



Fourth Session, 39th Parliament

REPORT OF PROCEEDINGS
(HANSARD)

LEGISLATIVE ASSEMBLY MANAGEMENT COMMITTEE

Victoria

Monday, January 28, 2013

Issue No. 3

HON. BILL BARISOFF, MLA, CHAIR
AND SPEAKER OF THE LEGISLATIVE ASSEMBLY

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LEGISLATIVE ASSEMBLY MANAGEMENT COMMITTEE

Victoria
Monday, January 28, 2013

Chair: * Hon. Bill Barisoff (Speaker of the Legislative Assembly)

Members: * Hon. Michael de Jong (Abbotsford West BC Liberal)
* Eric Foster (Vernon-Monashee BC Liberal)
* Gordon Hogg (Surrey-White Rock BC Liberal)
* John Horgan (Juan de Fuca NDP)
* Shane Simpson (Vancouver-Hastings NDP)

** denotes member present*

Officials Present: Craig James (Clerk of the House)
Kate Ryan-Lloyd (Deputy Clerk and Clerk of Committees)
Bob Faulkner (Acting Executive Financial Officer)

CONTENTS

Legislative Assembly Management Committee

Monday, January 28, 2013

	Page
Adoption of Agenda and Minutes.....	41
Clerk of the House: Progress Report	41
MLA Expense Information Disclosure.....	44
MLA Travel Card.....	47
Vote 1 Quarterly Financial Reports	50
Vision Document	51
Business Continuity Planning	51
Vote 1 Budget 2013-14 to 2016-17.....	52

MINUTES

LEGISLATIVE ASSEMBLY
MANAGEMENT COMMITTEE



Monday, January 28, 2013

2:00 p.m.

Douglas Fir Committee Room
Parliament Buildings, Victoria, B.C.

Present: Hon. Bill Barisoff, MLA (Speaker and Chair); Hon. Michael de Jong, MLA; Eric Foster, MLA; Gordon Hogg, MLA; John Horgan, MLA; Shane Simpson, MLA

Officials Present: Craig James, Clerk of the House; Kate Ryan-Lloyd, Deputy Clerk and Clerk of Committees; Bob Faulkner, A/Executive Financial Officer

1. The Chair called the meeting to order at 2:11 p.m.
2. **Resolved**, that the Committee adopt the agenda as circulated. (Gordon Hogg, MLA)
3. **Resolved**, that the Committee adopt the minutes of October 17, 2012. (John Horgan, MLA)
4. The Clerk of the House provided the Committee with a progress update on the administrative, financial and technological work underway.
5. The Committee discussed options for further disclosure of Members' expenses.
6. **Resolved**, that the Legislative Assembly work towards coordinating a compilation of disclosures of Ministers' expenses and Members' expenses. (John Horgan, MLA)
7. The Committee agreed that Parliamentary Committee travel expenses be further reported upon in future disclosures of Members' expenses.
8. **Resolved**, that the Committee approve the proposed model for expanded disclosure of Members' compensation, travel and constituency expenses in the 40th Parliament. (John Horgan, MLA)
9. The Committee considered the proposal to replace the existing MLA Travel Card program (corporate liability card).
10. **Resolved**, that the current MLA Travel Card be replaced with a personal liability card and, further, that the A/Executive Financial Officer review options for alternative programs featuring a personal liability card for implementation and use in the 40th Parliament. (John Horgan, MLA)
11. The A/Executive Financial Officer presented the Committee with the Vote 1 Financial Report for the second and third quarters of the 2012/13 fiscal year (July 1 - December 31, 2012).
12. The Clerk of the House provided the Committee with the "*Renewal of an Icon*" document regarding the need to work towards the rehabilitation and revitalization of the Parliament Buildings and adjacent Assembly buildings.
13. The Clerk of the House provided the Committee with a progress update on the development of a Legislative Assembly business continuity plan.

14. The Committee agreed that the minutes of the Finance and Audit Committee be included for consideration and approval on future LAMC agendas; it was further agreed that all other public business should precede any *in-camera* items on the agenda in order to facilitate any public business.

15. **Resolved**, that the Committee meet *in-camera* to consider and review the estimates of expenditure for the Legislative Assembly for Vote 1. (Shane Simpson, MLA)

16. The Committee met *in-camera* from 3:13 p.m. to 3:49 p.m.

17. The Committee resumed in public session at 3:49 p.m.

18. **Resolved**, that the Committee approve estimates of expenditure for the Legislative Assembly for Vote 1 as presented and further, that the Speaker transmit the estimates of expenditure for the Legislative Assembly for Vote 1 to the Minister of Finance on behalf of the Committee. (Gordon Hogg, MLA)

19. The Committee adjourned to the call of the Chair at 3:49 p.m.

Hon. Bill Barisoff, MLA
Speaker and Chair

Craig James
Clerk of the House

MONDAY, JANUARY 28, 2013

The committee met at 2:11 p.m.

[Mr. Speaker in the chair.]

Adoption of Agenda and Minutes

Mr. Speaker: Adoption of the agenda.

G. Hogg: So moved.

Mr. Speaker: Secunder?

So moved.

Meeting agenda approved.

Mr. Speaker: Adoption of the previous meeting minutes. Any comments or questions? Hearing none, a motion.

Moved by John. Secunder? Gordie.

Minutes of the previous meeting adopted.

Clerk of the House: Progress Report

C. James (Clerk of the House): There are a number of issues I wanted to raise with the Legislative Assembly Management Committee today, some of which flow from work that we're doing internally and other work flowing from the audit working group, which meets regularly Thursday mornings. It's comprised of Bob Faulkner, Kate Ryan-Lloyd, Gary Lenz, myself, Arn van Iersel and Jennifer Smith.

We review issues and matters which we feel, at times, we can implement on our own; others that deal with issues that affect this committee and approval from it, or at least to be informed; and, also, flowing from the work of the finance and audit committee, which this committee created last year.

In your binder, tab 2, are the terms of reference for that committee. We can return to that after I go through some of the other issues. I'm in your hands. If you'd like to do that as we go along, that's fine too.

