: Any questions on that? Yes, Derek.

MR. FOX: Don, is it safe to assume, then, with 11 fewer student auditors in the coming year and 10 additional audit supervisors that some of the student auditors have become audit supervisors?

MR. SALMON: Oh yes, it's internal. That's right; it's the same people.

MR. FOX: So in another year we may have relatively more students than in subsequent years?

MR. SALMON: It will fluctuate; that's true.

MR. FOX: Back and forth.

Now, you've got an increase of one in the senior directors category and a decrease in the directors, so a director became a senior director. Is that right?

MR. SALMON: No, that didn't actually happen, but that's the way the results look. In the senior director level, the reason for the \$49,000 with the one-position increase: we had a fellow who was on secondment to the government of Canada for two years, and he returned on November 1, 1991. When he was with Canada, we continued to pay, but we received the dollars back -- it was CER'd, or current expenditure refunded, back -- so that it shows no change, whereas now that he's back, there's a small amount in the '90-91 forecast for five months' pay. Of course, the rest of his pay for the next year will have to be there as well, so that's the reason why he wouldn't be counted. It would be offset in the previous years, but he's counted in the current year.

In the director it's a change. We actually did have a director leave, so that's why there's a decrease there. We haven't replaced that director yet.

MR. CHAIRMAN: On the next page, Don, on positions, you show 161 positions in the current fiscal year proposed, 162 in the next fiscal year.

MR. SALMON: Well, proposed, but it's really based on the fact that as you budget, you end up with . . . Let's say in September you might have 165 or 166 people and in June you might have 152. I mean, it's this kind of thing. I don't know how many people are doing this, but what we're doing is taking every individual on staff and we're saying: "Now, what will be the position of that individual throughout the year? Is he going on study leave? Is she going to be off on maternity leave?" All of that stuff has a bearing on what you end up with in the way of equivalent things. Now, that 161 and 162 is a way -- it's so close; some of those projections will vary even throughout the year. Of course, you're not always sure it's always going to work out exactly the way it is, but it does give us a very firm way of managing the resources and knowing exactly what our position is. We have a very large female staff, and we have to balance all of these things out in relationship to their being away. Of course, in some cases you've got wage people coming in. We count those based on a whole year as to what the equivalent would be, and all that wage situation filling in for people who are away without spending their dollars -- those people are worked into these figures as well.

If you'd come and see our computer system, you'd see line by line for every person and you'd know exactly what it is that we're estimating will change throughout '92-93. So that's really why we're sort of staying right around that figure.

MR. CHAIRMAN: Derek.

MR. FOX: I'm just wondering if the figure for the 1991-92 estimate in terms of full-time equivalent staff positions would be different than the 1991-92 forecast.

MR. SALMON: No, it was about the same. We've worked harder, I think, in the last few years to try to maintain the level so that we can get the work done, so that we weren't losing dollars just in the

budget. We have the work to do. It's a case of whether we can manage and handle our staff. We chose -- you knew which way we were going -- to try to go through the student route: hiring students and training them within, promoting them into the supervisory role. It's not an easy matter, but that's what we're trying to do.

1:25

MR. CHAIRMAN: Any other questions on Salaries and Wages?

Might we move on, then, to Employer Contributions? Go ahead, Don.

MR. SALMON: This particular one, just to explain what that reconciliation is, for your benefit, is that if you look at the forecast where the percentage of employer contributions to the salaries was 13.6, the \$986,000 on the left-hand column is that calculation based on the current estimate. We have to increase that by the increase in UIC and CPP and the pension increase which was designated by Treasury to put in your budget, and then we had to pull out \$10,000. That \$10,000 is included in the '90-91 Employer Contributions and will not have to be paid in the 1992 year. So it has to come out, and then the 1992-93 estimate is only \$4,300. That will be the amount we'll have to pay every year, or thereabouts, for this particular individual column, long-term disability.

MR. CHAIRMAN: Questions?

All right; Professional Fees and Development.

MR. SALMON: This is basically the four categories that we have. It's such things as professional dues, because we have that, and the student fees for registering with the Institute of Chartered Accountants as well as with the CMA program. Professional Development is various courses and so forth that we have scheduled for them to go to. Conference Fees is the fourth category, and that's the registration fees. The travel for all that kind of thing is listed in detail, which we'll get into.

MR. CHAIRMAN: Yes, Derek.

MR. FOX: I'm wondering, Don, under the category Student Fees, if that relates directly to the number of student auditors.

MR. SALMON: Yes.

MR. FOX: Or do you include something different? Because we're looking at a decrease in student auditors.

MR. SALMON: No. Well, it's the number of student auditors, but it's also based on when they're taking certain courses. Also, some will have to take a qualification exam at a certain time in the year, and that is a certain amount that is designated by the institute. All of them are registered. It's a variation. It will vary because of when the students are at a certain time in the program; that's why the fees are varied.

MR. FOX: Some of this would actually relate to people who are classed as audit supervisors for the coming year. They're still completing registration or programs?

MR. SALMON: No, no. The supervisors will be under Professional Dues. The Institute of Chartered Accountants' integration analysis course, because of the number that will be writing that, is up by \$2,000. There's \$3,000 on the qualifications course because of the numbers that are involved in this particular year, and it will cost us

more dollars. The SMA courses also have some examination fees. Again, they're getting at certain levels on some of them, and then in '92-93 it will cause an increase. Also, the fees are up, so the increase will be about \$4,000 or \$5,000 in that category in this particular year. In another year it goes down, depending on how many students you have. That's really all the variation is.

MR. CHAIRMAN: Anyone else?

All right; Supplies and Services. Agent Fees are budgeted at the same figure as the current fiscal year, \$2.2 million.

MR. SALMON: Yes.

MR. CHAIRMAN: Anything further we need to address on that? That's straightforward.

Going on, then, to Travel Expenses. I note travel is down from the estimated figure for 1991-92: \$242,000 down to \$214,100.

MR. SALMON: For comment. When we came to meet with the committee last time, Mr. Chairman, we indicated to you that we had been taking a hard look at travel anyway. When the letter came out on restraint, we looked at it again to see whether there were additional areas where we could cut, but we had already recognized that there were some things in relationship to conferences and courses where we wouldn't really need to spend in the '91-92 year. We actually had made that reduction and decision not to go on certain routes, so the figure was down on the forecast.

Although it's not exactly the same things as you look at the detail, we were able to basically come up with the same dollars. For instance, if you talk about the COLA conference, which is probably the most important thing we attend, where we share things with the other auditors -- and it's the same time as the PAC conference -- which last year was in Winnipeg, now we've got to go to Fredericton. We can't quite go for the same price unless we walk. So that part's built in. Then we've reduced it so we didn't have an increase in the travel, reduced other things is what I'm saying.

If there is any question on detail, we're quite happy to answer that. That's the way we listed it.

MR. CHAIRMAN: All right.

Continuing then, Other Professional Services.

MR. SALMON: The Other Professional Services is higher than our estimate, as you see. We explained when we were here last time that we had some individuals who left the office, and in leaving and settling with them there is a requirement that they also be given the opportunity for counseling services to apply to other jobs. This is part of the reason for that increase in that degree, so it's a onetime deal. That's why where we had the \$130,000, it's now \$152,000: most of that is pretty well counseling.

MR. CHAIRMAN: Okay.

Anyone else?

MR. SALMON: We also had the institute practice review that year, and it won't be in the current year.

