

Annual Review of the Budgets of the Statutory Offices

*Select Standing Committee on Finance
and Government Services*



DECEMBER 2014



December 15, 2014

To the Honourable
Legislative Assembly of the
Province of British Columbia

Honourable Members:

I have the honour to present herewith the Second Report of the Select Standing Committee on Finance and Government Services for the Third Session of the 40th Parliament.

This Report covers the work of the Committee's annual review of the budgetary estimates of the statutory offices and was unanimously agreed to by the Committee.

Respectfully submitted on behalf of the Committee,

Dan Ashton, MLA
Chair

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Composition of the Committee

Members

Dan Ashton, MLA	Chair	Penticton
Carole James, MLA*	Deputy Chair	Victoria-Beacon Hill
Mable Elmore, MLA**		Vancouver-Kensington
Mike Farnworth, MLA**		Port Coquitlam
Eric Foster, MLA		Vernon-Monashee
Simon Gibson, MLA*		Abbotsford-Mission
Wm. Scott Hamilton, MLA		Delta North
George Heyman, MLA*		Vancouver-Fairview
Gary Holman, MLA		Saanich North and the Islands
Marvin Hunt, MLA**		Surrey-Panorama
Mike Morris, MLA*		Prince George-Mackenzie
Lana Popham, MLA**		Saanich South
Jane Jae Kyung Shin, MLA*		Burnaby-Lougheed
Jackie Tegart, MLA**		Fraser-Nicola
John Yap, MLA		Richmond-Steveston

*Committee member from September 5, 2014

**Committee member to September 5, 2014

Committee Staff

Kate Ryan-Lloyd, Deputy Clerk and Clerk of Committees

Byron Plant, Committee Research Analyst

Terms of Reference

The Select Standing Committee on Finance and Government Services (the Committee) received its Terms of Reference from the Legislative Assembly on October 6, 2014. The terms of Reference empowered the Committee:

2. a. To consider and make recommendations on the annual reports, rolling three-year service plans and budgets of the following statutory officers:
 - i. Auditor General
 - ii. Chief Electoral Officer
 - iii. Conflict of Interest Commissioner
 - iv. Information and Privacy Commissioner
 - v. Merit Commissioner
 - vi. Ombudsperson
 - vii. Police Complaint Commissioner
 - viii. Representative for Children and Youth; and,
- b. To examine, inquire into and make recommendations with respect to other matters brought to the Committee's attention by any of the Officers listed in 2(a) above.
3. The Select Standing Committee on Finance and Government Services shall be the committee referred to in sections 19, 20, 21 and 23 of the *Auditor General Act* and that the performance report in section 22 of the *Auditor General Act* be referred to the committee.

In addition to the powers previously conferred upon the Select Standing Committee on Finance and Government Services, the committee shall be empowered:

- a. to appoint of their number one or more subcommittees and to refer to such subcommittees any of the matters referred to the Committee;
- b. to sit during a period in which the House is adjourned, during the recess after prorogation until the next following Session and during any sitting of the House;
- c. to adjourn from place to place as may be convenient; and
- d. to retain personnel as required to assist the Committee,

and shall report to the House as soon as possible, or following any adjournment, or at the next following Session, as the case may be; to deposit the original of its reports with the Clerk of the Legislative Assembly during a period of adjournment and upon resumption of the sittings of the House, the Chair shall present all reports to the Legislative Assembly.

Statutory Officers

British Columbia has eight non-partisan statutory offices that perform important functions, from the monitoring of government programs and performance to ensuring compliance with provincial laws. These statutory offices support the work of Members of the Legislative Assembly, and report to the Legislative Assembly. Reports of some offices are also regularly reviewed by all-party parliamentary committees. To ensure their independence, statutory officers have legislated mandates and the authority to hire staff. An independent process is also used to select statutory officers for appointment and for setting remuneration.

The Select Standing Committee is empowered to consider and make recommendations on the annual reports, rolling three-year service plans, and budgets of the following statutory offices:

- Office of the Auditor General
- Office of the Conflict of Interest Commissioner
- Elections BC
- Office of the Information and Privacy Commissioner
- Office of the Merit Commissioner
- Office of the Ombudsperson
- Office of the Police Complaint Commissioner
- Office of the Representative for Children and Youth

Four of the eight statutory offices are currently co-located in one building, and share finance, administration, facilities, and information management/information technology services through Corporate Shared Services. They include the offices of the Ombudsperson, Information and Privacy Commissioner, Merit Commissioner, and Police Complaint Commissioner. The Corporate Shared Services organization is hosted by, and forms part of, the Office of the Ombudsperson. Costs are divided between the four offices on an equitable basis.

Enhancing Legislative Oversight

Over the course of this year's review, the Committee identified ways to enhance the Committee's oversight role, while recognizing the importance of the operational independence of each statutory office. The Committee also discussed ways to increase efficiencies and reduce possible duplication of administrative services.

