



Second Session, 39th Parliament

REPORT OF PROCEEDINGS
(HANSARD)

SELECT STANDING COMMITTEE ON

**FINANCE AND
GOVERNMENT SERVICES**

Victoria

Wednesday, November 24, 2010

Issue No. 41

JOHN LES, MLA, CHAIR

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**SELECT STANDING COMMITTEE ON
FINANCE AND GOVERNMENT SERVICES**

Victoria

Wednesday, November 24, 2010

- Chair:* * John Les (Chilliwack L)
- Deputy Chair:* * Doug Donaldson (Stikine NDP)
- Members:*
- * Norm Letnick (Kelowna–Lake Country L)
 - * Don McRae (Comox Valley L)
 - * John Rustad (Nechako Lakes L)
 - * Jane Thornthwaite (North Vancouver–Seymour L)
 - * John van Dongen (Abbotsford South L)
 - Michelle Mungall (Nelson-Creston NDP)
 - * Bruce Ralston (Surrey-Whalley NDP)
 - * Bill Routley (Cowichan Valley NDP)
- * denotes member present*
- Other MLAs:* Maurine Karagianis (Esquimalt–Royal Roads NDP)
- Clerk:* Kate Ryan-Lloyd
- Committee Staff:* Josie Schofield (Manager, Committee Research Services)
-

- Witnesses:*
- Jeremy Berland (Deputy Representative, Office of the Representative for Children and Youth)
 - Kim Carter (Ombudsperson)
 - John Doyle (Auditor General)
 - Shelley Forrester (Office of the Ombudsperson)
 - Malcolm Gaston (Office of the Auditor General)
 - John Greschner (Office of the Representative for Children and Youth)
 - Katrina Hall (Office of the Auditor General)
 - Tanis McNally-Dawes (Office of the Representative for Children and Youth)
 - Andrew Robinson (Office of the Representative for Children and Youth)
 - Mary Ellen Turpel-Lafond (Representative for Children and Youth)

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MINUTES

SELECT STANDING COMMITTEE ON FINANCE AND GOVERNMENT SERVICES



Wednesday, November 24, 2010

9 a.m.

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

Present: John Les, MLA (Chair); Doug Donaldson, MLA (Deputy Chair); Norm Letnick, MLA; Don McRae, MLA; Bruce Ralston, MLA; Bill Routley, MLA; John Rustad, MLA; Jane Thornthwaite, MLA; John van Dongen, MLA

Unavoidably Absent: Michelle Mungall, MLA

Others Present: Josie Schofield, Manager, Committee Research Services

1. The Chair called the Committee to order at 9:02 a.m.
2. Pursuant to its terms of reference, the Committee continued its review of the three-year rolling service plans, annual reports and budget estimates of the Independent Officers of the Legislative Assembly.

The following witnesses appeared before the Committee and answered questions:

Ombudsperson

- Kim Carter, Ombudsperson
- Shelley Forrester, Executive Director of Corporate Services, Office of the Ombudsperson

3. The Committee recessed from 10:16 a.m. to 10:29 a.m.

Representative for Children and Youth

- Mary Ellen Turpel-Lafond, Representative for Children and Youth
- Jeremy Berland, Deputy Representative
- John Greschner, Chief Investigator and Associate Deputy Representative
- Andrew Robinson, Associate Deputy Representative, Advocacy, Aboriginal and Community Relations
- Tanis McNally-Dawes, Manager, Finance and Facilities

4. The Committee recessed from 11:49 a.m. to 11:58 a.m.

Auditor General

- John Doyle, Auditor General
- Katrina Hall, Manager, Finance
- Malcolm Gaston, Assistant Auditor General, Governance, Accountability and Education

5. The Committee recessed from 1:02 p.m. to 1:26 p.m.
6. **Resolved**, that the Committee meet in-camera (Norm Letnick, MLA).
7. The Committee met in-camera from 1:26 p.m. to 2:41 p.m.

8. The Committee met in public session.

9. **Resolved**, that the Chair and the Deputy Chair review the final text before publication and, upon agreement between us, file a report with the Legislative Assembly — or the Clerk, as the case may be (Doug Donaldson, MLA).

10. The Committee adjourned to the call of the Chair at 2:42 p.m.

John Les, MLA
Chair

Kate Ryan-Lloyd
Clerk Assistant and
Acting Clerk of Committees

WEDNESDAY, NOVEMBER 24, 2010

The committee met at 9:02 a.m.

[J. Les in the chair.]

J. Les (Chair): All right, I think the appropriate time to start has arrived. Norm Letnick will be here in about 20 minutes, apparently.

In our first delegation this morning is the Ombudsperson. Kim Carter is here.

Please take over.

Office of the Ombudsperson

K. Carter: Thank you very much, Mr. Les, Mr. Donaldson and members of the committee, for the opportunity to speak with you today about the work of the Office of the Ombudsperson and to present to you our 2011-12 workplan and the proposed budget to support that work.

I know you already have copies of our budget and service plan and our annual report, so I will not be dealing with all of those in detail. If you have any questions arising out of them, I would be happy to address them. It has also been made clear to me that I have no obligation to fill the entire time that has been allotted to me.

I believe the committee will find that this budget proposal is responsible and realistic. It focuses on maintaining the status quo situation in our office while acknowledging ongoing fiscal constraints.

In the event that I have not accurately judged the temper of the times and the constraints we must work within, I have provided on page 3 of my budget submission two other options that demonstrate a broader vision of where our office could be and where I hope it will be able to move. I would be happy to discuss these two options, as well, if the committee feels that's useful.

In 2011-2012 our office will continue to focus on service delivery and timeliness issues. We are planning some preventative and outreach initiatives, and I am looking to establish the groundwork for moving forward over the following three years, based on a new strategic plan.

I will take just a few moments to establish the context that our office operates within. It was established in B.C. in 1979, and our role is to ensure fair treatment of people in British Columbia by public authorities. Essentially, that is the perspective, I think, of most of the individuals that come to our office. Of course, fair treatment is really effective and efficient service delivery by public authorities. It ensures that rules are followed and that the agencies can achieve their goals.

We are one of ten provincial and territorial Ombudsperson offices in Canada and part of a worldwide community of more than 120 countries that have statutory parliamentary Ombudsperson offices.

Our approach is consultative and resolution-oriented. We deal with matters of administrative fairness, which include the actions, decisions, recommendations, policies and procedures of public agencies — in short, as the Supreme Court of Canada has defined it, anything done in the implementation of government policy except decisions of the Legislative Assembly and the courts.

If we conclude that there is an issue of administrative fairness that needs addressing, then, as I've said, we work in a consultative and resolution-oriented manner to achieve that goal of fair treatment in the individual case and to prevent a recurrence.

Our office has a very broad jurisdiction. We don't only deal with a few acts or a few agencies but, very broadly, government ministries and also provincial boards and commissions, Crown corporations, health authorities, local government, educational institutions and self-governing professions.

Ultimately, the power of the Ombudsperson is that of making findings and recommendations to address administrative unfairness. Those findings and recommendations are addressed to the relevant public authorities and can also be made to the Lieutenant-Governor-in-Council, the Legislative Assembly and made public in public or special reports.

The strength of our office is in the quality of our staff. This is what allows us to effectively and appropriately resolve issues. We're a lean organization. We have 13 FTEs that are part of the shared services organization — which is headed by Shelley Forrester, who is with me — which provides administrative, financial, IT, HR and business planning support to four offices of the Legislature.

Thirty-three FTEs are devoted to core services. These include intake, early resolution, information and education, and investigation. There are three investigative teams, consisting of five investigators and a manager, and one systemic investigation team, consisting of a manager, two rotating investigators and a co-op student — usually a law student.

There are two executive directors, and unusual for an organization of our size, there is no deputy or assistant Ombudsperson position.

The work that is covered in our annual report 2009-2010 is set out in detail. Our statistical overview is found at page 68. It was a very busy year for us. There were 2,709 files assigned to early resolution, investigation or on to our file-awaiting-assignment list. This is the highest number since 1999.

Some 2,646 files were closed. This is the highest number since 2002. This was achieved with fewer investigative positions than we had in either of those years. Also, a higher percentage of files is going on to investigation, which I think is a positive step because it provides an indication that there is a better understanding of the role and that people are coming to us with issues that we should be investigating.

I will not review in detail the specifics of the cases that are included in our annual report. As you will see, there are approximately 70 summaries there. They range from situations where an oyster farmer was assisted in receiving a licence through review boards agreeing to provide reasons and an immigrant getting credit for a safe driving record that he held in a different country. But I am, of course, more than happy to speak about any of those specific cases or a general overview of what we have been doing in that past year.

The significant authorities we deal with are the Ministry of Housing and Social Development, as it then was during that fiscal year; the Ministry of Children and Family Development; health authorities; WorkSafe B.C.; the Ministry of Public Safety and Solicitor General; ICBC; local governments; the Ministry of Attorney General; Ministry of Health Services; and B.C. Housing. Those are, in essence, the ten most significant authorities for us in the last year.

Also in 2009-2010 we completed one systemic investigation. It was part 1 of our investigation into seniors care.

[0910]

Our first recommendation, which was the establishment of a bill of rights for seniors in all residential care facilities, was implemented and is in place now. Our other recommendations related to improved information for seniors and their families about residential care facilities and an enhanced role for resident and family councils in seniors facilities, as they are valuable support and advocacy agencies.

We also followed up on implementation of various systemic reports that we had completed between 2007 and 2009. In terms of new initiatives, 2009-2010 was the first full fiscal year of early resolution. This was a program that we established and which had been supported earlier by the committee by the provision of one permanent FTE.

We achieved 307 successful resolutions in the early resolution program, and those resolutions occurred within ten days. Essentially, with the funding for the one FTE, we had established a process that allowed us to have three people working in part on early resolution in our intake organization. That has successfully directed 13 percent of investigative files to the early resolution process and to quick resolutions.

The other initiative was the file-awaiting-assignment process, which I discussed last year with the committee. It was established in September 2009 to try and assist us in dealing with the increase in file numbers without an increase in resources. The file-awaiting-assignment process is, in many ways, a type of triage. All files that are accepted for investigation must be assessed by a manager.

If they are urgent, then we assign them directly to an investigator. If they do not fall into that category, then they are either assigned to an investigator once the investigator can commence active investigation, or the manager, using the services of a manager of investiga-

tions — we call that an MOI assistant — works to try and see if the file can be resolved or closed.

There is a summary of our budget 2009-2010 that's found on page 7 of our budget submission. I'm happy to respond to any questions about that budget, but what I will do is look at moving to current year activities to date. This is in this current fiscal year, which is 2010-2011. One of our major activities has been completed, and that is the move to our new facilities. This was led by the shared services team, the people working for Shelley, particularly in accommodation, administration and IT. It went very smoothly, and that is a credit to all of them.

