

## Standing Committee on Legislative Offices

9:04 a.m.

[Chairman: Mr. Hierath]

MR. CHAIRMAN: Okay. I guess we'll call this meeting to order. I need to refer to my agenda.

The first thing is that I would like to get from the committee members approval of the agenda, please. Harry. All those in favour? Carried.

Also, we need to approve the minutes of the November 16 meeting. I hope you've all read them. Did you find any errors or omissions? If not, could I have a motion to approve the minutes?

DR. MASSEY: So moved.

MR. CHAIRMAN: Don.

DR. MASSEY: I thank Diane for the report.

MR. CHAIRMAN: All those in favour of the motion? Carried.

I would like to introduce our Ombudsman, Harley Johnson, and his -- what's the title? -- director of finance, Dixie Watson.

There are a couple of different ways of handling his budget estimates. We could either go line by line, or we could ask Harley and Dixie to do a summary for us and then ask questions, whatever your wish is.

DR. MASSEY: I suggest the latter.

MR. CHAIRMAN: Sure. Okay. I'll turn it over to you then, Harley.

MR. JOHNSON: Well, thank you, Mr. Chairman. First off, congratulations to the members who are now sitting on this committee. It is a very important committee, as you're going to be aware if you're not already very much aware. The officers of the Leg. are a very different group of people. We're deputy ministers in one sense, yet we're also department heads. We're neither fish nor fowl, as I pointed out to the chairman in a previous meeting.

I'm very, very pleased to present my first budget to you, this particular committee. I'm also very pleased that I was able to meet the guidelines that the chair set out in his memorandum to me in that I have taken off the budget 5 percent of the salaries and benefits, as directed, and I have incorporated a 20 percent decrease in the budget over a three-year time period: the first year showing the full 10 percent reduction, as per the instructions, and likewise the reductions of 5 percent and 5 percent in the two subsequent years. So I'm very pleased to report we're able to do that.

How I was able to do it was basically by canceling the programs. I've canceled the educational and public awareness programs within the office itself. I've also canceled as part of that all advertising of programs. This is not going to cause any significant decrease in the actual operation of the office. It will in the long run decrease the effectiveness if in fact this is going to be a continual process, because the role of the Ombudsman, even the term itself is a name that a lot of people know but they really don't know what it actually does, what it can do, some of the strengths and some of the limitations of the office. I've presented to all the

MLAs brochures and everything else to make available to the constituencies.

I've got some other issues that will have to be decided upon in years 2 and 3 of this financial plan. In terms of the specifics of those decreases, I don't think it's appropriate at this time to discuss it. In terms of the first year, the 10 percent, very definitely, because they're upon us at the present time.

I've eliminated all staff training and upgrading. I've suspended all staff cross-training within the office itself. I'm looking at extending the investigative time frames. I attempt where possible to have all complaints done within a 90-day time frame. It's not always possible; that's an aiming point. Some of the investigations are very definitely capable of being handled within that time frame, and others are not. Where they're not usually is where there is some support for the complaint, and that happens in about 40 percent of the actual investigations taken by my office: where there is some support.

I'm also looking at extending the time frames for ministerial requests and own-motion investigations. Ministerial requests: any minister of the provincial government can request of my office an independent review, and providing it's within jurisdiction, I can investigate that.

I also have the authority under own motion, if there appear to be systemic concerns, to enter upon those investigations and to report back to the Legislative Assembly itself. Going from that, I have extended those time frames.

If we go directly to the actual budget submission at this point then, having given that and, as per the request of the committee, going line by line, if you'll look under operating, '94-95 budget, under salaries, you'll notice that there is an increase under 511A, but this corresponds to a significant decrease in 511D. These are basically three contract positions which in fact have now moved to salaried positions, so it's a transfer within a budget but not an actual decrease in dollars other than the 5 percent that everybody will in fact face in the excluded opted-out category and the management category as of April 1, 1994.

Wages, 511C. You'll notice there are no moneys put in there. That's basically for wages for part-time help where it's absolutely necessary to bring in a cover.

Employer contributions covers a whole pile of aspects including all the pensions and the medicals and other issues of that nature.

Allowances and benefits, 511F, are basically your training components. There is still a thousand dollars in this particular component, which is a significant decrease from the \$6,000 actual in '92-93 and my \$4,300 in the '93-94 budget. The only moneys left in this are to pay for the fees for the lawyer's provincial professional body within the legal society and also the federal. That's the only money, and that's a thousand dollars, so there are no training moneys left in there. I require that lawyer on staff. I require her to give me formal legal opinions to do the investigations that we do do, so that thousand dollars to me is just non-touchable in that sense. It would cost us too much money to go outside and do the contract work.

Travel expenses. Please note that '92-93 actuals were \$70,400. I reduced it in '93-94 and reduced it again to \$61,800 in the '94-95 submission.

Advertising. As I've pointed out to this committee, I have reduced it from the actuals for '92-93 of \$9,800 to \$4,000 for '93-94. Then my new budget is zero. There will be no advertising dollars.

The insurance, 512D. I had none in '92-93; '93-94 is a thousand dollars; '94-95 is a thousand dollars. What we have here is basically a deductible both on the vehicle assigned to the office

and on any other thefts or damages, so it's a deductible that goes with risk management with the provincial government.

In 512E a reduction from \$6,400 to \$6,000. The majority of this freight and postage deals with mail-outs. As any of you know, in terms of my dealing with complainants, they are dealt with via the mail systems and also the mailing out of our annual reports to the appropriate agencies or on request.

The rental of property, equipment, and goods: 512G. Again, we're just holding the same. These are basically the photocopiers, the fax machines, or any other machinery that is within the office now, and it's not going to go up or down.

#### 9:14

In 512H you'll notice that there is an actual increase in this particular component. The '92-93 actuals were \$6,700; '93-94, \$9,000; and I'm submitting \$8,900 in the '94-95 budget submission for telephone and communication. At the present time public works, which has, in fact, all the cost factors for Zenith numbers around the province, is looking at changing that so that it will be a charge back to the individual offices as opposed to one charge through public works and supplies. That will have to be borne by my office. I have the office number in the white pages in all the telephone books in the province again for access so that people do have the ability to phone in. They also have the ability to phone in on the RITE line. As most of you know, the RITE line does not cover the entire province. It covers most of the province but still not some areas. When a person phones in on their own private phone from one of these areas where the RITE line is not, then we have it charged to the office budget, at least giving everybody access, because many of the people coming forward to our office do not have the financial capabilities that many people do have. We deal with an awful lot of people who are the underprivileged, in a sense, within society.

Item 512J, repairs and maintenance, from \$700 down to \$400. We're not looking at a lot of repairs within the office. It's just if we do have a breakdown of equipment over the year, that will in fact give us some ability to fix it.

Item 512K is always a controversial issue. I may as well be right up front with this particular committee. In '92-93 it was \$54,000; in '93-94 it was \$61,000. I'm dropping it down in '94-95 to \$22,000. That is a very significant decrease. This is where I have to go out and get specialist information. Occasionally I'll get a report or an investigation where I require engineering reports. It could be dealing with the levels of a lake; it could be dealing with weirs that are placed; it could be dealing with any number of engineering issues. It could also be dealing with lawyers, outside legal help where there may in fact be a conflict of interest within the office or with other departments and we need an external legal review. This has happened on occasion. It's not happening as often now that I've got a permanent lawyer on staff that is giving the legal opinions, so I'm quite comfortable, in fact, reducing that from \$54,000 to \$22,000.

Data processing. The '92-93 actuals, \$32,200; increased to \$42,500 last year; reducing back to \$40,000 this particular year. I haven't requested of this committee or your predecessors any increase in manpower, or people power, full-time equivalent positions because of our capabilities within data processing, yet our complaints are going up. Last year alone our complaints over the previous year were up 1,300, which is a fairly significant increase. The majority of that, though, is orals, but it still takes time to deal with and to check things out. There was an increase also in written complaints last year. A lot of those written complaints were in fact dealing with downsizing, where people felt

that abolishing the position that they were sitting in was unfair and requested my investigation.

Item 512M is hosting. My '92-93 actuals were \$2,400. Last year it was \$2,600, and then this year I'm reducing it again to \$2,000. Hosting always is a controversial issue no matter where you are. The majority of my hosting costs deal with when I'm dealing with deputy ministers or ministers -- primarily with deputy ministers -- or chairs of committees. Many times I'm able to get an awful lot more mileage out of paying for a lunch than I am in fighting, in a fashion, with deputy ministers. So an awful lot of my complaints are dealt with in that fashion, in trying to resolve the issue rather than publicly fighting, and it's been exceptionally successful, in my opinion.

Other purchased services, 512N. These are the other services that I require to run the office. It's strictly an administrative function, going from \$4,800 down to \$1,300.

In materials and supplies you'll also see a decrease -- this is in 512P -- from \$45,900 through \$25,300 and now to \$24,400.

The bottom line: the total operating costs you'll see are dropping from \$1,183,500 to \$1,083,500, which is a hundred thousand dollars, which represents a significant decrease.

Capital assets, purchase of data processing equipment. As I pointed out, there was a fairly significant data processing increase when I first came into the office because I felt that automation would in fact be able to keep our operating costs down and our full-time equivalent position requests down. The '92-93 actuals, \$25,300; '93-94 budget, \$7,000; '94-95 is down to \$5,000. Most of this will just be for software and other issues that come up that are required. One of the things we've found since we've gone into data processing -- and I'm sure any of you that have dealt with data processing understand -- is that if they change the particular program, if we don't go along with that change in programs, they don't supply the backup services. So we are almost forced to go along with their changing programs. WordPerfect may go 5.1, 5.2, 5.3, in terms of their numbers. If we don't keep up, we no longer have the support that's available. So that's all that is.

Purchasing of office equipment. These are for these last-minute things that come up. In fact, we had to buy a shutter for the Calgary office and a fax machine for the Calgary office. That one broke down. So we're going from \$1,700 down to \$1,000 in this particular year.

Again, the total capital expenditures, \$27,000 down to \$6,000: a very significant decrease. Overall, the total is \$1.21 million in '92-93 actuals, to \$1,089,500, completing the budget submission and completing it in a fashion that is to the letter, if you will, of the chair's suggestions or guidelines in presenting it to this committee.

MR. CHAIRMAN: Thanks, Harley.

We will have some questions. First on the list is Gary Friedel, then Gary Dickson.

MR. FRIEDEL: I see from your budget that it's a high personnel-complement budget, almost 90 percent, I guess. Do you have just a quick breakdown of how many staff are involved full-time, part-time, administrative level, professional, what Calgary has? Could you give us a bit of a . . .

MR. JOHNSON: Certainly. I have 20 staff in the province, inclusive of myself. Five in the Calgary office: one manager, two investigators, and two support. I have within the Edmonton office the remainder, 15, again including myself, which comprises three managerial positions and eight investigative positions with eight support.

Now, one of the things I've done, as pointed out in my covering letter, is the staff cross-training. The three managers in the Edmonton office and the Calgary office in addition do full-scale investigations. For instance, the lawyer in my office does all the investigations with the Justice department. Dixie Watson, who is in finance and administration, does all the pension investigations and the personnel administration office and Treasury Branches throughout the province if there are complaints involving that. My director of investigations north, which is a managerial position, does all the really sensitive investigations dealing with the Legislature, those types of issues. So that's basically the breakdown. I have two senior investigators, and the remainder are investigators level 1. It takes approximately five years plus other experiences before they go from level 1 to level 2.

MR. FRIEDEL: So it almost looks like all of the people that are involved -- there's nobody in the office that's basically office administrative personnel. They handle other functions as well.

MR. JOHNSON: For instance, my personal secretary because of cross-training also goes in and becomes the analyst when I'm short an analyst for holiday purposes, relief purposes. Right now I'm running an own motion dealing with day care and the involvement of Family and Social Services and how they investigate complaints of day care as a systemic review. Both my personal secretary and the supervisor of the support staff are taking analyst and intake calls.

MR. FRIEDEL: Thank you.

MR. JOHNSON: I might add that's not at any cost, because they're doing it on a day basis, as it comes -- so they're not promoted into a position to do it -- through our cross-training program.

MR. CHAIRMAN: Gary Dickson.

**9:24**

MR. DICKSON: Mr. Chairman, thanks. I've got an assortment of questions. The first thing is: I don't see any item on here, Harley, for rent of office space.

MR. JOHNSON: That's right.

MR. DICKSON: Why is that?

MR. JOHNSON: Public works picks up the costs. They find it's cheaper for them to go out and negotiate space as a group than for us to go out individually and negotiate space. That may change. There are rumours -- whether or not it's going to happen we don't know -- that the costs for office space will be charged back to a department. At the present time that's not the way it's done.

MR. DICKSON: Well, that's good anticipation. I heard that same thing, and I thought that was already a practice that would be reflected in these, but it's not yet.

MR. JOHNSON: It's not yet because it's not fact. One of the things that we're expecting is that it will happen. Likewise with the telephones, where they took up the majority of costs on the Zenith lines throughout the province. We probably will get a charge-back on it. We are assuming, and I hope correctly, that when that does happen, if in fact it does happen, they will transfer the moneys currently into our operating so that we can in fact keep our space.

MR. DICKSON: Right.

Now, I have a particular concern, of course, in terms of the Calgary office. I wonder if we can talk a little bit about the kind of impact that we're going to see if the Calgary office closes. I guess I'm assuming, then, that when you have problems in Pincher Creek and Taber, it's going to mean somebody in Edmonton, an investigator, getting on a Greyhound, going down to Pincher Creek or Taber to do the investigation and so on, whereas now those people operate out of Calgary. Is that the case?

MR. JOHNSON: It's basically the case. One of the things that I might comment on is that that decision has not been made. Those are ideas that may come in year 2 of the budget plan.

I must apologize again. You were a little bit late coming in. I did go through down to a certain level within the covering letter. The others are there for your private information basically. It may or may not occur, and I'll make those decisions within year 2 and year 3. What I am committing to is that I will go to the bottom line in years 2 and 3, but I need that flexibility in all the other areas above. So I hadn't provided you with line items above because, given the state of what's happening right now, they'd be wild guesses.

MR. DICKSON: Harley, I'm the one that should apologize; I'm the one that arrived late. I'm sorry I missed that part of the presentation.

Can you speak in a general sense, then, in terms of what kind of additional delay you anticipate will follow with the staff adjustment and the other kinds of adjustments in this budget in the immediate year by way of -- you know, I don't have the annual report here -- the average time it takes from opening a file until you close it and how you anticipate that's going to change under the new regime?

MR. JOHNSON: In terms of what I attempt to do, 90 days is for a normal investigation. This is for a normal complaint that comes in. That's my attempt. I try and have a five-day turnaround within the office itself. So once a complaint is received, I have a five-day turnaround that we're either into the investigation or we're not in the investigation. I make the decision, and then the correspondence goes out, hopefully within the six- to seven-day time frame, with the 90 days as an aiming point, realizing completely that some investigations are not going to be able to be done within that 90 days, but others are going to be able to be done in 30, 35, 40 days, so averaged out to 90. I'm expecting it will go up to 100 to 110 days on average.

The numbers of complaints that each investigator has -- and this goes back to the previous question -- is up to 30 files that they'll carry at any one time. That's a fairly significant workload. If it's any less than that, though, I feel that they could be better employed; if it's any more than that, then I feel I'm overloading. So I'm aiming at the 30 point for each investigator to carry. Now, my management staff, I don't have to give them full investigative components because they've got other managerial functions. For instance, Dixie will carry five files at any one time and complain the whole time, but she still gets five files.

MR. DICKSON: Specifically about own-motion investigations: you anticipate that's going to take longer to undertake and to complete?

MR. JOHNSON: I think it depends. Each own-motion investigation will have its own life. I'm looking at the current one having six months. The previous ministerial request for assistance, an

independent review on foster care, took closer to nine months, you know. Each one will have its own, based on the complexity, the availability of information, and the resources I have to put on it. I've got three people assigned to this particular day care investigation. Two people are the primary investigators and a lawyer as a backup.

MR. DICKSON: My final question, Mr. Chairman, just relates to the advertising and the changes that are going to be in the next budget year. Have there ever been studies or polling to determine the awareness that Albertans have of accessing your office? I mean, all MLAs know how often people phone and, you know, they think you can investigate problems in private industry and that sort of thing.

MR. JOHNSON: There hasn't been in Alberta. I have requested that. In the past decisions were made at that time by previous committees not to do that. I think it's appropriate that it be done. It has been done in other provinces, specifically Ontario and Quebec.

MR. DICKSON: Can I ask: did you project a cost to be able to do that kind of advertising service?

MR. JOHNSON: No. What I asked this particular committee, your predecessors, to look at was an entire review of the Ombudsman's office in total, including what advertising is required, how people are informed that there is an ombudsperson of some form, and what the role of the Ombudsman is.

MR. DICKSON: Has there ever been a review in the last 20-odd years?

MR. JOHNSON: In 26 years there's not been a review. There have been a number of comments made by committee members. There have been a number of comments made in the House. There have been a number of advocacy groups suggesting that the role should be expanded to include hospitals and occupational professionals, societies, cities, school boards, all of those, because that has happened in other jurisdictions. But it's been an advocacy group that's been suggesting it, not an independent review.

MR. DICKSON: Thanks very much.

MR. CHAIRMAN: Don Massey.

DR. MASSEY: Thanks, Mr. Chairman. You indicated a fax machine and a copier were purchased. Is there any central purchasing, tendering, to take advantage of volume buying provincially?

MR. JOHNSON: There is available to us. Now, one of the problems is that sometimes we can get it cheaper than through volume buying. Because of my particular office's position as an independent office of the Legislature, I go the cheapest route possible.

DR. MASSEY: Thanks.

MR. JOHNSON: That's a very good issue.

DR. MASSEY: In terms of compatibility and equipment and repairs and everything, you would think from the size of the

provincial government's purchases that they would be able to get tender and get prices that are advantageous.

MR. JOHNSON: In some cases, what you're saying is valid. In other cases, I can get it cheaper.

MR. CHAIRMAN: Any further questions? Gary.

MR. DICKSON: I was going to give everybody else a chance, but if it's come around again: when you prepared this and the projections for successive years, I want to be clear on what the instruction was to you in preparing it.

MR. JOHNSON: The bottom line was that I was to show a 20 percent reduction over three years, and 5 percent of that is to definitely be assigned to the salaries and benefit portions of personnel. The instructions were very clear, very succinct, and very short. Unlike other departments, who had books, ours were exceptionally brief and very direct.

MR. DICKSON: And that direction originates where, Mr. Chairman? The Treasurer?

MR. CHAIRMAN: Treasury; right. I have a copy here. I'm not sure that you got a copy of the letter that I sent to him on the 9th of December?

MR. DICKSON: No. No, I didn't see it.

MR. CHAIRMAN: Diane said she sent you some of that.

MRS. FRITZ: Just on that point, while Gary's reading that: Harley, will the salaries of permanent employees be increasing?

MR. JOHNSON: No. They'll be decreasing 5 percent as of April 1, 1994.

MRS. FRITZ: So the 5 percent isn't simply out of the contract employees?

MR. JOHNSON: No. It's out of everybody up to union, because we don't know where the union's going to stand. However, given the way things are going right now, I would suspect that there will be negotiations to have that percentage done, so we've built that into the budget.

MRS. FRITZ: Okay. Thank you.

MR. CHAIRMAN: Okay. If there's any further discussion -- for the people that came in late I just want to go over again a little bit of what the format is. We are trying to do some of this in an hour, if we can. If we don't achieve approval, I mean if the committee does not want to approve this within an hour, we'll still go on to the budget proposal. We'll go on to the next group and then maybe have the motions dealt with later in the day, but I would sooner have it cleaned up as we go here today, if we can. So that's kind of the format that we're running on. We've got Don Salmon, the Auditor General, coming in at 10 o'clock, so I just want you to keep that in mind.

**9:34**

There's one thing that we would like to deal with before Harley leaves, and that is item 5 on the agenda, which is a conference that Harley would like us to approve. When we're finished with the draft budget estimates, we will move on to that. So I just wanted

to clarify that for you before we carry on with any further questions on the budget.

Frank.

MR. BRUSEKER: Thanks. Harley, I just wanted to ask you a question again. As Gary Friedel pointed out, much of it is in salaries and so on. Why were a number of individuals changed from contract to permanent positions?

MR. JOHNSON: They had the option to stay on contract. I had three people, four people including myself, who were on contract; they were given the option to go into salary at any time during their employ with the office provided that they were with the office for more than one year, and they in fact all decided to go with salaried positions. My belief is that there is so much concern about downsizing and everything else, contract employees are potentially at risk. They're more at risk than salaried employees. So I think that was the choice.