MRS. GAGNON: Mr. Chairman, I think some of us don't have that page in our books.

MR. CHAIRMAN: There is no page.

MRS. GAGNON: There is no page. Okay. No wonder I couldn't find it.

MR. CHAIRMAN: I think, Don, what you've done is added a more detailed breakdown of the areas where there were questions at our previous meetings.

MR. SALMON: I can give it to you. It's six areas. It's quite easy to give you that. I just didn't give the detail. One of the items in this particular item is legal. Our legal has been fairly high, and it will probably be a little higher this year if the Financial Administration Act changes come in, because we will look at that fairly carefully and the implications it has throughout the whole government. That's supposed to come in in '92-93. The other thing was the counseling. We have a small amount there. The other is there is an institute office registration fee included in this area as well.

MR. CHAIRMAN: Okay. Anyone else?

Repairs and Maintenance is down as well on there. Rental of Equipment, basically the same.

Computer Services.

MR. SALMON: We've given you a sheet on that one.

MR. CHAIRMAN: Stan.

MR. HYLAND: Our computer expert.

MR. NELSON: Well, basically the main question I have is that these subscriptions to all these various software -- I imagine they're publications, are they?

MR. SALMON: No.

MR. NELSON: What are they?

MR. SALMON: It's the right to use the software. We have to register every year for their use.

MR. NELSON: Oh, I see. Okay. That's my computer illiteracy coming out.

MR. SALMON: If it's an upgrade, it's new, but if it's just a subscription, it's a yearly charge.

MR. HYLAND: I knew better than to ask.

MR. SIGURDSON: It would be an expensive magazine stand.

MR. NELSON: Yeah, no kidding.

Well, I really get pee'd off with this whole thing of computers, you know. I mean, jeez Murphy, the big fanfare about computers coming into everything and every time you turn around, it costs you megathousands more. Every year it continues, and it just doesn't make any sense to me.

1:35

MR. SALMON: What you should do is own a computer software company. Then you'd be making lots of money.

MR. NELSON: I wish I did.

MR. HYLAND: That's better than the computer.

MR. SALMON: They're the ones that are making the money.

MR. WINGATE: That's right. The software manufacturers are making money much faster than the computer manufacturers.

MR. SALMON: Yeah. It's software that's making the money today.

MR. CHAIRMAN: Anyone else?

MR. NELSON: Anyway, I won't get into my tirade on that today.

MR. CHAIRMAN: All right.

Miscellaneous, the same.

We note that the total for Supplies and Services at \$2,916,000 is just fractionally above the current fiscal year of \$2,904,000. Anyone else on that before we move to Capital Assets?

Capital Assets.

MR. SALMON: I have no comment.

MR. HYLAND: Does this purchase of the hardware and the minicomputers -- you were going towards laptop computers and that in the office. What percentage of the way are you to what you'd like to get done on completing the use of those computers and the minicomputers?

MR. SALMON: Oh, in the switchover?

MR. HYLAND: In the switchover.

MR. SALMON: Well, we have moved a tremendous way in the number of micros and the kind of use we're making of it not only with secretarial work but in the audit side as well. We made the one shift last year to eliminate the one minicomputer, the 10000, and we still have a 20000 Data General computer. We know that down the road apiece -- this is for Stan's benefit -- we're probably going to have to decide to let the 20000 go too. We probably will never buy another minicomputer, but we will have to buy another microcomputer with sufficient power to handle the software we have, like Probe and the other stuff we're using, but that's a few years down the road.

MR. CHAIRMAN: Go ahead, Andrew, and then followed by Tom.

MR. WINGATE: I was just going to say that one of the things that should be explained -- at our last meeting we were talking about our audit interrogation software, called Probe. That was specifically designed to operate on the DG machine, so its programs are written to work on that machine. What we've got to do in the next few years is rewrite that software so it will work on the Intel chip, on the microcomputer chip.

MR. SALMON: What did we spend on the 20000?

MR. WINGATE: About \$400,000.

MR. SALMON: Yes. About 1986 we bought the 20000 for about \$400,000. He'd be able to replace that eventually, when we get the software built, so that we can change over at much, much less cost. It still costs money though.

MR. HYLAND: And it won't be as big.

MR. SALMON: Well, the power will be just as great but, yeah, it will be a lot smaller.

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

MR. SIGURDSON: Is the 20000 your mainframe?

MR. SALMON: Yes.

MR. SIGURDSON: I guess the second question, then, is just with respect to Probe. Is the General Revenue Fund charging anything for software updates? I know that other companies are charging us for software subscriptions, but you developed Probe, did you not?

MR. SALMON: We own Probe. We don't sell it.

MR. SIGURDSON: You don't sell it?

MR. SALMON: No, we haven't sold it.

MR. SIGURDSON: Do you loan it out?

MR. SALMON: No. It's interesting; nobody ever wanted to take it.

MR. SIGURDSON: Other than Ford.

MR. SALMON: Yeah, Ford. But they didn't want to invest in the Data General equipment because, you see, they would have had to invest in the capital equipment that Stan's talking about and then put the software on it. If you don't have that Data General equipment, why then you can't use the software.

MR. WINGATE: It was a bit of a catch-22. At the time we wanted to develop Probe, the Data General minicomputer was the cheapest way to go. I mean, we could have gone IBM, but it would have cost a great deal more. Micros in those days, the early ages, weren't as capable as they are now, so there was no prospect of developing the software for operation on a micro. Our software was highly successful and has been used as a model to develop other audit interrogation software. The Auditor General of Canada, for instance, developed a system called Idea, which was broadly modeled on Probe. He then sold that to ICAA.

MR. SIGURDSON: He sold it?

MR. WINGATE: Well, he gave the rights to the Institute of Chartered Accountants, who now market Idea.

MR. SALMON: Canada gave it to the institute, and they market it.

MR. WINGATE: If we redevelop Probe for operation on a microcomputer, then I think quite definitely we'd have a product that a lot of people would be interested in internationally.

MR. SALMON: That was the way the status was 10 years ago when we were developing. The idea has been used, but nobody has actually wanted the software.

MR. SIGURDSON: Do we have patent on that?

MR. SALMON: Yes. We have control, and that's why -- you know the story of Ford, and the toothpaste companies.

MR. SIGURDSON: We've got a patent on more than the name though.

MR. WINGATE: It's copyrighted.

MR. NELSON: You can't patent it, but you can copyright it.

MR. CHAIRMAN: Any other questions?

MR. NELSON: I have a question, and then I want to make a comment. If through the investigations of the departments when you're doing your audits a department is using a particular scheme in their computer and another department is trying to manufacture a similar or the same computer technology to do to some degree much the same work, would you pick that up and make a comment on it?

MR. SALMON: Yes.

MR. NELSON: Okay. I'll look forward to that one. Well, I have something specific in mind within two departments.

MR. SALMON: You think it's similar?

MR. NELSON: It may not only be similar; it may be exactly the same. They're spending multimillion dollars developing it when it's already in place. It could just be transferred over or the department could be closed down and the information transferred in and it would just smoothly go on.

MR. SALMON: One of the ways we do it is we actually take the tapes of all the transactions from each of the audits we do, no matter what kind of system it is, and convert it over so we can interrogate it on our own computer. So we have to actually understand what they're doing in their own system.

MR. WINGATE: On the audit side, referring specifically to your point, hospitals is a good example. The hospitals in the province tend to go off and develop their own thing. The department is now working very hard to get a co-ordinated approach to the sort of problems hospitals face. That's going to be talked about in the current Auditor General's report. In the past we've talked about a number of areas, I guess, where we think a co-ordinated plan probably would save a lot of money.