Frequency of meetings

Of the eight offices, only the Auditor General and the Representative for Children and Youth meet regularly with the Select Standing Committee on Public Accounts and the Select Standing Committee on Children and Youth. During its review, Committee members discussed increasing the number of opportunities that statutory offices have to report core functions and activities to the Finance Committee. One suggestion was put forward by the Conflict of Interest Commissioner to establish a new select standing committee dedicated to this purpose.

During deliberations, the Committee agreed that it should have a more frequent and regular reporting relationship with all of the statutory offices. Committee members were of the view that additional meetings held at other times of the year would provide a forum for broader discussion of annual reports and service plans separate from the budget review process. They agreed that this could result in a better exchange of information and allow for a more comprehensive budget review process. In addition, further meetings would provide opportunities for each statutory officer to provide updates and raise any other matters of importance, such as changes to budget projections.

Consistency of financial reporting

The provision of consistent and transparent financial reporting is essential for the Committee to carry out its mandated oversight function. Over the course of this year's review, Committee members expressed concern over the inconsistency of financial reporting across each of the statutory offices. For example, it was noted that some offices use different reporting formats and do not always provide comprehensive information on FTE levels and types, changes to salary and benefits, and requests for staffing increases. As a result, follow-up requests for detailed budget information were sent to all of the statutory offices to facilitate the Committee's deliberations. The Committee was also surprised by unanticipated increases in some budgets proposals, and questioned why this information had not been identified in previous three-year fiscal plans, or reported to the Committee earlier in the year once costs became known.

In order to fulfill its oversight role, the Committee agreed that greater efforts must be made to ensure that financial reporting by all of the statutory offices is both consistent and comprehensive. To this end, the Committee agreed to authorize Committee staff to work with the statutory offices and develop a standardized template for financial reporting to assist the Committee's work.

Expanding corporate shared services

The Committee considered whether administrative costs could be reduced through greater use of corporate shared services, including finance, administration, facilities, and information management/information technology services. Committee members noted how only four of the eight offices currently share services, and that the model has been proven to be both efficient and effective. To reduce possible duplication of services and to increase cost efficiencies, the Committee strongly urges the other statutory offices to re-examine joining the program or moving towards other service sharing options.

Meetings Schedule

The Committee's review of the annual reports, rolling three-year service plans, and budgets of the eight statutory offices took place in November and December, 2014. Three public meetings were held in Victoria consisting of presentations by all of the statutory officers and questions by Committee members. The Committee subsequently held three meetings for deliberation before unanimously approving budget recommendations for each of the statutory offices.

November 25, 2014 (a.m.)	Elections BC
	Office of the Ombudsperson
November 25, 2014 (p.m.)	Office of the Information and Privacy Commissioner
	Office of the Merit Commissioner
	Office of the Conflict of Interest Commissioner
November 26, 2014	Office of the Auditor General
	Office of the Police Complaint Commissioner
	Office of the Representative for Children and Youth
	Deliberations (in-camera)
November 27, 2014	Deliberations (in-camera)
December 12, 2014	Deliberations (in-camera)
	Approval of Report

Minutes and transcripts of the Committee's public meetings, as well as an electronic copy of this report, are available through the Parliamentary Committees website at: www.leg.bc.ca/cmt

Office of the Auditor General

An officer of the Legislature pursuant to the *Auditor General Act*, the Auditor General conducts financial audits of the government reporting entity, including the government's Summary Financial Statements. The Auditor General also carries out performance audits, which assess the efficiency, economy, and effectiveness of government programs, services, and resources. Reports of the Auditor General are tabled with the Legislative Assembly and are discussed in a public forum by the Select Standing Committee on Public Accounts.

Vote 2 of the annual provincial Estimates provides for the office's operating expenses and capital expenditures. Last year, the Committee recommended that the annual budget for operating expenses be \$16.621 million in 2014/15, \$16.527 million in 2015/16, and \$16.797 million in 2016/17. The Committee also recommended that the capital budget be \$538,000 in 2014/15 to permit the relocation of the office to a new building, with up to an additional \$222,000 for LEED Gold improvements if required; and \$100,000 in 2015/16, and \$100,000 in 2016/17.

2015/16 Estimate of Resources

The office's budget proposal for the next three fiscal years was reviewed by the Committee on November 26, 2014. In attendance were: Carol Bellringer, Auditor General; Russ Jones, Deputy Auditor General; and Katrina Hall, Chief Financial Officer.

The *2015/16 Estimate of Resources* stated that the office has been in a transition period following the appointment of Ms. Bellringer as Auditor General, effective September 15, 2014. The Committee heard that the office recently moved its two offices to one new location, and that a strategic review is underway to identify future audit priorities. Areas of interest include audits with an Aboriginal focus, ways to eliminate the qualification in the audit opinion on the Public Accounts, and additional attention on environmental audits.

On the proposed operating budget for 2015/16, a total of \$17.330 million was requested, a 4.3 percent increase over the previous year. The Auditor General explained that 3.2 percent of this amount is related to the rent at the new building. All other costs, she added, have been held to just over 1 percent, including increases for salaries and professional services, travel for out-of-town audits, and information technology.