Now, by going from contract to salary, from an office perspective that also saved us money in the budget, because we pay our contract employees 20 percent more than we do our salaried employees because we pay for no benefits. There's no pension plan. Long-term disability only goes to the end of their contract, not to the end of their employ. So many of them, when given the option -- they've had the option all along, but, again, we discussed it, and all three decided to go to a salaried position.

MR. BRUSEKER: So the \$93,000 that is left: how many positions does that affect?

MR. JOHNSON: One.

MR. BRUSEKER: One position.

MR. JOHNSON: That's my own salary and benefits, by the way, and that's the only thing left in contract.

MR. BRUSEKER: You have no option of course to move to a permanent position.

MR. JOHNSON: That's right.

MR. BRUSEKER: Okay.

MR. JOHNSON: Unless this committee wishes to discuss it.

MR. BRUSEKER: I suppose anything could be on the table. All right. Thank you.

MR. DOERKSEN: I just want to challenge your thinking a moment, and I'm doing so with the knowledge that I don't know exactly what you do in your department, so bear with me. Going from 90 days to 120 days on average: is that driven because of reduced staffing?

MR. JOHNSON: No, it's driven because of increased workload and inability to add more staff. For instance, we've had 1,300 more complaints during the last year than we had the year before. Those 1,300 complaints still have to be addressed. So that's the bottom line. It's not really a budget reduction that's going to cause this, except that there's no budget increase to be able to call in people when I need them. In the past, what I've been able to do when we've got behind in our workload, I've been able to go out on wages and pull in X employees or retired employees to take over

either an analyst function or some of the report functions as they come in: the reading of the letters, that type of issue. I don't have that capability anymore. So I've been able to cover off slightly -- I shouldn't say "slightly" -- quite significantly with my own secretary and with the supervisor and with the support staff by taking part of that role through cross-training.

MR. DOERKSEN: I don't understand how going from 90 to 120 days alleviates any of the pressure. All it does is give you 30 days to build it up to 120, and then you're still faced with having to deal with the same volume.

MR. JOHNSON: You're still dealing with the same volume, but it's almost like a compilation. If you get behind, you're going to be farther behind because you just don't have the staff to clean it up.

MR. DOERKSEN: That's my statement. If you let it go to 120 days, you just said you get further behind and complicate matters.

MR. JOHNSON: There is that potential. Now, one of the things that I'm looking at within the office is a more informal system of complaint review. I'm sending more and more letters back to the investigator saying, "See if you can handle this informally rather than formally." Hopefully that will keep it within a reasonable time frame. The other thing is that when we do get a pressure, I have that capability of moving my support staff in to cover off and putting another investigator into the field, and of course then I can always add to Dixie's load, from five to seven or 12.

MR. CHAIRMAN: Yvonne.

MRS. FRITZ: Thank you. I'm prepared to make a motion, if there aren't any further questions.

MR. DICKSON: Yvonne, one quick question.

MRS. FRITZ: Sure.

MR. DICKSON: Do staff get formal mediation training?

MR. JOHNSON: Not formal mediation training, because we don't formally mediate, not in a formal sense. But they do get training in terms of dealing with difficult people, how to present facts, similar to mediation training. Very definitely not arbitration training, because we are not arbiters in any sense of the word.

MR. DICKSON: I had in mind formal mediation training for informal problem resolution of . . .

MR. JOHNSON: We've got two people formally trained in mediation skills but not as an office function per se, not as an office policy. Of course, over the next few years I will not have any training moneys for that at all.

MR. DICKSON: Take it away, Yvonne.

MRS. FRITZ: Thank you. I was just going to make a motion that the '94-95 budget for the office of the Ombudsman be approved as presented and that the Ombudsman be commended for meeting the guidelines that were set out for the department, because I know that's difficult to do. I think there are some innovative solutions that you've certainly sat down with the staff and discussed, whether that's going from contract to salaried positions, which, as you mentioned, is a 20 percent reduction there. Yet I see that you

are extending investigative time frames and extending time frames for the ministerial requests. You are still meeting to the best of your ability what has been set out for your department, so I commend you for that.

The motion is that we approve the budget as presented.

MR. CHAIRMAN: Okay. The motion is to approve the budget as presented. Is there any discussion on the motion? If not, all those in favour? Opposed? Carried.

MR. JOHNSON: Thank you very much.

MR. CHAIRMAN: Now Harley's going to give us a little bit of a presentation on a conference in the U.S. that's coming up that he would like to attend.

MR. JOHNSON: One of the problems that I face within this office because the Alberta office is seen as a frontrunner -- again I invite the committee to come over sometime and hear what we're all about, because we are the first Ombudsman's office in North America, and that stands well, but also the competencies within the office have been recognized internationally both to me personally but more in particular to the office itself, where the office was involved in the establishment of the International Ombudsman Institute. At the present time I'm sitting as executive director or supervising Ombudsman for the International Ombudsman Institute, which means any of the travel that I do on international business is paid for by the institute, not paid for by Alberta taxpayer dollars, which pleases me because any other Ombudsman that sits as a board of directors member has to pay for it out of their own budget. Only as executive director am I able to have that money paid in the international sense, and that pleases me from there.

But it also implies a commitment. The previous standing committee requested that I maintain my involvement internationally because the Alberta office is seen as one of the frontrunners, certainly the frontrunner in North America, and the fourth Ombudsman's office in the Commonwealth, period. But it also requires every once in a while that somebody around the world is going to come forward and ask for presentations. Now, I normally turn down presentations around the world: in South America, Mexico this year, Costa Rica. I've turned them down because I don't see a major value in just attendance. This particular one I've given second thought to because the Arizona state Legislature is meeting with the intent of forming an Ombudsman's office. As part of their mandate of developing the legislation that they want to follow, they want to follow the formats that have been followed basically from the Alberta model throughout North America. It was felt that it would be appropriate for me to go and speak because of the Alberta office but also because of my international involvement.

**9:44**

In addition to speaking on systemic reviews, which is the specific topic they want me to deal with -- and that is to meet with legislators in the Arizona state Legislature to give experiences as to all four types of investigations that my office can and does conduct: individual complaints, own-motion investigations, ministerial requests, and committee requests. Providing it's within my jurisdiction, committees of the Legislative Assembly can request of the Ombudsman an independent review of anything. I haven't had one of those in the four years since I've been in office, but they are possible. I certainly have had quite a few ministerial requests, and I've had a few own-motion investigations. As I say,

when you meet the office, hopefully we can get more into that so you can get a better feel for what I can do and what I can't do.

This one involves the development of an Ombudsman's office, and it's a suggestion that they will be following the Alberta model. Therefore, it seemed appropriate for them to ask about it. I did ask Dean Gottehrer, who is the president of the United States Association of Ombudsmen, if in fact there are any funds, and there are none. As it's international travel, even though I have the authorization to go ahead and make that decision myself, I feel that given current economic restraint it's appropriate that it be placed back before this committee to get your views on whether or not I should attend.

MR. CHAIRMAN: Don?

DR. MASSEY: I'd be prepared at the appropriate time to make a motion that we approve the request. I think it reflects well on the province. The Ombudsman has been asked. I think it's important in terms of professional development that he be in touch with his colleagues, and I'm delighted that some of the discussions are philosophical.

MR. CHAIRMAN: This is the appropriate time. You could make the motion. We could discuss it a little further.

DR. MASSEY: Yes, I'll make the motion.

MR. SOHAL: I want to know how much it's going to cost.

MR. JOHNSON: The cost for the three nights will be \$59 per night at the Holiday Inn. I believe they've got us a fairly good rate. Did I say \$59? I think it's \$79. The actual airfare is \$366 plus tax. That's the cheapest way to go. One of the problems I face on this -- there is another way to go. I would rather take a Canadian carrier strictly because I'd like to support Canadian industry as opposed to an American carrier.

MR. SOHAL: So it's close to \$700; \$600 plus other expenses.

MR. JOHNSON: Yes. Now we've got the money in this year's budget because I've been able to save in other travel components throughout the year. Most of my investigators now have been instructed, in fact all have been instructed, but most of them are able to keep their travel to a minimum because of budget constraints.

MR. SOHAL: If the Ombudsman institute pays for your expenses, how is that institute funded?

MR. JOHNSON: It's funded by a membership fee paid by all Ombudsman offices around the world. Our fees per year are \$750 U.S. to be part of that organization.

MR. CHAIRMAN: Any further questions on the motion? Victor?

MR. DOERKSEN: Well, I hope this is permissible, because again I don't understand exactly where your role begins and stops. From the National Ombudsman Conference that Diane just went to, when I read through the minutes there, I don't think there's an awful lot of human rights issues dealt with there.

MR. JOHNSON: Yes.

MR. DOERKSEN: Is there an overlap in terms of what you do and what they do?

MR. JOHNSON: There is an overlap in functions but not legislation.

MR. DOERKSEN: Okay.

MR. JOHNSON: Do you want me to explain a little further?

MR. DOERKSEN: Well, I don't know if we have time, Mr. Chairman. I don't want to be carried away with a philosophical debate here. My question is: when people are asking you to come stand up in the Alberta model, are they thinking that we include human rights within the model of our Ombudsman?

MR. JOHNSON: No. We're very definitely involved in human rights. I investigate the Human Rights Commission.

MR. DOERKSEN: Okay.

MR. JOHNSON: They report through a minister. Therefore, they're not independent officers of the Legislature. Therefore, they are capable of being investigated, including how they investigate it and what they decide in the end. There is an overlap in terms of human rights and administrative rights because administrative rights still are human rights. I think a legitimate argument could be made for that.

There are jurisdictions throughout the world right now that are making them independent and combining the offices, the latest one being an African country, Ghana. They've now got a permanent commission of inquiry on human and administrative rights. It's a combination of the Ombudsman's office and their Human Rights Commission. In Mexico and Costa Rica they have Ombudsmen for human rights, and they're independent. As it turns out, the Ombudsman for human rights led a parade down the middle of the street one day, and now he's the president, but that was after he was placed under house arrest, and there were a whole bunch of other issues involved. So there is an awful lot of overlap. In fact, in Salzburg two years ago there was a conference following the International Ombudsman Institute Conference involving Ombudsmen and human rights advocates to talk about the similarities and the differences, whether we should be one office, whether we should be two. There's an awful lot of discussion still to be had. Even currently one of the options that is being looked at by the Human Rights Commission review is whether or not there should be an amalgamation or continued separation. That's one of the issues that will be looked at. Whether that report comes one way or the other, I have no idea.

MR. DOERKSEN: So in terms of going down to -- I forget what state it is.

MR. JOHNSON: Arizona.

MR. DOERKSEN: What's attractive about the Alberta model? What do they see about it that's so wonderful?

MR. JOHNSON: Number one, it's first; number two, it's got a very good reputation in terms of resolving issues without major fights. Very seldom will you see that I've had to fight with the department, but that doesn't tell you what goes on behind the scenes. Many times I meet with deputy ministers and sometimes we've come to agree to disagree, and then I take it up the chain, if

you will. Under the Ombudsman Act, if I cannot get a resolution with a deputy minister or with the department, I have the authority to go to the minister. If the minister turns me down, I can go to the cabinet. If the cabinet turns me down, I can go to the Legislative Assembly itself in a public report.

A lawyer writing on the role of the Ombudsman -- he's a young lawyer in Edmonton -- said that governments and agencies of government have a prophylactic fear of the Ombudsman. I've said publicly: it's the first time I've been likened to a condom in my life. But, in fact, it's true, because there is this tendency -- when I come up with independent evidence and I present it to a department, I would say that 99 times out of 100 I'm going to get a successful resolution. In fact, in the four years that I've been in office, I've not had to go to the cabinet once to get a resolution of a complaint where I've supported it. That stands well in terms of what's happening behind the scenes to resolve the issues.

MR. SOHAL: Yeah. In a sense, you or your department don't make headlines. For some people, you don't even exist.

MR. JOHNSON: That's a possibility. That's a concern, and that's always a weighing: how public do you want to be; how public do you not want to be? I feel that if I'm dealing with over 8,000 complaints per year in a fashion that is not causing embarrassment yet getting resolved for 40 percent of the people that actually make a formal complaint in one form or another, to me that's success. It's quietly behind the scenes doing it.

Now, in an own-motion investigation, as you saw, that is a public issue, because that's public going into the investigation, and it's also public coming out. My report will be a public document. Likewise, on ministerial requests, a minister can request me to do an independent review. By legislation that could be a private document, but because of the style that we have established over the years, my predecessors and then myself, we agree normally with the minister in advance that it will be a public document in the interest of the public. It's a public interest issue. So that's what's happened on all of my ministerial requests: they've all been made public.

MR. CHAIRMAN: Any further discussion on Don Massey's motion? If not, all those in favour? Opposed? Carried.

MR. JOHNSON: Thank you very much.

MR. CHAIRMAN: Okay, Harley.

MR. JOHNSON: I invite the committee to come over and see what we are all about.

MR. CHAIRMAN: We certainly will do that, and accept our apologies for not doing it up to this point. We will do that; count on it.

MR. DICKSON: I think one of the things we'd also talked about, Mr. Chairman, was following up on some of the outstanding items that concern the Ombudsman's office. There was the complainant protection aspect, some of those things that we were going to deal with hopefully before too long.

MR. CHAIRMAN: Yes. Right.

MR. JOHNSON: I've been able to deal with some of those issues, but I can let the committee know of that in a subsequent meeting.

MR. CHAIRMAN: Good. Thank you, Harley.

MR. JOHNSON: Thank you.

MR. CHAIRMAN: We can have a little coffee break or a stretch. The Auditor General should be in at 10, in a few minutes.

[The committee adjourned from 9:54 a.m. to 10:01 a.m.]

MR. CHAIRMAN: We will start the next part of our budget estimates with the Auditor General, Don Salmon, and Andrew Wingate. I'll turn the meeting over to -- I don't know, Don, whether you want to do a line by line of your budget estimates or whether you would just like to do a summary. I guess in the last case we were going to do a summary, and then we ended up kind of doing a line by line. Whatever suits your purposes, and then we could have questions.

MR. SALMON: Good. I appreciate that, Mr. Chairman. What I'd like to do is give you a little bit of a statement at the beginning, because this is getting recorded and I would like to say a few things about the budget in a general sense. I don't think I'm so interested in a line by line as I would be interested in a page by page, as I have given you the 13 pages. That would give the committee members a chance to ask us any specific things. I think a line by line gets a little bit too much in relationship to our budget. So if I could, I'd just like to make a few opening remarks.

MR. CHAIRMAN: Sure.

MR. SALMON: As you know, in the letter that came to us, the projection was that we would have an overall reduction of 20 percent with 5 percent on manpower in 1994-95. The budget that we presented and delivered yesterday does show that we have achieved that guideline. In fact, it's in excess of that. The 1994-95 estimate has a reduction of 12.6 percent rather than the 10, and manpower is down by 10.9 percent. I feel confident about the 1994-95 estimate. I think we can achieve that. I believe we need to keep in mind that in the later years the savings are possible, but the new Auditor General will undoubtedly have some challenging times because it will mean some further reductions.

I believe the first challenge that the office definitely has is that in our office we compete with CA firms for staff, and the 5 percent salary rollback that is effective April 1 will make us uncompetitive in what we can offer both students and managers. We have for many years been uncompetitive at the manager level, including my own level in that sense. However, there is a difference between being uncompetitive at a senior level where you can expect loyalty because of the nature of the job and being uncompetitive at the lower levels where you can lose your staff quite readily. We know that the private sector is awarding increases now, and it can be assumed that that will continue. We recently lost a very good CA who had been with us after graduation -- we had him as a student -- to a firm in Calgary. I talked to that firm, and they indicated that there was considerable movement now particularly. The industry is taking a number of CAs away from private practice, and of course that means a drain on us, too, as the economy from that perspective picks up, and I expect it will. So if it becomes evident from our perspective that we cannot retain or recruit staff -- we may have to do some recruiting within the next two or three years, possibly not next year but after that -- there could be some significant problems that the new Auditor General faces as well as the committee, because he'll probably come back to you in relationship to some of the problems.

One of the things that I can say, though, that is in my annual report, which will be released fairly soon, is that the government should develop a system for rewarding performance. I believe that if there was such a system which would replace the current control over individual salaries, the prospects of achieving the manpower projections for the last two years of our budget would be improved, and I think this would be equally so in other budgets that are reviewed. The Auditor General, if he was given that flexibility to reward performance, then could manage the budget a little bit differently. The projected manpower costs can only be achieved really through a reduction in the number of the staff. This reduction must be compensated by an increase in efficiency in the way we do our work, and it can really only be achieved in the long run if improvements in performance are rewarded.

Now, not all of the savings need to come from increased efficiency, however, for it's clear that through the government reorganization several organizations we audit will cease to exist. For example, the ALCB has already downsized, and in that process there may even be further downsizing. On the other hand, we have an increase in the number of pension board audits and special assignments such as Gainers, which is coming very readily, that will increase our workload. I just want this committee to understand -- and of course you realize that we work through an audit committee as well -- the results of the work that we do. I have always contended that this office is part of the solution to improving financial administration in the province. I believe this is fairly clear in that the government has asked me to provide assistance in establishing the benchmarks to have the departments and the agencies compare their performance against other organizations. They've also asked the office to conduct sector-based audits particularly in health, education, social services, and agriculture. The next several years will clearly be something of a balancing act for the new Auditor General in that sense, and in my opinion the demands on the office will continue to increase as the government searches for increased efficiency in program delivery. So to really have an aggregate reduction of 20 percent in resources and yet meet the demands that may be there will be a significant challenge. I felt I wanted to make sure that was clear to the committee.

You will notice also in the budget -- and we'll talk about that -- that the computer services costs have increased considerably in the projection years. The reason for this is that we have decided in the interests of efficiency and on the basis of having lost some fairly senior people in our computer area to reduce our permanent systems development staff; in other words, not try to rehire them because of the nature of that cost and that ability to get those people on staff. Instead we plan to use the services of the private sector for systems development projects that will have to be done over the next few years.

In projecting agency fees, which is another large chunk of our budget, we have presumed no increases in the rates paid. At the moment we are paying agents about \$200,000 less than they would otherwise bill us. This reduction is achieved through negotiations at the time that each of the contracts are awarded. We know that they are having to cut the rates in order to continue to do the work that we are asking them to do. I anticipate that this billing adjustment will grow significantly in future years to the point where some agents may seriously consider whether they want to continue to work for us in doing the work that we're asking them to do.

We explained in the meeting when the committee came to the office and we held you there for an hour and a half to listen to us -- and we appreciated that -- that CA firms do about 16 percent of the auditing for us. We spend about 20 percent of our budget on the



fees that we pay to them. From the perspective of the Auditor General's report -- and you have to keep in mind that the work we ask them to do is not primarily geared for the Auditor General's report -- they produce less than 10 percent of the recommendations. Of course, they're doing attest work. We are getting most of our recommendations on the systems side from our own staff. There is some coming from them but limited.

So with that background we'd be prepared to go page by page rather than line by line, and you can ask us any questions. We'd be pleased to supply you with the information on the understanding that we have put the budget together and help the committee to fully understand what it is that they're fulfilling in their role as the committee. I recognize that this is my last time to come before the budget process. It's been a lot of years as I had attended even before I was the Auditor General, as Andrew has done with me. I think it's been a good exercise. I think it's an opportunity for us to not only express to you why we feel this is the kind of operation that we need but also to show that we are trying to conform with the intent of the process of downsizing or saving dollars and so forth. We hope that we can convey what we're trying to achieve by this budget. I believe that with the percentages we're showing, we have met what was hoped that we would try to be able to meet in our office.

I'd be happy to go to page 1 and go from there.

**10:11**

MR. CHAIRMAN: Okay. Let's do that.

MR. SALMON: The first page, of course, is the summary. We designed it so that we can work from left to right. The percentages we're working on are on the far left column, 1992-93, with 1994-95 highlighted a bit so that you can tell where we're going. Those are the reductions that I mentioned in my opening remarks. We think that with considerable effort we could end up with a 16.5 percent decrease from 1992-93 and about 20.1 percent by 1996-97. If we go on the individual pages, it will help.

Number 2 is an indication of staffing levels.

MR. CHAIRMAN: I've got a hand waving down here. I don't know whether we want to . . .

MR. SALMON: Anytime. It's better to go as we go.

MR. CHAIRMAN: Okay.