We are developing a new strategic plan. Our major focus is still on managing individual investigative file workloads, and we are in the process of completing a systemic report, part 2, of seniors care. This is a broader approach than part 1, which focused simply on residential care, and deals with home support, assisted living, residential care and home and community support generally. The kinds of issues that we are looking at include the administrative fairness issues, such as availability and usefulness of information; accessibility of programs; standards monitoring; enforcement; and how concerns and complaints are addressed.

It is a large and complex report. It involves seven authorities. It was eight, but the recent combination of the Ministry of Health Services and the Ministry of Healthy Living and Sports led to a lot of find-and-replace, since they've joined together, in the report.

Focus really in the past few months has been on dealing with these two areas, and so progress in other areas such as outreach and development of new materials for authorities has not been as significant as I had hoped. We are currently working with what I would describe as a very snug budget, and we have some particular constraints.

[0915]

One is that we have received \$20,000 less in external recoveries than we had planned for and that we had indicated to the committee we would be able or reasonably expect to receive this year. We have a 70 percent reduction in the capital budget, and we are currently funding the very necessary MOI assistant position from within our budget.

I would move now to the workplan 2011-2012. I propose to continue with the file-awaiting-assignment process to assist in managing investigative workloads. I have conducted a one-year evaluation, and essentially, that has assisted in closing 152 files which were dealt with predominantly by the managers and the MOI assistant. This process has been assisted as our intake has stabilized over the summer and fall of this year.

Currently we have 210 files awaiting assignment. The average time awaiting assignment, of course, varies depending on the urgency of files that come in, but it is approximately 28 days before a matter gets assigned to an investigator. We do, however, have — and this is correct; it's not a coincidence — 28 files waiting more than 90 days before they are assigned for investigation.

The files-awaiting-assignment process, with the assistance of the MOI assistant, has alleviated immediate pressures; although, as I have indicated, it remains a triage system. There is one slight benefit, however, and you will see that in our annual report, which is that this has allowed for a slight increase from 35 to 37 percent of files that we've been able to close within 30 days.

Cognizant of current constraints, I am looking to continue for one more fiscal year, but on a temporary basis, with an MOI assistant. We wish to continue to work to achieve the necessary balance between the timeliness of the investigations and investigative workload.

While our focus will predominantly be on dealing effectively and efficiently with individual investigation files, there are some other goals for 2011-12 where I believe modest progress can be made. I'd like and plan to return to the development of good governance materials for authorities. I want to look at targeting outreach to underserved communities. We have made positive changes to our website, and we have added a pamphlet in Korean to our list of pamphlets that provide information about our office to different communities in British Columbia.

The year 2011 is in some ways a year of ombudship in British Columbia, as there are three groups holding meetings or conferences in British Columbia.

The first is the Canadian Council of Parliamentary Ombudsmen, which is a group that is just statutory provincial and territorial ombudsmen, and that will be in Victoria in April. There's also the Forum of Canadian Ombudsman, which is a much broader group that includes not only statutory ombudsmen but also industry and institutional ombudsmen. That's scheduled for Vancouver in May. And finally there is a banking ombudsman meeting scheduled for September in Vancouver. So certainly we will be active in that regard.

We also are looking at building on something that is a service that has been accessed by some authorities but not all, and that is a willingness on our part to provide our expertise on a consultative basis as programs are being developed. That has worked well in a number of cases where people have provided to us something to review and we can point out, based on our expertise, that perhaps there are administrative fairness issues that they could address in the development of the program that would avoid problems down the line.

I also in the next year am looking at developing a long-term strategic model for service delivery, building on our new strategic plan, and a communications plan that we will be developing, as well as a document technology review. One of the things in recent years that we have definitely noticed is that, while there is an increase in the complexity of some files, the amount of material submitted to us has increased dramatically.

[0920]

I have to say that from our perspective, there has been some significant success in access to or freedom of in-

formation, because we receive many of the results from people. But we are looking at ways to see how we can handle that material most effectively to ensure we can separate out what is relevant and useful from what is simply there. We're also looking at updating and standardizing our documentation of procedures.

So our budget request is to support, as I've said, essentially a status quo situation. The total budget request is for \$5.372 million for fiscal 2011-2012. What this includes is a \$203,000 increase for building occupancy costs; \$83,000 for an amortization increase; \$106,000 in the STOB under salaries and benefits for a one-year temporary manager of investigation assistant position, as well as for scheduled salary increments — they're usually a 4 percent increment after a year; and minor adjustments to salaries of about \$12,000.

The budget also provides \$35,000 to offset a reduction in external recoveries this year. I had spoken about the fact that last year we had indicated we anticipated \$150,000 external recoveries. That was not the case. Most of our external recoveries — in fact, all of them — are from agencies that use our services to administer and update their purchase of our case-tracker system. So they are not unlike us; they're mainly government agencies. They predict what their ability is to contract for something in the following year.

As it turned out, one of those agencies did not follow through. So we were \$20,000 less in our external recoveries this year than we anticipated. We have very carefully gone through for the next fiscal year, and it's our estimation that there will be another \$15,000 that will not be there next year. So that's why we're looking for \$35,000 to offset that reduction in external recoveries.

As well, I'm requesting our capital budget be restored to its fiscal 2009-2010 and prior year level of \$75,000. The bulk of that capital funding over the next three years will be used for restoring our regular IT replacement cycle, which was interrupted this year by the 70 percent reduction in our capital budget. We follow the provincial government norm of a four-year cycle, and so what I'm looking for over the next three years is to try and get us back on track into that cycle.

I should say that our capital budget is capital funding for all the staff in my office, not just the core staff.

I think that that would probably conclude what I wanted to say to the committee about the budget proposal and workplan. There are a couple of issues which I would just raise that are not included in this, but I really don't have anyone else to talk to, so I'm going to raise them with the committee.

One of them is, in fact, that issue. There isn't a committee for offices of the Legislature to talk about workplans, to talk about the work we do. The work of my office I see as very much good governance, and there are lessons learned from our reports that I think would be really useful to share.

I know that some of my colleagues have other committees — the Representative for Children and Youth and the Auditor General — but what I would say is that certainly over the next year I am going to be talking to people about the possibility of having a committee that would look at good governance and that the Ombudsperson could report to on those issues.

I appreciate the opportunity to come to you, but I try to focus on the budget because I think that's your primary concern. You've whetted my appetite for more committees, and so I just wanted to raise it as a courtesy with the committee at the moment. If it's something you feel you can support, I'm very happy to have your support.

[0925]

The other thing that I would say I am going to be looking at over the next year is an organizational review, or beginning one. I've pointed out there are no deputy ombudspersons or assistant ombudspersons. We have a really, really lean organization. I think that I do have to look at it in comparison with other similar organizations.

From my perspective, I spend a lot of time internally focused because I don't have any deputy to do that. I think I could be much more effective and do much more external focus, proactive and preventative, if we were structured properly, so I am going to be looking at that.

I'm not asking anything from the committee this year on that, but I did want to notify the committee.

That's really my conclusion. It's a status quo scenario, from our perspective. The focus is on service delivery and timeliness and some modest work in preventative and outreach initiatives. It's an establish the groundwork for moving forward over the next three years.

Thank you very much to the committee, and I'm happy to respond to any questions they have.

J. Les (Chair): Thank you, Kim. You've excited a few questions.

J. Thornthwaite: Thank you for your presentation. I'm just wondering, when reading through your report, when you've got this section on children and youth.... I'm wondering whether or not there's any communication or prevention of redundancy with the Children and Youth Representative, given the fact that you live together — don't you?

K. Carter: No, we don't actually live together, and I presume you mean that we share the same facility.

J. Thornthwaite: Yeah.

K. Carter: So on neither situation. No. In fact, the offices who have joined in shared services are the Merit Commissioner, the Police Complaint Commissioner, the Privacy Commissioner and the Ombudsperson.

I can say that before we made our move and our kind of long-term commitment to the committee in 2008, we did go out and speak to other officers of the Legislature, but they all had their own priorities and concerns. So it's just the four of us who have bonded, so to speak.

But what I would say is with the Representative for Children and Youth.... Of course, our office has been established since '79, and we work in the area of, essentially, administrative fairness. There is a different role for the representative. The representative's, which was established in 2007, I see as a complementary role. They deal, for example, with people who need advocacy support during the course of dealing with the ministry. That's a role that they play which we don't play.

We're not advocates for any individuals. We're advocates for a fair process, and we're impartial between the agency and the person who comes to us. So you will see, for example, that in a number of cases in our report we have made findings that in fact the agency has treated people fairly, and that resolves it, from our perspective.

If somebody comes to us and is looking for advocacy in the process or a more general advocacy about children and youth issues, we would refer them to the representative's office. The representative's office refers people to us if, for example, they feel that a decision has been unfair or a process is not being followed or is not dealing with their situation in a fair and reasonable manner.

But we do work together, and you will see, actually, in our annual report, on page 14, that the representative's office and our office joined together to do a joint special report about a child-centred approach to complaint resolution, and it was for exactly that reason. We both had interests in that area, so it seemed to be most effective, both from our perspective and the perspective of the ministry, if we joined together to do that.

B. Ralston: A couple of points. One, I did read through a number of the case summaries, and I found them quite helpful in understanding some of the day-to-day work. I was struck by WorkSafe B.C. taking seven years — seven years — to pay for someone's orthotics. The person was in their 70s, and luckily, they survived to see the day that it was resolved.

[0930]

My question is a little bit broader one. You mentioned your preventative role in the sense of advising other agencies in structuring programs, how they might prevent some of these issues arising. I notice, for example, the medical services — the MSP — program or Health Insurance B.C. — there seem to be a number of complaints where....

I think these are fairly balanced reports, some considerable recalcitrance on the part of people there to resolve complaints. Generally, in my experience in business, complaints are considered to be an index of customer satisfaction and, in this case, citizen satisfaction — a key performance indicator.

Is there any formal mechanism for you to meet with these agencies that seem to have recurring issues of complaints in an effort to provide the kind of guidance or advice that might make their agency function in a way that's more responsive to the public?

K. Carter: There isn't a formal mechanism. Informally, I do speak to a number of heads of agencies and, depending on the situation, they are more or less receptive to a broader approach to issues. This is to some degree the frustration I have by not having the time, by focusing on managing things within the organization — not being able to go out to the degree I would like.

But I think I have met with heads of agencies and deputy ministers who have been very receptive. We've resolved a number of issues. Not only improving their process, but in the past year I've had issues with access to material and even questions of our jurisdiction, which I've been able to resolve by speaking directly with heads of agencies.

What I would say is that when you have a look at what the workplan is and has been for the past couple of years... I mean, that's the area that I really see that we could make progress in, because you can take the lessons we learn from one organization and you can apply them more generally or you can apply them to programs that exist in others.