MR. SALMON: In the health industry it has become very common for each hospital to sort of look at their own way of doing things. There are some very common situations in there where they could save a lot of money if they'll co-ordinate it.

MR. NELSON: I went through that battle with the General when I was a member of the board for two years, beating my head against the wall trying to get them to reduce the administration in those hospitals. They were overburdened with it.

The only comment I want to make is that I guess what disturbs me and really tees me off about this whole aspect of computers is that every year administrations come forward for more staff, yet they're buying and asking for money to purchase more efficient computers and more efficient software for those computers. I've often asked the question, and I have done this for about 12 years now: when does it stop? Why do we keep asking for more staff to operate supposedly more efficient equipment when in essence one of them should be being reduced?

I appreciate the fact that with your budget this year your manpower request is basically the same. It is at this point. However, notwithstanding that, thinking back to your original request and what have you and other departments with their

overburgeoning administrative and bureaucratic numbers -- they keep coming for additional moneys for computers -- I often wonder why you have to get both of them going up instead of one of them coming down, in particular the staff end. It's just an incredible, incredible thing that we have to keep asking the taxpayer to keep footing these bills for more people to operate supposedly more efficient equipment.

1:45

MR. SALMON: Just a simple little explanation about efficiency in our audit support area. Because of the microcomputers used by stenographic staff, we do not need one full-time secretary that we had before, and we do not have that person. It was someone leaving that we did not replace. We have two secretaries; both of them have micros. One of them is working part-time and the other is full-time, and they can handle the same load that at one time we had three doing. So it is possible in some cases, but actually . . .

MR. NELSON: How many staff did you have 10 years ago?

MR. SALMON: The same or more.

MR. NELSON: A hundred and sixty?

MR. SALMON: No, we had 180. We've always had about 180.

MR. WINGATE: Our staff level has been coming down. But to answer your question in general terms, there was an interesting study done by the banks where they looked at the volume of transactions they were processing. They said, "Well, okay, how many people would it take if we were using the same practices we were using in the '20s to process the transactions banks now process?" The answer was that they would need a quarter of the population of the world to process the transactions if they used the same methods as in the '20s. All I'm saying here is that the number of transactions being processed by everyone -- by governments, by any organization -- has increased tremendously.

MR. NELSON: Yes, but that's a lot of crap. Excuse my expression. You know something? I worked in a bank many years ago, and you look at the complication of a bank's operation today as against then. I mean, years ago you walked in and got served right now. Today you walk in and you've got to go through 19 different loops before you even get to the counter. So I don't think you can compare it.

MR. SALMON: There's still a lot of inefficiency around, I'm sure.

MR. NELSON: Then all the federal government is doing is taking your social insurance number and dumping it on every computer in the world. The next thing you know, you're going to be . . .

MR. HYLAND: Mr. Chairman, to the Auditor General. I can't remember if it was in your budget when you were previously before the committee or in one of the others, but you were going to look at purchasing on the capital assets if you had any money left in this year's budget, the '91-92 budget, that could be moved into purchasing of capital assets.

MR. SALMON: I don't think we ever talked about transferring dollars.

MR. HYLAND: Okay. That must have been somebody else.

MR. SALMON: Not us. But certainly we . . .

MR. HYLAND: Is that a possible?

MR. SALMON: Well, if you look at our budget versus what we're suggesting we're going to spend, we're not going to do an awful lot with \$300. Basically that's what we're saying. It's committed dollars.

MR. HYLAND: It's fully committed; okay. So you don't have any movement.

MR. CHAIRMAN: Okay. Anyone else on computers? I think we're ready to move on, then, much to Don's relief.

MR. SALMON: We might be back to it. That's okay.

MR. NELSON: Hey, listen; I haven't really got wound up yet.

MR. CHAIRMAN: All right. We have a subtotal, then, of \$11,495,000 vis-à-vis the current \$11,310,000.

The other issue is NovAtel Communications, the audit which is done. You're proposing the same \$350,000 in 1992-93 estimates as we had in 1991-92. Further comments?

MR. SALMON: Again, it's recoverable.

MR. CHAIRMAN: It's recoverable, but it goes into general revenue. It doesn't show as a credit on your budget.

MR. SALMON: No, it doesn't. If something happened with NovAtel, then of course we wouldn't do the audit in the '92-93 year and that would just stay.

MR. CHAIRMAN: Okay. Any other questions? Are we ready for a motion to approve the budget as presented? Stan? Approval of a total budget of \$1,845,271.

Discussion? Derek.

MR. FOX: Mr. Chairman, just for the sake of the record, I think we should mention the percentage increase over the 1991-92 estimates, somewhere in the neighbourhood of 1.6 percent or something.

MR. SALMON: Yes, I think it's 1.6 percent.

MR. CHAIRMAN: I was going to make a comment at the end. Anything else? Ready for the question?

HON. MEMBERS: Question.

MR. CHAIRMAN: All in favour? Carried unanimously.

Special thanks to you, Don, and through you to Andrew and your staff. We've spent more time on your budget this year, I believe, in terms of the two preliminary meetings, but the fact that you've had a budget approved with everything you've sought, taking in mind the concerns of committee members in past meetings -- I think the process is working well. Your staff are to be complimented on the very professional way they've handled this presentation.

MR. SALMON: Thank you very much. We appreciate it very much. I think the detail helps you understand a bit better too, and we'll continue that process.

MR. CHAIRMAN: As an example, I think of the explanation you gave us on the importance of the students in your auditing work. That may well have been a target for reductions, but with the explanation you gave in terms of long-term benefit, I think that swayed the majority if not all members of the committee.

MR. SALMON: Thank you.

MR. WINGATE: Thank you.

[The committee adjourned from 1:52 p.m. to 1:55 p.m.]

MR. CHAIRMAN: All right, I'd like to reconvene. Let's move on to the budget for the Standing Committee on Legislative Offices, found under tab 5. Now, we've already had a run at our budget. We've agreed to reduce our travel and hosting expenses by 25 percent for the next fiscal year. Let's just take one final look at the budget before we put it to bed.

First of all, under Salaries, Wages, and Employee Benefits, any discussion on that item? Okay. Moving down, then, under Supplies and Services. Travel Expenses: as noted, reduced by 25 percent. Insurance and Repair and Maintenance of Equipment: that's the vehicle, and it's not applicable in this case. Professional, Technical and Labour Services: that's the audit, so we really need to hold that line until we've had our discussion with representatives of the auditing firm of Kingston Ross Pasnak. Hosting: again, reduced by 25 percent. Pay to Members of the Legislative Assembly: based on actual usage, reduced by 10.9 percent. Any questions?

Could I suggest we hold a motion approving the entire amount until we've had our meeting with the representative from Kingston Ross Pasnak tomorrow afternoon and then come back and deal with it in total?

Alan.

MR. HYLAND: I've got a question related to Advertising for Ethics Commissioner. Stan and I were just thinking that we don't remember the cost being that high for the Ombudsman, which was -- what? -- two and a half years ago.

MRS. KAMUCHIK: I'm sure it was that high, because it went across Canada, if you recall.

MR. HYLAND: Yeah, and this one didn't. This just went in Alberta.

MR. CHAIRMAN: I know that, but I'm not sure . . .