DR. MASSEY: Was that your intention?

MR. CHAIRMAN: I think so.

Go ahead, Don.

DR. MASSEY: On the salaries and wages. For the uninitiated, if you look at those salaries and wages of the office management committee, if directors direct and if managers manage, those top three categories don't seem to have suffered the cuts that the next three categories suffer. For me, at least, I think it needs some explanation of what those people do. The impression is that it's just a tremendous amount of administration. Is that incorrect?

MR. SALMON: Well, that's fine if that's what you think, but that's not really what it is. See, managers up are primarily involved in audits at the professional level. The student auditors below are the support staff. Therefore, if you've got a man, head of a team, that's out doing the Workers' Compensation Board or any other audit, coming out of the manager/director level -- so they're deeply

involved. As we explained in the session that we had in the office, I'm signing approximately 200 opinions a year, and as the efficiency increases, the need for the senior people becomes even more intent. So manager up is . . .

DR. MASSEY: A manager is an auditor?

MR. SALMON: Yes. He's the field man.

DR. MASSEY: Why are they called managers?

MR. SALMON: Well, they're managing that particular audit. I mean, you've got to think of the term in relationship to what they're doing. We could give a full explanation of those, because they're in the office. The student auditors are the ones that are learning to become CAs or CMAs. Then we have some support staff.

MR. WINGATE: I think another answer is that these people are in the management pay grid.

MR. SALMON: Yeah, and that's also pay scales.

MR. WINGATE: So that recognizes that they have management responsibility. They are field supervisors. They look after audits in the field, although we're calling them managers.

MR. SALMON: Yeah. They have a team as a manager and are in the manager grid.

DR. MASSEY: Then how does that differ from a director?

MR. SALMON: Same thing. They're overseeing a group of audits and are having to get involved with the very fine details that requires them to be involved in the exit meetings and working with the senior people resolving the issues that are coming up from those audits.

DR. MASSEY: I guess the other part of that is that there doesn't seem to be any reduction in those top three categories. Are there not fewer personnel to supervise given the reduction?

MR. SALMON: There have been some reductions. If we went back to 1992-93 and the prior years, there hasn't been much reduction. This is current. In 1993-94 there hasn't been much change, but we moved a number of people. People left, and we did not replace those senior levels in the past several years. We just haven't shown the continuation. If you looked at last year's, you'd see that movement.

MR. WINGATE: Right. The other thing is that if you move forward to the two subsequent years, because we're dealing with a three-year projection here, then you will see movement in the directors. I mean, we recognize that we've got to reduce probably at the office management committee level and also at the director level. The director level is the partner level in a CA firm.

MR. SALMON: Not paywise but in the sense of the work they do.

MR. WINGATE: As far as responsibility is concerned, that's their responsibility.

MR. SALMON: So don't get confused by the title, because the title is strictly a working base.

DR. MASSEY: Well, I guess a comment. I sort of expected the titles to reflect the work that they do.

MR. SALMON: Well, the titles are reflective of what CA firms call their people as well as what the pay scale requires.

MR. WINGATE: It's a complicated business this. Our staff obviously interact with departmental staff all the time, and to get some degree of equivalency, our supervisors are operating very largely with managers as far as the clients are concerned. So therefore if they come in with a title which says supervisor, the manager of the client automatically assumes that they are not as senior as they are. That's one of the problems that we were experiencing, which is why we moved to change the title of supervisor to manager about two years ago. We were having quite a lot of difficulty being expressed by staff as far as their interaction with that class.

MR. SALMON: Supervisor isn't used by firms either. It's not a common term.

MR. WINGATE: It's a recent term.

MR. DOERKSEN: Let's just call them all deputy ministers, and then your problem is solved.

I wanted to get clarification on one of your introductory comments. I'm not sure I heard this correctly which is why I wanted you to say it. What I thought you said was that the agents that you hire do 60 percent of the work.

MR. SALMON: Sixteen percent.

MR. DOERKSEN: Sixteen percent of it. Thank you. I heard 60.

I want to follow up, then, with what Don is saying. When you go through it and you say, okay, these managers are managers of audits, the staff ratio is basically 1 to 1. So they're supervising one student. That seems a rather generous ratio. You've got 39 managers and 38 student auditors. If the managers are managing the audit and the students are there helping them, you've got a 1 to 1 supervisor to student ratio.

MR. SALMON: No. You've got 20 more other audit staff.

MR. DOERKSEN: Okay. So it's 1 to 2. It still seems rather . . .

MR. WINGATE: Well, no. I would say that in the main that's probably an appropriate relationship, that you would have two assistants to a supervisor on an audit.

MR. SALMON: There's also a considerable amount of work that the manager would do on his own in many situations, where they would do the work without any support staff. Also, all of the work that the agents do is reviewed by senior people in the office, and they don't use any junior staff to do that. So there's a lot of other work that's done besides. It's not a case that you've always got to have a junior with you. You know, it's not that at all. It's the kind of work you're doing.

MR. WINGATE: Particularly in the systems auditing.

MR. SALMON: The systems auditing works with very, very small staffs and very senior people.

MR. DICKSON: Just following up. So how does that ratio compare with large CA firms when they do an audit? Is there a similar ratio in terms of when we're calling a manager to two supervised . . .

MR. SALMON: Yes, based on our experience. Because there are so many of them that we use and the size of their field staff -- they're going to do the agency work for us -- it's approximately the same.

MR. WINGATE: The mix of staff that they use on the audits that we place with agents is very similar to the mix of staff that we would use on our own audits and indeed that we would use on the same audit when it returned to the office.

MR. SALMON: One of the ways of efficiency is to have persons who can grasp the problems and resolve those problems without having all the support staff ticking and checking. You don't do a lot of ticking and checking in many audits anymore. The risks are taken into account. Their professional judgment is taken into account. It's done at a very high level in order to keep the cost down.

**10:21**

MR. CHAIRMAN: Okay. We want to keep rolling here.  
Go ahead, Gary.

MR. FRIEDEL: I apologize if maybe somebody else had a different understanding. I'm seeing that the percentages we're talking about relate to the '92-93 actuals and not '93-94, the current year.

MR. SALMON: That's the directive. They wanted it based on the '92-93 actuals, not on the estimates or forecasts or anything.

MR. FRIEDEL: From the '93-94 estimates there's only about an 8 percent decrease and even considerably less than that for an actual.

MR. SALMON: Well, you're taking our 10 -- I haven't got a calculator. You'd have to take the '93-94 forecast as being the proposed actual for the current year, and that's a considerable reduction from the estimates.

MR. FRIEDEL: So the bulk of the reduction actually is happening in '93-94 already.

MR. SALMON: It's refusing to move ahead and higher; in other words, taking your cut, taking your loss.

MR. FRIEDEL: And there isn't going to be a substantial decrease from the projected actual of '93-94 to '94-95.

MR. SALMON: Yes, there'll be a drop between '93-94, '94-95. We're down another 4 or 5 percent. I don't know what the percentage is, but it's been 9.7 from 10.2. I don't know what it is. That's about half a million dollars. So, yeah, that's about 5 percent.

MR. FRIEDEL: That was the understanding.

MR. WINGATE: I think you've clearly identified that we are attempting to save cost in the '93-94 forecast period.

MR. FRIEDEL: Yeah, I noticed that there was a substantial saving in the current year in the projected forecast.

MR. SALMON: You're right.

I don't know whether there are any comments needed on employer contributions. It's very dependent on what the salaries are.

MR. CHAIRMAN: So where are you going to end up here now, Don?

MR. SALMON: Professional fees probably.

MR. BRUSEKER: What impact will the change in the UIC premiums at the federal level have on this? Has that been factored in?

MR. SALMON: We've taken the UIC factor into '94-95. We just don't know what '95-96, '96-97 might be. It's a small amount in relationship to the whole anyway.

MR. WINGATE: I think it's reasonable to expect that they will continue to increase depending on what they do with UIC I guess.

MR. CHAIRMAN: Okay. We're on other professional services now.

MR. BRUSEKER: Could you explain student fees? What is that item for?

MR. SALMON: Student registrations, exam courses, costs, and training.

MR. BRUSEKER: Is it typical for the employer to pick that up as opposed to the student him or herself?

MR. SALMON: Yeah, it's very common in the industry. You pay them low money so you pay their courses and also on successful completion rather than on failure. If they continue to fail or if you keep them for several times, you don't pay it every time.

MR. CHAIRMAN: Gary.

MR. DICKSON: Yes. Members of the institute, Don, have something similar to the lawyers' assurance fund; do they? Something like a levy on members that they pay in addition to a professional . . .

MR. SALMON: This is the coverage for potential liabilities?

MR. DICKSON: Yeah.

MR. SALMON: Each of the firms carry their own insurance. There's nothing levied over all the profession.

MR. DICKSON: So I guess what I'm trying to do is contrast this with what you'd be paying if this were a regular CA firm. Would these be the same things that would be paid?

MR. SALMON: These are the same types of costs, yeah.

MR. WINGATE: I'm not aware of any additional costs that CA firms pay.

MR. SALMON: No, I'm not either. We try to compare.

MR. BRUSEKER: Your 1993-94 forecast for student fees is substantially lower than the estimate, yet I notice your estimates for subsequent years are . . .

MR. SALMON: These are based on cash payments, and we're going to be one year delayed in part of those costs. It's based on an advance payment that won't get paid until another year to straighten out the basis on which the fees are being paid to the institute. Part of the time is the timing of the payment.

MR. BRUSEKER: Okay. I guess I'm a little unclear, then, as to why there would be such a change from the '93-94 estimate to the forecast. I mean, you're not even at 50 percent, yet your subsequent estimates are higher again. I'm wondering if there is a possibility those other estimates could be reduced somewhat at all. I'm not sure how that works.

MR. WINGATE: Right. In the past we prepaid a lot of these fees, and we continue to prepay these fees. In the year that we're talking about, '93-94, we didn't prepay for the next year. As a result, the apparent cost of student fees has gone down, but then we pay a regular annual fee.

MR. SALMON: So you're back up in '94-95.

MR. WINGATE: It's a one-time advantage as a result of rolling back a prepayment.

MR. SALMON: Sorry; that's accounting problems. You're not paying more dollars; it's just the year in which you paid it. So you're back up to where you are now.

MR. WINGATE: Does that help?

MR. BRUSEKER: Yeah, I think so. Thanks.

MR. CHAIRMAN: Any further questions on professional fees and development? Okay.

MR. SALMON: The next is a list of the audits that we presently have out to agents. We've presented the committee with this list every year. Sometimes the committee asks us what firm does it, and we say, "We don't tell you." It's interesting how the firms find out. Anyway, that's what it is.

MR. BRUSEKER: I notice there's one school division, Northland School Division. Does the office of the Auditor General do an audit of all school boards across the province?

MR. SALMON: No. Only Northland because that's a provincial agency. That's owned by the province.

MR. BRUSEKER: Okay.

I notice a number -- now, I haven't done a count -- of universities, colleges, technical schools, and so on. How do you decide which ones get done by an agent and which ones you do?

MR. SALMON: We rotate.

MR. BRUSEKER: Why?

MR. SALMON: Well, sometimes we've had them come back in. We do it and they do it. We haven't got them all out to agencies, but all of the ones that are listed now are presently with agencies. For instance, we've had the University of Calgary with an agency. It's not with an agency today because we're doing it with our own staff.

MR. BRUSEKER: Yeah, I noticed it's not. That's what sort of prompted the question.

MR. SALMON: We have other audits in Calgary that are out to agents. We're putting those out to agents at the present time.

MR. WINGATE: One of the reasons that influenced putting these audits to agents was their location. In other words, if we had an audit in Medicine Hat or Fairview or Olds, something like that, we could save travel expenses by recruiting a local CA. So that's what we did because it was a way of saving money.

MR. BRUSEKER: Well, that makes sense, and that's why it makes sense, for example, to see the University of Lethbridge on here. That's why I'm a little puzzled to see the University of Alberta, which is across the river. It seems to me that you could handle that one fairly easily. So if the cost is 20 percent, and they're only doing 16 percent of the work, then it seems to me that that's perhaps not the best use of the resources available.

MR. SALMON: Well, what we've taken into account is that for many years we maintained our level of staff very, very constant and used the agencies to fill in the gaps between what we could do with our staff and what the agents could do. We were able to also provide since 1978 the use of all of the major firms who do work for us by use of agency dollars. That meant we were giving a certain amount of audits out of Calgary and a certain amount of audits out of Edmonton, and then the rest that we could in the country we have also utilized wherever it was convenient and practical to do so.

So we do have the University of Alberta out. We have Athabasca University out and Lethbridge but not Calgary. Like I said, three years ago we had Calgary as an agency as well. Today out of Calgary, if you look closely, you'll find that we have Glenbow and now the Foothills hospital and several others that are down there. We had SAIT, and now we've taken back SAIT. We're now presently doing SAIT ourselves or will be, so it's off the list. So it's based on the dollars we have available for how many audits we can put out as well.

MR. BRUSEKER: On a percentage basis, then, how many of these agent fees are going to be paid -- and you mentioned the list rotates around. How many of these agents are located in Edmonton, and how many are located outside of Edmonton?

**10:31**

MR. SALMON: You can pick them out yourself, I think. We don't need to analyze it for you. I mean, you can pick out where they're located. It's where the head office is. In Edmonton you've got the University of Alberta. I think the cancer hospital is on there. Glenrose hospital is on there. So there's a few, not a lot but some.

MR. BRUSEKER: I guess the point that I'm getting at . . .

MR. SALMON: Alberta Hospital Edmonton is there too.

MR. WINGATE: The majority would be outside Edmonton.

MR. SALMON: Yeah, most of them would be outside.

MR. WINGATE: If you take into account the irrigation districts . . .

MR. SALMON: And the colleges and so forth.

MR. BRUSEKER: See, that makes sense to me then. The agents outside of Edmonton make sense. I guess I'm wondering why there are any in Edmonton at all.

MR. SALMON: Well, if we had never put out anything in Edmonton or Calgary, we would have ended up with a very large, large staff. We've maintained about 180 people for an awfully long time to do a lot of audits, and then when we were able to use the agents, we did not increase and we gradually let our staff drop a little bit. We've maintained the dollars in the agency budget pretty consistently as well and got all these audits done by agents. It's worked out well.

I'm very supportive of agents. I've been involved since 1978, and I think it works well. Personally, it's been a good way, since the Auditor General Act came into being in 1978, to be involved with the CA firms in Alberta, in a sense using private-sector resources to do part of our work. Yet we were able to control it because they work for us, and they don't work directly for the organization. I think that's a very important key to the operation and use of these firms. They are not working for any of these organizations here. They don't cater to them; they don't do anything. They work for us, and we're involved directly with the results that those audits end up with.

It's a very important issue. When you think of agents, you think, well, that we gave it away. We haven't given it away. We've still got senior people involved in every one of these audits, and senior people review the working papers of every one of those firms, and senior people attend all of the exit conferences.

The management letters that come out of those audits by those firms are addressed to the Auditor General. We make sure that we're satisfied with what's in there, and then I send a transmittal letter with that letter to the organization. So it's a very clear and well-developed way in which we can get this work done, yet we control it as the Auditor General. By legislation we're auditors of all of these organizations anyway, so the firms can't really be the auditor, only by being an agent for us.

MR. WINGATE: In addition to what the Auditor General has just spoken about, there's another important consideration, and that is universities and colleges. The colleges all finish at one time, and the universities all have the same year-end.

MR. SALMON: Year-ends are another situation.

MR. WINGATE: We tend to get this tremendous requirement for work in a short space of time. Therefore it makes sense to take a portion of that and put it to agents, because that means we can have a lower level of staff and don't have to staff for the maximum demands on the system. That's another reason why some of these audits will come out of Edmonton.

MR. SALMON: Out of 21 educational institutions or so that we do as audits, almost two-thirds of those are June year-ends and the rest of them are March. You get all of the universities. Banff and the rest of them are all March. That's also when the crunch for

everything to do with the government is concerned as well. That's also helped us, as Andrew has explained.

MR. DICKSON: Most of the figures for agent fees track pretty consistently across each of the three years.

MR. SALMON: Yeah, because we hold them down.

MR. DICKSON: Right. There were three that don't fit that pattern, and I wonder if you could just tell us what the factors are in terms of why they don't fit the pattern. Firstly, three companies: Holdco; NovAtel, the numbered company; and then Softco, where there were significant changes between '94 and then the next two years.

MR. SALMON: Holdco, SC Properties, and Softco are planning to be merged at the end of March 1994, and therefore the audit fee is under Softco as being one audit.

MR. DICKSON: Okay. Thank you.

MR. SALMON: That's the one.  
Anything else?

MR. WINGATE: Yes. NovAtel was mentioned as well, Donald.

MR. SALMON: Oh, NovAtel?

MR. CHAIRMAN: The numbered company.

MR. SALMON: Yes. That's a savings, I think, from reductions . . .

MR. WINGATE: Essentially what's happening there is that it's winding down, so it's nice to audit at this time of crisis. That's, I think, the major reason for that.

MR. CHAIRMAN: This is pretty arbitrary; isn't it?

MR. WINGATE: Yeah, it is.

MR. SOHAL: On the same point, Medicine Hat College is also coming down from \$50,000 to \$40,000.

MR. WINGATE: Yes. Okay. A different reason there. What we're anticipating doing is paying them \$10,000 to do a systems audit of Medicine Hat College. That's not an annual thing; it's just a one-year thing. When we've completed that audit, it'll revert to the normal audit fee for the attest audit.

MR. SALMON: They are also doing something in the current year, so if you saw the previous year, it would be \$48,000 or something like that. They're not planning an audit for the next two years other than the attest audit.

MR. FRIEDEL: I realize that it isn't going to reflect any dollar changes, but are any of these fees and also the in-house audits reflected in the budgets of the various agencies and the government departments that you audit to show as part of their expense?

MR. SALMON: Yes, those that we bill for an audit fee. We don't bill everything, but those that we bill for an audit fee have to pay the fee out of their own budgets.

MR. FRIEDEL: Okay. But the ones that you don't bill, the ones that are shown just as part of your budget . . .

MR. SALMON: Right. They don't show up.

MR. FRIEDEL: Is there any cross-reference in the department's budget saying that this is an additional even though . . .

MR. SALMON: No. This is one of the aspects of whether or not you want all of your costs of a program included in a certain thing. That means that if it ever comes to that point within the government, we would end up billing everybody, and we don't do that because of everything coming out of the GRF. They say: "Why do we have to switch this money around? It comes right back in again." Because, see, our revenue doesn't come back to us to be spent at the present time. It goes right back to the general revenue.

MR. FRIEDEL: Would you hazard a comment on this?

MR. CHAIRMAN: He was afraid you were going to ask that.

MR. SALMON: Yeah. Well, I think if you ever went to full program costing it probably would be wise.

MR. WINGATE: It's interesting actually. I'm going to say something which really sounds rather daft. We've got a system in the office where we internally bill all our clients. In other words, we accumulate the cost of doing the audit from every one of our audits and split it and analyze it. We have what's known as a memorandum billing for that audit. So if the government said, "Well, we think the time has arrived for you to charge the users of your service", then we could do it instantly because we are already doing it internally. It would just be a question of taking the bill that we prepare, and instead of putting it into our system, we would send it to the client who hopefully would pay it. We do it internally, but it hasn't got external yet for the reasons that the Auditor General mentioned.

MR. CHAIRMAN: Okay. Let's march along here, Don.

MR. SALMON: Oh, yeah. Let's move on. It's a little shorter on some of these others. Travels? I don't know that we need too many explanations. Out of the \$164,000 you might be interested that \$146,000 will be in Alberta. That's not an awful lot.

MR. CHAIRMAN: No, that's not a lot of room.

MR. SALMON: Well, if we want to go on, we can go to other professional services.

MR. CHAIRMAN: Okay.

MR. SALMON: There are legal costs. We have some separation pay in there, and we also have a whole bunch of minor things under professional services.

MR. DICKSON: Just so I understand separation pay, is that damages and wrongful dismissal action?

MR. SALMON: This is where you are moving people out, doing away with a position, and under the present system if you do away with a position, you've got severance pay to pay for so many weeks, depending on how many years of service they have.

MR. DOERKSEN: Is there a policy on what you pay?

MR. SALMON: Yeah, it's all established.

MR. DOERKSEN: Within your department?

MR. SALMON: No. It's a government . . .

MR. DOERKSEN: It's a government . . .

MR. SALMON: Yeah. If you do away with a position, you have to pay him so much money.