For example, recently I went to speak at a conference on, not surprisingly, residential care, and there was somebody there who was looking at a program change for doctors and providing services to seniors in residential care. When he described kind of the process they were looking at, I said, "Well, you know, there are a couple of issues here. So you may want to look at doing this in terms of choice and this in terms of information to avoid valid complaints and concerns" — and very receptive.

So not formally, but there is informally. As I said, I'm looking at really how we deliver our services over the next year. Along with the committee, that may be something that I can look at.

B. Ralston: Thank you. I think that's helpful. I mean just in the way that the Information and Privacy Commissioner does comment upon legislation or programs that might touch privacy issues, it would seem to me that the same process might be useful for rolling out new programs where you give advice on how somebody's ability to respond to legitimate citizen complaints in the administration would be very helpful.

In previous years, you've talked about more looking at systemic problems. I gather from the budget proposal you're putting forward... I think you've decided that given the fiscal climate, it's probably not the year to advance that agenda. I understand that. But you have spoken about reaching out to underserved communities.

I think in previous years you've spoken about having a satellite office in the Lower Mainland, just given the difficulty of recruiting to Victoria. I cast no aspersions

on Victoria, of course. But people who might have skills that would assist them in reaching out to what is a more complex demographic and more representative demographic of British Columbia than might exist here in Victoria.... Just basically, people don't necessarily want to move to work in Victoria because of that.

[0935]

So that was one aspect in terms of recruitment. The other aspect you've spoken about it is just reaching out to underserved communities in the work that you do, and in other languages. You've obviously identified it as a strategic priority. I'm wondering whether this budget proposal that you've put forward gives you enough fiscal tools to advance that agenda.

K. Carter: I'll answer, if I can, both of the questions. In terms of recruitment, it is more difficult. One of the things that has happened in our office, as with the police complaints is.... For efficiencies, and because we have very limited resources, we are in the process.... We had a handful — four people — who were still in the Lower Mainland as telecommuters. We're bringing those positions here to Victoria. It's been more than six years now that they've been out there entirely on their own.

There was, as you've pointed out, a submission back in 2007-08 to reopen the office in Vancouver. It had funds attached to it, and the decision was that it was not something the committee at that time was prepared to fund. That was in a slightly happier fiscal climate.

We will face those recruiting challenges. One of the ways we try to do it.... Certainly with any of our staff who have other languages or other cultural backgrounds, we will try and use them very effectively. But it is much more difficult. So really our focus there is to try and reach out to organizations that are in that community and perhaps adapt ourselves to some of their programs.

I have spoken with organizations such as SUCCESS and MOSAIC to see what kind of partnering we could do and what kind of information and training we might provide that would be useful there. We do need to do more. Is there funding in the budget for that? No, not really. I mean, I'm trying to do it within what I've got, but it is an issue.

As you can see from some of the individual reports, it can be pretty critical to people. We have a lady who was a recent immigrant who was having MSP problems. We have the chap who couldn't get credit for a very long safe driving record that he had in a country he'd come from because of people not being prepared to look at documentation and to really apply the approach that would produce a result that was a fair result for him and for them as well.

We are touching more people coming in. I've spoken a couple of times on the local Vietnamese radio station in Vancouver, with great appreciation for the translation that's been provided for that. We're making small steps forward, but I have to say they are small steps.

D. Donaldson (Deputy Chair): Thanks very much for the presentation. I have two questions — one specifically on the budget and then the other around the good governance topic you brought up.

I was hoping you could help me understand the funding around the temporary position for manager of investigations. I understand, on page 3.... It's laid out quite well there, but on page 8 and then the notes on page 9 — especially note No. 12, around full-time-equivalence.... From what I understand, reading that, the 0.75 has been offset against the temporary manager of investigation's assistant positions. So that brings to mind: why the lift in salary?

[0940]

K. Carter: Sorry. It's the FTE, not the funding. If you go back in the previous time frames, there was a shared services researcher-librarian position. Last year that was reduced, and it was reduced to the \$11,000 that was set out in STOB 50.

We reduced that cost last year to essentially a 0.25 position, because we weren't sharing it with anyone, and we were looking at ways to try and operate within constraints. Really, the 0.75 is the FTE issue, not the money issue. That's really an explanation as to why I'm not asking for an extra FTE, just for the money for an essentially temporary position for a year.

Clearly, I'm not making it.... If there was a full-time researcher position, then the additional one year would result in an extra FTE. That's what we did two years ago when Shelley came on board for a year as the manager of shared services. We increased our FTE for a year because we had an additional position. In this case, it's not that we need an extra FTE; we simply need the money to finance a temporary position.

D. Donaldson (Deputy Chair): Okay, I'll mull that one over. That's fine. I mean, I'm sure it's intricacies of administration — that FTEs and salary line items aren't necessarily linked.

K. Carter: I would say they're linked. But essentially, last year we had a 0.25, which was the researcher, so we left our FTE numbers the same because of that. This year, in essence, we're looking for the funding for the temporary position. That means that we're going up to essentially 0.75 within the existing FTE and 0.25 over. So I didn't ask for an extra FTE for 0.25. I guess the rounding-up, rounding-down scenario....

D. Donaldson (Deputy Chair): All right. That helps. Thanks.

The other question is around good governance. You know, I congratulate you on the work that's outlined in many of the case study summaries. Do you track how many of these people actually try to avail themselves of their MLA services before they come to the

Ombudsperson's office? If they haven't, is that a first step — that you send people back out the door to go to try to see if they can get some service from their MLA?

K. Carter: What I would say is that we don't track it, because it's not really within the process that we are set up to do within our act. What I would say is that I know that a number of people have. In fact, we deal with a number of MLA offices who have tried to resolve issues.

I have in the past gone out three times a year on tours to different parts of the province. Unfortunately, this year that's part of the adjustment we've made. Part of my MLA assistant funding this year is from my non-travelling this year.

I always go to the MLA offices and, even if the MLA is not there, talk with their constituency assistants to explain our role and to hear from them their roles. So a number of them refer people to us on issues that they've tried to resolve. Certainly, workers compensation is one that in a number of cases they end up referring to us.

What I would say is it's not something where we say to people, "You need to go," because when they come to us they've usually been through a number of stages in the organization. They may well have been to their MLA. They have been referred to us by their MLA as well. I think there is essentially that relationship.

I'm reasonably confident that I've spoken with most of the constituency assistants in different contexts, either in offices or at conferences here, and provided them with materials so they know when things are appropriate to send to us.

[0945]

I will be honest and say that MLA assistants.... Sometimes it depends which office they're in, based both on experience and the position of their MLA, and how much effectiveness they feel they have in getting things resolved. It varies, while when people come to us, it's all the same. They get exactly the same access.

D. Donaldson (Deputy Chair): Okay, thanks.

J. van Dongen: I have three quick questions, Kim. Thanks for your report.

On the external recoveries, first of all, those are recoveries not for services but for that particular product that you have — the case tracker system. There are no services attached to that.

K. Carter: No. Unfortunately, these are all for services. If you look back, there were services that we continued to provide because of a previous sale. If you look back at our office, there was a brief period of time, basically between 2006 and 2008, where a number of accountability mechanisms were set up, mainly by the federal government — the Procurement Ombudsman, the Canada Revenue Agency ombudsman. These were organizations

that came and were looking for, essentially, an IT system that would meet their requirements. They ended up with us, and we sold them, essentially, a licence to operate our system. They bought continuing services from us.

There are really two groups of continuing services. One is services to the Saskatchewan and Alberta Ombudsman offices and the Saskatchewan Children's Advocate. These were agreements that were entered into before I became Ombudsperson. We provide service to them for using our case tracker, but also they have some data which we administer on service here.

The second group are ones such as the Procurement Ombudsman, the Revenue Agency ombudsman and the Veterans Ombudsman. What they do is purchase a certain number of what we call in our office case tracker hours — that is, the services of one of our staff — on a yearly basis to monitor, upgrade and adapt the program to their needs.

Unfortunately, it was actually really good when we could sell a case tracker for \$70,000. That was very handy. The service is not really something where it's a big moneymaker. What it does is allow us to do what I've tried to do in the office, which is to have a backup to one person. In a lot of cases in our office we have one person who does something. If they get sick, go on vacation or leave the office, we don't have the backup.

What we have on the case-tracker side, essentially, is a second position which can back up our main position, and does. That is, in part, funded through these external recoveries, but on the external recoveries we have not had any interest in any sales in the past almost two years. We had a little bit. At the end of the fiscal 2008 and beginning of fiscal 2009 there were some, but the ongoing external recovery is all for services, not for sales of the product.

J. van Dongen: Are we still providing some ongoing data management services as part of a previous sale, which is a cost to us but which we're not getting a current recovery on?

K. Carter: No. The way we do it.... We didn't do it that way. What we did was that we sold, essentially, the licence to the system as a transaction, and then the ongoing support and services billed out every year, so it is a cost recovery every year. The reason for the decline is that some people are just not upgrading, adapting and amending their system as they would have if they'd had more flexibility.

J. van Dongen: Okay, but we're also not incurring the cost then, are we? If the recovery is not there, we're also not incurring the cost. We may have an FTE there, a person there, but we're also not doing the work on a current basis.

K. Carter: The answer is no, we haven't, as the number of hours that they would have purchased would not be used.

What I have to do is say that we've taken a very businesslike approach to this, and so we have, essentially, in our service provision built in a certain amount of risk management. That is, in previous years not every agency has used up all the hours that they have paid for, and so it's not an exact fit.

We believe it's fair to all the purchasing agencies. I want to make sure I put that on the record and that they're aware of that. That hopefully explains the situation.

J. van Dongen: No. Fair enough. I just wanted to ask a little bit about that because very often agencies get into some kind of cost recovery or marketing deal and end up putting a lot of resources into it and not really achieving recovery. It's not core business, and as long as we're careful about how we align the recoveries and the investment and the costs then I'm okay with it. The two have got to line up.

K. Carter: I would agree. The only marketing that we've ever done is to wait for someone to call and say: "Somebody else has shown us this, and we'd really like to buy it." That's really all you can do. It's a very, very niche thing, as I said.

J. van Dongen: I agree.

K. Carter: If somebody else has a flurry of accountability we might be able to sell another three systems, but that's the way it is.

J. van Dongen: A couple of other quick questions, Kim, on the governance side. You've mentioned self-governing professions, and I had been unaware that they were under your jurisdiction. Over the years I've certainly had a number of complaints about self-governing professions, and maybe one or two of those I should have steered to your office.

Have you got any overall experience with that? I didn't see any in the annual report, but any comment you could make about that?