MRS. GAGNON: But this time we put it in every weekly in Alberta, didn't we?

MR. HYLAND: Yeah, but that doesn't cost you compared to -- I mean, you can get 50 weeklies or . . .

MR. CHAIRMAN: Well, why don't we get an answer to that question for tomorrow, if the advertisement for the Ombudsman went in dailies only? Whereas we did ask that the ad for the Ethics Commissioner, because it is a part-time position and may be filled by an Albertan living anywhere in the province, be placed in all the weekly newspapers as well as the dailies in the province. That's just to ascertain why the difference in the figures.

Could I draw members' attention to the conferences we normally have participants at, and could I ask that over the next few weeks members indicate which conference they're interested in, again

putting them in priority? We'll see, with the soon to be approved travel expense figures, which can be accommodated.

MR. HYLAND: Mr. Chairman, do we have any dates on those yet?

MR. CHAIRMAN: Louise?

MR. HYLAND: Thank you.

MRS. GAGNON: Are we supposed to give you our first, first, and first choice? Our only choice?

MR. CHAIRMAN: Remember, we've changed our approach slightly. Rather than approving the number of members who would attend each conference, we've approved a global figure. So once we have requests by various members, Louise will do some work with the travel agent to see what kinds of costs we're looking at and attempt to accommodate preferences members have.

Derek, and then Tom.

MR. FOX: There was some discussion at our last meeting, Mr. Chairman, about the possibility of using frequent flyer points for this sort of thing.

MR. CHAIRMAN: That's right. I think Tom sent me a note on that.

MR. SIGURDSON: You went to Speaker Carter on that?

MR. CHAIRMAN: Yes, and we can certainly do that. We've got flexibility for the use of points.

MR. SIGURDSON: I believe you had gone to see Speaker Carter to find out whether or not we could have some kind of point pool, for lack of a better term, to see if we could pool our points so members of this committee would be able to access a number of points for travel.

MR. TANNAS: I don't think you can, but anyway, it's worth a try.

MR. SIGURDSON: It was just a request that that was the goal.

MR. CHAIRMAN: Louise can give us some information on that.

MRS. KAMUCHIK: It just so happens that when I came in this morning there was a letter from the Ombudsman indicating that he had looked into whether or not points could be used in a pooling type of structure with Canadian Airlines. He was advised that Canadian Airlines, nor any other airlines make allowances for corporate memberships; all memberships are individual memberships. Under the current terms, travel points can only be transferred in as far as purchasing tickets for a family member.

So if you want to pool them in your caucus, for instance, and have them used by individual members, it can't be done.

MRS. GAGNON: Just to clarify, some of us have used points before.

MRS. KAMUCHIK: Yes, if you went to the Ombudsman's conference in the maritimes.

MRS. GAGNON: I'm sure Dennis used his own personal. I used mine for government travel.

MR. HYLAND: At every other conference you could probably pick up one extra person is what you're saying.

AN HON. MEMBER: Yeah.

MR. CHAIRMAN: Okay. So everyone's got a list then.

MR. TANNAS: On the third one that's listed, though, the 18th to the 20th is not for . . .

MR. CHAIRMAN: I didn't think so. That's not . . .

MR. TANNAS: Is that not so? The IOIC section.

MRS. KAMUCHIK: If I may, my indication from the Ombudsman was that only the first section is applicable to members.

MR. CHAIRMAN: So we can just draw a line through that second one.

All right. Anything else on our budget? Yes, Derek.

MR. FOX: I'm wondering, Mr. Chairman. The Salaries, Wages, and Employee Benefits -- maybe there is no other code number we can list this expense under, but it is somewhat misleading because it is in fact the fees for delegates attending conferences; it's not really allowances or salaries, wages, and employee benefits. I'm just wondering if there isn't a way of describing that expense a little more accurately, or is that just a number we're stuck with?

MRS. KAMUCHIK: I'm not sure how the heading came about, whether it's the general format followed by all committees.

MR. TANNAS: But if you follow it down, it then comes to Allowances and Supplementary Benefits, and those could be . . .

MR. FOX: Yeah, but it's neither an allowance nor a benefit. It's just a conference registration fee.

MR. CHAIRMAN: I'll ask Louise to look into it.

MR. FOX: Yeah, sure.

MR. CHAIRMAN: It may be a guideline that's come out of Treasury. Is it used in all the committees? Do you know, Louise?

MRS. KAMUCHIK: I can't recall offhand.

MR. CHAIRMAN: Okay. We'll check.
Anything else on the committee budget?

2:05

MRS. GAGNON: I know I've asked this before. Just to refresh my memory, the hosting applies strictly to the times when we're here over meals. We don't host anybody else, any other groups.

MR. CHAIRMAN: No.

MRS. KAMUCHIK: Several years ago the committee did have a visiting delegation from British Columbia, and that delegation was hosted for two lunches with as many committee members as could go, but it hasn't happened in several years. If it did happen, it would fall under Hosting.

MR. FOX: There was a time a few years ago when we hosted the Canadian Ombudsman Conference as well, but that was separate.

MR. CHAIRMAN: Under a separate budget too.

MR. FOX: No, I think it was under our budget, but it was a onetime expense that we anticipated.

MR. CHAIRMAN: But it was an increase that year.

MR. FOX: Yes. A one time only sort of thing. It won't occur again for six or seven years, when it's our turn.

MR. CHAIRMAN: Okay. Anyone else on our budget?

Well then, we'll do this: we'll take a break until we're able to get Mr. Gilbert Heise and maybe check and see if he can come early.

[The committee adjourned from 2:06 p.m. to 2:30 p.m.]

MR. CHAIRMAN: Okay, we'll reconvene, and let the record show we welcome Mr. Gilbert Heise to our meeting. He's here to discuss out-of-country travel by officers or their staff and what, if any, implications there are for us regarding liability or other such matters.

Are you comfortable dealing with this matter on the record, or would you prefer we be in camera?

MR. HEISE: I'll leave it to your choice. I feel fairly comfortable with it.

MR. CHAIRMAN: We're quite comfortable to stay on the record. As you know, there's a *Hansard* kept of our proceedings. There are two members of the media with us. If we do get to a point that you feel is sensitive and you'd like to go in a private session, we will do so, and that way we will excuse the *Hansard* officials and the media and be in camera. But I'll leave it in your good hands.

MR. HEISE: Okay; that's fine. Would you like me to proceed, to carry the ball?

MR. CHAIRMAN: Yes, please.

MR. HEISE: First of all, just to let you know what role I play with the provincial government, my position is the manager of benefits and salary administration, and our responsibility is to look after the group benefit plans for employees as well as elected officials. What I'll try to do is give you an overview of the coverage that is in place and the coverage that is under our responsibility with respect to employees and elected officials when they travel out of country.

Basically, we have responsibilities for a series of about five major benefit plans that affect these people whether they're in the country or in the province or out of the country. Generally speaking overall, the benefits remain in place when people are traveling out of country so long as they have them and participate in those programs in their capacity as employees and members, elected officials. What I'd like to do is just go through each plan individually and give you an idea what it's about and then relate that to out-of-province coverage.

The first major benefit plan we have is the group life insurance plan, and that is in place, 24 hours a day protection no matter where you are in the world. That basically provides a benefit in the event of death. It's a function of salary, so the amount of insurance is determined by the salary that the individual has and their choice of coverage. There's an opportunity to participate in an amount of coverage that's one times salary or two and a half. In the case of

MLAs it's one or three times salary. There's also a limit on that coverage, again depending on whether you're an employee or an MLA, but basically that coverage is in place all the time you are traveling, whether it be in the country or out of country or even stationed out of country.