MR. WINGATE: At the moment there's a government program which sets how much can be paid as a result of someone leaving.

MR. SALMON: Yes. It goes to the end of March.

MR. DOERKSEN: I thought that was only union staff.

MR. SALMON: No. That's management too.

MR. WINGATE: Now, that's coming to an end, as I understand it, very shortly. That would be replaced by . . .

MR. SALMON: No. There's an ongoing thing that exists for dismissal of those who are incompetent and all the rest of it, and then you've got guidelines through the government, so you can go up to about six months. Usually that involves a discussion with legal counsel out of the Attorney General's department establishing how good the case is, because the government would prefer to settle the thing, if they can, rather than end up having a legal case coming back at them that could go on for years.

MR. DICKSON: Well, here it says that separation pay only relates to for-cause terminations?

**10:41**

MR. SALMON: Cause or . . .

MR. DICKSON: I'm sorry; not-for-cause terminations.

MR. SALMON: It can be for cause, but it can also be for doing away with a position, and then of course it's a case of settling the dollars based on no job. They may be able to find another job within the government, because there is a process where you can get moved around where there may be another opening for someone of their calibre, but if not, there's always the responsibility to give them a separation allowance of so many weeks, depending on how many years of service.

MR. FRIEDEL: You said earlier that you had some concerns about being able to retain staff relative to what the private-sector firms may be paying. I guess my question also relates to the separation pay. Why would positions be done away with if retention is not a problem or is a problem in the context?

MR. SALMON: Yeah, that makes sense. Part of it is that the individual may be involved or you feel that their position isn't really -- you know, it's limited too. It would be limited, whereas you could end up losing half a dozen top-notch managers who have qualifications as CAs that are doing major audits for you and you don't have any replacements for those. You may have to go find some. You may have someone in a particular position at a

fairly low level who isn't really producing, and because he isn't a productive person, we probably could do away with that particular position and then help that as part of the overall reduction and manage to get by with a few of those, not a lot, but a few of those positions you can let go.

MR. FRIEDEL: Without reflecting generally on the competency of any of the staff, would it maybe be a fair assumption that a number of these would be because of the personal competency of the individual rather than the job itself that's being vacated or not replaced?

MR. SALMON: I think in some cases you end up probably taking both of those things into account. It's not always black and white though.

MR. WINGATE: In the '93-94 forecast we've identified two individuals who we think we'll be . . .

MR. SALMON: Probably should go.

MR. WINGATE: Yes, asked to leave. There it's very definitely a question of competency. We think we could do very much better than we are currently doing with those two members of staff.

MR. SALMON: Then we have had six or so that went on the voluntary separation. We didn't really want them to go, but they fit the situation, and we felt, well, those circumstances are different.

MR. DICKSON: The two that you talk about are cases where you wouldn't legally have just cause. Is that the way I understand it?

MR. SALMON: Yes, that's right.

MR. DICKSON: They're not working out in the system, but you can't legitimately can them without . . .

MR. SALMON: So you can follow the other route and solve this problem.

MR. WINGATE: Generally it's less expensive to follow the not-for-cause route. I mean, to follow the for-cause route can involve you in significant expenditures for the government. We do get into a situation as well, because we're talking about taking a policy decision to replace our systems development staff with outside contract people. Now, we were fortunate in that instance -- well, unfortunate as well. The poor fellow had died. We didn't have to get rid of anyone, but if we'd made that policy decision, we might well have had to ask three people to leave, because that was the decision, in which case it wouldn't have reflected on their competency at all. It would just be that there's a cheaper way of doing this.

MR. DOERKSEN: Can you explain the professional office membership fees?

MR. SALMON: Yes. I was going to. If nobody asked, I was going to anyway.

MR. DOERKSEN: Okay. On the previous page we have professional dues, professional development fees, student fees, conference fees, and now we have professional office membership fees.

MR. SALMON: Right. Some 12 years ago an organization called the Canadian Comprehensive Auditing Foundation was established, and the funding for that organization, which has done a considerable amount of research not only in auditing but also in management effectiveness processes, has been by the legislative offices across Canada and various CA firms. The CMA organization as well has made a contribution to them in their budget. This has been a fee that we've carried for years. The terms of the funding of the foundation were such that legislative offices were supposed to pay 1 percent of their budget. We never did get ours up to the 1 percent, but we were always able to rationalize this thing to the point where we figured we could at least make our contribution. We've pretty well been holding it steady. We haven't been increasing it; we haven't been decreasing it. They're dependent on the legislative offices across Canada for support, along with the main CA firms of Canada who support about 40 percent of it. Sixty percent comes out of government through legislative offices. The majority of it comes from the Auditor General of Canada, and then the various offices of the provinces pay as well.

There were several provinces that backed out a few years ago, Saskatchewan and Manitoba particularly in there. Now all 10 provinces and the federal Auditor General's office and all of the large national firms of CAs contribute to the funding of this organization. So that's what it is. If this organization disappears some time in the future, we won't have to pay it.

MR. CHAIRMAN: Yvonne.

MRS. FRITZ: Thank you. I wonder if you could please put together for me -- it's much like Victor's question -- the travel expenses that are other than for audits, the total expenses. When I see registration fees and conferences in a couple of different areas -- what is the total amount of money for travel expenses other than audits?

MR. SALMON: Well, that's your \$39,000 and \$125,000 for audits.

MRS. FRITZ: So you simply took the \$167,000 and then you subtracted the \$125,000?

MR. SALMON: Yes. We have travel for things other than audits, about \$39,000.

MRS. FRITZ: Is that mainly for conferences and professional development?

MR. SALMON: Yeah. We have a little bit of relocation and recruitment costs, and we have administrative travel of \$12,000. The administrative travel is between Calgary and Edmonton, which is not charged to audits, and that's the way we establish it. It's audit staff coming up for professional training in the office in Edmonton. We have a Calgary office. I don't know whether you know that. We have 15 people in Calgary.

MRS. FRITZ: Right.

MR. SALMON: Then the senior management that goes down to Calgary for various reasons that might not be directly connected to an audit, that \$12,000. So between \$125,000 and \$12,000, and then the rest of it is to do with conferences and other professional development travel.

MRS. FRITZ: How has that changed in the past three to five years?

MR. SALMON: It's going down.

MRS. FRITZ: By how much? What I'm interested in is the professional development and conferences.

MR. SALMON: Professional development conferences in 1992-93 was about \$11,000. This is in Alberta, I've been saying. I've got things between Alberta and out of province. We're down to \$7,000, so we're cutting back. We've really cut back on the dollars for some of the other conferences as well. There are not a lot of people going, but we do feel that we need some contacts.

MRS. FRITZ: So I see professional development on one line as almost \$30,000. Then I see the conference fees as \$5,000. So that's \$35,000. Then you go on to travel expenses, and I see professional development and conferences there as another \$25,000. So that's \$60,000.

MR. SALMON: Those are your fees over there. This is your travel here, the actual airfare or whatever.

MRS. FRITZ: Yes, but you've got conference fees listed.

MR. SALMON: I'm not sure where you're looking.

MRS. FRITZ: I'm looking under the line that says professional fees and development. So I see professional development as a cost.

**10:51**

MR. SALMON: Yes. It is your fees for the conferences or courses. Okay?

MRS. FRITZ: Right. Between professional development and conference fees, that's approximately \$35,000. Then when you go over to travel expenses, professional development and conferences let's say is \$25,000. So when you combine that, that's \$60,000. Right?

MR. SALMON: Yes.

MRS. FRITZ: You said that it was \$39,000, the difference between the \$167,000 and the . . .

MR. SALMON: Oh, sorry; sorry. No, no. Your question was: how much was the audit travel, and how much was all the other travel? That's between \$125,000 and the . . .

MRS. FRITZ: I guess I'm looking at -- normally travel would include the conference fees?

MR. SALMON: No. We've separated them.

MRS. FRITZ: I know you have. What I'm looking for is totally. What is the total picture of having an employee go to a conference other than for audit or for professional development and conferences? I think I have my own answer. I've added it up. Thank you.

MR. SALMON: Okay. Thank you.

MRS. FRITZ: It's, in my estimation, about \$60,000.

MR. SALMON: Right.

MR. WINGATE: Yes. We set this up to deal with conference fees separately from travel. I mean, what you're saying is that . . .

MRS. FRITZ: But people don't do that throughout government.

MR. WINGATE: . . . you can logically associate them, and I think you can, yes.

MRS. FRITZ: Right. The fees and the travel, it all should be included under travel.

MR. SALMON: No, you'd put travel under the fees.

MRS. FRITZ: Well, I've just combined. I wondered, then, how much moneys there was difference between the professional development and travel other than audit. That might not be an answer that you have. Out of the \$60,000, what would be professional development? It's half, I would think, by what's said here.

MR. WINGATE: Yes. Professional development, going back to '92-93, was \$30,000. It came down to \$26,000 in the estimate, and in fact we're coming in at \$24,300. So there's a \$5,000 saving there.

MRS. FRITZ: Right.

MR. WINGATE: So about half, as you said.

MRS. FRITZ: Uh huh. Thank you.

MR. CHAIRMAN: Gary, did you have a question?

MR. FRIEDEL: I think in the interest of time maybe I'll pass and we'll see.

MR. CHAIRMAN: Okay.

Do you want to proceed then, Don?

MR. SALMON: Yes. We're at materials and supplies.

Repairs and maintenance: any questions?

MR. CHAIRMAN: Keep rolling until there's a question.

MR. DICKSON: Well, I've got one. I guess the thing as I look at this -- and I hadn't had an opportunity to see it before this morning. General office supplies: why do you see an increase? This isn't the biggest item in your budget, but it's . . .

MR. SALMON: Well, one of the reasons is that they've been holding back in the replacement of paper supplies because of the change in the Auditor General. There are certain things. My name is not on the letterhead, but the very stock that we've been using under my time they don't make anymore, and rather than me . . .

MR. CHAIRMAN: So that's why you're retiring.

MR. SALMON: . . . starting all over -- maybe the new one wants a different colour; I don't know. So that's part of the reason why it's been held off.

MR. BRUSEKER: What kind of reference materials are you talking about?

MR. SALMON: Technical reference materials and books.

MR. WINGATE: There's a good chance we won't need all that \$85,000. We're trying to limit the expenditure wherever possible, but to be secure, we put in \$85,000.

MR. SALMON: Repairs and maintenance?

MR. BRUSEKER: Following along on the question that Don asked earlier of the Ombudsman: can't a lot of this happen through public works, or do you have to go out and sort it all out on your own?

MR. SALMON: Repairs and maintenance?

MR. BRUSEKER: Yeah. Like, you've got \$45,000 for a minicomputer.

MR. SALMON: That's ours. We own it.

MR. BRUSEKER: But it's all owned under the auspices of the government.

MR. SALMON: No, it's owned by this office, the Auditor General. It has nothing to do with public works.

MR. WINGATE: We originally started buying our own computers . . .

MR. SALMON: Way back.

MR. WINGATE: Yes, in the '70s. We wanted a degree of independence from the main government data centre. There was a suggestion at one stage that we could use the main government data centre. But since we were using the computer to audit, not for running administrative systems or anything -- it was exclusively for auditing -- we ran the risk of our audit programs being tampered with. We thought a cheaper solution rather than have heavyweight security would be to buy our own computers. In retrospect I think that was a justified decision. It was cheaper as a result of getting our own computers. So those are our computers, and we are responsible for their maintenance. Now, we can draw on the advice of central government if we have a problem, and we've done that from time to time. What's happening now is the minicomputer is being replaced by microcomputers, and I think most departments in fact are buying their own microcomputers. It's regarded much like a commodity.

MR. SALMON: So our minicomputer costs are going down because we're phasing out our minicomputer eventually.

MR. BRUSEKER: Microcomputer costs are going up.

MR. SALMON: Yes, that's naturally the way.

Rental of equipment is pretty well fixed as well.  
Computer services.

MR. DICKSON: I want to query the contract programming.

MR. SALMON: Yes.



MR. DICKSON: There's a very significant change directed there.

MR. SALMON: Yes. If we were looking back on the salary and payroll sheet -- that was the second sheet, I think, in your book -- at the bottom of that we had shown what that meant. We talked about not replacing the staff but hiring as we needed when we were doing our systems development. We feel strongly that that will be a lot less money. We do need to do some systems development over the next number of years. We need to replace our Probe system that's been on our minicomputer for many years to be adaptable to a micro. There will be some work that we can do that way with programmers. That's the estimated costs for the next three years.

MR. DICKSON: Having had a chance to look at the hardware you've got in your shop, I came away with an impression that you had a reasonably sophisticated setup. I assumed that you would be programming changes, but this looks like major program rewrites.

MR. SALMON: We had lost those staff totaling a cost of approximately \$240,000 over the last year and a half. We haven't replaced them.

MR. WINGATE: That really sets the perspective: the staff that . . .

MR. SALMON: . . . could do it are gone.

MR. WINGATE: That we had originally.

MR. SALMON: They would have done it for us.

MR. WINGATE: It cost \$240,000, as Don said.

Now, the levels of expenditure that we're talking about are somewhat exceptional, because included, for instance, in '5-6 is some \$150,000 and in '6-7, \$100,000.

MR. SALMON: Oh, the year '5-6.

MR. WINGATE: That's for a complete rewrite of Probe, either rewriting it or buying in software that will do the job equally well.

MR. DICKSON: Can you refresh my memory? What's Probe?

MR. WINGATE: Okay; fine. Probe is the system we use for our auditing.

MR. SALMON: It's the auditing system we developed.

MR. WINGATE: It can penetrate five files and do all sorts of sampling and verification of the data within the files. It's a very competent program. It's one that we developed in 1985. That's when it applied. It was the first of its type in North America and has subsequently spawned interest across Canada, and other people have now got a similar type of program.

MR. SALMON: It might interest you to know that we have the name Probe and no one else can use the name.

MR. WINGATE: Ford, for instance.

MR. SALMON: Ford had to ask us if they could use it for the Probe car.

MR. DICKSON: So it's a registered trade name.

MR. SALMON: That's right.

MR. DICKSON: I didn't see any licence fees in here.

MR. SALMON: They didn't pay anything. We should have got a car.

MR. WINGATE: That system's been with us and operating since 1985. That's a long time ago. This sort of expenditure is only required periodically. It's not required every year. So you're looking at some very substantial expenditures, because we know that we're building up to the requirement for a Probe replacement. You might ask, "Well, why are we replacing Probe if it's working perfectly well?" The answer is that it can only work on one computer, and that's the Data General equipment, and Data General doesn't make that computer any longer.

MR. SALMON: No. They've changed it.

MR. WINGATE: It's becoming increasingly expensive to service, so the time has come for us to pull the plug from Data General and move on to more generic systems.

MR. SALMON: Now we've got to move on.

**11:01**

MR. DICKSON: This is my naiveté. I mean, I haven't been shopping for software for this kind of a major undertaking, but, you know, it's been a half million dollars over three years developing software. I have to ask myself: surely to goodness there must be material available -- I mean standardized software that you can purchase off the shelf -- that would do it.

MR. SALMON: Go ahead and try to find it. We'd love to find it.

MR. DICKSON: It just doesn't exist?

MR. SALMON: Not for what we do. No.

MR. WINGATE: No. Obviously, it's a fairly specialized market. I mean, I don't think we're too many years away from it being on the shelf, because now we've got open systems architecture, so people develop systems for those open systems. That used to not be the case. This is an evolving thing. We're not there yet.

MR. SALMON: If this stuff were available, we would probably go that route, but if it's not available when we need it, we're going to have to develop it ourselves.

MR. DICKSON: So is it safe to assume that each provincial government across this dominion is laying out these kinds of dollars to develop software to do their departmental audits and that sort of thing?

MR. SALMON: You can answer that one.

MR. WINGATE: Yes. Some of them don't have it. Some of them have a cut-down version of the software, which in fact was developed as a result of people seeing Probe.

MR. SALMON: We were first into this thing back in the early days.

MR. WINGATE: The Auditor General of Canada has spent considerably more than we spent developing Probe.

MR. SALMON: We tried to get them to go to Probe.

MR. WINGATE: Then he handed it over to the CICA so that they could offer it, and the CICA has spent incredible funds developing it further.

MR. SALMON: Millions of dollars.

MR. WINGATE: It's still not as good as Probe, and that's a fact.

MR. DICKSON: How much did it cost you to develop Probe?

MR. SALMON: Originally? We did it in-house, so I don't know whether we have very . . .

MR. WINGATE: About a quarter of a million for the programming. I mean, there was quite a lot of overhead in debating how it should be constructed, but over 10 years it makes sense.

MR. DICKSON: Okay.

What's the potential for recapturing some of this cost? I mean, given the fact that we're not at a point yet where there's on the shelf a software system available for the kind of work you do, have you pursued the possibility of . . .

MR. SALMON: I wouldn't want to follow the UniCare process of trying to go out and peddle it.

MR. WINGATE: I think a more likely way of addressing this when we get there -- and we're talking about two years out -- is to have joint development with another legislative auditor.

MR. SALMON: That's a possibility when we get it settled to the point where we know where we're heading.

MR. WINGATE: That means you can share the costs. Once you've got that established base -- you're both using the same piece of software -- then you become extremely attractive to the other provinces across Canada.

MR. SALMON: We are very peculiar in the sense that it doesn't fit the national firms either and the kind of work they do in their audits. We have a fairly extensive ability to utilize any type of tape that comes off of any type of computer and take it into our shop and convert it and utilize it within our own Probe.

MR. WINGATE: So they are large costs, but we can demonstrate very easily that we're saving more than that in direct labour over the years. If we need to spend this, we will be able to demonstrate that there wasn't a cheaper way of doing it at the time when we spent that money.

MR. DICKSON: As I understand then, the thesis here is that if we didn't dedicate this approximately half million dollars for contract programming, you'd be spending more than that having in-house programmers and paying salaries and benefits.

MR. SALMON: Yeah. We're not going to hire. We'll do it by project rather than by individual. Otherwise, we'd have had them on staff, as we did until we lost them to the private sector plus a death.

MR. WINGATE: But the savings that we really achieve are in the cost of doing the audits.

MR. SALMON: Yes, in the long haul.

MR. WINGATE: The computers can do an awful lot that would otherwise be done manually. So that's where the efficiency comes.

MR. SALMON: Yeah, the efficiency comes from the actual use of it on the audits themselves.

MR. WINGATE: We found a number of interesting things as a result of having this capability. I mean, we've identified that this file doesn't match with that file and it should, and that's given rise to some fairly significant Auditor General's report citations. It's been useful.

MR. CHAIRMAN: Okay.

Now we march along here.

MR. SALMON: We're up to miscellaneous and capital assets. Anything in either one of those?

MR. CHAIRMAN: Any questions under miscellaneous or capital assets?

MR. BRUSEKER: Under the capital assets one I just had a question under microcomputers again. It is bouncing around rather significantly. Your estimate for '93-94 is much higher than the forecast, and '94-95 is quite low, and then subsequent years it bounces back up again. I understand the increased need for hardware, but I guess I'm wondering how you come up with figures like that.

MR. SALMON: We should have brought you an analysis back a few years, and then you would see when it was that we purchased micros and we spent all the costs of getting the micros in operation. You maintain those micros over the years, and then you realize that eventually you've got to replace because it's not practical to continue to try to maintain. That's all built into the timing of when you do some of that replacement.

MR. WINGATE: You're fundamentally absolutely correct: it is extremely difficult.

MR. SALMON: Invariably it goes like this rather than across. You can't do it even . . .

MR. BRUSEKER: I guess what I'm saying is that your figures for future years are really sort of ballpark figures; aren't they?

MR. SALMON: Yeah.

MR. WINGATE: The reason for that is that the pace of development is very rapid. If the marketplace produces a product that you can make use of, there's no point in postponing the purchase, because you can start saving money right away. So if you've got the money, you tend to reorder your acquisitions. It has been a problem in the past; there's no question.

MR. SALMON: It's a very up and down thing.

MR. BRUSEKER: Is there, then, any revenue that can be realized from the sale of old assets?

MR. SALMON: They all go back to surplus in the government. If there were any realized, then it would be within the government revenues.

MR. WINGATE: Not that we can take advantage of.

MR. SALMON: No.

MR. BRUSEKER: No. It's just that you said that they were all owned by the Auditor General.

MR. SALMON: They are, but I mean that there's a process of disposal. It does not come back into your pockets.

MR. CHAIRMAN: Any further questions?  
Well, we will need a motion to accept.

MR. FRIEDEL: I'll move that the budget be approved.