K. Carter: Sure. There is actually one of our summaries, and as I know you're aware, this is just a very brief representative. On page 58 of our annual report there's a little case summary that relates to the Law Society and somebody who was unhappy with a response that he received from them.

He was a president of a company and also a director and shareholder. He'd hired a lawyer. He was dissatisfied with how the lawyer had represented the company. He went to the Law Society. The Law Society said that it couldn't deal with his complaint because they didn't

have the jurisdiction to investigate how a lawyer responded to a shareholder.

We became involved, there was a general discussion, and we pointed out that he was also a director. So they reconsidered it, and they decided that they could investigate that. I guess that's an example of something that we do.

Our role with the self-governing professions is very much a focus on how they handle complaints that come to them about their members. I have spoken to a number of them at presentations for self-governing professions. What I say is that we're very much part of the public oversight for them. The public obviously benefits from self-regulating professions but equally obviously has a concern that a profession's disciplinary body is made up of members of the profession.

So what we are is an independent and impartial review of how that disciplinary body handles the complaints to make sure that they're following a fair and reasonable process in doing so. As I've said, I've talked to a number of the self-regulating professions, and I do try and go round to ensure that I update them.

There are differences. Certainly there's been more standardization since the Health Professions Act has come in and brought different organizations, like the College of Dentists, under the same basic processes as other health professions. But I think we really provide a very valuable service of public oversight for those self-regulating professions — something, I think, they value as well.

J. van Dongen: Then, WorkSafe. I've had lots of experience with WorkSafe over the years, and it seems to me that there may have even been a review many years ago by the then Ombudsman's office. Have you looked at any systemic reviews of WorkSafe?

[0955]

We don't get as many complaints now, but it's interesting to me that we've had some very bad complaints in the sense of the quality of investigation and just the fairness of process. Regardless of the outcome, just proper process sometimes has been dearly lacking. So any comments on that?

K. Carter: What I would say is that it is an ongoing issue. They are always in our list of significant authorities. If you go back in the report, I do a little historical overview of the office on page 1. In 1979, when it was first set up, there were complaints. The greatest number of complaints involved the Workers Compensation Board, and that was 1979.

What I would say is that they are a significant authority for us. We do have an ability, and we have achieved some systemic changes with them to their processes — including, in some cases, getting them to commit to look for changes to regulation, legislation, to make things fairer.

It's a difficult process, I think, because in essence the baseline is, of course, if you're an injured worker, you really want things to go back to the way they were. I mean, you've got people who are in pain and suffering who aren't always.... The most injury-prone and dangerous occupations aren't always the ones where people have the most administrative training in negotiating complex systems. So you put those two together.

Often they've got dependents, you know, so it's their whole life, and although we as a society offer workers compensation, and WorkSafe B.C. administers it, it's certainly an imperfect resolution.

Our focus is on trying to make the process fairer for the individual and, actually, more efficient from WorkSafe's perspective. As we say, if programs aren't delivering what they should to people, then they're not really doing an efficient job. So we have had some success. We continue.

There have been several systemic reports on workers compensation by our office. I like to say that every ten years there is one. I think they've produced improvements, but it's ongoing. They are challenging areas for everybody. But as you say, you're aware of that.

J. van Dongen: Yeah, I think you described very well the typical client of WorkSafe. That being the case, all those characteristics being part of that mix, I think it puts an increased demand and onus on WorkSafe to be absolutely leading edge in how they're dealing with those clients. I think it's reasonable to have that expectation of that organization and to enhance it. It takes constant education, I believe, and performance evaluation of their individual case managers.

K. Carter: Yeah.

J. van Dongen: Sometimes that hasn't been done. So I appreciate your comments.

J. Les (Chair): Okay. We're going to move on.

B. Routley: Actually, I had a different question, but your discussion on WorkSafe certainly sparked some interest in me. I represented forest workers and spent years as safety chairman at the old Youbou mill.

I have to say that I'm alarmed at what I heard recently from my staff about WorkSafe B.C. in talking about forting up, I would call it — you know, putting in almost bullet-proof glass, protecting their staff from the aggressions of people that are clearly frustrated and angry. They talked about the number of suicides amongst that group.

It may be time for another real serious look at what's missing, and I'm somewhat encouraged by what I heard John say. Maybe he and I can work off line on some improvements to regulation or legislation on what needs to be done to help workers in that area.

The constant theme that I hear in my office is about workers being denied. It seems to be the first order of business that workers are denied their rights, which is, as you can see, a bit of a frustration for me to see that things don't seem to be getting better — they seem to be getting worse — in the area of compensation.

[1000]

By far and away, the majority of complaints I have in my office that we deal with are about seniors care, certainly about health care issues, and I find it alarming.

I looked through the statistics file. On page 74, where you talk about statistics, you show open files more than a year on seniors care. You also talked earlier about the triage approach. I'd be interested in what your triage approach processes are. How do you categorize what's critical and needs immediate life support, so to speak, and those that are just less of a priority in your office? And do those include things like I'm experiencing: health care issues, senior care issues and issues that impact workers directly?

Just while you're putting your thoughts together on that, I notice on the "Significant Authorities" page — the percentage of files open, on page 77 — that the largest number of files open seems to be in the Ministry of Housing and Social Development, 17.4 percent, and the Ministry of Children and Family Development, 12.1 percent, as compared to single-digit percentages. These are higher-level areas where you have open files. Are those the critical file areas, or am I misreading this somehow? So kind of the two issues — the triage and the....

K. Carter: Let me deal with that. I'm sure I've conveyed that I'm not happy to have to triage things that come into our office. But on the other hand, I can't do things with nobody. We are dependent on having investigators to investigate. You know, 24 hours, seven days a week, and you still can't get ahead. It doesn't produce better investigations.

Last September when I did this, and when I came to the committee last year, I said: "This is something I don't want to do. These are the resources I need." I predicted last year that if things continued, we'd get to 2,800 intakes. It was actually 2,709, so I wasn't too far off. We've got 210 files awaiting assignment. That's a caseload of five to six investigators, so I was pretty much on, on that. So I have a frustration.

With the triage, what we've done — and this is why the MOI assistant is so critical — is I really have changed things so that the managers look at cases. First of all, intake people will identify urgents, and they are health and safety issues. For example, income assistance issues, which would fall under Social Development. Every year we get a number of urgent income assistance issues where people are.... When they contact us, they don't have money. They've just been denied a cheque.

We had one case, and it's an example of both urgency and how we deal with things promptly. It was a young man. He was in the north, in one of the cities. It was just before a long weekend, and he had no money. He'd been told basically to come back on Tuesday. He didn't have anywhere to go or anything. He contacted us. We got involved in that. That's an urgent income assistance.

By the end of the day — and with the help of, I have to say, a very responsive manager there — a cheque was issued to him, and he could cash it. It wasn't just issued, and he got a cheque for four days, and nothing. He was taken care of. He was a young person; he was under 18. So we deal with those urgents quickly. It's health and safety. That can involve seniors in care. It can involve people who have problems with income assistance. It can involve workers who are....

[1005]

We had a situation which was a mix, but we dealt with it quickly. It was workers who were retraining at a college. They were on a worksite that they felt was unsafe, but the trainer was saying: "No, you have to continue." They were retraining. They didn't want to jeopardize their ability to get their certificate and get back to work and support their families.

We ended up being involved. Then we got hold of the college, an administrator at the college, who actually put her hardhat on, went out, had a look and shut down the site for the college right then. Then we worked to say: "Okay, these people feel...." The college agreed. They hadn't got the training they needed to be able to safely meet the requirements of the program. So it was extended for two weeks.

We said: "What about the fact they're living away from their families, so they need an extra stipend?" If you're keeping them away two weeks more, they're having to pay for stuff. That all got worked out for them, and also the other people in the course who hadn't complained.

I mean, one of the things about coming to our office, which I think is critical, is one person comes. If there's a problem that affects many people, it gets resolved for everybody.

The triage I don't like, but we do it, and we do it well. It's urgent that it's reviewed right at the beginning. If our front-line staff see it as urgent, they flag it as such. I have a manager who looks at it and can get an assistant to make quick calls. It's a health and safety issue that is the most urgent or something that's time critical.

Another good example is somebody who felt they'd been unfairly denied a pass to go to their mother's funeral from a custody facility. Well, if you don't deal with that right away.... The funeral was on Saturday. I mean, if you didn't deal with it until Monday, it was a moot issue. Arguably, you could say emotional health, but it was just time sensitive.

So we do that. Then there is a regular review, an ongoing review, weighing what's in essentially the files-awaiting-

assignment list with what's coming in, to try and make sure that we deal with all of those appropriately.

It's very time-consuming. That's why we're spending much more time administering things rather than just putting them through to get investigations ongoing. But that's what I have to do at the moment.

We'll continue to do that. We don't let people fall through the cracks. Our MOI assistant is the one who calls people back if they're on the list and makes sure: has anything changed? Is there an issue?

You raise the issue of seniors care. You will see that health authorities have been a continually increasing part of our business over the past, probably, three years. A significant part of that relates to seniors care and residential facilities.

What I would say is that in the same way as our report on the income assistance process, which we issued in early 2009 — a systemic report — improved a number of areas there, I'm hoping that our seniors care will result in improvements and thereby reduce the number of complaints — certainly reduce having the same kind of complaints come to us and get solved, one at a time.

Seniors care. We are working hard on that report. But again, you will see that in order to maintain some of the individual cases, I've had to cut back, temporarily, one of my investigators from systemic, which extends the time frame.

J. Les (Chair): Okay. We have time for one final, quick question.

J. Rustad: Thank you for the presentation. I have two questions. One of them, since we may be out of time... If you want to be able to give a lengthier answer, I would be happy if you want to send it as a note to the committee.

I'll start with the first one, which is with the numbers. On the capital budget, \$75,000 for the IT improvements...

K. Carter: Predominantly. There are some other capital things...

J. Rustad: ...and furniture and other things.

K. Carter: ...and security system and that kind of upgrade, that kind of stuff — the things that the government says is capital. So if it's over \$1,000 and it's a thing, it's capital.

J. Rustad: It's capital, yes.

K. Carter: If it's under \$1,000 and it's a thing, you're all right.

J. Rustad: I'm just wondering if you can give a bit of a breakdown on that, in terms of the computers

or the software or other things that may need to be purchased.

[1010]

K. Carter: Sure. What I can do is just kind of give you a general overview. I know you've been on the committee a number of years, so you may remember back in 2007-2008 our capital budget was \$110,000, and then we reduced it to \$75,000. Then last year it was reduced to \$20,000. That had a disproportionate effect on us because other budgets that were lower were reduced to \$20,000. That's why I've made the point that ours was a 70 percent reduction.

What it is, is predominantly for desktop computer upgrades. As I say, we mirror the provincial government approach, which is a four-year kind of replenishment, and so I think that that works out.... I think it was around \$30,000 for that.