Now, as part of the group life policy we have what we call accidental death and dismemberment coverage. That basically is an attachment that in the event death is accidental, the coverage is actually doubled, where the benefit paid is double, as opposed to death from other causes. Now, on that accident coverage there are some restrictions, and this may affect out-of-country coverage in that there would be no coverage in place if there was a war, riot, or insurrection going on in the country in which the individual is located at the time and happens to be subject to that activity. So that particular part of the policy would not cover, yet the basic coverage of the one or three times salary that I previously mentioned is still in place. It's basically death from any cause.

As part of the accidental death and dismemberment coverage there's also provision for loss of use, which basically means that if a person was involved in a serious accident and death did not result but he or she lost the use of their limbs or sight or hearing, there's a schedule of benefits. A benefit would be paid in addition to the basic coverage. Again, that accidental coverage is in place 24 hours a day whether you're in the country or not. It's just that there are some restrictions that I've just mentioned. That covers the life insurance group coverage.

The next major program that we're involved with is the long-term disability plan. Essentially that is intended to provide coverage when the insured individual is disabled for virtually any reason whatsoever, is no longer of a capacity to carry out their functions and as a result has to be hospitalized or is required to not be part of the work force. Again, that plan provides protection all the time, 24 hours a day, no matter where you're stationed. It does have the act of war restriction that I mentioned under the life insurance and a restriction for self-inflicted injury. Those are not covered. Essentially, that coverage is 70 percent of insurable salary; that's the benefit level should the person find themselves in that circumstance. Now, for employees there is what's called an 80 workday elimination period. That translates to about four months, roughly. During that first four months this plan is not applicable. For example, for employees we have a fairly formalized short-term disability plan, and that provides coverage during that period. MLAs have whatever transpires during that period which provides protection there, and then after the 80 days the MLAs have a plan which provides protection.

Please intervene if you have any -- I'll try to just capsule these main plans, and then I'll certainly entertain questions. But as I go through it, if you have an immediate question, I'll try to answer it.

Getting into the health-related benefit plans, we have in place a dental plan. Again, this also covers employees and MLAs. When I first received the call, I heard mention of the Ombudsman and the Chief Electoral Officer, I think it was. Those people, I appreciate, do not have the status, as I understand it, as an employee directly, but they are also covered under these benefit plans. They're basically put in the same benefit plan as our management employees. My remarks apply to them as well.

The dental plan is in place all the time if you're insured to begin with. No matter where you are, the coverage is there. The difficulty is that if you are out of country, you don't have the convenience of the person stationed in Alberta in terms of our dental codes are easy to follow and there are special claim forms we have for the plan. Those may not be in use in other countries; most areas will have their own procedure codes and so on. What we advise individuals who do go out of province is first of all to maybe have your dental

care taken care of if there are any immediate needs before you go, and then once you're out of country, if something does arise, ensure that you have documentation as to exactly what work was done and receipts provided and the cost, of course. Then all that information goes in to the administrator of the plan, which happens to be Mutual Life. They will sort it all out, and they will translate the procedures into the Alberta Dental Association fee guide and reimburse on that basis. In other words, whatever would have been provided in Alberta for the same dental work is what will be reimbursed under the plan. When the person returns to Alberta, anything outstanding should be sorted out at that time, but the claim can be made from another country. All the claims go into the Calgary office, and the benefit cheque will be reimbursed. It will all be translated, using the exchange rate at the time, into Canadian funds and reimbursed in Canadian funds. Those are the only funds that we work in. The individual can pay in the foreign currency wherever the work is done. It'll just be remunerated in Canadian funds.

2:40

The next major health care plan, of course, is the Alberta health care plan itself, and we as a government and employer basically participate in that plan as a group. So we are one of the larger group plans in Alberta for the Alberta health care program. That program is in place, of course, to provide coverage for a number of medical procedures provided by medical doctors and hospitals. Now, that coverage will be in place for up to 12 months if the person is residing out of the country for a temporary period up to that length of time. Basically all the medical work that would fall within that plan as though the person was a resident of Alberta will be covered based on Alberta's schedule of fees and so on that the Alberta health care plan provides. If a person does require medical attention out of country, that person will be responsible for taking care of the medical expenses and remitting to the Alberta health care plan either from that country or upon return to Alberta.

Now, we also have another medical plan that will pick up the balance, if you like, up to certain limits over and above Alberta health care. For example, if the person is in the United States or another country where the medical attention is of a greater cost than in Alberta and if you have your group Blue Cross coverage -- I think certainly the employees have their plan with Blue Cross as a group plan, and I understand MLAs do, only it is a separate plan from the employee plan -- then by providing a covering letter with your claims to Alberta health care, they will have the additional amount that they cannot reimburse remitted to the Blue Cross plan on your behalf. That plan should then pay the balance of what is owing.

Now, there is a limit on the Blue Cross plan for employees of an annual amount of \$25,000 in claims a year. If that excess exceeded that amount, it would not be covered. We know that in the United States you can get some pretty hefty medical expenses in a number of the states if you happen to require attention and particularly if you need to be hospitalized. That coverage -- again, this is our group plans that are in place -- may not be adequate. Now, I must admit I do not know with respect to the MLA plan, because that is a separate plan, whether that maximum is any different. We are not too involved in the administration of that program; it's been separate. But again the principle's the same: if there is a maximum limit, then that will cap the amount of expenditure paid if medical attention is required out of country.

Now, just as an aside, there is individual coverage available for medical costs that a lot of people take if they do proceed out of the country; let's say, for example, on vacation. You can get limits of up to a million dollars, and quite often our employees, for example, knowing that there is this \$25,000 cap on their plan, will in fact obtain the additional coverage as private, individual coverage. We

also have a provision for our employees that if they are proceeding out of country on business, the employer will pay the premium for the individual coverage simply because the \$25,000 maximum on the Blue Cross plan may not be adequate -- of course, you're talking here of having protection -- for the potential expenditures that one could have, particularly if there's an emergency or accident. When the employer does pick up the cost, though, it has to be strictly for business reasons that they're traveling out of country.

Now, the last health related plan we have, and I've alluded to this, is our own Blue Cross extended medical benefits plan. Of course, there are a number of types of expenses that may not be covered under Alberta health care, where whether you're in Alberta or out of country, you would have to claim directly to the extended health plan. For example, prescription drugs: you would have to claim directly to the Blue Cross medical benefits plan. There are a number of other types of special services that are not covered by Alberta health care that are picked up under Blue Cross.

Our group Blue Cross plan is not a mandatory plan. Therefore, the employee certainly would have had to be enrolled in it and have that coverage before proceeding out of country. If they in fact had not done that, then basically they're under the protection of Alberta health care only for whatever limits it has.

Those are the programs we are responsible for administering out of our office. There are of course others, such as the pension plan. The pension plans provide allowance for persons who, say, take a leave of absence to travel out of country. If they are working out of country and still really considered employees of the Crown, then essentially their pension continues on -- they contribute, and it remains in place -- but if it is a leave of absence for the purpose of going out of country, then there are special provisions for buying back that service upon return, and there are limits as to how much service can be purchased.