MR. DICKSON: Just before we put it to the vote, I guess I have some difficulty, you know, only in the sense that I've only seen the thing this morning. Maybe it was available yesterday. Mr. Chairman, I'm reluctant. I appreciate the explanation, but we're talking \$10 million of funding. I think it warrants, at least on my part, a little further thought and so on than I'm able to give it to be able to vote on the thing today. I understand the motion's been made. I'd like to move that we table Gary's motion until at least later today, if not to a later date.

MR. CHAIRMAN: I know what you're feeling on that, Gary. It was available; these were at your desk yesterday. Still I know the schedule of the MLAs. This was a last-minute rush thing from the standpoint of our directive to the officers, so we are running on a time frame that I'm not happy with either.

MR. DICKSON: I don't mean to point fingers. I mean, I assume everybody is working under tight time lines, but I think there's a responsibility here that we all want to be able to discharge.

MR. CHAIRMAN: Okay. Maybe we could have a chance of talking about it, going over it again later, today if possible, but let's wait and see, then, what transpires over the next two officers' budget proposals. Is that what you're maybe advocating for here?

MR. DICKSON: Really my motion is to defer the thing until the end of the day and revisit Mr. Friedel's motion at that point.

MR. CHAIRMAN: Okay. There is a motion to table Gary's motion. Any further discussion on that?

MR. DOERKSEN: Which motion are we talking about here?

MR. BRUSEKER: There's a motion to table.

MRS. FRITZ: Just till today.

MR. BRUSEKER: A motion to table always takes precedence.

MR. CHAIRMAN: All those in favour? Opposed? Carried.

MR. DOERKSEN: May I ask one quick question so I'm clear? I was going to speak to the motion. Your forecast that you have there on the front page, is that going to be closest to the actual, or is it the estimate that will be closest to the actual?

MR. WINGATE: The forecast.

**11:11**

MR. SALMON: The forecast is the actual.

MR. DOERKSEN: So the forecast is the actual. Okay.

Mr. Chairman, can I make a comment? I'd like to make a comment when the individuals are here. I was a little disappointed, frankly, in the budget and particularly disturbed in terms of the staffing component, because we're taking the heat off of the student auditors and the other audit staff, and it almost seems that we're protecting the management committee and the directors and the managers. I know you'll disagree with that, but I'm going to make my point because this is what I'm here for. I don't know why the management committee can't be six or five or four for that matter. As the Auditor General, in terms of its mandate in critiquing government, I would have expected a little more objective critique of their own department, particularly in those items. You've come in at the request of the government to the 20 percent, and that's commendable, but it's almost as if, "Well, we have to make the numbers work." The percentage decrease from the '93-94 forecast, which is supposed to be actual, to '94-95 is only a 2 percent decrease. The 5 percent reduction in wages we're talking about accomplishes that in spades, so in effect there's a net increase in spending from one year to the other. So I just wanted to express my disappointment while you were here instead of you having to read it later and think I was shirking my ability to do it at this meeting.

MR. CHAIRMAN: Okay. Can we close on that?

We will certainly be letting you know, Don, what we've discussed. You will certainly note it in *Hansard*, and I'll let you know.

MR. SALMON: Thanks.

MR. CHAIRMAN: We're going to have lunch here if you wish. We can maybe do some of the other things. Lunch will be brought in here.

MR. DOERKSEN: Is it any good?

MR. CHAIRMAN: Well, we'll blame Diane if it isn't or even me.

MR. DICKSON: I was going to sneak back and make a few phone calls.

MR. CHAIRMAN: Well, you can do that too.

MR. CLARK: Where would you like us?

MR. CHAIRMAN: Right there, Bob.

While Diane is handing that out, I'd like to welcome our Ethics Commissioner, Bob Clark, and Karen South. I'm not sure what your title is.

MISS SOUTH: Senior administrator.

MR. CHAIRMAN: The only administrator. Right.

MR. CLARK: The whole department is here. The whole organization is here.

MR. CHAIRMAN: Welcome, Bob. We will go through your budget. We're flexible as to how you want to present it, I think. So we'll just turn it over to you. If we can interrupt and ask questions as you go, that's kind of what we've done up to now. The floor is yours.

MR. CLARK: Good. Thank you. I'd like to try and do a couple of things: initially, just a little overview of our long past and then touch on what I see as our five priorities for this year. As you put it, Mr. Chairman, please feel free to stop me and ask any questions as we go along.

Members will recall from the brief discussion you had over in our office -- I think it was in November -- that the office got going really in '92-'93. That was our first year of operation. Then it was March 1 of last year that the Act really came into effect. This year that we've not quite finished yet is really our first full year of operation. It's from that point of view that I wrote the letter to you, Mr. Chairman, indicating to you that despite my best efforts I had some real difficulty reaching the guidelines of the '92-'93 actuals.

I'm just mentioning that in '93-'94 we had permission to add a part-time staff person. So that person would be in the office, one, when Karen, who has been in the public service, I guess, close to 18 years, is away on holiday. Secondly, when we're doing interviews and that kind of thing, we do need an additional person there. It was on that basis that the committee approved a person last year.

So the bottom line, gentlemen, is that our submission does not reduce the human resources funds by the amount set out in the directive, but it does reflect a 9.5 percent reduction over last year's estimates.

I would point out to you that at the end of the '92-'93 fiscal year, we returned \$30,000 of unspent money. It's our expectation that we would this year return something close to \$20,000 of unspent money. I raise that point, Mr. Chairman, to try and convince you that we've been diligent in trying to look after public funds, but, as you well know, of the two areas that are the largest for us, where we have some elbow room, one is in the professional and technical services area. That's where we go out and acquire legal or financial advice, if and when we need it. We've spent something close to \$17,000 there this year of \$21,000. Of course the other area is in the wages area, where we have an amount of \$20,000 in the budget for last year and actually spent \$3,000. Our expectation is that this year we would spend more than that but certainly considerably less than \$20,000. That's why we've included the amount of \$8,000 in the budget.

The second point I'd like to make, Mr. Chairman, deals with our five priorities for this year. Number one, and I've already touched on it, is that this is our second year of operation, and one of the things I'd like to do as commissioner is really upgrade the quality of advice that we've given members under section 41 of the Act. That's the section where members can come to us and say: "Look, I've got this problem," or "I want to do this in my business. Can I do that? How can I do it? What's the best way of going about it?"

In our first year of operation, quite frankly, we found a number of times where we had to go back to members and give them a second or third run of advice just because, in one sense, members got a better understanding of what the Act was about, and, to be very candid, we got a better understanding also. I hope that's an area where we can improve.

### 11:21

The second area: we're going to modify those disclosure documents somewhat for both members and senior officials. I

thought that would bring a bit of satisfaction to members. The senior officials will be getting their request in April to have theirs finished for interviews in June. As far as members are concerned, we'll be getting letters out to members in July and hopefully do the interviews in September. I want to be a little flexible on that, because I found out last year that when the House was in session it was almost impossible to meet members, for obvious reasons. You're tied up from Monday to Thursday, and everybody goes in a hundred directions on Friday, for really good reasons. So I'm going to try to fit in the interviews with members before the fall session. One thing that I'm prepared to do for members from Calgary is spend perhaps a few days in Calgary so that I can do that for members there. I'm prepared to do the same kind of thing, one place south and one place north, if Grande Prairie's a reasonable place or whatever. I'm easy on that, but we do want to do it not during session, because it got to be a difficult situation at the end, where we weren't able to get all the meetings done by the time that we'd set out so we could do the disclosures. It really wasn't a matter of people not wanting to meet with us; it was a matter of when you changed the schedule of the Assembly, everything just logjammed. So that's the second thing we'd like to do.

Thirdly, we're working on, I guess I'd call it not a simplified but an inexpensive explanation of the Act and a summary of quite a portion of the generic advice that we've given members. If I could use an example from one of the areas you raised with me the last meeting about letters that members should write, letters of reference, and so on. We plan to include in those guidelines that we make available to members and also to the public what we think are reasonable guidelines a member should follow when asked to write a letter of reference. Now, whether members follow it or not, it's up to the member, but I think it's a way of giving some additional help to members, because repeatedly we're getting a number of questions like that. So that should be a help to members and to some of their direct associates.

The fourth area deals with legislation really in two areas. One is the area of Treasury Branch loans. I don't want to go into the details now. Suffice for me to say, though, that what I'd like to get to is rather a level playing field, where a member of the Assembly cannot borrow money from the Treasury Branches, but if you have a loan from the Treasury Branch and then you become a member and then the member comes to the commissioner and says, "I want to have my loan extended," or interest rate changes and so on, the legislation says the terms have to be of the same nature. My strong feeling -- and at an appropriate time I want to make the case with you, Mr. Chairman, in whatever form is most appropriate -- is that we have a level playing field, that new members who have loans from the Treasury Branches, when the term of that loan is completed, they then make alternate financial arrangements. I think there'd be likely 15 members, Karen, who are in that situation? We've sent letters out indicating that to them already, and hopefully members are getting their ducks lined up. But it is difficult for some members who have had a commercial venture or otherwise.

The other area is the area of direct associates. Members in the Assembly have been filing direct associate names with the Clerk's office since, I think, '83 in Alberta, and we just found out in the last year that all sorts of different standards were being used. Everybody's got a different situation. So we've spent some time with our lawyer, and we've now got what we think is a fairly simplified form that we can give to members, and it'll help us, too. So that's our second priority as far as the legislation's concerned.

My last priority is to attempt to work with the other legislative officers. If there are areas where we can work more closely

together from a staffing point of view and things like that, we're certainly very open to do that kind of thing. I simply raise that so that if there's some interest by the committee to discuss that with me sometime in the future, I'm certainly available to do that.

So, Mr. Chairman, those are our five priorities for the year. Our budget does not meet the guideline that you gave us. It's, I think, reasonably close to it. It's, in my best judgment, the best that we can do to fulfill the responsibility of the Act and do the job that I think is expected of us.

MR. CHAIRMAN: Okay. Do you want to just kind of go over that?

MR. CLARK: Under salaries, you'll see wages. The first line is the estimate we're proposing for this year, which is \$8,000. The estimate for last year was \$20,000. We actually spent \$3,000 in that area last year. What happened was that we ended up getting someone who was a former page in the Assembly who is a university student. We were able to have that person's services during June and some parts of July and August. With the election being called at the time it was, we weren't able to get as much work done during the summertime as we expected, so we are going to have to have someone in September and October for this year. The person we've had in the past was known to us, and she had a good understanding of the Assembly. That's why we took that person. She's now back at university, so we're going to have to acquire someone from some other area to help us there.

As far as wages are concerned, I'm on a contract with the Assembly, a five-year venture. This is the second year of that venture. Karen is also on a contract. Karen came forward of her own volition and has volunteered, and we have included in here a 2 percent reduction in her salary. In my salary I took a 2 percent reduction last year with the other senior officials. I have not included any other reduction. That's in the hands of the committee.

As far as employee contributions are concerned, in the contract that I have my salary includes some pension considerations. You're all aware that I'm one of those people that are double-dipping. I have a pension of something like \$37,000 or \$38,000, the result of my 21 years in the Assembly. The other part of my contract really was that I would get out of my consulting business when I took on this responsibility.

As far as travel is concerned, basically what I do there, gentlemen -- as you know I live north of the city of Calgary, and we're down this year in travel to some extent. A portion of that is that I've chosen to come up generally Monday or Tuesday mornings, leave about six in the morning, come up, work that day, stay over in a hotel, work the next day, and trot on home. My expenses are about a hundred dollars a day between the hotels and meals and so on. That's really the way that I've done that. I guess I've flown once or twice during the year because of weather, but that's really the modus operandi that I operate on.

Just going down very quickly: rental of property, equipment and goods -- and I'm just picking off the large numbers there -- \$5,000. That basically is contracts that we have for fax machines in the office, one at my home, and copying equipment, and so on.

MR. BRUSEKER: There's nothing for office space there, though, is there?

MR. CLARK: Pardon?

MR. BRUSEKER: There's nothing for office space. That gets covered under public works?

MR. CLARK: That's public works, yes.

MR. BRUSEKER: Good. Thank you.

MR. CLARK: Telephone and communications. Well, that's just exactly what it is.

Professional and technical and labour services. It's in that area where we have legal and financial advice. I think I've indicated to you on other occasions that we go outside and have David Jones as an outside legal consultant. We've used him to the amount of close to \$17,000 or a little less than that this year, but likely we'll be there by the end of the year.

Hosting is \$400. That's in there primarily -- was it two years ago, Karen, when the ethics people from NWT and Yukon had a hearing in our office in Edmonton and they brought in three other commissioners and we hosted them? Or if other commissioners come from across the country, that's basically it.

Materials and supplies. That's paper and that kind of thing.

So, Mr. Chairman, that's a quick look at our budget. The first line down is what I'm asking for as far as the budget is concerned for this year. The second line is the 1993-94 estimates, \$196,000, which a different committee but the same committee in name approved a year ago. The third column is the changes. You can see there's close to a 10 percent reduction. The fourth column: '93-94 forecasts. That is what we expect to be spending. The only area I think, gentlemen, where that might change would be in professional services. If something were to happen in the next three months, then we'd have about \$4,000 available there. The fourth column is the actual for 1992-93. That was our first year of operation. I repeat: that year we turned back something close to \$34,000 to the Treasury, and this year we expect to turn back in excess of \$20,000.

11:31

MR. CHAIRMAN: Okay. Thanks, Bob.

Go ahead, Gary.

MR. DICKSON: Bob, I wanted to ask about the professional services partly because it's one of the larger items in your budget beyond salary. Is this all legal fees to have legal opinions and obtain legal advice?

MR. CLARK: Yes, it is. What we've done is use Senior Parliamentary Counsel on generic things.

MR. DICKSON: Right.

MR. CLARK: We use Senior Parliamentary Counsel on generic things. When it gets to dealing with a particular member or when we want a second opinion, we go outside.

MR. DICKSON: We're talking here about . . .

MISS SOUTH: Under this particular code: professional, technical, and legal. It also covers printing costs for our annual report and the brochures or handbook or whatever other publications we put out.

MR. CLARK: There's \$3,000 for that.

MR. DICKSON: Okay. So \$14,000 then would be paid out for legal advice and legal opinions.

MR. CLARK: Yes.

MR. DICKSON: When you talk about Parliamentary Counsel, are you talking about the Legislative Assembly Counsel?

MR. CLARK: Yes.

MR. DICKSON: Okay.

MR. CLARK: Frank.

MR. DICKSON: Frank Work.

MR. CLARK: Yes.

MR. DICKSON: All right. I'm trying to get the sense of how often you have to get opinions. Would you get a legal opinion on most things that are raised? I mean, would this represent half a dozen opinions?

MR. CLARK: Oh, it would likely represent four on four particular issues, one being on the Treasury Branch thing, to be very frank.

MR. DICKSON: Right.

MR. CLARK: Another one dealt with a particular member having a series of companies -- were they direct associates or what? -- if they'd help us flush out this whole area of direct associates. Another one dealt with an issue that a member came to us for advice on: whether he could or couldn't become involved in a certain practice. I think there were four cases, were there, Karen? Four or five. Anyway, Gary, it's in that number.

MR. DICKSON: Just so I'm clear: there are four you went to outside counsel?

MR. CLARK: Yes.

MR. DICKSON: Okay. I'm thinking, since we do have the two lawyers, Legislative Counsel, whether they couldn't shoulder -- I know how busy they are now, but whether there's . . . Have you looked into them assuming a bigger chunk of this, whether it's generic or whether it's a specific kind of incidence?

MR. CLARK: It's something that I'd certainly welcome the views of members on, that Parliamentary Counsel deal with the members on an ongoing basis. The understanding that we've had is that when it affects a particular member, it's been our practice that we would go outside and perhaps get a second opinion or a first opinion.

MR. DICKSON: Do you have some kind of a retainer agreement with the counsel you mentioned?

MR. CLARK: Yes, we do.

MR. DICKSON: Is there some kind of a regular retainer paid to that counsel?

MR. CLARK: No. It's based on a particular issue that we ask for advice on. One thing I learned this year for next year is that we should scope the thing out. I think we'll be able to do that better next year than we have this year primarily because we're getting some more experience in the field and so is he.

MR. DICKSON: Have you considered putting out basically a call for tenders, putting together a solicitation, going to the major law firms in Edmonton, for example, and asking them to quote on providing legal advice to your office?

MR. CLARK: Quite frankly, we hadn't. I canvassed some people in the legal fraternity, also Senior Parliamentary Counsel, and quite frankly attempted to get someone who was well respected and . . . I was going to say: well respected and who had not been involved politically. That doesn't mean that you're not well respected if you get involved politically, please.

DR. MASSEY: You should know.

MR. CLARK: This person had been a member of the faculty at the university, has a small practice, and that's why we selected him. We had not gone out and called tender. I'm open to that possibility if you think it has some merit. To date we've been pleased with the advice we've got.

MR. CHAIRMAN: Any further questions on the budget estimates?

Harry.

MR. SOHAL: Just for clarification: what is materials and supplies? This is 712PO.

MISS SOUTH: It covers all of our office supplies, newspapers, magazines, any books that we purchase.

MR. SOHAL: Okay. So in 1992-93 you have \$8,000, and in 1996-97 you have reduced it to \$3,000. So are you planning to discontinue some of the newspapers or magazines?

MISS SOUTH: In our first year of operation of course there were additional expenses with respect to having letterhead printed and all of that. It's been our experience that we haven't needed a large amount of money to cover that particular category.

MR. DOERKSEN: I wanted to ask a question on the salaries, because the word running around of course in the press is the 5 percent. I appreciate the fact that you took 2 percent last year and that Karen's offered 2 percent voluntarily, but they're asking everybody else for 5 percent.

MR. CLARK: If that's what the committee wants to do, I'm prepared to take it.

MR. DOERKSEN: Would we have to open up the contract then?

MR. CLARK: The committee didn't last year. They just simply . . .

MR. DOERKSEN: But you're on a five-year contract.

MR. CLARK: They held a meeting in my office and simply said, "Will you take 2 percent less?" The four legislative officers said, "Yes, we will." If that's what the committee wants to do again, I'm prepared to do that.

MR. CHAIRMAN: That's one of those things that has been coming down the pipeline just in the last few days, and when I got to town yesterday, I was informed that an order in council was going to or had taken place asking for the officers to take 5

percent. They had taken 2 percent in March, and we're asking that they take a further 3 percent. So we're going to set up a meeting to discuss that with the four officers as soon as we can arrange a meeting just over that subject itself. Bob is the only one of the officers that I hadn't talked to about that before the meeting. Sorry, Bob.

MR. DOERKSEN: He didn't talk to me either so we're in the same . . .

MR. CLARK: Could I ask, and this maybe isn't appropriate with Karen here, but I would trust that she'd be treated the same way other staff is being treated in other offices. If other senior people in the Ombudsman's office or in the Auditor General's office are going to take 5 percent -- my understanding was that in some areas it was going to be a 5 percent cutback in the human resources budget, which in an office they'd be able to perhaps not hire one or two people and then there would not be a 5 percent reduction. I think quite frankly everyone should be treated the same.

MR. CHAIRMAN: I agree, and I think our committee would agree. We're not exactly sure what's happening, in specific terms. So we'll certainly keep you informed, if we know, in regards to what's going on in other office staff. Okay?

MR. DOERKSEN: Certainly, Ron, from the two previous presentations this morning my understanding was that it was 5 percent for everybody.

**11:41**

MR. CHAIRMAN: That's the way that I understood it. But, again, there were some of these officers and maybe some of the people under contract that had taken 2 percent in March. That's where the officers sit: as taking 2 percent in March, and now were asking for a further 3. So that may fit in with some of the staff people too, especially the ones we're under contract with.

Gary.

MR. DICKSON: Well, Mr. Chairman, I'm not entirely clear. My understanding -- and I should look again at that letter which I guess has been sent around.

MR. CHAIRMAN: You have a copy of that.

MR. DICKSON: I understood it was 5 percent on the global wage portion of each office's budget. My understanding is incorrect; is it?

MR. DOERKSEN: The point I was raising is that the answers that were given to us this morning -- I think it was 5 percent in terms of their global budget -- made me think that they were taking the 5 percent from everybody. That's what I gathered from the answers to their questions. Now, that may be incorrect, but that's what I thought from the answers.