We also have servers and virtual servers. I'm not sure if a virtual server is a capital, but I know a server is a capital issue. So we have to upgrade the servers. There are also some other things that are technical. I think we have to have some special air-conditioning things in the server room that have to be there because they give off a lot of heat when they're thinking, and you have to cool them down. So that's really what it is.

Now, what I would say is that for things such as the security we do have agreements on certain documents we get that we have to keep in certain security. So we've done that this year. So it really is a question of trying to go back and bring us into sync.

I would say that we're heavily dependent on technology. It saves us. If you have a look at our travel budget, it's a lot less than you would expect, and that's because we rely on that.

Let's put it this way. It really is meat-and-potatoes technology. We have two BlackBerrys in our office. One is mine and one is a Shared Services one, which is Shelley. We have three laptops. So we don't have people going around with all the latest bells and whistles. We have a couple of cell phones. Actually, when we go on the road, we take one of them from someone, and it comes with us. So that's how we approach it.

J. Rustad: Thank you for that. I'll just lay out the other question, and I'll leave it up to the Chair and you as to how you want to respond to it.

K. Carter: I can do it quickly. I'll tell him.

J. Rustad: The other question is: in the jurisdictional files table that you have in your annual report on page 78, I notice that 33 percent of them are social development and 23 percent are family development. That represents 56 percent of the total files.

What I'm wondering is: have you done sort of an overview report reviewing the types of questions that

come up, the types of issues that come up? Are there patterns there that we may be able to look at from a holistic perspective to try to deal with that to bring those kinds of case issues down?

I mean, I realize there are 1,500 cases, and with the number of people that are being impacted, perhaps that's a realistic number of expectations. But I'm just wondering if there is something within the system that seems to be generating, say, a similar type of problem across the province that could potentially be dealt with as a single unit as opposed to a bunch of individual files.

K. Carter: Thank you for that. One thing I would say is if you look back over the history of the office, this is a little like WorkSafe B.C. It is always there. It's just that the nature of the problems change. So with the housing and social development, that was actually the purpose of our last resort report that we issued in early 2009. We took a number of those issues that were recurring issues and made recommendations for changes. All except one was accepted. The one that involved reimbursing people was declined, but all the rest were accepted.

We're following up on the implementation. That's one of the other things that we.... A new thing we're doing is making sure that when we get a commitment to implement something, we reappear to see how it's going, because it's easy to have priorities change and get distracted if you don't have someone turning up.

[1015]

So we have looked at that. I think that it really ties into one of the earlier questions that Mr. Ralston had, which was: could you pull together stuff more to be more preventative and proactive? As I've said, that's really what my aim is to do, but if I've got someone who's on income assistance who should have.... I mean, in the actual case that we had, the cheque was actually in the file, when it came down to it. They'd been told that they couldn't get anything; it was there. It was because someone went back, and we got the right person to look, that it happened. You can't turn that down — to say: "Do this."

We are trying to do it, and I would agree with you. I'm not sure that it will change the priority level that much, but I think it will mean that we're dealing with different problems rather than looking at recurring problems. That's really the approach we've taken.

J. Rustad: Sorry. The intent of that question was not so much around how you manage those files coming in. It's more how the ministry could potentially change — and the various activities that within that — to try to reduce those numbers of issues that come up. But thank you for that.

J. Les (Chair): Okay. Thank you very much, Kim. We've used up all of the time.

K. Carter: I apologize.

J. Les (Chair): No, that's just fine. It obviously indicates the committee's interest.

We will take a ten-minute recess while we recharge our coffee cups and get ready for our next presentation from the Representative for Children and Youth.

The committee recessed from 10:16 a.m. to 10:29 a.m.

[J. Les in the chair.]

J. Les (Chair): All right. If we're ready to go, we'll recommence the meeting. As I said before, we're now going to hear from the Representative for Children and Youth. Mary Ellen Turpel-Lafond is here.

Good morning to you, and please carry on from here.

Office of the Representative for Children and Youth

M. Turpel-Lafond: Thank you very much, and good morning, everyone. I'm just going to introduce my staff first. I have my director of finance and facilities, Tanis McNally-Dawes; Deputy Representative Jeremy Berland. I have the chief investigator for the area of critical injuries and deaths, John Greschner; and I have my deputy of advocacy and aboriginal relations, Andrew Robinson.

J. Les (Chair): Allow me to make one more introduction. The MLA from Esquimalt is here, Maurine Karagianis, who is the official opposition critic for children and youth. Good morning to her as well.

M. Turpel-Lafond: First of all, I'm going to speak very briefly about the work of my office and give you an overview of our mandate, the work that we've completed in the current year, our work in the coming year and an overview of our budget request.

[1030]

Of course, we have submitted in advance our budget submission and a copy of our service plan, so that would have been with the committee in advance.

First of all, speaking to the issue of our mandate, you'll know well that the Office of the Representative for Children and Youth was created after the 2006 report by the hon. Ted Hughes reviewing the child-serving system in British Columbia. Mr. Hughes recommended that an independent office be created to advocate for children, to review and investigate critical injuries and deaths of children and youth, and to monitor and report publicly on systemic issues across the child-serving system.

My office was created and officially opened for business on April 1, 2007, and at that time — on April 1, 2007 — the monitoring and advocacy function came into play. In June 2007 the authority or jurisdiction over

reportables for critical injuries and deaths and reviews in that area came into play.

The central theme of the Hughes review and, indeed, much of the work of my office, is the need for stability and accountability in the child-serving system. Mr. Hughes, in his review, made it clear that the office was central to that stability and to restoring public confidence in a system that was buffeted by an unmanageable degree of change.

One of the functions of an oversight body such as mine is to help the public understand what is a very complex system, and part of our work is to explain how the child-serving system works and to note when and how it can work better. So my role, when it's functioning in a supported way, assists government by reassuring the public that an independent body is providing oversight and, when necessary, acting as a liaison between the public being served and the government.

You certainly all know, from your own experience at the constituency level, there are many people for whom dealing with a large government bureaucracy is extremely difficult, if not intimidating. Of course, with respect to children, they don't vote, they're often not heard, and their views, while important to building a strong society, are very quietly heard. Vulnerable children in particular are silent and often invisible in British Columbia.

There are now few provinces or U.S. states that don't have an official advocacy function for children built into their systems to try and level the playing field in these difficult situations and to prime these systems so that they create good public service and dedicate resources to meeting the needs of these often silenced or invisible citizens that are vulnerable children.

Mr. Hughes noted, in terms of the rationale for my office, that it should be there to assist, encourage and sometimes prod the government to be more aware of and responsive to the individual concerns of children, youth and families and to recommend changes that will address broader problems in the child welfare system.

I can expand on this by assuring you that my office is also here to support the success of the government and, in particular, to support the Ministry of Children and Family to succeed and to be able to meet the needs of the diverse situations for vulnerable children and youth.

Certainly, for those who work in the area of the child-serving system, their daily successes, in small ways and large, mean better lives for vulnerable children in British Columbia, so my office is very dedicated to celebrating and supporting the work of those individuals in the system.

I note that my office is a bit different than some of the other independent offices of the Legislative Assembly in that we have these three specific responsibilities or program areas mandated in our legislation that we must perform over and over again.

For instance, in the review of critical injuries and deaths, we must consider a very broad range of events, from broken arms on the playground through to deliberate acts of murder. My advocates similarly hear an extremely broad range of concerns and requests for assistance from children and youth in care, their parents, their caregivers, service providers, ministry staff, concerned citizens and grandparents, and spanning children from newborn or sometimes even not yet born to those aging out of the child welfare system or aging out of care at 19.

Some issues that are presented in my office under these various program areas are minor, particularly in advocacy. Sometimes they can be resolved by a very quick phone call and a reminder that a child is waiting for support. Others are so complex that they can only be addressed through face-to-face meetings, extensive contact and prolonged involvement to keep focused on the child.

I think that's a key point — that the role of my office is to keep a child-centred focus with respect to the child-serving systems, which are primarily designed around adult workplaces, and to engage with adults to care better for children. So keeping focused on the child is a key objective in my office.

In the research and monitoring arm of my office we must stand ready to take on a broad range of issues that arise, from child poverty to phallometry and from adoptions to adoption.

[1035]

We obviously have an unpredictable and often fluctuating workload. The topics and circumstances are challenging, to say the least, but the work is vital.

For example, it's impossible to predict if a government policy change will result in a large increase in advocacy services. It may or it may not. Frequently it does. I just give as one example the shift of children with disabilities from CLBC back to the Ministry of Children and Families — an example of an area where a new level of advocacy services will be demanded to help families and children navigate those changes. Or occasionally, if there's a tragic homicide involving multiple family members, that will require a hugely complex investigation by my office. Such was the case with the investigative report I issued last year into the homicide of Christian Lee.

Both of these examples, and indeed all of the work of my office, involve responsibilities related to the most vulnerable in our society and complex systems. I just remind the committee that our core business areas are set out in section 6 of our act. That's in our service plan. I won't read through those core business areas, but they are mandated responsibilities for my office in the constating statute the Representative for Children and Youth Act.

In terms of the nature of the work, independence, public accountability and transparency are fundamental

to my office's operations. Good access to information is critical to ensuring the accuracy of my report, and at times significant effort goes into acquiring good information so that the reports can be informed — both information within government as well as information collected outside government.

I report to you and your colleagues in the House through the Speaker of the Legislative Assembly, and uniquely among the independent officers of the Legislative Assembly, I also work with a committee of the House, the Select Standing Committee on Children and Youth. I note there are several members of this committee who also serve on that committee. Since being appointed Representative for Children and Youth at the end of 2006, I have met with that committee 17 times.

There's great value in the fact that there is regular reporting, accountability, engagement and discussion of reports and work of the representative's office with an independent committee. I tabled my service plan with that committee earlier this month and had a very good and helpful discussion with them. The legislation that governs my office requires that I issue public reports at the end of investigations into the critical injury or death of a child and that those be available to the public.

Again, just by way of reiterating, the ultimate goal of my office is to encourage improvements in the child-serving system that result in better lives and outcomes for vulnerable children and youth and their families.

Now a brief snapshot of some of the vulnerable children of the province that my office particularly focuses on.

First of all, children in care. As many of you will know, the reason a child comes into care — state care, state guardianship — varies. Children are taken into care as a result of abuse or neglect or perhaps the sudden death of a parent, and provincial child welfare authorities assume responsibility for them on a temporary or permanent basis under the CF and CS Act or the Family Relations Act.

A child or youth going into care faces so many emotions and challenges. The stigma of foster care, separation from parents and siblings, the potential loss of family connections, sometimes moving far away from their home community — all this on top of the trauma of the circumstances, often tragic, that led to the government intervention in the first place.