The office budget proposal also stated that increased capital expenses are anticipated in the upcoming year as part of the normal refresh cycle, including costs for equipment and a required update to backup systems and software. A capital budget of \$215,000 was requested for 2015/16.

Committee Inquiry

The Committee inquiry focused on the new office and occupancy costs, and staff salaries and benefits. Special projects, LEED certification, and teleconference technology were also discussed.

Occupancy costs

The Committee asked about the reported increase in occupancy costs for 2015/16, noting that the requested amount of \$1.514 million is significantly higher than what was projected and approved last year. The Deputy Auditor General explained that following construction, the office space was calculated to be larger than initially expected, which accounts for the increased rent costs. He also stated that it is not possible to recover some of these expenses through subleasing of unused space.

Salaries and benefits

The Auditor General was asked questions about office staffing, including salaries and benefits. The Committee was told that Schedule A employees are eligible to receive increases next year in parallel with the BCGEU negotiated agreement, and that management level staff received a 3 percent increase at the beginning of the current fiscal year.

Committee members also asked why most office staff are classified as excluded management. It was explained that the office's professional staff have always been classified this way, but that this does not mean they are managers or receive additional salaries above comparable union rates.

Conclusions and Recommendations

During deliberations, Committee members voiced concern over unanticipated increases to the operating and capital budgets. They were surprised to learn that occupancy costs for the new location are significantly higher than projected in the two previous years' submissions. Committee members also noted that the size of the leased space appears to be considerably larger than the combined space of both previous office locations, and above that estimated last year, when funding for the move and LEED upgrades were approved as requested. The capital budget was also a source of concern. Committee members noted that the request, stated for routine upgrades as part of the normal refresh cycle, is more than double the amount proposed last year for 2015/16.

While prepared to fund the mandated increases to salaries and benefits projected by the office for 2015/16, the Committee is not prepared to grant the increased occupancy costs and capital items at this time. Moving forward, the Committee encourages the office to explore new efficiencies and savings, and to return to the Committee in the future to discuss options to address any cost pressures.

The Committee recommends that:

1. the annual appropriation for the operating expenses of the Office of the Auditor General be \$16,945,000 in each of the next three fiscal years;
2. the Office of the Auditor General receive capital expenditures of \$100,000 in each of the next three fiscal years.

Office of the Conflict of Interest Commissioner

As an officer of the Legislative Assembly pursuant to the *Members' Conflict of Interest Act*, the Conflict of Interest Commissioner performs three roles: advising MLAs on their obligations for conduct; meeting with MLAs at least annually to review the disclosures of financial interests and the general obligations imposed by the Act; and providing opinions in response to requests from MLAs or members of the public respecting compliance or alleged contraventions of the Act.

The yearly appropriation for the office is provided under Vote 3 of the annual *Estimates*. Last year, the Committee recommended that the annual budget for operating expenses be \$567,000 in each of the next three fiscal years. No capital budget was requested for 2014/15.

Budget Proposal Fiscal Years 2015/16 – 2017/18

The office's budget proposal for the next three fiscal years was reviewed by the Committee on November 25, 2014. In attendance were: Paul Fraser, Conflict of Interest Commissioner; and Linda Pink, Executive Coordinator.

The Commissioner began the presentation by stating that the office is not seeking an increase in its operating budget for next year. He stated that the office anticipates being able to live within its current budget allotment for the coming fiscal year, as a result of frugal management and the conversion some of the office's contract staff to permanent part-time positions.

The budget submission included a request to establish a new capital budget allowance. The Commissioner explained that the Office of the Conflict of Interest Commissioner is the only statutory office to not have a capital budget, and that future expenses for capital upgrades could impact the operating budget and work of the office. The Committee was requested to approve the creation of an annual \$25,000 capital allowance to be used on an as-needed basis.

The Commissioner's presentation also suggested the establishment of a new standing committee empowered to meet with statutory officers at other times throughout the year. It was noted how most of the statutory offices do not have the opportunity to report to a parliamentary committee outside of the fall budget review process, and that a new committee could enable more regular reporting of office activities.

Committee Inquiry

Committee members' questions focused on the Commissioner's proposed capital budget. Questions were also asked about the proposal to create a new committee, disclosures for new MLAs, and the budget for professional services.

Proposed capital budget

Committee members asked the Commissioner what the proposed capital budget would be used for. He stated that the main cost would be for upgrades to computer equipment. He also mentioned that some money would be needed to enable MLAs to file disclosures through their iPads, rather than through Legislative Assembly computers.

Conclusions and Recommendations

Committee members appreciate the request for a stand-pat budget and, after due deliberation, agreed to approve the proposed operating budget. The Committee also viewed the request for a capital budget as reasonable, and therefore recommends that it be provided for use on an as-needed basis.

The Committee recommends that:

3. the annual appropriation for the operating expenses of the Office of the Conflict of Interest Commissioner be \$567,000 in each of the next three fiscal years;
4. the Office of the Conflict of Interest Commissioner receive capital expenditures of \$25,000 in each of the next three fiscal years.