MR. CHAIRMAN: We need to separate the officers from the staff; okay? Let's keep that separate. The reason that the officers at this point were asking is because -- again, I'm not completely clear on this -- there was an order in council passed for the deputy ministers and these categories of employees that had taken 2 percent in March and now are going to take a further 3 percent. The officers fit into that category of deputy ministers in the wage structure. That's the reason that the four officers, the ones we supervise, are being asked to take a voluntary further 3 percent. That doesn't have anything to do with the staff, Gary. Okay?

MR. DICKSON: Right. I always understood that the officers wouldn't be subject to an order in council, uniquely because they report through our committee to the full Assembly.

MR. CHAIRMAN: They're not.

MR. DICKSON: Okay.

MR. CHAIRMAN: But there is the voluntary aspect. I want to set that up for a meeting later on, maybe next week or the week after, very soon, for our committee and the four officers to talk about that.

MR. DICKSON: Don't we have to be clear on that before we approve budgets for the legislative offices. Isn't it awkward going back after we've approved the budget?

MR. CHAIRMAN: Probably. Three percent of Bob's total budget is wages, which would be a very small percentage of the total budget.

MR. CLARK: It would be 3 percent of \$37,000 or \$38,000, something like that.

MR. CHAIRMAN: But you're right, Gary.

MR. FRIEDEL: We could always approve the budget subject to amendment depending on the outcome of these negotiations too.

MR. CHAIRMAN: Yeah. There was an assumption by some of the officers that they would be rolling back, and by some of them there wasn't. I wasn't clear when I wrote the letter on the 9th of December whether that was a part of the 20 percent cutback, the 10, 5, and 5, or not. I didn't specify in the letter, Gary, that we would ask for a voluntary rollback from the officers themselves. Some of them assumed that we were. I didn't specify, so some of them legitimately were just going with the total budget. So there's some confusion in that regard at this point.

MR. DICKSON: Just following along with that, I've in mind something that one of the earlier officers had raised: the question of compensation tied to performance. I think one of the ways that we encourage legislative offices to be effective and to spend money prudently is to consider compensating those people on the basis of performance, however that's defined. Obviously that's inconsistent with saying that each of these officers should be subject to an across-the-board cut.

MR. CHAIRMAN: That's true with all employees that the government hires.

MR. DICKSON: Right, but I'm saying: these are the ones that this committee has the responsibility to deal with.

MR. CHAIRMAN: So if it's fair for us to leave that to another meeting, that would be fine with me. If not, I don't know where we're going to go.

Don.

DR. MASSEY: Did you want a motion to approve the budget subject to what may follow in those discussions, suggestions?

MR. CHAIRMAN: What's your wish?

DR. MASSEY: Well, yes, I'd like to see the budget approved, and then we could get on with life. If that's going to be a subject of another meeting, we can talk about it then.

MR. CHAIRMAN: Well, like Bob said, this is probably, you know, a \$1,200 or \$1,500 item out of a \$177,000 budget. If you want to make it subject to that, I guess instead of 10 percent he'll be at 10.4, if he takes a voluntary, nudged-on rollback in later January. So, I mean, I'm not sure why you would make it subject to.

DR. MASSEY: Very well. Just approval of the budget, then.

MR. CHAIRMAN: Is that what you're going to do, Don, make a motion of acceptance of the proposed budget estimates?

DR. MASSEY: Yes, I'll move that.

MR. CHAIRMAN: So that's a motion by Don Massey.  
Victor.

MR. DOERKSEN: Again, not to be a bugbear here or anything, Bob, but bear with me. I appreciate that the \$177,000 proposal is a reduction from the previous budget, but in comparison to actual expenditures we're still going up. I know you've been faithful in turning money back, and that's all appreciated. But you've been able to operate cheaper before. Why can't it continue?

MR. CLARK: Well, I think there are three possibilities, Victor. One is the professional technical area. That's a guess as to how much more we're actually going to spend there. It may be more; it may be less. That's why we've put it in where it is there.

The second area is the wages thing. I just don't feel we can get by with \$3,000 there. We've more than doubled what we'd done there last year. As far as I'm concerned, we'll need some part-time help. Last year on the days when I wasn't in Edmonton, Karen ended up taking her six weeks of holidays, basically on Fridays. We shut the office down for the Fridays of the last couple of months of the year. We haven't had any complaints from the public, and maybe that's quite acceptable. That's the way that we handled covering for Karen's six weeks last year. We're getting more requests for advice both from members and from senior officials. Part of that just means that we're going to have to have some more support staff out front. It seems very small, but it's quite a challenge just to organize the names of the members when you're here.

That's just my best guess. Those are really, as I see it, the two areas where there's the greatest chance to cut back. My best judgment is that it's not the best thing to do, given also the fact that under the Deficit Elimination Act if we come to you for a request for an order in council, I may find it more difficult to convince you then that it's an emergency than to deal with this now.

MR. DICKSON: Mr. Chairman, is Bob the only one of the legislative officers who is subject to a specific contract in terms of employment?

MR. CHAIRMAN: No. There are two. Bob and Mr. Ledgerwood have contracts, and the other two are -- what's the word? -- well, noncontract. It's just a negotiated wage scale. Oh, I'm sorry. It's the Ombudsman that has a contract. So it's the Ombudsman, Mr. Johnson, and Mr. Clark that are under contract. The wages are set for the others.

MR. DICKSON: I guess my concern in terms of dealing with this is that I'd like to be consistent in terms of the way we deal with each of the legislative offices and each of the legislative officers, yet I recognize that in terms of this office -- it's so tiny relative to the other ones -- you don't want to . . .

MR. CHAIRMAN: There isn't as much room to cut.

MR. DICKSON: Exactly. You don't want to gut the office, and you don't want to compromise the effectiveness of your office. I guess that's what I'm wrestling with.

MR. CHAIRMAN: I think the whole committee is wondering about that consistency area. We do know that there's a difference between a \$10 million budget and a \$170,000 budget. I mean, it's the wish of the committee.

Don, do you want to speak on your motion?

DR. MASSEY: The experience is very limited. They haven't been in operation that long. So that coupled with being such a very small unit makes the application of those guidelines a person would have pretty difficult.

MR. CHAIRMAN: Right. Well, are you closing debate with that statement?

Okay. All in favour of the proposal by the Ethics Commissioner for his budget. Opposed? Carried.

MR. CLARK: Thanks very much.

MR. CHAIRMAN: Thank you, Bob. I think we're finished with you now.

We're going to have lunch come in here, so anybody that wants to have lunch, if we have enough, should stick around. Maybe we'll eat and do a little bit more business as we're eating.

MR. CLARK: Mr. Chairman, could I ask one last question?

MR. CHAIRMAN: Sure.

MR. CLARK: On the question of legislation, how would you like me to handle that?

MR. CHAIRMAN: On changes to your legislation?

MR. CLARK: Yes.

MR. CHAIRMAN: Well, what I would suggest is that you meet with our committee as soon as you have an idea of something tangible.

MR. CLARK: All right. Well, I'll request that right away.

MR. CHAIRMAN: Okay.

MR. CLARK: Thank you very much.

[The committee adjourned from 11:54 a.m. to 12:44 p.m.]

MR. CHAIRMAN: Okay. In calling the meeting back to order, I think before the Chief Electoral Officer gets here we'll deal with a couple of other items on the agenda. One is that I passed around the sheet -- Don, if you would give that to Vic -- showing a facsimile of a token appreciation plaque that was given to previous officers. Maybe Diane would like to make a few comments. Do



you have any idea what the cost might be for something like that, Diane?

MRS. SHUMYLA: I think that to prepare a plaque which would be given to the Auditor General as he retires would cost the committee under a hundred dollars.

MR. CHAIRMAN: That being said, is there any discussion on this topic? If not, would someone like to make a motion?

DR. MASSEY: May I just ask a question? Is this sort of the standard thing that's done for employees that are leaving? One of the reasons, you know: I have a number of these from schools and things, and they all sit in a bottom drawer.

MR. CHAIRMAN: Dust collectors.

DR. MASSEY: Dust collecting there or not dust collecting. I just wondered if there wasn't something that might be . . .

MR. CHAIRMAN: Better?

DR. MASSEY: Yes.

MRS. SHUMYLA: What I know from the previous committee is that if someone such as the Ombudsman left or something, a plaque was given to them. There may be some other form of appreciation the committee could give.

MR. CHAIRMAN: There is a little time with regards to this, so if you have some other suggestions or if you want me or Diane to ask the Auditor General -- maybe give him something else he may appreciate more.

MR. BRUSEKER: I'm along the same sort of line. I mean, you get these plaques. Some people put them up on the wall, and some people just throw them in a bottom drawer and they don't go anywhere. Some of the other things that I have seen, for example: I know when my father retired from Imperial Oil, he got a soapstone carving with a little plaque on the bottom, which would be quite expensive. Something else that would be a little cheaper: some of these duck decoy carvings that you see in different places can be done fairly cheaply, that sort of thing, in the hundred dollar price range. It might just be a change of pace; I don't know.

MR. CHAIRMAN: Do you want to make a comment on that, where we could purchase it?

MRS. SHUMYLA: What I could do is check with our purchasing people, because I know that we have all kinds of gifts and things like that available that the members do use for various purposes. For the next meeting what I could do is find out what other types of things we could give.

MR. CHAIRMAN: Sure.

DR. MASSEY: If there's anything like attractive prints of the Legislature . . .

MRS. SHUMYLA: Okay.

MR. DOERKSEN: Yes. Pictures are always nice.

DR. MASSEY: . . . with just a small thing at the bottom, something that might appear on the wall of an office.

MR. CHAIRMAN: Okay. We will bring that back at a future meeting.

Item 10 on the agenda is the Engagement Letter to Kingston Ross Parnak. We had made a motion at our last meeting to engage them to do the audit of the Auditor General. I guess what Diane is asking is that we need to send an engagement letter. Go ahead, Diane.

MRS. SHUMYLA: We received a letter from them which is like a contract, so what is required is that the chairman sign this letter and we send it back to them. The committee could accept it for information or make a motion that this be done. This has already been discussed at a previous meeting, but it's a matter of having this letter signed and sent back.

MR. FRIEDEL: Is this the same letter as the previous engagement letter for the same firm?

MRS. SHUMYLA: This is the engagement letter. The other one may have been a letter preliminary to it.

MR. FRIEDEL: No, but I'm talking about the previous year, the engagement letter of the previous term. This same company has been the auditor for several terms.

MRS. SHUMYLA: Right.

MR. FRIEDEL: I'm presuming they would have signed an engagement letter each time they were appointed.

MRS. SHUMYLA: Yes. Past practice is that the chairman would sign this letter.

MR. FRIEDEL: Are the terms of this letter the same as the terms of the previous engagement letters with the same firm?

MRS. SHUMYLA: As far as I know, they are.

MR. DICKSON: Mr. Chairman, I move  
that the chairman be authorized to execute an engagement  
letter with Kingston Ross Parnak in the form set out at tab 10.

MR. CHAIRMAN: All in favour? Opposed? Carried.

MR. BRUSEKER: I know we've passed it already, but since we're dealing with the Auditor General and the Auditor General has been before us earlier today and has raised some interesting questions for discussion, if he were agreeing to his \$13,125 to audit what is essentially a \$10 million department, ballpark -- let me just flip quickly: a \$10.2 million department proposed. With respect to the fee of \$13,000, I guess I'm wondering how that fee is arrived at. I know it's following on what has been done in the past, but when I look back at the page of agent fees that the Auditor General provided to us prior and I look at some of the fees that are being paid out there, some of them as high as a quarter of a million dollars, I guess I wonder how those fees are arrived at. I'm not sure if I'm raising this at the appropriate time, Mr. Chairman, but \$13,000 compared to \$10 million. I know you're not the person to ask this, but I wanted to raise it. I wonder how the agent fees that are being paid out compare to what we've just agreed to. I wanted to raise that question because it's never been clear in my mind.

MR. CHAIRMAN: Let's see now. What I was hoping was that we would deal with the tabling of the Auditor General's budget. We

would try to deal with that after we completed our agenda. I'm encouraging that we do have a discussion about what some of your thoughts are on the Auditor General's estimates. We probably don't have enough time to deal with it in the full context of some of the discussion with regards to what the Auditor General proposed here in this budget. So if we could wait, we might be able to do the whole issue, and that is certainly part of it, Frank.

MR. BRUSEKER: Fair enough.

MR. CHAIRMAN: I was just going to clean up a few smaller items here before Mr. Ledgerwood comes in.

MR. BRUSEKER: I just wanted to flag the issue now.

MR. CHAIRMAN: Well, good point.

MR. DICKSON: While we're dealing with housekeeping matters, I wonder if I can request, Mr. Chairman, that copies of the contracts, letters of agreement between the Legislative Assembly and each of the officers of the Assembly be made available to members of the committee before our next meeting.

In fact, I can put that in a motion, if you wish. I so move.

MR. CHAIRMAN: Good. Okay. Any further discussion? We'll do our best to accommodate that if that's the wish of the committee. All in favour? Opposed? Carried.

MR. FRIEDEL: Did you catch the date of that next meeting?

MR. CHAIRMAN: Okay. Yes. I want to deal with it since Yvonne is back here. We have tentatively scheduled our next meeting, Yvonne, on February 1, a Tuesday, at 1 p.m.

For those on the search committee, we would like to have a search committee meeting Tuesday evening, probably starting at 5:30.

MR. BRUSEKER: Oh, so that's February 1 as well?

MR. CHAIRMAN: Yes.

Nice to see you, Pat. Welcome.

MR. LEDGERWOOD: Great to be here. Three down, one to go.  
**12:54**

MR. CHAIRMAN: We were just doing a little housecleaning on our agenda here, Pat.

I'd like to introduce you to the members of this committee. Maybe we'll go around the table since you haven't met all of them, and they'll introduce themselves. You of course have met me, and I think you know Diane. So we'll start here.

MRS. FRITZ: Yvonne Fritz from Calgary.

MR. LEDGERWOOD: Hi, Yvonne. Pleased to meet you.

MRS. FRITZ: Hi. Thanks.

MR. FRIEDEL: Gary Friedel from Peace River.

MR. LEDGERWOOD: Gary, pleased to meet you.

MR. SOHAL: Harry Sohal, Calgary-McCall.

MR. LEDGERWOOD: Pleased to meet you.

MR. DICKSON: Gary Dickson, still from Calgary-Buffalo.

MR. BRUSEKER: Frank Bruseker, Calgary-North West.

MR. DOERKSEN: Vic Doerksen from Red Deer.

DR. MASSEY: Don Massey from Edmonton-Mill Woods.

MR. LEDGERWOOD: Good. I look forward to working with you.

MR. CHAIRMAN: Okay; I guess we'll turn to tab 8 in our books.

Pat, with the other three officers before you we kind of left it up to the officers as to how they wanted to go through the budget estimates. If you want to make a little preamble and then line by line or page by page or whatever is your wish, then we will just kind of keep it informal and ask questions as you go through it.

MR. LEDGERWOOD: Right.

MR. CHAIRMAN: Okay. Thank you.

MR. LEDGERWOOD: This budget is designed to meet my responsibilities under the current legislation. We won't deal with the other Acts but, I think, the Election Act. Of course, that's the one where I provide guidance and supervision to the election officers regarding the conduct of all elections, enumerations, referendums, and plebiscites. I actually report through this committee to the House on the Election Act. You may remember that the chairman tabled the report on the general election at the end of August and also the financial addendum at the end of September.

The other Act I administer is the Election Finances and Contributions Disclosure Act. I think you're all fairly familiar with this but maybe not quite as familiar as with the Election Act. This is where we register the political parties, the constituency associations, candidates. I report through the Speaker. So the first report in conjunction with the '93 general election was on the 21 candidates who failed to file their financial statement on time and then, following that, my 16th annual report. This is an Act that not too many people understand but one that we get actually more calls on. This is where the people who come into the office to look at the public files are more interested in the financial aspects than any other aspect.

If you look at my budget, the cover page, you can see that I'm looking at the three elements: administration, election, and enumeration. The administration is basically to run the office. This is where the staff salaries and benefits come in, our office supplies, and also all of the activities under the Election Finances and Contributions Disclosure Act. The election section is straightforward. That's for the supplies for the returning officer and election clerk training and the conduct of the by-election or election. Enumeration, again straightforward. This is for supplies, for staff training, and to conduct the enumeration. You may remember our last enumeration where we had digitized lists of electors for the first time.

The columns that you're looking at there are '92-93 actuals. This was in the instructions that we received from the chair: to use those as our baseline. Now, some of you may have done a little research and noticed that we had three by-elections in 1992. Well, the Little Bow by-election in March of '92 was actually in the '91-92 fiscal year. So although we had three by-elections in the

calendar year '92, only two of them fell in the budget year: Calgary-Buffalo, of course, one member is very familiar with; and Three Hills, later in the fall. So those are the actual figures that we've used.

You can see the estimates on the right-hand column. What we've done there in the administration is broken that into two sections, and we'll go into details later. So what we've got basically in administration is a 5.3 percent reduction. That's 5 percent in the manpower element, 10 percent in supplies and services. To make up our overall 10 percent, I think you can see by the little note on the bottom that elections we've taken down 13.6 percent, enumerations, 13.6 percent, to come within the guidelines of an overall 10 percent reduction.

Any questions on the cover page?

MR. BRUSEKER: I have a question on the elections section. I understand how you can reduce the enumerations. The elections thing you've reduced by a ballpark \$41,000 or so. I guess I wonder how you can come to that. Have you looked in the past at how many, on average, by-elections we hold? How did you come up with that reduction?

MR. LEDGERWOOD: No, these are just forced numbers, Frank, where we've taken the figure from '92-'93 and then dealt with the 10 percent. We've had a number of by-elections. As you know, circumstances dictate when a by-election is called, generally the death of a member or a resignation.

MR. BRUSEKER: We had five by-elections, as I recall, for the 22nd Legislature, so on average we'd have, then, about 1.2 or so per year.

MR. LEDGERWOOD: As I say, in the '92 calendar year we had three, so it varies time by time.

MR. BRUSEKER: Thanks.

MR. LEDGERWOOD: So if you want to go over to page A, which is the breakdown of the administration element, what you see there are the various salaries, wages, employer contributions, allowances and benefits, the '92-'93 actuals with the '94-'95 estimates, and a 5 percent reduction in that figure. The next block is the supplies and services and a 10 percent reduction in that figure.

MR. BRUSEKER: How many employees are you talking about here, Pat, in total?

MR. LEDGERWOOD: We have a permanent staff of eight, and we do everything else by contract. So when you hear that we're employing 11,000 election officers, most of those are employed for one day. Some will be for a month, but the highest percentage, only for one day.

MR. BRUSEKER: For election day.

MR. LEDGERWOOD: Yeah. The same with enumerations. When we're talking about enumerations, employing those people, we employ just under 8,000, and that's only for the duration of the enumeration.

MR. CHAIRMAN: Harry has a question.

MR. SOHAL: Are these eight all based in Calgary or Edmonton?

MR. LEDGERWOOD: They're all based in Edmonton.

MR. CHAIRMAN: Gary had a question.

MR. FRIEDEL: This particular office obviously is subject to some severe changes in workload depending on election circumstances. I don't want to make it sound like, "What do they do in between elections?" but I guess for lack of more tact maybe I will ask it that way.

MR. LEDGERWOOD: It's certainly unfortunate that the committee was not able to work in a visit to the office, because then we could have shown you the physical layout, and also I would have given you a very detailed briefing on what the role of the office is. I can tell you, for example -- the election was over in June -- last month we had 1,700 separate mailouts, each individually addressed. These were to constituency associations, generally the president and the chief financial officer; you received letters as candidates, as did your chief financial officer; and to the parties. We have 10 registered parties in Alberta, and we have approximately 300 registered constituency associations. We work with those parties and constituency associations on a regular basis. So our bread and butter, as I said in my introductory remark, is really the Election Finances and Contributions Disclosure Act, and that's where we spend a great deal of our time.

MR. FRIEDEL: I can certainly appreciate that within six months after an election is just as busy as it was before, but I meant more in terms of the subsequent years. Assuming that there isn't going to be another election for at least another three years, what would be the things that would keep that office the busiest for 1994 and '95 and perhaps longer?

MR. LEDGERWOOD: Okay. The thing that's going to keep up busy in 1994 is a move. We are in a commercial property right now and will be moving to a government building. So the first few months of the year we'll be preparing and actually completing the move. In August I hope to release my 17th annual report, which will be the report of the calendar year 1993 activities. As you may or may not be aware, there is a reference case on the electoral division boundaries that is before the court. That will be heard starting the week of the 17th. If we're into redistribution -- our office played a key role in redistribution. So there just seems to be a continuing number of activities. When the office first started, we had 13 members, and we have gone down to eight now. We figure that is the minimum so that we have professionals in each of the areas, and then we contract for support staff.