This has been in your hands now for some time, and the finance and audit committee, when it met last week — which consists of the two caucus chairs, myself and the Speaker — reviewed it again and approved it in terms of the authority of the committee to undertake the work that it's doing on behalf of this committee.

Tab 4 is an item, three-year internal audit plan, for information. The internal audit plan is one which we have been working on with Deloitte in terms of addressing one of the recommendations and one of the issues that the Auditor General raised in his report last July. It's to have a properly functioning internal audit mechanism.

One of the items that is being dealt with shortly, we understand, is an internal audit of capital management. Capital management in the Legislative Assembly is, in our view, quite significant and, as a consequence, has certain risks attached to it which we would like to have examined.

The other internal audit is of the constituency offices. By that is meant a pilot audit program that's been developed to test processes and procedures. Those will be occurring over the course of the next couple of weeks. I can provide more information in that respect to the caucus chairs and House Leaders at their convenience.

January to March 2013 internal audit activities, constituency office pilots and capital management, which is really the issue concerning the three-year internal audit plan that we've developed.

We turn our minds now to updates to the *Members' Handbook*. I have in front of me a copy of what we hope to distil into something far more readable, far more succinct but far more authoritative for members. This is a compilation of all the different brochures and pamphlets, manuals and documents that are at times circulated to members about their roles, responsibilities, financing, constituency offices — the whole works about being a parliamentarian in the B.C. Legislative Assembly.

[1415]

Our goal is to have a new, revised members' handbook or members' guide, printed in house, available for all members long before the next parliament and certainly before the dissolution that we anticipate.

Kate is working on a system whereby the handbook can be posted on the assembly's website and be more interactive in terms of addressing matters that constituency assistants, legislative assistants and members have about some of the features and functions of their various offices, entitlements, and so on and so forth. Those are some of the issues that we've been addressing.

The finance and audit committee was advised of this on Thursday, in terms of the work that they're doing. The members' guide, members' manual, will be first passed by the finance and audit committee for their look and review in terms of ensuring that it addresses all of the concerns and issues and questions that have been raised over the months, especially at this time as we're heading into a provincial general election.

It will also contain a number of other items that relate to the end of parliament. That will also encompass an end-of-parliament communiqué that will be sent to all Members of the Legislative Assembly. It will itemize all of the matters that members should be aware of, particularly the constituency assistants and legislative assistants, insofar as there are two categories of members: those who are not returning or not running again and those members who are.

Our goal is to have this document as very comprehensive as possible. The end-of-parliament communiqué will again be reviewed by the finance and audit committee,

and we hope to have that out in February, long before the House dissolves. Those are some of the issues that we are working on presently.

The IT committee. Spencer Chandra Herbert and Doug Horne have volunteered to be on a committee that will look at technology in the new parliament. We met before Christmas. I'm busy preparing a report for them to submit to this committee and the Speaker in relation to the kinds of equipment that would be available for members in their constituency offices within the precincts here and the global suite of software and different kinds of hardware, depending upon whether it's a Microsoft-based computer or an Apple product or whatever it happens to be.

We had a very, very good meeting, I thought, in December, where some of the disappointments that members have had with technology in the past were explored in terms of how to correct that going forward, bearing in mind that much of the equipment that will be purchased shortly will endure, we hope, for the next parliament of four years.

That report, as I say, will be presented to the Legislative Assembly Management Committee and the Speaker for your approval. By mid-February, at the very latest, this report should be completed.

It's been a very healthy experience, I think, for everybody. The technology will include everything from cell phones, including BlackBerrys and smartphones, to photocopiers and issues that some members have had with them, along with the actual desktops, laptops, tablets and the whole range of technology that supports the work of members both here and in their constituency offices.

The Legislative Assembly website is going to be updated. It will also include a member orientation for the new parliament. I'll ask Kate to very briefly describe the automation, so to speak, that will enable members not to sit at desks here....

Interjection.

C. James (Clerk of the House): It will enable members, especially new members, to review everything from procedure to administration to other matters that will be contained on the website.

Kate, do you have a...?

K. Ryan-Lloyd (Deputy Clerk and Clerk of Committees): Thank you, Craig, and good afternoon, Members. At a preliminary stage we have embarked with an internal technology review, looking at the Legislative Assembly's external website and looking for opportunities to integrate into that vehicle, or by way of a separate public website, the single revised version of the members' handbook that Craig described earlier, which will be a consolidation, as Craig mentioned, of all existing guidance to members with respect to their legislative and constituency office operations.

In conjunction with that, we hope to supplement it with some practical orientation information for new members and others who are re-elected in the next, 40th, parliament so there is a single, authoritative website outlining all policies and procedures as they would apply administratively to members and also an overview, really building on the preliminary information, procedural information, currently in the existing *Members' Handbook* — to expand that and, hopefully, prepare for members a much more practical and authoritative, comprehensive guide to services that would be available digitally on a website.

We're in the preliminary stages of planning that development right now. A key component part of it, as Craig mentioned, is a review of the *Members' Handbook* and associated documentation, which is underway now.

C. James (Clerk of the House): Also, there is another document which is in preparation — information for new or prospective members. We are beginning to get requests, and perhaps you are as well, from those who are seeking election to this place about financial matters, administrative matters and procedural matters in relation to what a new member might need to know or to determine whether, in fact, it's something that they want to get themselves into. So that will be, again, circulated to the finance and audit committee for review and available for each caucus and independent in terms of the information that that would contain.

Just some other miscellaneous matters to raise with you. You may have noticed that at the front of the buildings we have a new access for persons with disabilities ramp — barrier-free. It has been a key focus over the past year. We have that ramp now virtually completed. I think there's just a glass door that has to be installed on the inside. In conjunction with that, we have barrier-free access to the rose garden, and we also have a ramp around the back of the building by the rear fountain.