So they can experience a loss of belonging, of their family history, of their self-worth and even of their identity. These essential feelings of belonging, of feeling settled, safe and with people they know and love can all be lost for both the children and the parents. Fortunately, we do have an amazing network of dedicated foster parents and child-serving workers in B.C., but we still struggle with this fundamental issue of instability in the lives of young children who have been harmed.

The unsettling experience of coming into care and the very human face of all of these vulnerable children and youth means that we must, in thinking about the

work, take into account the fact that an office such as mine deals directly with children and youth. As a result, some of the expenditures that we must make — for instance, in the advocacy area — require us to come out and see children and youth and have face-to-face time with them, because a telephone call or a report is not essentially what they require.

A quick snapshot. As of this month there are 8,351 children in care in British Columbia, and 55.4 percent of those children are aboriginal children. We have a new program called the extended family program and other out-of-care options where children may not be formally in foster care, but they're living with others that may or may not be connected to their birth families.

[1040]

These are, for instance, children in the home of a relative or kith-and-kin and youth agreements. Today we have 255 children in the extended family program, 138 of whom are aboriginal. We have approximately 3,900 children in the home of a relative, and we have about 144 children in out-of-care options and about 1,500 children in a guardianship financial assistance program, which is an on-reserve equivalent of the Child in the Home of a Relative program.

We have 734 children and youth agreements. Just those numbers alone mean that there are approximately 15,000 children not living in their family home, their birth home. There are many other children here that may be displaced outside of families, such as refugee children, migrant children and those placed with relatives through, for instance, orders in the family justice system that never came into the child welfare system.

I stop and note that aboriginal children and youth are over-represented in B.C.'s child protection system and under-represented in many systems of support and often face challenges that result in extreme vulnerabilities.

Supporting and assisting aboriginal children and youth is a key focus of my office in all program areas. As you know, with more than half of the children in care being aboriginal and that number continuing to rise, even though aboriginal children only make up 8 percent of B.C.'s population, this must be a major priority. That's about 4,600 aboriginal children in care out of a total aboriginal child population in B.C. of 72,000.

While that's a snapshot of one day, I do note through the work in my office that we've discovered that, during their childhood, one in five aboriginal children will have contact with a child welfare system of some kind, either because their family is a target of an investigation or there's a request for services related to child protection.

It's extremely important for my office to understand why that is the case, how the system is operating to support those children, but also to provide direct advocacy supports to aboriginal children, which require a strong presence in First Nations communities and communities with large aboriginal populations, as well as responding ef-

fectively and in a culturally appropriate way to the circumstances and needs of aboriginal children. So a significant program of outreach has been operated by my office.

Another area of particular vulnerability is with respect to children with special needs. There are about 5.6 percent of all B.C. children and youth, which is about 52,000 children and youth, who have significant special needs in this province. Many of them have multiple vulnerabilities. For instance, you may have a child with a developmental disability who's living in a home with extreme poverty, with a parent that's very vulnerable, perhaps unwell or unable to navigate the system, unable to have transportation or what have you.

We have situations of extreme vulnerability in that population, depending also on the family circumstance. They may have multiple challenges, and it's important to reach that population to serve them. I note again, with respect to the population of children with special needs, that there's a huge concern, certainly from my office, around meeting the needs of aboriginal children with special needs and ensuring that they get appropriate assessments and supports. Much of that work in the child-serving system is incomplete and in some instances hasn't even begun.

With respect to the work in this current year, just a quick highlight. In the area of the investigation and review of critical injuries and deaths of children, just how the work happens. We have a fairly rigorous process that we follow.

First of all, we receive a report of an injury or death of a child. Sometimes we don't receive a report, and we go out and find out what happened because we learn of it through another method. We try and ensure that we receive reports.

The report receives an initial screen. It goes on to a review process, where we look at it to determine whether or not the injury or death of the child was connected in any way to the services that the child or the family may or may not have received in the year prior to the injury or death.

Then we may go on, following the review stage, to an actual investigative stage. During that stage there is a very specific investigative function that's performed under the statute, which requires the collection of evidence, taking information under oath, collecting documents, reviewing them and analyzing them.

There's a significant volume of files and documents with respect to these matters, to support the decision-making required under the statute around a review and investigation stage but also when an investigation is underway.

My office also looks at conducting what's called an aggregate review, which is where you take multiple instances of the same type of injury, or there may some other unifying characteristic that we see in reportables.

For instance, very soon we will issue a report on a cluster of deaths of children — infants under the age of two. We'll be looking at 21 deaths of infants under the age of two, and we look at some common circumstances.

We are also completing an aggregate with respect to suicide and self-harm deaths and injuries. Again, these aggregates involve more than 80 individual matters — so extensive documentation review, analysis, looking at systems of support and trying to identify the connection between services, or the lack of services in some instances, and the circumstances of the children, youth and their families.

Just in terms of the actual number around the volume of the work.... Of course, when this work began, it was unpredictable about what the volume would be. Now I think we have a bit of an understanding of what it is.

Between June 2007, when our authority came into play, and September 2010 there were 464 critical injuries reported to us and 298 deaths reported to my office, for a total of 762 reports.

As of the end of September, 222 critical injuries and 123 deaths have been identified for review — so in terms of the screening process. Twenty-five percent of these injuries are being reviewed as a part of an aggregate on self-harm injuries. The other 75 percent of the critical injuries will be included in future aggregate reviews or are being individually reviewed or have been reviewed.

So 30 percent of the deaths are being reviewed as part of the two aggregate reviews, one on the death of infants and one on suicide and self-harm. The other 70 percent of the deaths will be included in future aggregate reviews or are being individually reviewed or have been individually reviewed. The final stage, as I indicate, is an investigation stage, where you do an individual investigation.

Just again, to give you a sense of the degree of work required here.... This is a point of significant pressure in my office to do this work and be able to complete the workload before us to a high standard and with a degree of efficiency that is required.

A full-blown investigation requires, as I say, calling of witnesses and examination under oath and review of all the related documents, like MCFD, police, court, medical and other records. Sometimes there will have been a criminal proceeding or a criminal investigation in these cases, particularly where it's an intentional injury toward a child or a homicide.

Interviews in the community or communities where the child or family lived often involve staff travel costs. Sometimes you have to re-examine to confirm facts in dispute when something new comes along. You might have to go back and re-interview some individuals that have information about these circumstances of the child or the services to the child.

It involves research into similar circumstances and situations — sometimes a review of policy documents,

practice documents, case law; interviews with collateral professionals. Ultimately, we also have a consultation with a multidisciplinary team that my office has convened — which consists of people from the senior ranks of policing, senior pediatrician, senior social worker, senior person in the education system, aboriginal representatives — who come together, receive reports in draft form on a confidential basis and assist me in coming to some views around recommendations for improvement.

It's a very significant stage, having a multidisciplinary team representing a broad base of professionals and citizens with expertise who can help us shape those recommendations and reviews, because we don't just pull recommendations out of the air. They need to come carefully from the investigative and review work and be informed by a broader range of respected individuals in the field.

Currently there are three investigations underway in my office, and 16 have been identified as cases that will require investigation in the future. So three are underway and 16 are on hold, if you like, for future investigation.

Those investigations will all commence — first of all, where there are criminal proceedings, once those are concluded. As you may know, sometimes that criminal process is extremely time-consuming. I'd make note of one case that was actually referred to my office in 2006 by the Select Standing Committee on Children and Youth. It arose in 2005. It proceeded to trial where there was a conviction for second-degree murder in 2008, and we're still waiting for the appeal. The appeal has been put over.

I'm not sure when that appeal will be heard and the appeal period will be exhausted. But very significant circumstances that required investigation, and it's essentially on hold. Once that criminal proceeding is completed, that investigation will begin.

So there's a small percentage, about 10 percent, that are awaiting the resolution of a criminal process. There's not much I can do about that criminal process, except meet regularly with the judiciary and others and ask that they please expedite their processes in the interests of us being able to do our piece of the work.

[1050]

As you can imagine, these investigations are multifaceted and complex, and they're extremely important. There are many, many citizens and systems that eagerly await the results of an investigation. In particular, I would say, with respect to dealing with family members, it's really significant for them to see this work completed and also that they be treated with a high degree of respect. I mean, sometimes we have to receive evidence from family members, particularly where a family member has relevant information about harm to a child.

But many family members, like grandparents and others, are very keen to find out what happened with

respect to their beloved child or grandchild, and wait with great interest in hearing from us and understanding what happened. Very often they haven't met with the relevant service-providing agencies for whatever reason, or they have been at a standstill for a long time.

In the other area of our operations — in reviewing, auditing and monitoring the designated services for children and youth in B.C. — we recently released kind of a groundbreaking report called *Growing Up in B.C.*, which I developed with the provincial health officer. Some of you will have seen that — those who are on the Select Standing Committee on Children and Youth.

This again is an example of the type of research undertaken by my office, where we took all the administrative data on all children in B.C. and looked at different domains of well-being to establish a baseline of how we are doing in British Columbia with respect to the well-being of children. We looked at their safety, their education, their community and peer connections, and their sort of high-risk behaviours or positive pro-social behaviours to get an understanding of: what is the baseline?

Not only did we do a research project — myself and the provincial health officer — in collecting this data for this report, but we also involved more than 200 youth around the province to ask them what they think is important to measure and understand, what they think of the results, and so on. Youth engagement and hearing from youth is really a significant component of our work.

We also released an update on a system of services for children and youth with special needs. It's an ongoing area for us to make sure that system is improved, because prior reports from my office have indicated that it's almost impossible to navigate that system and that there have been some significant changes required. Some of those changes are underway.

We also published, in the early summer, a report on an audit of the Child in the Home of a Relative program, called *No Shortcuts to Safety*, which really looked at... It was an audit of safety practices around the placement of children and record-checking and so on. That report was a massive undertaking involving auditing more than 1,500 files, direct interviews of staff, and understanding how the program operated and how a replacement program that came into effect during the audit process would address or not address some of the concerns.

In the coming weeks we're going to be releasing an update on progress of the implementation of the Hughes review, which would be the third update that my office has offered.

Finally, around our caseload in the area of advocacy, where we deal with direct advocacy for children and youth. This is a very important pressure release, if you like, in the system for children. People need to have a place to go when they need help. Obviously, they may need help from the Ministry of Children and Families.

They may feel like the Ministry of Children and Families in some instances isn't responsive.

In particular for children and youth, we want to make sure that they have an independent, confidential advocacy support. So since 2007, when the advocacy mandate commenced, to October 2010, we've had 5,329 new advocacy cases handled by advocates within my office. During the first five months of the fiscal year 2010-11, we've had 797 new advocacy cases that have been initiated. We have an average of about 132 cases per month opened over the last fiscal year.