Elections BC

Elections BC is an independent, non-partisan office responsible for administering provincial general elections, by-elections, referenda, recall petitions, initiative petitions and initiative votes, and other aspects of the provincial electoral process. The Chief Electoral Officer is an officer of the Legislature responsible for the administration of the *Election Act* and the *Recall and Initiative Act*.

The appropriation for operating expenses and capital expenditures for Elections BC is provided for under Vote 4 of the annual *Estimates*. Last year, the Committee recommended that the annual budget for operating expenses be \$8.210 million in each of the next three fiscal years. The annual capital budget was set at \$700,000.

Contingency funding 2014/15

On April 10, 2014, the Committee met with officials from Elections BC to consider a request for supplementary funding in the 2014/15 fiscal year. The Chief Electoral Officer explained that access to \$150,000 (\$75,000 for operating and \$75,000 for capital) was needed to ensure readiness in the event that the Legislative Assembly passed the *Local Elections Campaign Financing Act*. He also stated that an additional request for supplementary funding would be forthcoming should the bill receive Royal Assent. After due consideration, the Committee approved the request.

On June 16, 2014, Elections BC made a subsequent funding request following the passage of the enabling legislation. To fulfill its new statutory responsibilities, Elections BC requested an additional \$1.100 million for ongoing costs; \$1.719 million in event related costs; and \$150,000 in capital costs. After deliberation, the Committee approved the request, taking into account the \$150,000 authorized on April 10, 2014.

Budget Proposal 2015/16 – 2017/18

On November 25, 2014, the Committee met to review Elections BC's budget proposal for the next three fiscal years. Representing the office were: Dr. Keith Archer, Chief Electoral Officer; and Nola Western, Deputy Chief Electoral Officer, Finance and Disclosure.

The Chief Electoral Officer's presentation described each of the office's three budget requests. On the operating budget, \$9.385 million was requested for 2015/16 for ongoing core services. The Chief Electoral Officer explained that this is a stand-pat amount based on the \$8.210 million approved last year, plus the \$1.175 million in contingency funding approved by the Committee earlier in the year. The Committee was told that no additional increases are being requested to the operating budget in 2015/16, even though there are additional costs for salaries and benefits for Schedule A and management level staff.

The Committee was also requested to approve a \$700,000 capital budget for computer hardware, servers, and related software, as planned and approved by the Committee last year. The Chief Electoral Officer stated that the funding will be used for an electronic filing system, a campaign contribution system, an inventory distribution system, and other smaller projects.

An event-related budget of \$1.695 million was proposed for four items, including \$784,000 for costs relating to disclosure statements from the November 2014 General Local Elections; \$300,000 for preliminary work on the 2016 Electoral Boundaries Redistribution; \$62,000 for enumeration preparation; and \$549,000 for preparation for the 2017 Provincial General Election.

Committee Inquiry

The Chief Electoral Officer was asked about the event-related budget and district electoral officers (DEOs). Other questions addressed voter engagement and the use of ballot tabulators.

Event-related budget

Committee members asked whether planned expenses for the 2017 Provincial General Election are consistent with past election cycles. The Chief Electoral Officer affirmed that past practice has been to fund preparations two years in advance of an election. He also explained that approximately \$300,000 more is being spent this year on equipment to ensure security of information in DEO offices and voting places. The Committee asked whether there is any overlap between the funding request for 2016 electoral boundaries redistribution and the capital budget, both of which include costs for computer upgrades. The Chief Electoral Officer replied that the Electoral Boundaries Commission operates independently from Elections BC and uses separate and different software.

District electoral officers

The Chief Electoral Officer was asked about DEOs, including what training is provided and whether post-election performance evaluations are performed. He stated that all DEOs currently undergo three days of detailed training at a conference venue, but that the office is moving towards providing distance education prior to the in-person training.

Conclusions and Recommendations

The Committee appreciates the stand pat operating and capital budget requests, and agreed to approve the proposed operating, capital, and event-related budgets.

The Committee recommends that:

5. the annual appropriation for the operating expenses of Elections BC be \$9,385,000 in each of the next three fiscal years;
6. the capital expenditures for Elections BC be \$700,000 in each of the next three fiscal years;
7. the appropriation for planned event funding in 2015/16 be \$1,695,000.

Office of the Information and Privacy Commissioner; Office of the Registrar of Lobbyists

The Office of the Information and Privacy Commissioner is the independent oversight agency responsible for monitoring and enforcing compliance with the *Freedom of Information and Protection of Privacy Act* and the *Personal Information Protection Act*. An officer of the Legislature, the Commissioner has a mandate that includes conducting reviews of access to information requests, investigating complaints, monitoring general compliance with the Acts, and promoting freedom of information and protection of privacy principles. In addition, the Commissioner is also designated the Registrar of Lobbyists, and is charged with enforcing the *Lobbyist Registration Act* and overseeing the BC Registry of Lobbyists.

The appropriation for both offices' operating and capital expenditures is provided for under Vote 5 of the annual *Estimates*. Last year, the Committee recommended that the annual operating budget be \$5.526 million in 2014/15, \$5.591 million in 2015/16, and \$5.656 million in 2016/17. The annual capital budget was set at \$45,000.