Just so you know, the barrier-free ramp project, we were told by consultants, for the front, the ramp and the interior, would be \$400,000. We managed to get it installed for about \$225,000, which is good news from our perspective. With the money that we had set aside to do that, we were able to also include the rose garden, the rear fountain and a ramp that would provide unimpeded access from the front of the buildings all the way through to the dining room. So there is a ramp near the rear delivery, or the side delivery, area of the Parliament Buildings.

The ramp will be opened for business essentially on February 12. There are just a few little bits and pieces to tidy up, and I think that speaks well of the people that were involved with the project and the ability to have something that would blend in with the front of the building. We made sure that whatever was done — and the design was our design — it looked like it was built when this building was built. So far we're very, very

pleased with that.

Do members have any questions at all?

Hon. M. de Jong: Craig, just going back to the section on the audit — I'm looking at appendix A, the draft internal audit charter — can you summarize for me and maybe for the committee how that is going to work practically in terms of...? The work will be ongoing insofar as there is a report that includes findings, and sometimes, frankly, they are uncomplimentary of someone. So does the report come eventually to LAMC? Is it a public document? Is it...?

I noticed the reference to the auditee having an opportunity to provide a response. Can you take us through...? We're setting up this structure that is designed to, hopefully, instil a little more confidence in people that there are the proper checks and balances. Does anyone ever get to see these things beyond LAMC?

C. James (Clerk of the House): Well, the plan on the constituency office side for the internal audit program would be to take an audit of about six constituency offices per year. So it would be rotating over a period of years. My understanding is that the internal audit report, the details, would be provided to the member. The summary would be provided to the finance and audit committee, and if there were issues, then the finance and audit committee could either bring them here to LAMC or deal directly through the Speaker or themselves with the member in question.

[1425]

Hon. M. de Jong: That, you're correct, is one aspect of it and probably — dare I say it? — the most salacious aspect of it because it deals with an office and a politically elected MLA. And fair enough. But there are other aspects of the operation that would be audited. So let's leave that one aside for the moment, because everyone can get worked up about that.

The ongoing audit process will touch on a variety of activities that are covered by LAMC in the vote. Is it contemplated in this process that those reports would be in the public domain?

C. James (Clerk of the House): I don't think so. Bob, would you care to comment?

B. Faulkner: Certainly.

The plan is to create the equivalent of an internal audit function that you would have in a Crown corporation. Through this charter and through the risk-based audit plan we would have — initially through a contracted auditor reporting probably to the executive financial officer — to conduct audits. My expectation would be they wouldn't be public reports.

Hon. M. de Jong: That it would be what?

B. Faulkner: They would not be public reports. Ultimately, that's a decision, I think, probably of this committee, the idea being... Internal audit is a control function. It's meant to allow us to strengthen our processes by identifying weaknesses and ways to correct them. Generally speaking, I think those aren't public documents. They're internal management documents.

Hon. M. de Jong: I hear you, and you're right. I don't know how the rest of the committee feel. We come to this by virtue of some difficulties that arose. We probably have to think about how we build into this some mechanism by which people can acquire confidence that this is happening, is proper, is fulfilling the mandate. You're right about the balance. I think if our answer to all of this is, "We've got an internal audit process in place; trust us," I'm not sure that's going to get us there.

C. James (Clerk of the House): Well, I think I can answer that for you. The results of any internal audit could be made available to the Auditor General, and I think that would be the proper route. Now, remember that this is internal audit, not external audit, so there would still need to be an external audit, which may or may not include the Office of the Auditor General.

Those reports, by virtue of the fact that they come from that public office, would be made public. But this is, as Bob quite rightly states, an internal strengthening process that we feel is necessary and flows from the Auditor General's report.

J. Horgan: You've partially answered my question, Craig — the differentiation between an internal and an external. And I appreciate that rigorous management is best done internally. But I share Mike's view that transparency is the challenge. And transparency is our... As our second open meeting, we need, I believe, to demonstrate to the public. Having the Auditor General there to oversee the preliminary steps as we open the doors on our activities, I think, is pretty important.

I think the committee, all members, would agree that we need to differentiate for the public what the purpose of the internal audit is in terms of ensuring that our activities are rigorously controlled. However, the value of having the Auditor or some other external agency reviewing randomly is... I mean, I don't know if Lance Armstrong would agree with that, but I think the public would.

Mr. Speaker: Yeah, I think the recommendation, John, is based on the fact that with the internal audit... I think the Auditor General was saying if we had done more internal auditing, we would have circumvented some of the things that had happened. Ultimately, though, when the Auditor General, or whoever, comes in to do an audit, that would become a public document that would go down that road.

J. Horgan: And that level of transparency — is that adequate to the Auditor General, based on your discussion, Bob, to this point? Or has that not taken place?

B. Faulkner: That hasn't taken place at this point.

Mr. Speaker: Okay. Any further questions of Craig? Hearing none....

[1430]

C. James (Clerk of the House): If not, if I could just draw your attention to one other item under No. 3. We've tried our best to retain Bob Faulkner for a number of other months, but unfortunately he's required back in the Office of the Auditor General on March 1, I believe. So it is with great reluctance that we're going to have to say goodbye to him in about six weeks or so.

In the meantime, you may have noticed a very small ad in the local newspapers throughout British Columbia for an executive financial officer. We had 42 applications. Last week we interviewed three people. We're down to trying to decide which of the candidates would be suitable for the position and follow in Bob's very good footsteps. We discussed this matter at length with the finance and audit committee on Thursday. So they're fully aware of the process and the proceedings, and I will certainly keep you informed in terms of the decision that is made.

If any member would like to be part of the next step, I would be happy to involve you. But if not, then we'll just take it from there.

Mr. Speaker: We'll certainly have somebody in place, somebody that Bob can work with prior to his going back to the Auditor General's office.

C. James (Clerk of the House): We're trying to arrange for some overlap — yeah.

G. Hogg: I'm not sure that Bob will be at our next meeting, so I think that those of us who have sat on the finance and audit committee and those of us who have seen Bob here will recognize that he's done a remarkable job of being able to lead us through a morass of different figures and things. I know that Shane and I expressed our appreciation to him at the last meeting, and I think we should be publicly saying that as well.