It calls for advice, support, direct advocacy on behalf of children and youth receiving designated services. About 16 percent of those come directly from children and youth. Half of the cases have to do with MCFD services.

Three big themes that arise from those cases. Children and youth that do not feel protected or safe. They're reporting that they're not in a safe situation and need support. Of course, in that instance our office contacts the Ministry of Children and Families and determines whether they have been involved with a child or not and, if they have, whether or not the decision-making that has been done to date has appropriately kept the child at the forefront and followed all the appropriate standards and procedures required.

A number of the children that contact us feel that they have not been involved or hadn't participated in decisions about their lives. That's particularly the case for children in care. They might be moved. They may be having a change in circumstance, and they contact our office.

[1055]

Finally, the children and youth feel that important people in their lives are not engaged or talking to them. That's a very common theme. Again, often that's an easily resolved area because quite often they're right. The adults involved in their lives haven't been in touch with them for a while, or they've been bouncing around foster homes and schools and so on, and they need to reconnect. Our advocacy staff has made a very strong effort to inform British Columbians about our service.

I have tried, without success to date, for four years to get the ministry to give automatic notifications to clients in the ministry of the advocacy service so that they may then at the point of service receive information that there is an independent advocate available, and to notify my office in turn. I haven't been successful in that. I'm not going to stop, not giving up on that.

I've asked the Select Standing Committee on Children and Youth to assist me to ensure that that occurs, because there are cases that come along where a family is turned away by the ministry, they're extremely upset about the treatment of their loved one — maybe a sibling or what have you — and they're not necessarily told that there is an advocacy service there. Decisions will be made about

their loved one, and they may feel so alienated that they feel they can't be involved in that process.

Our office gets everybody back together at the table focused on the child. It's an extremely positive function, but we need to work more on automatic notification, to expand that advocacy function, because I'm not confident that all the children who require it are getting it.

In addition to the direct case advocacy, my office has been involved in outreach throughout the province, again, attending to communities, First Nations and other communities. We have launched a program on child rights, with some other partners, which will see a series of workshops around children's right to be safe and to be heard.

As a result of those workshops, which have just commenced, we get a lot of advocacy intakes. Not surprisingly, the kids that we're talking to say — because we're largely talking to vulnerable kids: "You know, I really am concerned about this. Can I talk to you?" In that case we say: "Yes, we'll talk to you in a private setting."

Much more of that work is going to happen, including working directly with First Nations, children and youth in First Nations communities, making sure that we have positive relationships there to stay focused on children and to be able to let children have a strong voice.

Again, I just note that much of this relationship cannot be simply done over the phone or by paper that's mailed out. You actually have to have a presence, especially because the advocacy work.... It is not going to be effective unless children and youth, and sometimes their families and others in their community.... They need to know that this is independent and confidential advocacy support.

Very, very often we will get a concern that will come up, to say: "Well, are you going to tell my social worker what I'm going to tell you?" To this we say: "Well, you know, if there's a child in harm, of course we're going to report it." But in any event, we want them to feel like they can talk to someone, that there's a pressure relief in the system. That's crucial. If they don't feel it's independent and confidential, they will not engage with our office, so there's a lot of work there to develop that independence and respect their confidentiality.

The budget supports the work for the next year, which is that we continue to be busy on all fronts. Several reports are being worked on and will be released in the year ahead. As I indicated, many complex investigations. Our advocacy work continues to grow.

In light of the fact that last year was a stand-pat budget, actually a slight reduction in our budget.... As you know, understanding the fiscal circumstances, I did not request any type of additional raise in the budget last year, but as a result, there were some consequences for the operation of my office. I had to make some adjustments in terms of some of the work that I would have liked to have done, to put it over into this year. In order

to complete some of the work to be done this year that was put over from last year, there's a request for an increase in budget this year.

But a couple of areas.... I'll just highlight where I had to make a decision as to what could be postponed, if you like, or put over.

Those are the areas of addictions and mental health — there's a project there that we were not able to do, which has been moved over into this year and into next year — a major project on adoptions, looking at the effectiveness and efficiency of the adoptions process and whether it's meeting the needs of children in permanent care; planning for children in care, meaning if they have plans of care, whether there's sufficient planning engaged; investigations with multiple service providers, multiple victims and services to children and families with complex medical needs. These are a few matters that have been put over.

[1100]

You'll know well that my organization, with approximately a \$7 million budget, provides oversight to a number of services, but let's just take the Ministry of Children and Families. Alone, it has a \$1.4 billion budget. It's quite an ambitious plan of oversight that we function under. We're very committed to and enjoy doing this work, but in order to make that work successful in the year ahead, we do require an increase.

Some of that is going to be to support more advocacy outreach and to make sure that we can respond to the advocacy support that's there. Of course, if there is an automatic notification process put into place, we imagine that that work will expand quite dramatically almost overnight, which we think is important.

You can see from the chart on page 7 of our submission that salaries, benefits and employee travel account for about 70 percent of our budget. Fixed costs account for about 20 percent, leaving less than 10 percent, if you like, of the office's budget for discretionary expenses.

Let me talk about what these sorts of expenses are. Specialized assistance with investigation and reviews. For instance, I have to have a contract with a pediatrician. I can't really keep on staff a pediatrician that's an expert in child abuse. I don't have the resources to do that, but I have a consulting contract with an expert pediatrician who looks at those cases where children have been harmed or have died, and gives some expert advice with respect to that.

I have a contract with a retired police officer who provides expertise around investigations. I have to engage with academic and other research entities on specific issues, such as reports that I do — like *Growing up in B.C.* and others. There are, of course, legal services costs to obtain legal advice, pursue subpoenas as required for investigation, and occasionally to develop legal opinions related to the administration and execution of my mandate under the act.

There are costs associated with raising public awareness about advocacy services. Until we have a program of sort of automatic notification, I anticipate that I'm going to have to continue doing that, as I still engage with children and youth who haven't heard about the service.

This year I'm asking for an overall increase to my budget of \$776,000. I'll break it down very quickly. First of all, \$539,000 of the request is for five new positions. This amount includes salaries, benefits, accommodation, IT infrastructure training and development.

Two of these new positions will be assigned to the advocacy team to provide additional advocacy services and to improve our outreach to rural, remote and special needs communities. The other three positions will be assigned to our biggest need, which is the critical injury and death review team, to strengthen my ability to conduct reviews in these areas and report in a timely fashion.

As I mentioned to you, this is an area that requires significant work and a highly skilled staff and the contracting support to complete. There is certainly not a large pool of investigators to draw on in British Columbia, an issue that even the ministry struggles with, and it's important to maintain and develop a very high standard in this area.

In terms of the volume of materials alone, this is going to require some additional FTEs in order to complete the work, or I'll be in a situation where I'm going to have to advise the Select Standing Committee on Children and Youth and the families affected that some of the work will not be done. Frankly, it's that stark of a situation with respect to that unit.

Of course, I do report regularly on the work of the critical injury and death unit. I issue quarterly updates to make sure that the public is informed of the status of the work and so on. But the volume of this work will require additional FTEs. The three staff should allow us to deal with some of the backlogs as well as complete some of the investigations.

So \$33,000 of the request is for expert consultants. I can say that in the past few years as we've done this work, we have developed, I think, more of a fairly efficient and effective approach to those resources.

We have a better understanding of the costs of an investigation. If you're interested, I can share that with you. I won't go into all the details, but we have actually tracked what it costs to complete an investigation so that in doing our planning for the future work, we can have an understanding of what we can expect to spend to complete, to a high standard, the investigations that are before us in the area of deaths and injuries.

Just \$91,000 of my request then is related to the necessary advocacy outreach services, which includes developing our materials in a variety of languages. We have a strong outreach to ethnocultural communities that we started this year and will continue to travel to

communities and provide, obviously, support materials on the ground when we actually meet with the kids in workshops and so on.

[1105]

Last year I spoke to the committee about some issues around our office space, and in the last year we have consolidated our Burnaby operations. We've moved our critical injury and death functions to Victoria to promote more efficient use of our resources.

These are some of the other measures we've taken to try and manage within a standpat budget. We negotiated a very favourable sublease for part of our Burnaby space. We've taken a very conservative approach to space planning. We've downsized our office space. We've used all available empty nooks and crannies for storage.

Despite these efficiencies, we still find ourselves in a very difficult position, at least at the office in Victoria. We need more secure storage space for the large volume of files, and this continues to be a significant issue for us. Sometimes we can use off-site storage, but we are using such a large volume of material which we regularly require to go into and that we need to refer to frequently. We need to expand our office space in order to accommodate that. This has been an ongoing process.

Part of the request includes a request for \$113,000 to lease some additional office space on the third floor of my current head office here in Victoria. This will provide us with storage — again, secured — and a private office space for our expanded investigation team and will permit us to convert some of the existing space into an additional meeting room, which is needed at this point to deal with some of the advocacy clients that come in off the street. So this request includes lease cost, tenant improvements and new furniture and equipment.

That's a quick review of our work in the past year, our work expected in the current year and some of the rationale behind the budget request. I'm certainly delighted to take any questions you may have about that, and also hope to provide any answers here or provide any supplementary information that the committee members may request.

J. Les (Chair): Thank you very much.

J. Thornthwaite: Thank you very much for your presentation and the work that you and your office do. I just have a question about the staffing request. Thank you also for clarifying the two positions for advocacy and the three positions for critical injury.

If the Finance Committee determines, given the financial situation we are in at this particular point, that we would not be able to fulfil all of your requests, where would the cutoff be? You've outlined the two and the three positions, but if you had to make a choice with regards to prioritizing your requests but reducing the amount of the requests, where would that be?

M. Turpel-Lafond: Well, first of all, I've tried to make a single request for this amount based on what I think is the minimal required to function under the act. So if you're saying to me, "Can you chop it down somewhere?" I'm telling you very straight up that I can't. This is what is required to do the minimal functions under the act. If the budget isn't there, then there is some part of the statute that I'm not going to be able to do. So on advocacy, there'll be some cases that I won't be able to do. I think that that's a challenge.

At this point we're able to meet some really important standards around being responsive and taking on the cases. These are the bare-bones requirements for me to continue. I'm very mindful of the difficult financial situation and fiscal situation of the province, but I'm urging you and requesting that you accept my requests. I'm giving you my absolute assurance that it is the bare-bones request.

The advocacy function cannot continue without an influx of additional support — to the high standard and to be as comprehensive as it needs to be. And the critical injury and death function.... Some of those investigations will not be completed unless there are the FTEs to do it.

D. McRae: I think a simpler question. Under "Post-capital asset acquisitions," you've asked for \$30,000 for office space, equipment and furniture. Does that also include computer systems and such?