My remarks are all kind of centred on the understanding or basis that the individuals involved still remain, if you like, engaged or employees of the Crown. Their salaries are paid by the Crown, and thus they're able to continue on these benefit plans. If it is a leave of absence without pay, then there is a policy in place for all employees that all those plans will continue to provide coverage so long as the premiums are paid. The premiums are paid again on the same cost-sharing basis as though the person was actively at work. For example, on the Blue Cross plan it's a 50-50 cost sharing. If that person took a leave of absence without salary, that plan still continues so long as that employee pays his 50 percent share, and the employer will then pay the other 50 percent. So the cost-sharing arrangements to allow these benefit plans to continue on, the premiums to be paid, and the coverage to remain in effect continue when the person is out of country whether he's actually actively working for the employer or on some sort of leave of absence. I think that capsulizes.

The only other plan I'll mention is workers' compensation, and then I'll certainly take your questions. The nature of this program is that it's a legislative program to provide protection to the employees while they're working and providing a service should an accident occur causing some medical attention to be required or loss of income and so on. That coverage will continue for up to a year if the individual, for example, is working for the government as an employee and is out of country. We have all our foreign service workers covered. In fact, we have a special board order that covers our foreign service workers in excess of one year, because many of those people are stationed out of country beyond one year.

That, as I mentioned, basically covers the various benefit plans protecting our employees. I'll certainly field any questions you have.

MR. CHAIRMAN: Thank you.

Stan had his hand up first.

2:50

MR. NELSON: Well, there are two questions actually, and I guess you alluded to one of them with your last comments with regard to people who are currently engaged overseas. For example, our agents general and the staff I assume would carry that complete coverage whilst they are living overseas for that full period.

MR. HEISE: That's correct. All the plans that I've mentioned here cover those people totally, and we've done some special things on the dental plan to ensure they're treated as well as an Albertan: being reimbursed here in Alberta and the extended coverage under workers' compensation.

MR. NELSON: The other question I have is: if an employee of the government of Alberta is seconded by another government -- the federal government, for example -- and sent overseas, as in the case of the Chief Electoral Officer, in a deemed hostile environment, who is responsible for the care that person may require if something were to happen? Does the provincial government continue to be responsible, or does the federal government in this particular case as seconding that individual take on that responsibility?

MR. HEISE: I think that has to be predetermined as part of the conditions of the secondment. I think it should be known right up front exactly what the federal government is responsible for and what the provincial government is responsible for. I've known of cases where the employees still continue on our payroll and all the benefits are continued, and simply there's an arrangement for the federal government to reimburse the Alberta government, say, for the amount of compensation, if you like, that is provided to our employee working on behalf of the federal government. In that case, then it would be very clear that the provincial government would have to accept the responsibility for ensuring all these coverages are in place or if there are any other difficulties the individual would get into.

Then I suppose the other type of arrangement is that it is a really true secondment in that the federal government or any other government is taking over that responsibility for compensating that employee. He's essentially on loan to them, but they are responsible for the salary, and it has to be determined what benefits are going to apply to them: are they as good as ours or maybe better. Maybe there'd be some arrangements where some of our plans would still continue in place but they would have, for example, the medical coverage for that particular country or whatever.

MR. NELSON: So in essence what you're saying is: if I were to be seconded by the federal government for some reason or other, we should negotiate with the feds as to what they will put in place in case something were to happen to me medically or if I were killed or what have you, rather than lay the burden back to the taxpayer that supports the provincial government.

MR. HEISE: That would be my view, and I believe that is done for those types of arrangements. Then it's very clear at the beginning exactly whose responsibility it is and where the liability would fall.

MR. NELSON: Okay. Thank you.

MR. CHAIRMAN: Don, and then Al.

MR. TANNAS: Thank you, Mr. Chairman.

What I am concerned about is when you were talking about the group life insurance and then the accidental death and dismemberment and the exception or exclusion of war zone or insurrection. Who determines what's a war zone or what's an insurrection? I had occasion some years ago to go to Uganda. At that time there was a war in Biafra, which was thousands of miles away, and there was a good going insurrection, if you will, in Northern Ireland. Yet the insurance company deemed my area dangerous, which at the time was reckoned to be quite peaceful. So my question is: who says it is a war zone? The insurance company or the government of Canada or . . .

MR. HEISE: The insurance company has essentially the final say when it comes to paying out a claim. I don't know. We have never actually experienced this before in terms of any claims being debated or disputed for these reasons. We've never had a situation like that arise. I guess if somebody was going into an area, it would have to be determined: why are they going into an area knowing this? Now, in your case you said you were so far removed that . . .

MR. TANNAS: Yeah. It was just that the insurance company doubled the premium; that's all.

MR. HEISE: Certainly that would not occur in this case, nor would it likely be required to know in advance. We don't report to the insurer, which is Great West Life, where our employees are traveling. If a death did occur, then they could be underwriter of the policy, and they would then adjudicate the claim, if you like, looking at all the circumstances.

MR. TANNAS: With the Chief Electoral Officer there are some instances where countries are changing the nature of their rule. There may be some civil strife and they're going to a more democratic kind of thing and maybe there is a request, then, for someone to come who has experience in running a proper and fair election. Our staff have been requested to go to several different countries in the last few years. You know, if you thought of Nicaragua, some people may say that that was okay and others may say, "No; there's a civil war going on there."

MR. HEISE: The only thing I can suggest is that if these events occur and we are advised in advance of the country involved, we could attempt to get some sort of ruling from the insurer, if you like, as to what the status would be with respect to the AD and D coverage. That's all it would be with respect to, because as I mentioned, the other coverage -- one or two and a half, or in the case of MLAs, one and three times salary -- is in place regardless. It's coverage of death from any causes, so it isn't as though there's no coverage in place. The questionable area would be the AD and D.

MR. TANNAS: The double indemnity type thing.

MR. HEISE: Yeah, and unless they knew in advance and could make some sort of declaration as to "Is your coverage in place or not?" That's the only thing I can suggest.

MR. TANNAS: Thank you.

MR. CHAIRMAN: Thank you.
Alan, then Derek.

MR. HYLAND: That was my question; Don just asked it.

MR. CHAIRMAN: Okay.

Derek.

MR. FOX: Just to clarify again, following from Stan's question about an officer or employee of the government of the province of Alberta or a Member of the Legislative Assembly traveling abroad for a short period of time for a conference or whatever: if an employee of the province of Alberta is covered. Where there are people federally traveling, there's no need for formal secondment or agreement ahead of time about who handles what in the case of accident. I mean, if it's clearly an extension of their responsibilities from the province of Alberta, then they're covered, right?

MR. HEISE: There's no question that they're covered.

MR. FOX: Which is the circumstance that gave rise to the question: should people be able to ask?

MR. HEISE: It's just that if there is a formalized secondment arrangement where the person is going to be engaged by another government, say, then it has to be very clear before that occurs as to whose responsibility it is. Does this person become an employee of the federal government for two years, for example, and they are responsible for benefits and compensation, or is the arrangement that he remains an employee of the Crown in Alberta and simply is on loan but we are responsible for all the compensation benefits? That should be very clear up front.

MR. CHAIRMAN: Yeah. There's a fine line that we as a committee must keep in mind as well in that I didn't hear from anyone a question of the coverage, the responsibility, the liability for anyone who's attending a meeting or a conference as an Alberta delegate, whether it be from one of the offices, the officer himself, or an MLA, where you get into someone who's doing something on behalf of the federal government. That's why we're into this discussion, and it's been very helpful.

Yes, Tom, I think you wanted to get into it.