1:04

MR. DICKSON: Pat, you raised the question of the Court of Appeal case. Do you have counsel maintaining sort of a watching brief on this? You're not a party, I don't think, in the proceeding from the Court of Appeal.

MR. LEDGERWOOD: No.

MR. DICKSON: Because you're so obviously affected by whatever happens, have you got counsel following the proceedings?

MR. LEDGERWOOD: My counsel is Parliamentary Counsel, so he is certainly aware of it. Because the parties have come to our office for information, particularly the government lawyers from Field & Field, I've been really kept up to speed on what's

happening. Also for personal interest, of course, I've been following it.

MR. DICKSON: Sure. But there's no budget item at all related to this?

MR. LEDGERWOOD: No, there's no budget item. No.

MR. DICKSON: Thank you.

MR. CHAIRMAN: Okay. We're on page A. Victor.

MR. DOERKSEN: Just on the 5 percent reduction. Is that a 5 percent in the global budget, or is that intended to hit each individual staff?

MR. LEDGERWOOD: It will actually hit each individual staff member. I'm not sure you're aware that the Public Service Commissioner is now working with departments to ascertain just exactly how that 5 percent will be applied.

MR. DOERKSEN: Thank you.

MR. CHAIRMAN: Okay. Any further questions on page A? Go ahead.

MR. DICKSON: Well, just a follow-up to Victor's question. When you say each employee is going to be affected, is everybody going to be affected with the same 5 percent cut?

MR. LEDGERWOOD: Same cut. What we're looking at, Gary, is whether it will be a 5 percent reduction in salary, for example, straight across the board or whether there will be 13 days of forced unpaid leave. There are many options. I think the Public Service Commissioner is also looking at a reduction in various benefits. So the bottom line is that there will be 5 percent but we don't know exactly how it's going to be applied. One of the things that will happen is the departments will not be given a choice as to how they're going to do it. It will be across the board so that every department will be exactly the same.

MR. DICKSON: Thanks.

MR. LEDGERWOOD: If we could go to your second page, which is B, the election element, you can see what we actually spent in 1992-93. The '94-95 estimates are a 13.6 percent reduction of the '92-93 actuals.

MR. BRUSEKER: What kind of services are you contracting there, Pat? The \$250,000 seems to be the big chunk right there.

MR. LEDGERWOOD: This is the catchall, Frank. The honorarium for returning officers comes out of there. Printing comes out of there, advertising. All of the items, really, that you contract.

MR. FRIEDEL: Just a quick question.

MR. CHAIRMAN: Go ahead, Gary.

MR. FRIEDEL: In this element of the budget, am I correct in assuming that if there is a year where there are no by-elections, there's virtually no money spent?

MR. LEDGERWOOD: Virtually no money spent, although I will be restocking in that I don't know what amendments are coming up to the Election Act. If there are no Election Act amendments coming up, then I will start to stock once we move into our new warehouse. I don't think there's much point in restocking now and having to move later on this summer. So once we find out whether or not there are going to be amendments to the legislation -- if there are no amendments at this stage, then we'll go ahead and start to get some of the stable items.

MR. DICKSON: I had understood you to say, Pat, that you're moving into a government facility and out of a commercial space, but there's no rental item here.

MR. LEDGERWOOD: No. The rental is paid by Public Works, Supply and Services.

MR. CHAIRMAN: Don Massey.

DR. MASSEY: Thanks. Could I just go back to the eight people that these salaries cover? Are those all people at the same salary level, or are there support staff?

MR. LEDGERWOOD: Oh, no, no. These are various levels. As you know, I'm at the deputy minister level in everything but salary.

MR. CHAIRMAN: You got that in there.

MR. LEDGERWOOD: My deputy is a senior manager. I have two managers. I have a stenographer as a secretary. I have an executive assistant, we have a gal Friday typist, and I also have a storeman.

DR. MASSEY: Just the further question: is the intention that, regardless of salary level, 5 percent will apply?

MR. LEDGERWOOD: The 5 percent will apply across the board.

DR. MASSEY: A stenographer right to a level of deputy.

MR. LEDGERWOOD: Yes.

MR. CHAIRMAN: Okay.  
Any further questions on page B?  
Now we're moving to C, Pat.

MR. LEDGERWOOD: Okay. C is the enumeration element, and you can see there the various control groups, the '92-93 actuals, and the '94-95 estimates: a 13.6 percent reduction.

MR. BRUSEKER: Now, this would not be an enumeration of the entire province though; would it, Pat? This would be just for by-elections.

MR. LEDGERWOOD: No, no. This would be special enumerations in conjunction with by-elections.

MR. BRUSEKER: What does your legislation require? An enumeration every two years or every year?

MR. LEDGERWOOD: No. The second year following a general election and then each year subsequent to that. I think we'll get into that more once we get into . . .

MR. BRUSEKER: . . . the next page with the big numbers.

MR. LEDGERWOOD: Yeah.

MR. BRUSEKER: I saw that one.

MR. CHAIRMAN: Okay. Now we're in the big numbers.

MR. LEDGERWOOD: This is D. I think in the back of your binders you each have a copy of the Election Act. So this may be a good time, Frank, to follow up on your question. If you turn to page 17, right at the top, section 14 says that

the enumeration shall be conducted during the period of September 15 to September 30

- (a) in the 2nd calendar year following the year in which the last general election was held, and
- (b) in each succeeding year if no general election is held in the interim.

So by legislation we are required to hold a general enumeration in 1995, September 15 to 30.

If you'd like to go through this, in '95-96 in the administration element, in the operating, the manpower figure is static. I understand the wage freeze will last for two years. There has been a 5 percent reduction in supplies and services in the administration element.

In the elections element there has been a reduction. In order to achieve the 10 percent in those two particular elements, the administration and the election, I've had to take 7 percent off the elections to come to the average of 5 percent, and I've taken 5 percent off the capital in the enumerations. So in '95-96, other than the operating for the enumeration itself, we are down the 5 percent. Because of the legislation we've just discussed, we must budget for enumeration in 1995.

MR. CHAIRMAN: Any questions on that? Gary.

MR. FRIEDEL: This has nothing to do with money really. What is the logic for the two-year gap between an election and the first enumeration and then having to have it every year after that, as opposed to maybe every second year after that again?

**1:14**

MR. LEDGERWOOD: If we just do a brief history. I came on board as Chief Electoral Officer in 1985. We had just finished redistribution, and the first opportunity to do an enumeration was 1985. We did one in September 1985 and had our general election in 1986. The first opportunity to do an enumeration again, according to this legislation, was 1988. We didn't hold one in '87. We held one in '88. We had an election in '89. I think we're all familiar with the redistribution and the fact that it didn't get finished until 1993. In 1993 we held a special general enumeration just before the election. So it's worked out that we've actually had just the one enumeration between elections. Does that answer your question?

MR. CHAIRMAN: Then what was the disadvantage? Was there a disadvantage from your perspective, if you don't mind me asking the question, of not having it? I know the reason -- you just stated it -- you didn't have an enumeration between '89 and '93, but what was the disadvantage from your standpoint of not having an enumeration?

MR. LEDGERWOOD: I think the only problems that we ran into were personnel problems in that we had a number of new returning officers being appointed. The legislation, as you may remember, was delayed significantly, so we ended up in a real time squeeze,

but we were able to effectively carry out an enumeration. I think we got as many people on the list of electors who wanted to be on. Our polling subdivisions left a great deal to be desired in that many of the returning officers didn't understand the need to have larger polling subdivisions, particularly in the city ridings, so we had a number of extra polling subdivisions. If we'd have had time, we could have saved a great deal of money on enumeration because we would have picked up those small polls and redone the map. We had a very short enumeration period, and it's thanks to the previous committee where we worked together and actually set up the timetable. I can't really criticize it because I was part of the team that determined the timetable. I think it worked well.

MR. FRIEDEL: Getting back to my earlier comment, it didn't quite get to the gist of what I was asking. If, for example, there was not an enumeration held in 1996-97, what would we be losing?

MR. LEDGERWOOD: Okay. What we would be losing is an effective list of electors. Even in the most stable community you're averaging about a 10 percent change in population annually. In some of the highly mobile areas you're having a 90 percent change in population. For example, Calgary-Buffalo was one of those areas with a large transient group. So the list of electors after about a year is really not suitable for an enumeration or even an election or even campaigning. It's so out of date.

MR. CHAIRMAN: So does that make it more costly then?

MR. LEDGERWOOD: No. I think the question was: if we didn't do one, what would happen? When looking at an election in '97, then we would have the list from '95, and it would be really not a very good list.

MR. FRIEDEL: No, no. That's not what I was suggesting at all. If there wasn't an election within a year, the enumeration has to be held within one year prior to the election; does it not?

MR. LEDGERWOOD: Yes, otherwise the list is no good.

MR. FRIEDEL: Okay. Let's just say for the sake of argument that the '96-97 enumeration would be taken in April of '97. There wasn't an election until one year and a week later. What would that additional enumeration benefit the province, with the understanding that there was not an election following within 12 months of that time?

MR. LEDGERWOOD: As I understand the question, we would not do the normal enumeration in September. For some reason we would do a special one in April, and then we wouldn't have an election until a year after. Have I got the question right?

MR. FRIEDEL: Okay. I'll go right back to the beginning. I'm just making the assumption that there would not be an election within 12 months of, say, the '96-97 one. By having an enumeration but not having an election within 12 months, is there \$4 million worth of benefit to the province just to have the enumeration, assuming that there was not an election close enough to that enumeration to actually use it?

MR. LEDGERWOOD: Okay. If there was not an election until late in '97, we would do another enumeration in September of '97.

MR. SOHAL: I've got to put another. Why don't we have enumerations only before elections?

MR. BRUSEKER: That's because then Ralph Klein or whoever the Premier is has to tell when the election is going to be held basically.

MR. DICKSON: We don't know when the election is coming. The enumeration has to be first.

MR. BRUSEKER: That would work fine if we had fixed terms. If we said that the election will occur . . . [interjections] Well, that's right. It would work fine if you knew that the election was the third Monday in September every fourth year. But Pat doesn't know that, so Pat has a requirement to be ready for an election at any time, and the assumption is that you're not going to be ready, you're not going to have an election within two years unless you've got a minority government. All right?

MR. CHAIRMAN: Yeah. That's the answer.

MR. FRIEDEL: Sorry that it was such a long, round-about . . .

MR. CHAIRMAN: Gary, did you have a question?

MR. DICKSON: Sure; since we're talking about some things that aren't directly focused on numbers but relate very much to what your office is about. I'm hoping that at some point this committee will have a chance to sit down and talk to Pat Ledgerwood about some of the issues. Certainly in the inner-city areas there were a significant number of concerns in terms of where polling places were located, accessibility of polling places. I'm hopeful we'll have a chance to have that discussion and, you know, talk about how that sort of thing can be avoided in the future.

MR. CHAIRMAN: Certainly. If Pat wants to do that, I'm willing.

MR. LEDGERWOOD: I'm available. I can share with the committee that I will be going to Ottawa in mid-February and meeting with my colleagues from each of the jurisdictions and several federal departments -- the census bureau and Health and Welfare, a couple of other people, other departments -- and what we're going to be looking at is to see if we can establish a permanent list of electors.

As you know, we digitized our list very successfully at the '93 enumeration and made it available to the parties and candidates. A lot of people used it and found it very beneficial. Enumerations are expensive. The municipal entities, some of them carry out enumerations. We carry out enumerations. The federal government carries out enumerations. We're enumerating the same people.

MR. CHAIRMAN: Do they all get the same answers?

MR. LEDGERWOOD: Unfortunately not. A little different criteria in some jurisdictions.

What we'd like to look at is to see if we can't get a digitized list of electors that we could share. One of the problems, of course, is keeping it up to date, and this is why we need some of the other departments in. If somebody gets married, a department may know that. They should be able to pass that on to us so we can change the list of electors. Somebody dies, somebody moves . . .

MR. CHAIRMAN: They can't hide.

MR. LEDGERWOOD: I'll be able to report back to the committee after that meeting. This will just be a preliminary meeting. It's

going to last about four days, right into Saturday and Sunday. Hopefully we can at least come up with some guidelines so that we can have some project teams look into specific areas that we will address at that meeting. I'll be able to tell you what that is, but it's not going to happen tomorrow in that the federal government is on basically the same cycle as we are now. So they'll be looking at a general election likely about the same time.

MR. CHAIRMAN: Okay. Any further questions on the big page?

MR. BRUSEKER: Yeah. The big number page there. Just so that I'm clear now -- I'm looking at page D -- under the legislation the first enumeration you have to do would have to be September of 1995.

MR. LEDGERWOOD: September of 1995.

MR. BRUSEKER: So in a sense this is potentially, then, I guess, sort of a worst case scenario. If we had an election before September of 1996, for example, then you wouldn't need that extra enumeration.

MR. LEDGERWOOD: No, you wouldn't need the extra enumeration. You'd have your list of electors. It would have been distributed. What we do is we will provide up to six copies of the list of electors for each polling subdivision to the parties as well as a couple of diskettes with the digitized lists, and the parties then copy those, massage them, and use them for their political purposes.

1:24

MR. BRUSEKER: So ultimately, though, if we didn't have an election until the very end of the mandate, we could in fact even have another enumeration in here in addition to . . .

MR. LEDGERWOOD: Yes.

MR. BRUSEKER: So it's highly variable.

MR. LEDGERWOOD: It is. That's why I gave a little history. It's actually worked out that we've only had one general enumeration between each general election.

MR. CHAIRMAN: Further questions?

MR. LEDGERWOOD: Did you want to look at '96-97?

MR. CHAIRMAN: Sure.

MR. LEDGERWOOD: They're basically the same. Manpower is static. Supplies and services and men, down 5 percent. The same with the capital: down 5 percent. I've included in there a general election and a general enumeration. Now, I should explain that normally general elections are by special warrant, but because of the Deficit Elimination Act, where special warrants are only to be used for emergencies or disasters -- I don't think an election fits in that category -- that is why I included it here.

MR. DICKSON: Mr. Chairman, I move that we approve the budget presented by the office of the Chief Electoral Officer for 1994-1995.

MR. CHAIRMAN: Any further discussion on the motion? All those in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Opposed? Carried.

MR. DICKSON: Mr. Chairman, if I could just add, having had the benefit of seeing the work of the Chief Electoral Officer twice in a 12-month period, I'm really very impressed with the machinery and the infrastructure that have been put in place in Alberta. After talking to people in other jurisdictions, I don't think there are any provinces that are better organized in terms of the training of people. It certainly reflects well, I think, on the Chief Electoral Officer.

MR. LEDGERWOOD: Thank you very much.

MR. CHAIRMAN: Okay. Thank you, Pat. We will certainly get together with you as soon as possible to talk about some of these other issues.

MR. LEDGERWOOD: Okay. For sure I'm available.

MR. CHAIRMAN: Okay. I think what we'll do here now is go to tab 9 and deal with our own budget.

MR. FRIEDEL: It could be slashed I think about -- what? -- 75 percent if we didn't have so darned many meetings.

MR. DICKSON: Who's going to defend this one, Mr. Chairman?

MR. CHAIRMAN: We'll see; won't we? Maybe no one. We have to do staff cuts.

MR. BRUSEKER: I'd like a 5 percent reduction.

MR. CHAIRMAN: Some of us need more than that.

MRS. FRITZ: I thought we already did this one. We didn't, eh? What was it that we did at the very first?

MR. BRUSEKER: We did the budget for the selection.

MR. CHAIRMAN: No, that was the select committee.

MRS. FRITZ: No, before that, the meeting before that one.

MR. DOERKSEN: Yeah, that was the first meeting.

MRS. FRITZ: Yeah, the first meeting, Victor.

MRS. SHUMYLA: At the first meeting it was put into the binder for the committee for information purposes, and we went through it. The one that we have before us is for '94-95.

MR. BRUSEKER: So this is the one we actually have some input in.

MRS. SHUMYLA: Yes.

MRS. FRITZ: But the first one that we reviewed was reduced significantly; wasn't it?

MRS. SHUMYLA: Yes, they have been reduced each year. I'm not sure what percentage it was.

MR. DICKSON: Mr. Chairman, it actually begs another issue: why would we not in the binders include past minutes? I mean, I appreciate the fact that these things are put together very neatly and they're easy to follow, but I think it would be useful for tracking purposes if we had in some portion of the binder each of the sets of minutes for every meeting since this committee was struck. Can we do that preparatory to the next meeting?

MRS. SHUMYLA: Sure. If the committee desires, I could just put a tab at the back with minutes.

MR. CHAIRMAN: For reference.

MR. DICKSON: I mean, what happened when I turned my binder in from the last time? Did somebody take out the old minutes?

MRS. SHUMYLA: If they weren't taken out in your office, and if it was returned to me with the inserts, I have taken them out. So what I can do for the next meeting is put in all our minutes from the beginning of the committee.

MR. DICKSON: Great. I'd sure appreciate that.

MR. BRUSEKER: We're going to need thicker binders then.

MRS. SHUMYLA: When it starts getting thick, perhaps I could leave the last six months worth of minutes in or something.

MR. DICKSON: Thanks very much.

MR. CHAIRMAN: Okay. Maybe we need to go through this page by page. Is that your wish?

MRS. FRITZ: Can I go back -- sorry, Mr. Chairman -- to what I asked just a couple minutes ago? What was the reduction for '92-93? From what I recalled, it was reduced significantly. I can't remember what it was, though. I can't recall what it was . . .

MR. BRUSEKER: Travel to conventions.

MRS. FRITZ: . . . at the first meeting that we came to. I understood that it was reduced by the Members' Services Committee. It was a large percentage.

MR. DICKSON: Another thing I was going to ask: it seemed to me that when we first looked at this, I had an expectation or an assumption that when we were busy trying to find a new Auditor General, that would be coming out of this, that this would be done through this budget. In fact, now what I've discovered, as we all know, is there's a separate committee struck and a separate budget for that. Presumably that would happen if we were to lose one of the other legislative officers: there would be a separate selection committee and presumably a separate budget. So we shouldn't be building into this budget recruitment or selection for vacant legislative offices. Is that a fair statement?

MR. CHAIRMAN: Do you want to speak to that, Diane, or to Yvonne's comments?

MRS. SHUMYLA: That's right. As far as the Auditor General search committee, you're right: it's a separate committee, and we have a separate budget for it. This budget is just for the Legislative Offices Committee.

To answer Yvonne's question, I just brought a bit of history: 1991-92 budget estimates for Legislative Offices were \$86,796. In '92-93 it was reduced to \$75,964; in '93-94 it was reduced to \$44,332. The '94-95 estimate as it stands is at \$56,348, and I can explain that increase if you wish.

MRS. FRITZ: So it was reduced 50 percent. It went from \$88,000, or whatever you said.

MR. CHAIRMAN: From \$86,000 to \$44,000.

MRS. SHUMYLA: From the 1991-92 estimates; right.

MRS. FRITZ: That's pretty significant.

MR. CHAIRMAN: Now we're back up to \$56,000. Diane, I think you need to maybe talk about the reasons.

MRS. SHUMYLA: We were requested, as the officers were requested, to work off the '92-93 actual expenditures, so I've brought some old expenditures. In 1992-93 the committee had a budget of \$75,964. That was their current budget. That was their estimates, but they actually spent only \$62,617. It was that base figure that we were instructed to use to reduce our committee budget by 10 percent for the '94-95 fiscal year. In the year '92-93 the committee did spend \$62,617. It was a fair amount spent because various committee members and spouses traveled to Vienna for an Ombudsman conference. As well, if I understand this correctly -- I think this is how it was; I wasn't here at that time -- the Ethics Commissioner search committee budget expenditures, at least the advertising, which I think was \$25,000, also came out of the Leg. Offices budget in that year. This is the figure that we used to come up with the '94-95 estimate, and we arrived at the number that we arrived at: \$56,348.

MR. CHAIRMAN: Go ahead.

MR. DICKSON: How do we determine? I mean, I guess there's no protocol that's codified or written anywhere that says: for this type of office in the event of a vacancy there will be a separate committee struck and a separate budget, and for this other type of office it's just going to be the standing committee that's going to fill the breach and do the recruitment.

*1:34*

MRS. SHUMYLA: I'm not sure what happened in the case where the Ethics Commissioner advertising came out of that Legislative Assembly budget. It could have been because of the time of the year when that search committee was struck. I'm not sure. In the case of the Auditor General search committee there is, as I said, a separate committee with a separate budget. I expect if there would be any more search committees, it would be done in the same way.