Bob, you've done a great job of leading us through this, and we very much appreciate the guidance you've provided.

B. Faulkner: Thank you.

Mr. Speaker: Thank you.
Moving on. Number 4.

MLA Expense Information Disclosure

C. James (Clerk of the House): MLA disclosure. You will know that the process that we established for the second round of posting MLA travel got underway a week or so ago. Members are in receipt of their travel for the period ending December 31, and we will be posting MLA travel on the assembly's website, cumulative for the nine months ending March 31, 2012, on January 31, which is this week.

We have had, of all the members, perhaps two or three questions clarifying certain elements of travel, but beyond that, we haven't had any response from members.

Mr. Speaker: Comments or questions?

Hon. M. de Jong: I'm just going through appendix 1. I'll start with appendix 1. I like the forms. I like the layout. On the second document relating to travel expenses, I think an issue that has cropped up on this is the differentiation between MLAs and MLAs who serve in cabinet — ministers. Do we have...? I should probably know this. Can LAMC compel a similar-type chart for ministers?

C. James (Clerk of the House): I would think not.

G. Hogg: The Minister of Finance could.

Hon. M. de Jong: I mean, we get this whole thing about comparing apples and oranges and the ministers are saved....

The nice thing about this is its simplicity — right? I mean, here it is. It's all public dough, so maybe we should find out.... For example, in the other one, in appendix 1, we list additional salaries for ministers and committee chairs, and all that kind of stuff. It strikes me that it should be possible to produce a similar type of chart for ministers that takes into account their travel costs and all that stuff.

C. James (Clerk of the House): Well, we would certainly be happy to include that if the Ministry of Finance or some other body was to supply that for us. But the separation of the executive branch from the legislative branch causes us some concern.

[1435]

Just so you know, Kate has been working with the Ministry of Finance in relation to arranging for a link from this page onto ministerial salaries and their expenses as well, so that the public, we hope, is able to more smoothly identify all of the travel and other related costs for ministers, even though they are ministers as opposed to being just strictly MLAs.

We have refined and added a couple of other notes to the MLA travel, one of them being the disclosure of Speaker-approved travel. That takes into account the

Speaker's travel. The Speaker is not authorized to approve his own travel under that category, so his travel comes under general expenses, and Bob can more clearly describe that than I can. So that is a category, as well, which hopefully will streamline any concerns the public or other members may have about Speaker-approved travel — as an example.

J. Horgan: Firstly, Shane can't come in, so have you got a mute button pushed on that phone? He can hear us, but he's been trying to speak.

S. Simpson: Okay, well, I took the hands-free off, so that may be why....

J. Horgan: Do you want to get in, or do you want me to continue, Shane?

S. Simpson: Continue.

J. Horgan: I absolutely agree with Mike that the challenges of this.... And I go back to, as a capital city MLA, with six others, that there are expenses that we're not entitled to because we live here. Two members of executive council were also capital regional MLAs. Their expenses were disclosed before our expenses were disclosed. Unfairly, those two ministers were criticized and ridiculed because they were executive council members declaring their expenses. I and my colleagues on the opposition side came to their defence in the absence of an apples-to-apples comparison.

I think it's really important going forward that we try and address Mike's issue here because ultimately the public wants to see it easily and seamlessly and to say: "Well, you can just go to the minister's website and check that out." I don't think that meets the test.

I believe that the public would want to say: "We send 85 people to the Legislature, including the Speaker...." I'm concerned to hear that Speaker-approved travel, of which you partake, does not appear as Speaker-approved travel on your expenses. That I did not know until you just said so. So I think we need to find a way to make it clear. And as I read this document, appendix 1, the additional salaries wouldn't include executive council compensation.

Hon. M. de Jong: Look at the note. The note says it.

J. Horgan: It does? It does say "minister," but is it minister as in members of this committee or all members of executive council?

Hon. M. de Jong: Yeah. All ministers.

J. Horgan: It does. Okay. So if we can do it in that way, why could we not do it for per diems and travel expenses?

C. James (Clerk of the House): Well, if LAMC wants to give us that direction, we can work toward that compilation.

Hon. M. de Jong: Well, let's see what we can come up with.

Mr. Speaker: Okay. Work towards it?

Hon. M. de Jong: I mean, I'm certainly amenable, as you know.

J. Horgan: Yeah.

C. James (Clerk of the House): A motion?

J. Horgan: Absolutely. I'll support that.

Mr. Speaker: Moved by John, seconded by Gordie.

Motion approved.

C. James (Clerk of the House): The only other issue — Kate, I don't know whether you want to raise this — is the issue of parliamentary committee expenses and travel, which have over the past been somewhat problematic because of the averaging component in terms of travel on pre-budget consultation and that sort of thing. Do you have a comment about that, Kate?

K. Ryan-Lloyd (Deputy Clerk): Well, currently in the draft that's before members now and was also in the last quarterly update, committee travel costs have been reported out as a group expense. Part of the complication that Craig referred to is that when making arrangements on behalf of parliamentary committees — for example, a group of ten members — if a meal is provided or transportation arrangements are made for the group as a group, those are divided out equally amongst all the members and staff participating in the event. If, for example, a member is unable to attend a parliamentary committee meeting — for example, in Prince George — then the costs, by extension, would increase for the eight members who are able to partake at that meeting.

Consequently, we were sensitive to the issue that members may be unaware of the final costs of some committee activity, and because their level of participation.... The more meetings one might attend, the higher their costs are, whereas members who are perhaps unable to regularly attend all meetings of their committee would have lower costs.

[1440]

It seemed at this juncture the best approach would be to report it out as a group. But it certainly is an area that we have flagged for further review with respect to how we plan and accommodate committee expenditures.

Hon. M. de Jong: I'm fine with that. I mean, I think the essence of this.... At the end of the day, you want something that discloses the money that members received, right? That's the test. If you travel with a committee, you got reimbursed X number. That should be reflected in the section.... I guess it's not "Additional salaries," but "Additional moneys."