Reallocation of STOB 60 professional services (judicial reviews)

On October 8, 2014, the Commissioner appeared before the Committee seeking approval to use surplus funds in STOB 60 for judicial reviews to cover a deficit in the current fiscal year. She explained that a deficit was expected due to increases to mandated salaries, building occupancy, utilities, and other one-time costs. The Committee heard how the office has attempted to offset expenses through reduced expenditures in other areas, but that a total deficit of \$173,000 remains. After consideration, the Committee approved the application.

Budget Submission Fiscal Years 2015/16 – 2017/18

The Committee met on November 25, 2014 to review the budget submission for the next three fiscal years. In attendance were: Elizabeth Denham, Information and Privacy Commissioner and Registrar of Lobbyists; Jay Fedorak, Deputy Registrar and Assistant Commissioner; and Dave Van Swieten, Executive Director of Corporate Services.

The presentation included a summary of key accomplishments and priorities for the coming year. Beginning with the work of the Office of the Registrar of Lobbyists, the Commissioner stated that the office has been working to ensure compliance with the *Lobbyist Registration Act* and to improve the online registry of lobbyists. Priorities for next year include enhancing enforcement capacity, promoting improvements to the Act, and developing a public education strategy.

Turning to the Office of the Information and Privacy Commissioner, the Commissioner discussed activities in the past year, including recent reports, the review the *Personal Information Protection Act*, the commencement of an audit program, and provision of guidelines and education. Upcoming activities include reducing the backlog of complaint and appeal files, providing policy and compliance advice, and encouraging regulatory reforms.

On the operating budget for 2015/16, the Commissioner stated that the office has increased costs for salaries and benefits, position reclassifications, and the addition of an investigator position to reduce the backlog of files. She explained that these costs have been mitigated through reductions in travel and professional services contracts, and other adjustments. The Committee was also requested to approve a permanent reduction in the dedicated budget for judicial reviews, and for the spending restrictions on this amount to be removed. A total operating budget of \$5.636 million was requested for 2015/16, a 2 percent increase over the amount approved last year. A stand-pat capital budget of \$45,000 was proposed.

Committee Inquiry

Questions by members focused on the dedicated budget for judicial reviews and public complaints.

STOB 60 (judicial reviews)

The Committee asked about proposed changes to the dedicated budget for judicial reviews. The Commissioner explained that the budget has been used to hire legal counsel in the event that an order or decision is challenged in court. She stated that \$150,000 of the \$300,000 amount has been spent on average, with the remaining balance returned to treasury. Asked what would happen if funding for a judicial review became needed after the restriction was lifted and the money spent elsewhere, the Commissioner stated that contingency funding would need to be requested from the Committee, but that a year's notice would be provided for any pending increase.

Public complaints

The Commissioner was asked how the office deals with repeated complaints from one person. She stated that the office has the ability to triage complaints based on their importance, and is not required to investigate frivolous or vexatious claims. She also stated that the office has a new policy whereby they can cap the number of files that an applicant can have at a time.

Conclusions and Recommendations

The Committee appreciates the efforts made to find internal recoveries to mitigate other costs and, after deliberation, agreed to approve the requested operating and capital budgets. The Committee also endorsed the proposal to reduce the STOB 60 budget for judicial reviews from \$300,000 to \$130,000 and to remove the spending restriction.

The Committee recommends that:

8. the annual appropriation for the operating expenses of the Office of Information and Privacy Commissioner be \$5,636,000 in each of the next three fiscal years;
9. the Office of the Information and Privacy Commissioner be granted capital expenditures of \$45,000 in each of the next three fiscal years.

Office of the Merit Commissioner

An officer of the Legislature, the Merit Commissioner provides independent oversight and insight into merit-based hiring in the BC public service pursuant to the *Public Service Act*.

The budget of the office is provided for under Vote 6 of the annual *Estimates*. Last year, the Committee recommended that the annual operating budget be \$1.039 million in 2014/15, \$1.054 million in 2015/16, and \$1.051 million in 2016/17. The annual capital budget was set at \$15,000.

Budget Submission Fiscal Years 2015/16 – 2017/18

The Committee met on November 25, 2014 to review the office's budget submission for the next three fiscal years. In attendance were: Fiona Spencer, Merit Commissioner; and Dave Van Swieten, Executive Director of Corporate Services.

The Commissioner's presentation began with an overview of the office, and how it works to ensure the application of merit-based hiring processes in the BC public service through final reviews of staffing decisions, random audits of appointments, and special audits of other appointment types.

Next, the Commissioner discussed the results of the recent merit performance audit, which consisted of a random sample of appointments made between September 1, 2013 and March 31, 2014. She stated that the findings indicate a 3 percent decrease in the number of merit-based appointments from the 2012 audit. The Commissioner also reported that the number of appointments of merit with exception have also increased. These refer to appointments that were the result of a merit-based process, where an issue was identified with the design or application of the process.