MR. DICKSON: If that's the case, I mean, maybe what we do is simply focus on the day-to-day maintenance or supervision we do and make it clear to the government that we're not building into our budget search committees, that if and when there's a vacancy in one of these key offices, you know, that's the time that there be a separate budget set. I mean, that seems to me to be a more fiscally prudent way of proceeding than trying to build into this committee's budget search and recruitment moneys that may never be needed. I don't know how the members feel about it.

MRS. SHUMYLA: As far as I know, there is no search committee budget built into this budget at all. We have a separate search committee budget for the search committee.

MR. CHAIRMAN: So we're not building it in here.

MRS. SHUMYLA: No.

MR. CHAIRMAN: So the \$20,000 extra is what? That's really what you're wondering.

MR. DICKSON: Sure. I couldn't begin to justify it unless . . .

MR. CHAIRMAN: The travel expenses, on the first page, going from \$3,000 to \$19,000 is because in fact this committee can charge travel expenses, even though on a voluntary basis we're not doing it unless we have to. There's no way of telling, since we've only met two or three times, how many times we're going to meet and how many of the members are going to put in travel expenses. For Gary and I it costs about -- I can't remember exactly what it is -- \$500 for travel expenses to get here for a meeting. So if everybody claimed travel to the meetings, then we're going to come up with a figure of \$19,000 if we have eight meetings. Now, if we want to take it out, and if this committee wholeheartedly decides to take it out, that's fine with me, except I don't want to get into a situation where people are voluntarily not claiming it and then all of a sudden the bills start coming and we go way over budget.

Gary.

MR. FRIEDEL: My comment on that, Ron, would be that most of us are probably claiming this through the normal transportation back and forth, capital city travel. I suspect that it's being budgeted twice: we're budgeting for it here, and at the same time our normal travel expenses back and forth from our constituencies is budgeting the same amount. I would suspect probably the same thing is happening with that pay for members which those of us are not claiming except for special circumstances. I think it would be maybe appropriate to look at downsizing the budget substantially in light of actual factors rather than what hypothetically might happen.

MR. CHAIRMAN: Anything to include, Diane?

MRS. SHUMYLA: I'll just add to the comment. Just on my old budgets that I brought with me, in '91-92 for travel expenses alone the committee had \$29,000. In '92-93 the committee had \$21,000. In '93-94 it was reduced to \$3,000, and that was because a lot of committee members were not claiming. But then for this committee we have upped it to \$19,000 again because with the new committee and new membership, as the chairman said, we don't really know what is going to be claimed. As well, it includes a little bit of travel to conferences.

MR. FRIEDEL: Well, that's fine if we're having conferences in there, but the point I was making was that my trip down today, for example, was tied in with routine travel to Edmonton. So it just got charged in my regular travel expenses, and it's not going to change. I suspect that my travel arrangements for the next 12-month period are going to be exactly the same. You would not have to budget one nickel for me to attend these meetings.

MRS. SHUMYLA: That's true. You can charge it to wherever you want, and if it's not going to be charged to the committee,



obviously it's not going to be used and we won't spend that amount that we had estimated.

MR. FRIEDEL: My point is that it's being budgeted twice. I think we'd be better off to reduce this budget realistically, and that way the overall provincial budget isn't going to be distorted. I realize that maybe \$19,000 is not going to make a significant dent in it, but at least we can be doing our part.

MR. CHAIRMAN: Any other views on that?  
Gary, and then Yvonne.

MR. DICKSON: I've spoken already. Let's let other people speak to it first.

MRS. FRITZ: My thoughts are that it's this committee's -- I think it was the third meeting or the fourth meeting I had been to, but it's fairly recent. I know that some others around the table have experience in government previously, but I'd like to have the opportunity to go through one year knowing how things are reported, in what costing centre, et cetera. I haven't had an opportunity to see that yet. What I'm saying is that I may choose to no longer put my travel expenses through the Legislative Assembly Office but rather to the committee that's accountable, which is this one, if I come for this particular committee meeting, which I'm doing today. So for those reasons, when you're figuring out the overall budget, please keep my travel expenses included here, because I haven't made that decision firm yet. It's just that I believe that the way budgets are set up, you have to be accountable to the committee that you're on for all of your expenses. I haven't seen that yet; I just haven't had the opportunity to see that for the year. I don't know what the outcomes are at the end of the year with this.

MR. FRIEDEL: If I could just get back.

MRS. FRITZ: Sure.

MR. FRIEDEL: Contrary to that is the fact that probably most of us -- and I'm sure you're doing it too -- set up additional meetings. If I have to come in for one meeting, I make darn good and sure that there are two or three other ones tied around it.

MR. CHAIRMAN: The only problem there, though, Gary, is when we get down to the end of the government fiscal period and you have used up your trips. The way that it works for me, as I've been told, is that I get one trip a week. If we need some meetings, then nobody will end up showing up to a meeting. That's the only thing I'm worried about as the chairman. That's the only thing that bothers me, and that's the only thing I'm throwing out to the committee. You guys will decide whether to leave this in at \$19,000 or not. The only thing is that if I call a meeting, I don't want anybody to miss the meeting because they're not going to get their expenses paid. That's the only thing from my perspective.

MR. FRIEDEL: Well, my suggestion is not to knock it from \$19,000 to \$3,000 or to zero but to something substantially less than \$19,000.

MR. CHAIRMAN: Any other points of view here? I'm sure you have a point of view. You may as well give it to us. Don't hide. Don't wait till the last minute.

MR. DOERKSEN: We're doing fine.

MRS. FRITZ: It's been my understanding, though, just for clarification, that it's been reduced significantly now. Hasn't it?

MR. CHAIRMAN: Well, from \$29,000 and \$21,000 and now \$19,000.

MRS. FRITZ: So it's been reduced a third.

MR. DOERKSEN: Let's not forget, Mr. Chairman, that we did send the recommendation to the Members' Services Committee from this committee looking at that whole matter of duplication. So that should be being addressed in Members' Services Committee.

Ron, you're making a good point on the 52 trips. I claim my travel through here. I'm going to use my 52 trips and more because I don't claim interim living allowance. I travel home when we're not in session.

MR. CHAIRMAN: The other thing is that Members' Services may do this anyway. They may cut it anyway. You know, that's where this is going to go. When we have something approved by this committee, that's where it's going to go: to Members' Services. Now, you members that are on Members' Services know a little bit about that procedure. We would sooner do something here than have Members' Services chop away at it, I'm sure. I mean, I'm not on Members' Services, but that aspect is a factor here.

Harry, and then Don.

1:44

MR. SOHAL: I agree with Yvonne. I think we should have this for one year, and if we have any savings, it goes back to the general revenue.

MR. CHAIRMAN: Good point.  
Don.

DR. MASSEY: I agree. I don't think a member should ever have to look at that and say, "Can I go to a meeting?" because the budget may not be there. That should never even be a consideration.

MR. CHAIRMAN: For me as chairman that's the only thing that I'm thinking. We're all rookies here, you know, rookies in this committee for sure. A lot of us are rookie MLAs, so we're a little bit more unsure of ourselves than we may be in the next 12 months.

Diane, do you have some . . .

MRS. SHUMYLA: Yeah, it's just another thought, something I just thought of. Under professional, technical, and labour services we have allowed \$13,125 for the audit of the Auditor General. If the committee wants to look at having a different firm audit the Auditor General's office in the future, I would expect it would cost more because it would be a new audit for them. So if we were to look at another firm in the future and if they cost, for instance, \$5,000 more, that money is going to have to be taken out somewhere in our committee budget.

MR. CHAIRMAN: Personally, I would encourage all the members to do in the future what they're doing now: not claiming. This \$19,000 does give us some flexibility. As Diane points out, we may be out on our estimate if we change auditors and some of that stuff.

If there's no further points on this page, we'll go through the other pages, if that's okay. I guess really there isn't much. Wages:

not a big thing. Just keep flipping until you find something that interests you. A lot of zeroes in this. I guess they're really on the back page. That tells you a little bit about the per diem thing and the conference. It was \$350. Less 5 percent, I don't even know what it is now. That's my remuneration.

AN HON. MEMBER: Definitely overpaid.

MR. CHAIRMAN: Well, not in comparison to some of the others, no.

If there are any further questions, I would entertain them. If there aren't, maybe we can have a motion to accept and ship this over to Members' Services. Harry, would you like to make the motion of acceptance of this budget proposal?

MR. SOHAL: Yes, please.

MR. CHAIRMAN: Any questions on Harry's motion?

MRS. FRITZ: I'd like to ask, Mr. Chairman, that you include the previous budget.

MR. CHAIRMAN: The '92?

MRS. FRITZ: Well, so that they know that Members' Services had already decreased this by almost 50 percent.

MR. CHAIRMAN: Good idea. Yes. I have a tendency to agree with you.

MRS. FRITZ: That's pretty significant.

MR. CHAIRMAN: The '92-'93 for sure should be included. Are you thinking, then, that maybe '91-'92 . . .

MRS. FRITZ: Well, from when it went from 80-some thousand to 44 thousand and then back or whatever. Include whatever percentage it's at, please, Diane, like from the 30 or 40 or whatever it ended up at.

MRS. SHUMYLA: Okay.

MR. CHAIRMAN: All those in favour of Harry's motion? Opposed? Carried.

Then maybe now we should go back to a discussion of our tabling of the Auditor General's budget estimates, so I'll open the floor up to any kind of discussion on tab 6.

MR. BRUSEKER: If I may then, Mr. Chairman, since there's a momentary lapse of silence and we wouldn't want that to happen for any great length of time. I am looking at the page entitled Salaries and Wages within that presentation that we heard this morning from the Auditor General. As I see it, there are six categories of staff within the department of the Auditor General. Summing them up quickly, I come up with, ballpark, 72 persons in the top three categories and 69 persons in the bottom three categories. The top three categories are all management level types of categories. I have some difficulty with what I perceive at least to be a top-heavy management organization, so from that standpoint I would like to see the Auditor General make some changes in that section of the proposed budget. I would like to see some changes. I guess the overall figure is within the guidelines requested. Using the 1992-'93 actuals and coming forward with a proposal, he's exceeded your request of a 10 percent cut by point

nine, so he's actually done a 10.9 percent reduction, but that one section bothers me, and I'd like to see some changes made.

MR. CHAIRMAN: Other comments? Gary.

MR. DICKSON: Well, as is evident, I think, maybe from my question to the delegation from the Auditor General earlier, I'm quite troubled by the computer software development, the half million dollars approximately that has been talked about. I'd like, frankly, some time to consider that. It just seems to me to be an awfully large item for something that shouldn't have to be designed from scratch, so I have concerns about that specific item in particular.

MR. CHAIRMAN: So then would you like to have the Auditor General be more specific on what they're going to do, how they're going to spend, or do you want to research yourself?

MR. DICKSON: Mr. Chairman, my intention was to attempt to do a little independent research to try and give myself a greater measure of comfort specifically with that item.

MR. CHAIRMAN: Or possibly both?

MR. DICKSON: Sure.

MRS. FRITZ: Just on that point as well, I'd be interested in what other budgets that request was made from the department. I was uncertain whether or not this is the first budget this same request has come forward or if that request has been turned down in the past.

MR. CHAIRMAN: The request for the software, you mean?

MRS. FRITZ: Uh huh. I wondered if it was in their last year's budget and it was turned down.

MR. DICKSON: It appears there was only \$40,000 last time.

MR. CHAIRMAN: Yes, last year.

MR. DICKSON: They don't show an estimate.

MRS. FRITZ: But that's the final budget that's before us. I mean preliminary discussions with the committee, whether or not they talked previously. I have the same concerns that were mentioned in regards to both.

MR. DOERKSEN: Mr. Chairman, I think what we're dealing with here is a fair amount of consensus. We've all got some questions on the budget in terms of how they've made their decisions, in terms of what they're going to spend. For my part, there's no question that I am a very strong supporter of the office of the Auditor General. It plays a very important role in critiquing government spending, and it must continue. Having said that, there have been a number of areas identified -- and I talked about that earlier today -- where I'm not particularly pleased with some of their attempts. I think we'd like to send it back to them and say, "You're going to have to justify your position a little bit better or look at some alternative direction in your planning." I'm not sure how we do that, whether we send you back with a list or whether we just ask them to come back and go through it again.

MR. CHAIRMAN: Well, I was just trying to make some notes here with regards to the two general topics so that if this thing was tabled after this discussion, I would have something to go through.

MR. BRUSEKER: One more.

MR. DOERKSEN: I would hate to presume that we know how to run their offices. I don't presume that, but there are some glaring things in here that in my mind they didn't justify to this committee.

MR. CHAIRMAN: Okay.

Frank, and then Yvonne, and then Don.

**1:54**

MR. BRUSEKER: Another issue, Mr. Chairman, if you're making a list of things of concern. I agree with Victor's point. I don't presume to tell them that they have to have X number of managers and Y number, but it's just something that bothers me. Another issue that I don't feel was answered, at least to my satisfaction, was the issue regarding agent fees. There is a page that we have in our presentation that's entitled Agent Fees, and quite frankly there are some rather hefty fees that are being paid. I would like to see some rationalization of why those fees are being paid. I know the University of Alberta, for example, is bigger than the University of Lethbridge, but we're paying the auditors of the University of Alberta \$224,000 and the auditors of the University of Lethbridge just about \$48,000. I don't know how those fees are arrived at. I would like an explanation of that, please.

I guess as a subset within that I would still like an explanation of why we need agents to do audits within Edmonton. I understand the issue with respect to travel and some of the communities outside of Edmonton, but the Auditor General's office is right here in Edmonton, the bulk of his staff is right here in Edmonton, and I quite frankly don't understand why we have to have any outside agents. For example, \$224,000 to audit the University of Alberta and they're a stone's throw away, literally across the river, to me just doesn't make any sense. So I'd like some clearer explanation of that for my benefit, I guess.

MR. CHAIRMAN: Yvonne, and then Don.

MRS. FRITZ: Thank you. I'd also, Mr. Chairman, ask that you have the professional development and conference fees reviewed. My understanding was that that's approximately \$60,000 throughout the budget, and from all the budgets that I've seen in the last five, six weeks, that is very excessive compared to what people are bringing in in other departmental budgets.

MR. CHAIRMAN: Okay.

Don.

DR. MASSEY: I guess I'd like him to address the whole principle of fairness in the way that the cuts have been arrived at. To see 11 student auditors singled out seems to me to be excessive. If you look at that professional development money, conference money, it's changed very little. There'll be more of it to be shared among those top three categories, so it's actually an increase. I'm not sure that the students ever got any of it, but if they did, it means that those top ones are actually getting more money.

MR. CHAIRMAN: These are not students, in my mind.

DR. MASSEY: They're doing the work.

MR. CHAIRMAN: They're apprenticing; right? They're not students per se; right?

MR. DOERKSEN: In terms of the chartered accountant lingo, yes, they are students. They're articling to attain their designation.

MR. DICKSON: Just one other item. We spent some time this morning speaking to the Auditor General about separation pay. The thing that strikes me as being a bit curious: that's not something I've typically seen in budgets. We haven't seen it certainly in the other offices that have come in front of us. There is a reality that sometimes in a department you want to move somebody out and you don't have cause to terminate their employment without giving them severance, but to build in a hundred thousand dollars and then of course none for the next two years -- I mean, if it's an ongoing necessity, then you would expect it to be built in in '95 through '97. It's not. I suppose every manager would like to have it, but when we're trying to prune wherever we can, this seems to me to be a tough budget item to leave untouched.

MR. FRIEDEL: When I asked him this question, I got the impression that he had a couple of people targeted.

MRS. FRITZ: Yeah. That's a good question.

MR. FRIEDEL: It is.

MRS. SHUMYLA: I'm not sure if this relates to last year's, but if I just recall correctly from being in last year's meeting with the Auditor General, I think there were four people that had taken voluntary -- I can't think of the proper name.

MR. CHAIRMAN: Retirement?

MRS. SHUMYLA: It was part of the voluntary leave program. The positions were abolished, and the department was required to pay out those funds to those employees.

MR. DICKSON: I think my suggestion is that when that sort of thing happens, it be dealt with within the salary component instead of having a stand-alone fund for this. That's one of the constraints a personnel manager has to wrestle with: if you're going to let somebody go and then the position is terminated, there will be funds available in another part of the salary budget. It just seems to me to be unorthodox to treat it like this. I stand to be corrected on that, but this is my prediction.

MRS. FRITZ: I haven't seen it in any other budget.

MR. CHAIRMAN: Well, maybe he's hiding it less than anyone else. That's a possibility. Maybe he's being up front with it, the severance, especially the early retirement severance. If we're making a list of things that I'm going to bring up to him, I certainly will bring all of them up, if the committee wishes me to.

I hate to ask: anything else?

MR. FRIEDEL: Well, if I could make a general comment. He was, today and on the couple of earlier occasions we've had occasion to speak to him, very defensive of the wages that they seem to pay, defending it on the basis that it was so difficult to compete with the private sector. I don't think that is the general attitude out there. I think there are all kinds of competent people that would gladly get into this kind of a position that has an assortment of fringe benefits which the private sector doesn't pay. I would tend to discount that. I think generally speaking what we're seeing here is a budget that has met the criteria but was probably a fairly generous budget before for the work that they

did. You know, with a relative amount of smugness he's met it but hasn't gone beyond to say, "Well, we could actually cut."

MRS. FRITZ: That's true.

MR. DICKSON: I wonder if you could be a little more forthright. Tell us exactly the way you feel about this.

MR. FRIEDEL: He without any doubt has met the criteria, but as I said before, I think it was probably a generous budget to start with, and meeting the criteria was not as difficult as, for example, Bob Clark's, who was just in his second year of his term and was experiencing a few growing pains but still tried to meet the criteria and literally had to slash his budget to even come close to meeting that.

MR. CHAIRMAN: Then is it the wish of this committee to leave the motion to accept his budget tabled and try to meet with him on the 1st of February?

MR. DICKSON: Mr. Chairman, I'd be happy if the Auditor General would like to put some material together now that we've identified some specific concerns and as soon as possible give us some kind of a written presentation that we could look at in advance. We could deal with the thing more expeditiously that way.

MR. CHAIRMAN: But still the meeting on the 1st of February? Okay. That's probably the earliest date that this committee could get together anyway.

MR. DICKSON: All I'm saying: we'd be better able to make a decision if we had the chance to look at how our concerns have been addressed in advance.

MR. CHAIRMAN: So that's the wishes of this committee then. I will communicate your concerns to the Auditor General.

There's one other agenda item, and that's Other Business. I suspect that we've been here long enough that Other Business may be quite short. We have a date set for a meeting. If there is any time on our agenda for the meeting of the 1st of February, we will do some of the things that we've talked about at our previous committee meetings.

If it's the wish of the committee, I will entertain a motion of adjournment.

MR. BRUSEKER: Just before we leave that, Mr. Chairman, there is still the list of follow-up items.

MR. CHAIRMAN: Right.

**2:04**

MR. BRUSEKER: I guess that falls under the Other Business item.

Is there a proposal at some time that we address some of these other issues, like the changes to the Ombudsman Act and complainant protection and so on, that were mentioned?

MR. CHAIRMAN: Sure. If you tell me maybe what your priorities are, I will try to work some of those in on our meeting of February 1.

MR. DICKSON: Well, I'm going to suggest that I think an item I would treat with some priority is the question of complainant protection.

MR. CHAIRMAN: That's from the Ombudsman?

MR. DICKSON: From the Ombudsman.

MR. CHAIRMAN: Okay.

MR. DICKSON: I say that because I know it had been discussed in the past. It's a specific kind of issue. I think the other one is important as well, the overall review of the office of the Ombudsman, but I don't think there's the same kind of urgency with that as there might be with dealing with complainant protection.

MR. CHAIRMAN: The other one we're going to have is a discussion about the expiry date of the Chief Electoral Officer at that February meeting. With those in mind, I'm certain that will keep us busy.

MR. DICKSON: Also, Mr. Chairman, as I look at it, the March 5, 1992, item, Briefing of Employment Contracts, Officers of the Legislature, sounds very much like what we talked about earlier.

MR. CHAIRMAN: What we were asking for? We'll have that one for you on the 1st of February too.

I asked for a motion to adjourn.

MR. DICKSON: So moved.

MR. CHAIRMAN: Gary Dickson. All in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Carried.

[The committee adjourned at 2:05 p.m.]