The point is at some point someone is going to say: "How much did you get, Madam MLA, over the course of the year for being an MLA?" Well, here's what it all is: your salaries, your reimbursements, your expenses. I think we can figure that out.

J. Horgan: I agree with Mike. When I was travelling with the Finance Committee, there was almost always lunch provided. You had to pick up your breakfast and maybe your dinner, but the plane picked you up and dropped you off. The hotel shuttle service was available. So those are global costs to the functioning of the Legislature. The only compensation that a member could receive would be a portion or a full per diem. I think that's easily separated out from the cost of the hotel and the van and airplane.

As you're reporting that out in Public Accounts or on the Legislature webpage, just put the activities of the particular committee, the members of that committee and the cities they travelled to and the costs of doing that. That strikes me as adequate transparency for the functioning of those committees. What the public seems to be concerned.... If they're concerned that the committees are travelling too much and spending too much, then we'll deal with that as it arises. But I think the fundamental issue is an individual compensation question, not what the global costs of operating the facility are.

Mr. Speaker: Okay. Any further questions?

Hon. M. de Jong: On a separate document — if there's anything else on this one. Just on the last one, the one relating to constit office expenses, towards the bottom, there are two categories there: centrally funded and office accommodation. Is office accommodation...? I'm trying to read the definition. Is that rent?

C. James (Clerk of the House): Yes.

Hon. M. de Jong: Should we call it that?

C. James (Clerk of the House): Generally speaking, it's a lease — but rent.
Is that correct, Bob?

B. Faulkner: That would be the individual constituency office leases.

Hon. M. de Jong: Should we call it that?

A Voice: Sure.

Hon. M. de Jong: All right. Let's call it that.

J. Horgan: I concur.

Mr. Speaker: Okay. No further questions?
Moving on.

C. James (Clerk of the House): The issue, on No. 4, of full disclosures for the new parliament. Do members wish this to take effect in the new parliament?

J. Horgan: What's the committee...?

Hon. M. de Jong: We shouldn't kid ourselves. We've got some of this up now.

C. James (Clerk of the House): The travel.

Hon. M. de Jong: The travel part. And now we've got a format....

It's February. I don't know. I mean, the sooner the better. I don't know what others think. We're getting to a point where....

J. Horgan: Yeah. I'll be the one that says it. There are 106 days left before election day, and there will be at least 25 new people coming here. They're going to.... It seems to me it would be best that they pick up as the inaugural group — and those that are returned — to make these disclosures as complete and transparent as possible.

But the amount of work that would be involved constituency by constituency and internally here in the time available strikes me to be work that would be begrudged rather than embraced enthusiastically, not for any lack of wanting to be clear on it. I mean, we have a finite amount of money, and we can spend it on particular things. I think that we shouldn't be defensive about that. But we also need to recognize that the public wants to see where the money is going. I think we all agree with that.

[1445]

But the matter of the dying days of the 39th parliament versus the first day of the 40th — it strikes me, in the interests of efficiency and a clear understanding, that starting fresh on the 15th of May makes a lot more sense. I'm fairly confident that everyone thinks that, and we should probably all say that so I'm not the only one saying: "Let's delay."

Mr. Speaker: Is everybody comfortable with that?
Gordie? Okay.

Hon. M. de Jong: We've got travel expenses going now, so that the addition, effective May 15, would be the constit office expense.

C. James (Clerk of the House): That's right. And Bob, what quarter, then, would be reported on for that? That would be the first quarter, from April, May and June — June 30, then?

B. Faulkner: It would be from the new parliament forward, I would think.

C. James (Clerk of the House): June 30, posted on July 31, I would imagine.

B. Faulkner: It wouldn't be a whole lot, I wouldn't think, to post in that first quarter.

G. Hogg: And consistent with that, we've retained Deloitte to go into the offices to help look at what's happening in each of the constituency offices, to do that. There are two offices from each side which have been identified to help put that together.

I participated in a conference call last week with the CAs from our offices, and they're all anxious about this, wanting to know what they have to do, what they have to be tracking in making sure, because it's all being done differently at this point in time. I think the work coming out of Deloitte, and then the opportunity to brief all of the constituency offices and assistants across the province, will take some time to ensure that we do that.

So I think it makes eminent sense that we look at targeting that point in time, because I know the information you're putting together will be helpful in terms of preparing us for that, as well, with the communiqué and the handbook.

Mr. Speaker: Bob, what would the effect be if we went to September 30? It wouldn't be a first quarter. It would be May 15 to....

B. Faulkner: Yeah, it would just be the period from May whatever to....

Mr. Speaker: From there to the equivalent to what would be the second quarter. Are the members comfortable with that?

G. Hogg: Yeah, that makes sense to me.

S. Simpson: Yeah, I think that probably makes some sense. The reality may be, for any new members coming in.... While some of them may take over offices, I'm guessing that if you get elected on the 15th of May, it may be any number of weeks before you actually get your office up and operating and things, and all of that.

I think the clear numbers.... That second quarter is when we're going to get real numbers for constituency offices. If we can just incorporate that little bit, that six or seven weeks of that first quarter, add that in and make

sure we're getting a full report out by what would be the end of the second quarter, that might make good sense.

Mr. Speaker: Everybody comfortable with that? Okay.

J. Horgan: So moved.

Motion approved.

MLA Travel Card

C. James (Clerk of the House): The next item is the MLA travel card. I don't know whether Gordon or Shane or the Speaker wish to talk to this, but in the absence of that, perhaps Bob, who has been working on this in relation to changing the credit card use for Members of the Legislative Assembly, as was identified by the Auditor General in his report in July.

Mr. Speaker: Bob, do you want to give just a little brief...? I guess the thrust of it is because of the MLA credit card, where the Auditor General was saying there weren't receipts.

It wasn't that there weren't receipts. It was that they weren't reconciled, because the credit card had to be paid when the credit card came in, and then they were being reconciled after the fact. I think the whole thrust of moving to an MLA card is the fact that you're handing them in and you're responsible for your own. Do you want to explain that any further?