Next, the Committee learned that merit was found to have not been applied in 9.3 percent of appointments, the highest level reached. She attributed this as the result of flaws affecting the process, issues with assessments, errors in calculations or transcribing scores, or the application of overly-restricted competition. The Commissioner stated that, while discouraged by the results, she believes that many of these issues can be addressed and that the BC Public Service Agency has committed to such action. The Committee also learned about other office activities, including reviews of staffing decisions, and study of the use of behavioural event interviewing

On future priorities, the Commissioner stated that the main focus will be on the main business lines, including the audit of sample appointments and reviews of staffing decisions. She also mentioned that a special study is underway on the use of self-assessment questionnaires for screening applicants.

The operating budget request for 2015/16 included a \$15,000, or 1.4 percent, increase to offset mandatory increases to salaries and benefits for staff. A stand-pat capital budget of \$15,000 was requested.

Committee Inquiry

During the inquiry, Committee members asked about merit based hiring processes and the budget for professional services. Questions were also asked about the history of the office.

Merit-based hiring

The Commissioner was asked how merit is applied in the hiring process, including whether consideration is given to seniority. She replied that the *Public Service Act* outlines the factors that must be considered, one of which is called years of service. Asked whether all government agencies have the same evaluation procedures, the Commissioner explained that hiring processes are determined by the hiring manager, and each process can vary.

STOB 60 professional services

The Chair asked about the budget for professional services (STOB 60). The Commissioner stated the volume of work required for an audit is too much for the office's small staff complement, and that professional contracts are used to engage auditors on an as- and when-required basis.

Conclusions and Recommendations

After due deliberation, the Committee agreed to approve the modest increase in the operating budget to cover required increases to salaries and benefits. The capital budget was approved as requested.

The Committee recommends that:

10. the annual appropriation for the operating expenses of the Office of the Merit Commissioner be \$1,054,000 in in each of the next three fiscal years.
11. the Office of the Merit Commissioner receive capital expenditures of \$15,000 in each of the next three fiscal years.

Office of the Ombudsperson

The Ombudsperson is an independent officer of the Legislature under the authority of the *Ombudsperson Act*. The Office of the Ombudsperson has two primary roles: responding to individual concerns and complaints, and providing general oversight of the administrative actions of public agencies in BC.

The appropriation for the office is provided under Vote 7 of the annual *Estimates*. Last year, the Committee recommended that the annual operating budget be \$5.615 million in 2014/15, \$5.699 million in 2015/16, and \$5.709 million in 2016/17. The annual budget for capital expenditures was set at \$75,000.

Budget Submission Fiscal Years 2015/16 – 2017/18

On November 25, 2014, the Committee met to review the office's budget proposal for the next three fiscal years. In attendance were: Kim Carter, Ombudsperson; David Paradiso, Deputy Ombudsperson, and Dave Van Swieten, Executive Director of Corporate Services.

The Ombudsperson began the presentation with an overview of core activities and the work of the office in ensuring that people are treated fairly by provincial public authorities in the province. She described how the office conducts individual and systemic investigations, and released a report this year on environmental protection and riparian areas. A report is currently underway on oversight of private career training institutions, and work is continuing in the area of preventative ombudspersonship. The presentation also overviewed select case files from completed investigations.

A total operating budget increase of \$436,000, or 7.8 percent, was requested for 2015/16. The amount included \$218,000 to recover unfunded increases in the benefit charge back rate, salary, and benefits for Schedule A and management level staff in 2014/2015, scheduled increases for Schedule A staff in 2015/2016, and actual and anticipated increases to building operating costs for both years. \$109,000 was also requested for the addition of one investigator position to reduce the backlog of the approximately 500 files awaiting assessment. In addition, \$109,000 was sought to augment resources devoted to systemic investigations, improve advisory services, and increase preventative ombudspersonship activities. A stand-pat capital budget of \$75,000 was proposed.

Committee Inquiry

The Commissioner was asked about systemic investigations. The Committee also posed questions about the backlog of files and office staffing.

Systemic investigations

The Ombudsperson was asked how the office determines which systemic investigations to undertake, and whether there is overlap between the work of the office and that of the Auditor General. She

stated that there is not potential for overlap because the offices have different mandates, and the Ombudsperson has the additional authority to recommend changes to legislation and regulations. The Committee learned that the Ombudsperson meets regularly with the Auditor General's office to ensure that they do not investigate the same area.

Conclusions and Recommendations

After due deliberation, the Committee agreed that approving a 7.8 percent increase in the operating budget is not appropriate in light of the current fiscal climate. The Committee, however, agreed to approve funding to cover mandated increases to salaries and benefits as projected by the office for 2015/16, and to approve the requested capital budget. Moving forwards, the Committee encourages the office to continue efforts to find internal recoveries amid rising costs, and to focus spending on core mandate activities.

The Committee recommends that:

12. the annual appropriation for the operating expenses of the Office of the Ombudsperson be \$5,802,000 in each of the next three fiscal years.
13. the Office of the Ombudsperson receive capital expenditures of \$75,000 in each of the next three fiscal years.