3:00

MR. SIGURDSON: Thank you, Mr. Chairman. I guess regardless of who has the responsibility for paying the additional Blue Cross coverage, do you know what the additional premium would be to take the \$25,000 limit to, say, the \$1 million limit for a period of seven days, or can you give me any idea what the cost of the premium would be just to take it from \$25,000 to the \$1 million on a per diem basis?

MR. HEISE: Well, if you went to Blue Cross for that coverage -- and there are a number of other companies in the business of providing that coverage; for example, your AMA membership allows you to get comparable coverage to that -- you'd find that the premium is generally on a daily basis per person somewhere in the neighbourhood of \$1.50 to \$2 per day.

MR. SIGURDSON: So then a delegate from our committee or any of the officers of the Legislature attending a conference should build that in perhaps. We should examine our hourly level of coverage, and then if we haven't sufficient coverage, we should build that or the insurance cost for coverage into the cost of a conference.

MR. ADY: Wasn't there some question, though, that there may be additional coverage in that category for elected people? You weren't sure of that, as I recall, in your comments.

MR. HEISE: What I wasn't quite sure of is the MLA group Blue Cross plan that you have. I was not sure of the maximum limit on that.

MR. ADY: Yes. And that would be what we should be talking about.

MR. SIGURDSON: Or even the officers of the Legislature.

MR. ADY: Okay.

MR. CHAIRMAN: Alan.

MR. HYLAND: In responding to that last comment, I think, Jack, once when I was going somewhere, they looked at that -- maybe Louise can remember -- and we were told no, we didn't need to take the additional coverage because Blue Cross was already providing it.

MR. ADY: We have an extended coverage on that.

MR. HYLAND: Yeah, with our service.

Mr. Chairman, a question to our guest. Would you advise us to have some sort of policy, being as we didn't, relating to our officers, even if it's just notification to your office that they have been asked to go somewhere, so that if something ever did happen, God forbid, there's some formal recognition that they're being asked to go into an area? In this case it was supervising an election.

MR. HEISE: I guess the only plan where it might have some application -- because your medical coverage and so on, as I've explained, is either in place or you can buy the additional coverage. I think if you had a concern for the officers involved as to whether that additional accidental death and dismemberment coverage would be in place at the time they were in those countries, then the only difficulty -- and we haven't experienced this before -- is that we would have to get a bunch of facts and information as to the current situation in that country, and the insurance company would have to make some determination that you're going into an area where indeed this so-called restriction on the war, riot, and insurrection provision in the accidental coverage would apply if an accident occurred there as a result of that. So all that would have to take place. We would have to ensure that we got factual information about exactly what's transpiring, and again the individual involved actually would have to have had his accident result from that. If it was an accident, he fell down the stairs or something like that, that's protected because it really didn't result from the restriction that was in the policy. I guess what that would do is give you and the individual some comfort knowing that, okay, the circumstances are such that the AD and D coverage is or is not in place. Whether that changes your decision about whether that person should go into that country I guess is up to you.

Actually what I'd like to do is discuss that sort of thing with the insurance company. I'm sort of proposing it as a possibility we could try to accommodate, but again it's the insurer that would have to look at the policy and determine the information they need.

MR. HYLAND: I would hate to see us in a position where we're trying to correct something retroactively that we thought maybe was or wasn't covered and get something in place.

MR. HEISE: Would it affect a decision to send somebody abroad?

MR. HYLAND: I don't know.

MR. CHAIRMAN: Well, it may.

MR. HYLAND: It may. It may not.

MR. CHAIRMAN: This came about rather innocently. I was reporting to the committee on behalf of the Chief Electoral Officer, who had been invited by the Canadian government, the Canadian Chief Electoral Officer, to participate as an observer in the referendum in Ukraine as to whether or not Ukraine would remain part of the Soviet Union or become independent. So the issue was quite emotionally charged. I brought that matter back to the committee, and a question was raised as to liability and responsibility in the event of an accident or a problem. That is why we involved you in this process.

MR. HEISE: Right.

MR. CHAIRMAN: I don't sense at all that the committee wants to stand in the way of an officer or of the officer's staff from participating. On the other hand, there was a deep concern that we should not be held liable for something that's outside our jurisdiction. I think what we now need to do is spend some time thinking about the matter further and developing a course of action, a policy statement that we would apply to the three offices, soon to be four, on a consistent basis.

Yes, Don.

MR. TANNAS: I would like a clear undertaking on the part of the insurance company as to the whole issue of what's a problematic area of the world. Normally the Canadian External Affairs department issues a travel warning kind of thing to people not to go to a certain area, or more likely to residents within an area. For instance, when Kuwait was occupied, they then quickly told everybody that their best bet was to get out, although they weren't initially in any kind of danger. I'd like that clarified. I would like it to be somehow clear who's calling the shot on that: an insurance company or the government of Canada.

MR. HEISE: What I could certainly do is discuss this issue with the insurance company and get back to you through Louise in writing as to what they would be prepared to do, what information they would require in advance of somebody being stationed overseas so that they would know and be able to adjudicate any claims that came up.

MR. CHAIRMAN: Yeah, that will be helpful, in addition to a policy that we need to address as a committee.

Anyone else? Okay. Thank you very much. It was very informative.

Back to the committee.

MR. HEISE: Thank you very much.

MR. CHAIRMAN: If we can turn our attention now to item 7, Office Space Availability, you'll recall that the Ombudsman brought to our attention that there indeed was some space available in the building in which his offices are located, and he wondered whether or not we wanted to attempt to reserve that space for the Ethics Commissioner. There's a copy of a memo from Ken Kowalski, minister, back to myself just indicating that they are in the process of obtaining a first right of refusal to the space. I have not been advised otherwise, so I believe they've been successful in that.

Once we have the new Ethics Commissioner in place, then the Ethics Commissioner needs to decide whether that's the space he or she would like and, if so, make appropriate arrangements. If not, other arrangements will need to be made through Public Works,

Supply and Services. I'm appreciative of the response we received from Ken Kowalski.

Anything else on that matter? Any other agenda items for today? Ready to adjourn until tomorrow?

Yes, Alan.

MR. HYLAND: I suppose we'd better not set any policy or anything on this or comment until we hear the report on the insurance and the stuff like that.

3:10

MR. CHAIRMAN: Well, to me the more important of the two is a policy that we as a committee adopt. Before we finalize it, I think we need that further assurance back from the industry. We can't develop a policy that's subject to or conditional upon the industry, because their position will change from time to time.

MR. NELSON: There are also going to be separate circumstances. I think the biggest question here when someone is seconded by the feds is going to be whether they would become their responsibility should something happen or whether they'd continue to be the responsibility of the provincial government. I think that's pretty simple. We can probably deal with that aspect of it and send a message over to the three or four officers: "This is how it works. If you get the clearance, fine; if not . . ." I guess a determination may have to be made from that point as to: yes, we will consider you to go somewhere, or no, you cannot.

MR. CHAIRMAN: Are you proposing a motion today, or is this something that you want us to think about a little and then bring back within the next few weeks?

MR. NELSON: Yeah. I'm not going to propose a motion now.

MR. CHAIRMAN: Okay. I think that's in order. Let's give it some thought and bring it back to one of our future meetings.

We were going to talk -- well, actually it's on our agenda tomorrow, and with Yolande away, maybe we should wait until tomorrow to finalize our needs.