B. Faulkner: Yeah, maybe I can pick up on that. Really, it's a way of strengthening the financial processing controls around the members' travel.

Currently it's a corporate liability card, where we get a bill in financial services that incorporates all 85 members. We have to pay it within a fixed timeline, based on the agreement. Then after that, or in the process, we distribute to each member their Visa statement. They'll go in, review it and attach the receipts. In some cases, if there are expenses there that aren't claimable, they'll refund. That comes back, and it can take several months to flow back to financial services.

Therein lies one of the Auditor General's recommendations. It's paying for things without receipts.

[1450]

This, by moving to a personal liability card, will take care of that issue. What will happen is that each member will still have a card that identifies them as an MLA. They will do their charges — the difference being that through their constituency assistants, they'll pay their own monthly bill. It will inherently drive them, drive timely travel claims, in order to get the refunds out of financial services to pay off the bill.

So there are a lot of benefits to it. There are a few drawbacks in that actually the members will have to pay their

own bills now. In my view the benefits outweigh that cost, but that's the accountant talking, I'm afraid.

Mr. Speaker: If you don't submit, you don't get paid — plain and simple.

Any comments or questions that anybody has that move forward?

Hon. M. de Jong: We've sort of been around the block on this one over the last 20 years. Remember, we used to have a ferry card at one time. I had a colleague who thought that entitled him to eat for free on the boats.

J. Horgan: And it did for a while.

Hon. M. de Jong: Look, I'm fine, and I get the problem that's trying to be addressed. I'll tell you this. If I'm using a credit card and paying the credit card and then submitting an expense claim, hell, I'll probably use my own credit card. I mean, I'll use my own credit card and get the air miles, right? So that becomes a...

J. Horgan: Mike has just raised the downside of it. One downside of this approach is that it becomes, then, a case of: "Well, I'm going to do a lot of travelling because there's a net benefit to me." Are we then going to disclose the amount of travel points that we accumulated as a minister or as an MLA?

I know it's a problem, and I recognize that when Mike was first elected, this was the system. It was: you pay, and you get reimbursed. The compensation was much lower than it is now, so that it's not as arduous as it would have been at that time.

I think that this is the right way to go, and the public will demand this because of the way the Auditor's report came out claiming that we weren't issuing receipts, which was, of course, not completely correct. It was a case of the bills were paid before the receipts arrived.

That was a nuance, and the Auditor tried to correct that. But the genie was out of the bottle at that point, and many in the public were of the view that we were receiving expense costs without receipts. I don't believe that's true. There may have been a couple of examples, but they were modest — taxi receipts, that sort of thing.

The challenge is: does this meet the test? I think that we don't want to keep... We want to make sure we're there, and I believe that this will do it. But do we then...? What do we do with travel points or air miles? Is that just the cost of doing business? Or do we resubmit them to the Legislature so we can reduce costs for committee travel or something like that?

C. James (Clerk of the House): Bob, could you talk about the net benefit on the MLA travel card? I didn't think there were any air miles or any net gain to a member for the MLA travel card. But if they do use their per-

sonal travel card, then that would be different — yeah.

Mr. Speaker: That's the whole idea of going to the MLA travel card. Every member will get one; every member has the ability to use it. At one point in time there was the fear that members didn't have the ability to get a card, or whatever else. But this certainly covers off all those bases, and it certainly deals with the part of people filing receipts on time and the fact you're...

It deals with the Auditor General's concerns, as you said, John, where the impression was that there were no receipts. It was just that the reconciliation was taken after the fact. The receipts were always there, but reconciliation was taken after the fact that the bill was paid.

G. Hogg: And the option exists to use your personal credit card now, and some people do that on occasion. So that problem exists either way or the issue exists there.

I think the other issue was that some members were concerned about whether or not the money would be there in an account before they had to make payment. I think Bob, if this is approved, is going to do further negotiating. But the intent would be that there would be about a six-week lag in it, and that the payment for it would be into your account. You submit your expenses, and the money is in your account long before you have to put it out so people will not have to be subsidizing or making payment out of pocket for these expenses.

[1455]

Mr. Speaker: I think Bob has assured our management committee that that certainly can be done and will be done, kind of thing.

B. Faulkner: An extended payment period?

Mr. Speaker: And the fact that the money would be... As long as you submit your receipt within the maximum of ten days or two weeks or whatever else, you should never be out of pocket.

Hon. M. de Jong: Bob mentioned something else. I get why, but it could, sort of, further complicate it if there is a lag. You mentioned something about constituency offices paying and then reimbursing. You know, the more layers you get between the person incurring the expense and the agency paying it, the more complicated it gets.

The other half of this starts. Now on the books you've got cheques being written from constituency offices to MLAs, which suggest that... You've got to explain that. I think that becomes a bit problematic, because it bungs up the work.

One other thing has occurred to me that has never been tried that might be novel and address part of this problem. With the cards that exist now, which are corporate cards designed for use for MLA and government

expenses, just post the statements. Do we think about that — just post the statements?

Mr. Speaker: The only problem with that, Mike, is it doesn't address the Auditor General's concern about the reconciliation. The obligation, as Bob said, is that the accounts.... The comptroller has to pay the bill at a certain time when it comes in. It's the reconciliation of when the members have to reconcile whatever is on their Visa card.

G. Hogg: So in fact, they had the ability to post them now. They took all the information off that. But because members had not submitted the receipts, they couldn't reconcile it. So in fact, all of that information....

Hon. M. de Jong: No, but doesn't the bill, the statement of account, arrive corporately?

S. Simpson: But the bill, I think, takes all 85 members in a single bill.

Mr. Speaker: That's the problem.

S. Simpson: So it's like one account, one credit card, and 84 spousal account cards.

E. Foster: Two things. One, for clarification, from Bob. When you talked about the constituency assistants, my understanding is you were just talking about them submitting the receipts.