Office of the Police Complaint Commissioner

The Police Complaint Commissioner is an independent officer of the Legislature under the authority of the *Police Act*. The Office of the Police Complaint Commissioner has a mandate to ensure that complaints involving municipal police officers and departments in BC are handled fairly and impartially.

The appropriation for the office's operating expenses and capital expenditures is provided for in Vote 8 of the annual *Estimates*. Last year, the Committee recommended that the operating budget be \$3.124 million in 2014/15, \$3.149 million in 2015/16, and \$3.122 million in 2016/17. The capital budget was set at \$25,000.

Budget Submission 2015/16 to 2017/18

The Committee met on November 26, 2014 to review the office's budget proposal for the next three fiscal years. In attendance were: Stan Lowe, Police Complaint Commissioner; Rollie Woods, Deputy Police Complaint Commissioner; and Dave Van Swieten, Executive Director of Corporate Services.

The Commissioner began the presentation with an overview of the history of the office, and how it provides impartial civilian oversight of complaints relating to the conduct of municipal police in BC. He explained that the office has a different mandate than the Independent Investigations Office, which investigates police incidents involving serious injury or death to a member of the public. The Commissioner has the power to order investigations by police departments, and to order adjudicative reviews to ensure that the results of investigations and decisions are impartial and fair.

Next, the Commissioner presented an overview of key office activities. He reported that the office has opened a total of 5,025 files between March 2010 and September 2014. The Committee also heard that enhancements have been made to admissibility screening, which has resulted in a substantial decrease in the number of complaints forwarded for informal resolution or formal investigation. The Commissioner also provided information on reportable injuries and disposition of allegations, and discussed work underway to enhance the use of alternate dispute resolution.

On the operating budget for 2015/16, a \$110,000, or 3.5 percent, increase was requested. It included \$25,000 approved by the Committee last year for planning purposes, \$41,000 to fund a 3 percent mandated salary increase for staff, and \$44,000 for a new 0.8 FTE administrative support position.

Committee Inquiry

Questions were asked about public hearings held as part of an adjudicative review. Other topics addressed staff salaries and benefits, off-duty police conduct, frivolous complaints, and restorative justice.

Public hearings

The Commissioner was asked about the high costs of holding public hearings, and whether other types of reviews of complaints could be held on the public record instead. He explained that the office has ordered a total of four adjudicative reviews on the record, in which a retired judge conducts a “paper review” of the evidence from a preceding disciplinary hearing within a police department. The Commissioner explained that an anomaly currently exists in the legislation which gives only the police member involved in the complaint the ability to select witnesses. The Committee was told that the office is recommending changes to allow the discipline authority to call whatever material witnesses are required, including the actual complainant, to investigate and resolve the complaint. Once this occurs, the Commissioner stated, public hearings will not likely be needed.

In addition, Committee members asked whether the legislation requires the office to assume the costs of public hearings. The Commissioner replied that the office is required to cover the costs, but that the actual funds are administered separately by Shared Services. He also told the Committee that the office has held only one public hearing per year, and only in instances where the Commissioner disagreed with the decision, or when there is an overriding public interest in having a public hearing.

Conclusions and Recommendations

After due deliberation, the Committee decided to approve an increase to the operating budget to cover mandated increases to salaries and benefits projected by the office for 2015/16, but not to grant additional expenses for new staff or unspecified costs. The proposed capital budget was approved.

The Committee recommends that:

14. the annual appropriation for the operating expenses of the Office of the Police Complaint Commissioner be \$3,165,000 in each of the next three fiscal years;
15. the Office of the Police Complaint Commissioner receive capital expenditures of \$25,000 in each of the next three fiscal years.

Office of the Representative for Children and Youth

An officer of the Legislature appointed under the authority of the *Representative for Children and Youth Act*, the Representative has a three-part mandate that includes: reviewing, investigating, and reporting on the critical injuries and deaths of children; providing advocacy services with respect to designated and prescribed services; and monitoring, reviewing, and auditing the provision of designated services.

The appropriation for the office's operating expenses and capital expenditures is provided for in Vote 9 of the annual *Estimates*. Last year, the Committee recommended that the operating budget be \$7.917 million in each of the next three fiscal years. The capital budget was set at \$190,000 for 2014/15, \$50,000 for 2015/16 and \$50,000 for 2016/17.

Budget Submission Fiscal 2015/16 – 2017/18

On November 26, 2014, the Committee met to review the office's budget proposal for the next three fiscal years. Appearing on behalf of the office were: Mary Ellen Turpel-Lafond, Representative for Children and Youth; John Greschner, Deputy Representative; and Diane Bulijat, Manager, Finance and Facilities.

The Representative's presentation included a brief summary of office activities. She described how the office has had a total of 13,000 advocacy cases over the past seven years, adding that the advocacy program now includes 19- to 24-year olds transitioning into Community Living BC. Large projects currently underway were mentioned. They include a study of Aboriginal child welfare activities in BC and a review of 160 sexual assaults, primarily involving Aboriginal girls connected with the child welfare system.