There is one other matter that's not on the agenda, and that's a luncheon which Tom was able to attend along with our Ombudsman and a Russian official or officials. I wonder if it would be appropriate to do that now, Tom.

MR. SIGURDSON: Just very briefly, Mr. Chairman. On January 2 there was a chap by the name of Sergei Sirotkin who was visiting North America from Russia. He's a delegate of, I guess, the new Russian federation, the new parliament. The reason for his North American tour was to examine Ombudsmen's offices that are currently working in North America. He visited Washington, D.C. We were the second stop on his tour. Then he was going on to Vancouver to meet with Stephen Owen, the British Columbia Ombudsman, who I believe is also president of the International Ombudsman Institute.

The reason I met with him is that the Ombudsman, Mr. Johnson, had sent a letter, I suppose, to you, Mr. Chairman, asking any members to attend the luncheon. He was wondering just what the format, the structure of our committee is with respect to the relationship that we have with the office of the Ombudsman. I explained to him that we reviewed the budget and that that was pretty much it -- to some degree, perhaps, staffing levels but that came through the budgetary process -- that we did not politically interfere with the Ombudsman's office, and that the Ombudsman has the autonomy to conduct investigations as provided in the legislation.

I think he had some difficulty in trying to comprehend that. He was having some difficulty trying to put that into the context of having gone from a totalitarian state, where there is all kinds of political interference at all kinds of levels, to -- I don't know if it's yet a democratic state. So he found the role of our committee somewhat perplexing.

He had a number of questions that I answered. I didn't get anybody into any trouble. I was apolitical. What was interesting, though, was that he had a number of political comments. It was interesting in that a number of years ago I had met with another delegate from the Soviet Union and there were no political comments. Anytime I'd try and engage in political discussion, there was no way that they would enter into any kind of political discussion. This chap had all kinds of comments about the new political structure in, I guess, the Commonwealth of Independent States and the leadership. It's a very frightening time for all the people that live over there. It's a cautious time, and at the same time they have to be pretty aggressive in trying to establish their offices to make sure that whatever form of democratic institutions they adopt, they're safeguarded.

It was an interesting luncheon.

MR. CHAIRMAN: Thank you.

Jack.

MR. ADY: Just a question. What was his reaction to the fact that this committee had the responsibility to select those officers and also to renew or not renew contracts? Is that an amazing kind of thing?

MR. SIGURDSON: Yeah. Part of that, I suppose, was his bewilderment about political interference. He thought that might be somewhat politically motivated. I told him that we were an all-party committee and that there was a form of consensus-building that would take place in order to try and get certain officers in position, that it wasn't just a top-heavy authoritarian dictum that would be handed down: you appoint this individual to that position and that's the end of it. We try and build a fashion of consensus into an appointment to any position.

MR. ADY: I assume from your comments that this man spoke English.

MR. SIGURDSON: There was an interpreter. He spoke some English. His English was much better than my Russian. The three of us ate lunch, and the translator sort of swallowed down whenever he could. The translator was very busy over the lunch hour.

MR. ADY: So he was busy?

MR. SIGURDSON: Yes.

MR. ADY: One more question. I'm just interested in what they're planning to do over there. Was this just for one of the states, that this guy was going to act as the new Ombudsman?

MR. SIGURDSON: They're looking for a model, and I'm sure it'll be a hybrid model based on whatever he sees in Europe and North America. They're at a point where they're starting from scratch. They're building; they're starting with the foundation. This chap is around looking for blueprints. So whatever good ideas Harley Johnson and people throughout North America offer him may end up in the Russian legislation. That legislation then may be spread out to other members of the Commonwealth of Independent States, but his assignment on behalf of the Russian parliament was to look at an Ombudsman structure for the state of Russia.

MR. NELSON: Country of Russia.

MR. SIGURDSON: State, country, yeah.

MR. CHAIRMAN: Any other questions?

MR. NELSON: I think Canada now is the largest country in the world in land mass.

MR. SIGURDSON: That's right.

MR. CHAIRMAN: Any other questions? We'll adjourn before we blow apart.

Yes, Don.

MR. TANNAS: I don't know if this is the appropriate moment, but I wanted to discuss perhaps the times of the meetings for the 10th, 11th, and 12th.

MR. CHAIRMAN: How would it be if we tentatively discuss them recognizing that it's on the agenda for tomorrow and that Yolande is not here? I think we had agreed at a previous meeting that we would not try to sit down and just spend eight hours, because I'd hate to be the candidate whose résumé we're looking at at the end of an eight-hour session.

3:20

On the 10th we'd tentatively meet from 1 to 4, on the 11th from 10 to 12 noon and 1 to 3, and on the 12th from 10 to 12 and 1 to 3. I think we'll get a sense, once we're near the end of the first day, of how much time we need for each candidate and the résumés. If we find we can handle more, we can always expand, but I really don't want to do anything that's going to be unfair to the candidates who are at the end of the day in this process. I think all of you save Tom and I have had experience with the Ombudsman search, so you have a better feel for this. Does that sound reasonable? Are there adjustments you'd like to see to it?

Derek.

MR. FOX: What we envision then on the 10th and 11th is reviewing the preliminary interviewing that's been done by PAO?

MR. CHAIRMAN: Yeah, we've got two things. That's our main task, and the second one is the interviewing on the administrative assistant's position.

MR. FOX: So we're not doing any shortlist interviews of the prospective candidates for the Ethics Commissioner.

MR. CHAIRMAN: That's right. That is correct. We're a step ahead of that.

MR. FOX: My sense is that if we find we've got a lot to do in that three-day period -- you perhaps know the workload a little better than I in terms of what you've got in mind for that day. I'll hold those evenings open if we need them.

MR. CHAIRMAN: Okay, thanks.
Stan, and then Tom.

MR. NELSON: No.

MR. CHAIRMAN: Alan, did you have your hand up on this point?

MR. HYLAND: No. I was going to move adjournment.

MR. CHAIRMAN: Okay.

MR. SIGURDSON: Are we still holding open those five other dates?

MR. CHAIRMAN: Yes, we are. We're not actually interviewing any of the candidates on the 10th, 11th, and 12th.

MR. SIGURDSON: We're just looking at them.

MR. CHAIRMAN: That's right. We'll be doing that later. We're trying to hold time so that we not only have enough time to do the interviews but then to make our selection.

MR. HYLAND: On those three days we'll be getting down to the short list, too, on the administrative officer?

MR. CHAIRMAN: I think we actually may be ready to interview. [interjections] We're not sure yet, Alan.

MR. HYLAND: Okay.

MR. CHAIRMAN: But that has to be interwoven into this process, the interview for the administrative position.

MR. HYLAND: The only comment I've got is that once we get down to that selection, we should do like we did with the Ombudsman. We should be somewhere else other than this building.

MR. NELSON: Yeah.

MRS. KAMUCHIK: I think you had discussed that before, and you had agreed to leave it in this building, because no matter where you go, they're going to find out where you are. My understanding was that it would be in this room, with the candidates possibly meeting in 313 or 315, where there's a reception area.

MR. NELSON: The reason we went to another place was to give them some confidentiality, anonymity as far as the interview was concerned.

MR. CHAIRMAN: Okay. Where did you go?

MR. NELSON: Let's adjourn.

MR. HYLAND: Can I put my motion, and then we can talk about it?

MR. CHAIRMAN: Yes.

MR. HYLAND: I move we adjourn until tomorrow morning.

MR. CHAIRMAN: All in favour?

[The committee adjourned at 3:23 p.m.]