B. Faulkner: Yeah.

E. Foster: Okay, good. That was my thought on it too. The other thing, too, is.... I have no issue with this either way. It works for me either way. The way we do it now, obviously, each card must have a statement that comes with it. So then how do they know...?

Mr. Speaker: It's a statement that comes. If Eric Foster had something on January 15 and Gordie Hogg had something on the 16th, it all keeps coming, and then Eric Foster is on the 20th. It's a big long list. It's all broken down individually. But then the comptroller takes them all out and then makes sure that it goes back and says: "Are these all reconciled with the receipts that have been put in?"

E. Foster: So what we're speaking of now is having 85 Visa bills come in — or whoever we use. They'll just have to look at them separately.

Mr. Speaker: It's like that because it's each individual one.

E. Foster: Somebody right now has to go through that whole thing and divide it up so they know who's who in the zoo.

C. James (Clerk of the House): It is a personal liability card.

E. Foster: Okay, I hear you. Like I say, I have no issue with it one way or the other.

S. Simpson: To be clear, with this system, every individual member will get their own bill. The relationship to the Legislature will be that I have submitted receipts for legitimate expenses and I've received reimbursement for that. But the bill will come to me, and I'm responsible to pay the bill.

B. Faulkner: That's correct.

S. Simpson: And the bill doesn't necessarily go to financial services. What they have got is receipts for legitimate expenses that they have reimbursed for. That's the connection there. Is that generally accurate, Bob?

B. Faulkner: Yeah, that's correct.

One of the benefits might be.... When I travel, if I'm in the hotel and not feeling well, I have room service. I put it on my charge card, my travel card. Under the system I work at — at the Auditor General, for example, which is the same as all of government — it's on a personal liability card. I only claim for the hotel component. I'm never claiming for that, because my food is covered on a per diem.

[1500]

Under the corporate system, the whole amount goes through, and it's up to the individual, then, to back out the ineligible expenses. Moving to a personal liability card will take that risk out of things. That's another benefit, I think, of going the way we're going.

E. Foster: I think that answers it. Thank you. It's good.

Mr. Speaker: Any other questions? Everybody comfortable to move in this direction? Okay.

E. Foster: Sorry. I want to get back to Mike's comment about using your own card and, you know, the reward points and so on and so forth. Is there any rule against that? Do people do it?

C. James (Clerk of the House): Not that I'm aware.

E. Foster: Okay.

Mr. Speaker: Okay. John, do you want or does somebody want to make a motion to that effect, to move to the...?

J. Horgan: I just wanted to add that.... Could we not ensure that when the personal liability card is used for travel that any points that are accumulated on that card...?

Mr. Speaker: There are none.

S. Simpson: You won't be able to accumulate points on that card.

Mr. Speaker: There are none on this card.

J. Horgan: On the proposed card.

Mr. Speaker: No.

J. Horgan: But why wouldn't we request that? It's a competitive marketplace. I'm sure we could get somebody to do that.

B. Faulkner: Just to say, the first step is to get the committee's approval to proceed. The second step will be then to engage in some discussion with the various cardholders as to what would be the best benefit for us as the Legislative Assembly.

Mr. Speaker: I think you need it in non-disclosure so we could go down that road.

B. Faulkner: To get into the details of what's being used on the government side, I would need to sign a non-disclosure statement before I can get into the details with them. The card....

S. Simpson: So, Bob, just to be clear on this, at some point you would come back — or your successor, depending on the timeline here — with saying: "This is what it looks like the card will look like." So we'd know kind of how some of these questions get answered without necessarily, obviously, violating any non-disclosure agreement.

B. Faulkner: Correct. Yeah. We might need to do it in camera in that sense, but yeah, the idea would be we would come forward with a proposal: "This is what the card looks like. Here's what the benefits are."

Hon. M. de Jong: Sounds like a two-step process. I'm a bit leery of a card with points and stuff.

S. Simpson: I agree with Mike on this. I think just leave that alone on this stuff. If the company wants to give the Legislature points for the use of these cards, but not directly connected to the cards, that might be a good idea.

J. Horgan: That's my point — that's whenever it's used, it goes immediately to the Leg.

Mr. Speaker: So we'll let Bob go and investigate this? Everybody comfortable? Okay.

C. James (Clerk of the House): Motion for implementation.

Mr. Speaker: Moved by Gordie. Seconded by Eric. Okay. Effective May 15 or 16?

C. James (Clerk of the House): At the next parliament — the 16th.

Mr. Speaker: Okay.
Legislative.... Number 6.

Vote 1 Quarterly Financial Reports

C. James (Clerk of the House): Yeah. The Legislative Assembly financial statements for the second and third quarters are in tabs 7 and 8. And just so you know, peripheral to all of this is that members continued to be frugal. We're expecting to return up to \$8 million out of Vote 1 at the end of the fiscal year — about \$6 million in operating and about \$2 million in capital, which is good news.

So we've managed to internally be prudent. And as you heard earlier about projects such as access for persons with disabilities, we've been able to sharpen our pencil and get good deals in terms of service equipment and supplies and construction costs.

Bob, would you like to highlight the...?

J. Horgan: Well, if you're going to go through it, I just wanted to know how much of that saving was a result of our inactivity here.

C. James (Clerk of the House): Of the \$6 million, about just under \$3 million.

B. Faulkner: I had a couple of comments prepared. I was just going to say that these financial statements.... We presented the first-quarter statements at the October meeting. It's sort of a first attempt at some financial information for the committee. So first off, I'd be happy to either here or off line discuss any formatting that members may want to discuss.

The second is that I was going to.... We've covered quarter 2 to September 30 and quarter 3 to December 31. I was going to focus my comments on the December, the most up-to-date. But I would be happy to answer any quarter 2 questions.

In terms of specifically the question of how much relates to the House not sitting, it's very fluid. A lot of the savings were from.... We had contingencies built into the budget. We haven't had to use a lot of those contingencies. You can't directly attribute that to not sitting, but I think we've also been very prudent in what we spent our money on. I know in the five months I've been here, I'm good at saying no.