On the operating budget for 2015/16, the Representative requested a stand-pat amount of \$7.917 million, recognizing the difficult economic circumstances facing the province. While prepared to manage within the existing budget, she added, additional funds would be welcome to offset costs for mandated Schedule A and management level staff, should such an increase be provided to the other statutory offices. A capital budget of \$50,000 was requested for information technology upgrades, furniture, and equipment.

Committee Inquiry

The Representative was asked about staffing and shared services during the Committee inquiry. Other topics raised included cyberbullying, parenting, and cross-agency collaboration.

Staffing

The Committee asked about a proposed increase of 1.1 FTEs to the office, and how these additional costs would be covered without an increase to the budget. She replied that the office is managing

within the existing appropriation, and offsetting costs through reductions in professional services, business expenses, and other areas.

Shared services

The Committee asked whether the office has examined using corporate shared services to reduce administrative overhead and save costs. She explained that the office has had some shared services in the past with respect to payroll and a few other areas. The Representative added that the use of shared services does not always make sense because the office is in a separate building from other statutory offices, and deals with highly confidential information.

Conclusions and Recommendations

After due deliberation, the Committee approved the stand-pat operating budget, as well as the requested adjustment to cover increased salaries and benefits projected by the office for 2015/16, pursuant to those granted to other statutory offices. The proposed capital budget was approved.

The Committee recommends that:

16. the annual appropriation for the operating expenses of the Office of the Representative for Children and Youth be \$8,138,250 in each of the next three fiscal years;
17. the Office of the Representative for Children and Youth receive capital expenditures of \$50,000 in each of the next three fiscal years.

Documents Submitted

Office of the Auditor General

2015/16 Estimate of Resources

Annual Report 2013/14

Financial Statements 2013/14

Supplemental information for 2015/16 budget proposal

Office of the Conflict of Interest Commissioner

Budget Proposal Fiscal Years 2015/16 – 2017/18

Annual Report 2013

Supplemental information for 2015/16 budget proposal

Correspondence from Paul D.K. Fraser, Q.C. to Dan Ashton, MLA re: 2013/14 Fiscal Results for the Office of the Conflict of Interest Commissioner, April 24, 2014

Elections BC

Budget Proposal 2015/16 – 2017/18

Annual Report 2013/14 and Service Plan 2014/15 – 2016/17

Supplemental information for 2015/16 budget proposal

Correspondence from Keith Archer to Dan Ashton, MLA re: Budget Implications for Elections BC as a Result of the Potential Introduction of the *Local Elections Campaign Financing Act*, March 20, 2014

Correspondence from Keith Archer to Dan Ashton, MLA re: Budget Implications for Elections BC as a Result of the Potential Passage of the *Local Elections Campaign Financing Act*, March 27, 2014

Correspondence from Keith Archer to Dan Ashton, MLA re: Elections BC Funding Request for Local Government Elections, April 4, 2014

Correspondence from Keith Archer to Dan Ashton, MLA re: Budget Implications for Elections BC as a Result of the Passage of the *Local Elections Campaign Financing Act* and the *Local Elections Statutes Amendment Act, 2014*, May 28, 2014

Office of the Information and Privacy Commissioner; Office of the Registrar of Lobbyists

Budget Submission Fiscal Years 2015/16 - 2017/18

2013 – 2014 Annual Report (Office of the Information and Privacy Commissioner)

2013 – 2014 Annual Report (Office of the Registrar of Lobbyists)

Service Plan Fiscal Years 2015/16 - 2017/18

Service Plan Addendum – Merit Performance Audit 2013/14

Supplemental information for 2015/16 budget proposal

Correspondence from Elizabeth Denham to Dan Ashton, MLA re: Proposed Reallocation of Surplus STOB 60 (judicial reviews), August 25, 2014

Office of the Merit Commissioner

Budget Submission Fiscal Years 2015/16-2017/18

Annual Report 2013/14

Service Plan Fiscal Years 2015/16 – 2017/18

Supplemental information for 2015/16 budget proposal

Office of the Ombudsperson

Budget Submission Fiscal Years 2015/2016-2017/2018

2013-2014 Annual Report

Service Plan Fiscal Years 2015/2016 – 2017/2018

Striking a Balance: The Challenges of Using a Professional Reliance Model in Environmental Protection – British Columbia’s Riparian Areas Regulation (March 2014)

Time Matters: An Investigation into the BC Employment and Assistance Reconsideration Process (January 2014)

Open Meetings: Best Practices Guide for Local Governments (September 2012)

Ombudsperson Newsletter, September 2014

Supplemental information for 2015/16 budget proposal

Office of the Police Complaint Commissioner

Budget Submission and Service Plan 2015/16 to 2017/18

2013/14 Annual Report

Supplemental information for 2015/16 budget proposal

Office of the Representative for Children and Youth

Budget Submission Fiscal 2015/16 – 2017/18

2013/14 Annual Report and 2014/15 to 2015/16 Service Plan

Supplemental information for 2015/16 budget proposal

Correspondence from John Greschner to Dan Ashton, MLA re: Acquiring New Office Accommodations for the Victoria Office of the Representative for Children and Youth, May 28, 2014