[1505]

J. Horgan: That's because you're leaving March 1. [Laughter.]

B. Faulkner: Having said that, there are some direct cost savings from the House not sitting, with sessional staff, etc. We haven't quantified it, but I would say 50-50 is probably as good as you're going to get.

I think that on the capital side, again, we're looking at about \$1.9 million underspent. A big chunk of that is.... There was a lot of contingency money in the budget that wasn't allocated, and we've decided not to just go out and jump into capital projects. We're thinking about each one carefully. The result of that is that we didn't get as much capital spending done as we had the funds to do. I don't think that that's a bad thing.

Mr. Speaker: Any comments?

Hon. M. de Jong: As you look to the end of the fiscal year, any areas you're concerned about or we should be alerted to?

B. Faulkner: I don't think so, no. It's trending very much.... The forecast — we had a really good look in early January into a number of the.... The member services, for example. I've made some forecasting, but I'm pretty comfortable that, subject to any unforeseen circumstances, we're pretty much trending to about, I think, \$5.8 million positive, more or less.

Mr. Speaker: I'm just waiting for a smile from the Finance Minister. Close enough.

Any other comments or questions?

Moving on, do you want to speak to this, Craig?

Vision Document

C. James (Clerk of the House): The next item on the agenda is something called a vision document. What this is, is a meagre attempt to reignite the discussion about the Parliament Buildings; the bunker, as it's commonly known over here; and the annex, and to draw the members' attention to some deteriorating effects of age within the precinct.

This document is a discussion document more than anything else. I purposely have left out any talk about how much anything might cost to rehabilitate or revitalize. But I think the document speaks for itself, in terms of that perhaps in the next parliament this committee begins the discussion of how to develop a plan best — whether it's a one-, two-, five-, ten-, 15- or 20-year plan — that perhaps the Legislature could stick to.

It's been a long time since there have been any major repairs to this place. You can see by some of the photographs and depictions that there are some crumbling parts. Just before Christmas there was a huge steam pipe that broke, and we are expecting a few more to break, depending upon how cold the temperatures get. But these are issues that do incur some money.

At the end of the document you will see that there is a bit of a bibliography of all of the efforts over the years that have been made to address some of the bits and pieces of this building — everything from earthquake preparedness to just basic rehabilitation. Certainly, members' space is another factor, in terms of the kind, the quality and the size of space that members presently occupy.

Again, this is just a document that I hope is something that might provoke discussion. The next step, then, would be a discussion as to developing a plan, and whether the plan is actually implemented in a timely manner or not, at least to have a plan to rehabilitate the place.

This is also a collaboration between ourselves and Shared Services, who do have the expertise and have assisted us. I'm very appreciative of the efforts that they brought to bear on our work to date.

If anybody has any questions about it, I'd be happy to entertain them now or afterwards, at your convenience.

[1510]

Mr. Speaker: Okay. Moving on.

Business Continuity Planning

C. James (Clerk of the House): The next item of business, on No. 8, is business continuity planning. We are, of course, reacting to comments by the Auditor General in terms of the lack of business continuity, disaster recovery and earthquake preparedness on the precinct, and we are working with emergency preparedness, British Columbia.

We have formed several committees which are dealing with a plan that we can show, both to members of the House but certainly to this committee, to demonstrate to the Auditor General and others that we're taking this matter very seriously and preparing a plan that will accommodate and help not only members themselves but certainly the large contingent of staff, sessional or otherwise, that work in this building — what to do in the event of any kind of earthquake, disruption, disaster, any kind of agent that might be brought onto the precinct and so on.

We are also examining places that resemble very much British Columbia — certainly Victoria in New Zealand and elsewhere — and drawing on their experiences and the programs and policies and planning that they have in place as well.

I just wanted to bring that to your attention. My expectation is that early in the spring we will have an actual plan that this committee can examine, review and approve as one of three phases that we are entering into in terms of developing a solid plan that protects the people here and, of course, the infrastructure that we have around us.

Mr. Speaker: Okay. Comments or questions?

G. Hogg: Well, just with respect to the agenda, I think

that the finance and audit committee has done a lot of work. Perhaps on ongoing agendas we should show the minutes of the finance and audit committee to be approved by LAMC so that they can look at what has taken place, be aware of the background. There's certainly a lot of background to these issues which were discussed at a number of the finance and audit committee.... I think just having those minutes as part of the report-out would be helpful in terms of dealing with it.

Secondly, with respect to any other business.... Our next item is an in-camera item. Any other business, I think, should show before the in-camera item. If there's any other business that would be on the public agenda, that would come forward so we wouldn't go in camera and then come back to be dealing with something in the public agenda with respect to any other points of business. So I would recommend that those two things become part of our traditional agendas.

Mr. Speaker: Okay.

G. Hogg: Do you want a motion, or is that procedural?

C. James (Clerk of the House): No. If the committee's in agreement, yes, that's sufficient.

Mr. Speaker: Okay. Before we go in camera, is there any other business anybody wants to raise?

Hearing none, a motion to go in camera to deliberate on the budget.

S. Simpson: So moved.

Motion approved.

The committee continued in camera from 3:13 p.m. to 3:49 p.m.

[Mr. Speaker in the chair.]

Vote 1 Budget 2013-14 to 2016-17

Mr. Speaker: We've got to pass the....

S. Simpson: We have to approve the budget.

C. James (Clerk of the House): And for the Speaker to transmit it to the Minister of Finance.

A Voice: So moved.

Mr. Speaker: Second? Seconded by John.
Any further discussion?

I just want to make sure everybody's in favour of submitting the budget.

Motion approved.

Mr. Speaker: Carried unanimously.
Any other business?

G. Hogg: Just that some of the discussions that we had about further actions will be coming back through the next set of minutes that may have to be dealt with in a public meeting?

C. James (Clerk of the House): Probably in summary form.

Mr. Speaker: We are at a motion to adjourn. Shane, move a motion to adjourn.

Motion approved.

The committee adjourned at 3:49 p.m.

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