M. Turpel-Lafond: Did you want to take that, Tanis?

T. McNally-Dawes: The \$30,000?

D. McRae: Yeah.

T. McNally-Dawes: Yeah, it does.

D. McRae: Now, we had earlier a representative from the Ombudsperson office talking about how their computer systems are lacking in laptops and cell phones. But in your situation would you argue that you're reasonably well-served? Obviously, everybody could use more infotech and such, but are you reasonably happy with the elements that you have?

M. Turpel-Lafond: Well, I mean, generally. Communications is really significant to us. We need to have communication. Our people are in the field. Basically, our systems are there, but they need some constant improvement. We have a case-management, data-management system that we use that we routinely have to improve.

[1110]

When it comes, for instance, to our aggregate reviews, where a significant amount of data about a group of children is entered into a system, and then we want

to look across at those children about what common things did they experience in their lives.... Those data systems are really significant.

So this request includes the sort of regular update maintenance of those systems and providing, for the five new FTEs, the IT requirements for them to do their function.

N. Letnick: Thank you for your presentation and to the work you do and all the staff. Just to follow up on Jane's question, after I read your submission over the last few days, I looked at the act itself to see what responsibilities you have under the act. There's nothing in the act that says you have to give a certain percentage of your time to any of these responsibilities: support, assist, inform and advise children with their families respecting designated services; providing information and advice to children; advocating on behalf of children; monitor, review, audit and conduct research.

So could you explain to us again why, if you don't get all the money you're asking for, you would target the items you said you would target as opposed to maybe targeting the ones that are a little less sensitive, like the "monitor, review, audit and conduct research" part of the act?

M. Turpel-Lafond: Well, first of all, if you're referring to section 6 of the act....

N. Letnick: Yes.

M. Turpel-Lafond: Section 6 of the act describes the functions. Certainly, the act doesn't say that the representative's office should spend 20 percent of its time doing this. I don't think anybody's act does that. But it also doesn't say: "If there are cost pressures, don't do this."

The challenge in my situation, sort of what I did last year with the standpat budget, is the area of monitoring the system — the big pieces of monitoring: the children in the home of the relative, children in foster care, children with special needs. The big service piece — I let that yield to what I view as the more pressing priorities of dealing with advocacy.

So one of the challenges of the sort of 5,000 advocacy cases.... It's a little bit challenging to sort of say that because we have a service component we can't deal with this one or only this much of our time will come. Things come along, and you must respond. It's just that type of area where there are some very significant urgent issues that arise, and so you can't not respond.

You know, I could use as an example a recent case that came up with the well-being of a special needs child that came kind of urgently into care, if you like, because of the death of her mother. Her siblings needed support, and she needs support, so we can't really say: "Well, I'm sorry. We're just too busy. We can't get to you this week. And actually, you just waited two months to talk to any-

body, but we're another organization that can't call you back and meet with you."

So it's the sort of thing.... Like, how do I apportion my time? Do I say, "We can't talk to you," while there's a child that's come into care? It's really tough to plan. The act doesn't say it, so what we do is we try to have a really strong service plan. We try to have a very strong response time. We do have to, like anyone that deals with advocacy triage a bit.... There are cases that are extremely urgent. You know, someone is going to be moved in care tomorrow. Okay. Well, we better get involved in this immediately. Or someone's going to be transitioning out of care in two years. Well, we can be involved in their plan, but we can plan it a little bit better.

We don't know what happens. But when, for instance, in government a service is cut or responsibility for a service migrates to another place, that usually brings with it a range of pressure for our advocacy staff, so it's not entirely within our bailiwick to do that.

The area of critical injuries and deaths is another one where what comes in, comes in and has to be dealt with. How do we make those decisions? We try to make the decisions to basically go to a full-blown investigation in those cases where it's clear to us that the system of support was connected to in some way what happened to the child.

We wouldn't engage in a full-blown investigation if we didn't think there was an opportunity for learning. For instance, I get a report of a child who's in foster care, riding their bike, falls down and breaks their arm. Well, they're in foster care, but it isn't really connected to the fact that kids have accidents — right? And is it a long, long-term injury that requires me to look at it? Probably not. I'd say: "No, that's not a case."

Another child in foster care is riding their bike down the middle of the highway at three o'clock in the morning to get out of a situation and gets hit by a car. That might be a situation I'd look at, because why is a child in foster care out riding their bike in the middle of the night down a highway? What happened?

Again, there's a great deal of professional judgment involved in this, but the priority really is on cases that require attention and members of the public, particularly children, that need service.

[1115]

The act is silent for a reason, but our response has to be to fulfil the act. I don't really have much other response to you, except to say that we try to do our best to fulfil the statute, and we would like to be able to do a better job at that next year.

N. Letnick: Just a follow-up, if I can. I agree with your priorities as you've stated here today. My question is: with those priorities and with limited dollars, wouldn't it be better to put off some peer-review research that you're planning on doing or some consultation that you're

planning on doing, which doesn't have the immediate impacts that you were just talking about, until we can afford to do all the other great things, the great work that you want to do and that according to the act you should be doing? That's the question.

M. Turpel-Lafond: I think that's a good question. Again, we have to exercise some professional judgment. I mean, we are not a research institute, so any research that's undertaken.... For instance, I don't hire Canada Council chairs in social work. I will enter into a \$10,000 contract with a person who's the Canada Council chair in social work through their university so that they can do a piece of work with me. I try to use sort of an efficiency model. I'm not creating a research institute.

But I do have to take an audit. When I audited the Child in the Home of a Relative program, I was fortunate enough to get some support from the Auditor General. They sent some staff over. We sometimes send some staff over there to help them on their issues. But we had to audit 1,500 files and interview people. Is that a crucial area? Well, I think it was, because it demonstrated some very significant safety concerns for children in an existing government program that required some improvements, some of which were actually made already. There's more work to be done.

We try to, again, even triage that work. This audit seems to indicate that there's a concern. Well, should I be looking at safety assessment on caregivers in other jurisdictions and make sure that that research support I have is there, that the report is very strong? I think it's important to do that, but I think we have a pretty modest agenda around that. We're not engaged in any sort of massive research thing.

The provincial health officer and I have combined forces to do some of this work, which I think is quite an efficient model as well. He has got a very strong interest in administrative data and understanding how the system works, and so do I, so we try to pool our resources. The *Growing Up in B.C.* report is a good example where Dr. Kendall and I will get together and say: "Let's try and understand this better." Again, if it was sort of a research institute thing, it wouldn't have access to the data or maybe the know-how already in the office about doing it.

But there isn't really any major research piece that I could postpone, because I don't really engage in a lot of that.

J. Les (Chair): Okay, thank you. The next question is to Bill.

B. Routley: Thank you, first of all, for the work that you and your organization do on behalf of the children of British Columbia. Obviously, the province has been told on a number of occasions of the need for a compre-

hensive poverty reduction plan. In the Cowichan Valley we have one of the largest aboriginal groups, certainly on Vancouver Island if not in British Columbia. I'm keenly aware, in my office, of the kinds of problems that exist and the number of children that are affected in our communities.

Really, without legislative change in a proactive way to reduce poverty, then the consequences of that are going to be that we end up spending more money dealing with deaths or serious injury. If we're not dealing with the problems, then we're going to be forced to look at your budget, to look at ensuring we're doing the outreach in a proactive way to deal with addictions and mental health and some of the issues.

But we're actually coming at it from the wrong end. We seem to be spending.... I have to be telling you that it's frustrating to hear your ask is really about asking for money that we could more productively use to have preventative measures and programs in place. I would hope, anyway, that some day we'll see that kind of progressive thing.

Could you comment on the difference between your office in, say, British Columbia on a per-capita basis, on the percentage of the money you have to do your work as compared to, say, somewhere like Ontario? We seem to get compared a lot to Ontario. We want to be like Ontario. Apparently the government does with the HST. But they don't want to be like Ontario when it comes to things like a poverty reduction plan and dealing progressively with those kinds of issues.

[1120]

So could you explain to us what the comparison in budgets would be, maybe, between your office...? That might be helpful for us or instructive on how we could save some money by doing something proactively rather than looking for ways to address your budget needs. Maybe we should be doing something more proactive.

M. Turpel-Lafond: Well, just a couple of points on that. You mentioned the issues around children living in poverty.

Certainly, in some of the reports that have been prepared from my office and in my role as advocate, I've really suggested that we look more closely at the life circumstances of children in poverty and the different types of poverty — transitional poverty with the downturn in the economy, but more deep and intergenerational poverty in terms of some of the aboriginal poverty — because it is the highest risk factor with respect to children having contact with the child welfare system and not progressing well in school.

The measures to see if we are an effective system to support children to come out of poverty are not there, so I've been promoting very much to have real measures like: how many children from socioeconomically deprived backgrounds actually are transitioning into

post-secondary education, skills training and so on? There are some key measures that other jurisdictions have that we don't have, and I'm promoting that we pay more attention to those things.

Also, in my investigative and reporting function, I often deal with circumstances that many British Columbians would find shocking. These are families living in motels with no housing where an infant is sleeping in a car seat and dies or living in homes with mould and overcrowding, where many people are coming through the home, maybe child welfare and others. But what about the core presenting issue? It's one of deep, intergenerational poverty and the fact that we can become very desensitized to how significantly grinding and compromising that is in the well-being of a child's life.

My office, in a way, has to tell the story about what happens but also, from the advocacy side, promote: "Let's do better." I mean, British Columbia does many things very well, but this is an area where we can do better, and I in my role have really promoted a non-partisan approach to that to get everybody to work on a child poverty plan, to promote the Select Standing Committee on Children and Youth to have some hearings on it, which they did, and I think they were very interesting.

I'll continue to do that because I think it's a crucial, crucial issue. But when we look at other provinces — your question about how we measure up — it's difficult to do that.

For instance, if I look at Ontario, they have kind of a similar situation to us, but they also have an independent coroners service. The independent coroners service, for instance, convenes a death review panel on domestic violence cases every year. Here we had the first one ever, which I advocated very strongly for, last year, which came about in part after my report into the homicide of Christian Lee; his mother, Sunny Park; and his grandparents.

Where you don't have another agency maybe doing all of the work in this area, sometimes an agency like mine will take on more responsibility. Just with respect to the Coroners Service, I note that in the past year there have been no inquests into the deaths of children. Now, it could be because there are cost pressures there or their child death unit now is down to two persons, where I believe it was about eight people at one time.

Again, that puts more pressure on my office to get into some of the issues affecting vulnerable children where they're served. You have to look at the whole area of: are we learning from situations on that side but also on the advocacy part. How responsive is the school system? Does every school in British Columbia have a process where if a child has a concern, they can go forward and have it dealt with? Or do they have to still get outside advocacy?

There is just a constant need to improve these systems. British Columbia has an opportunity to improve. I can tell you that there have been some significant improve-

ments because of the work of my office with others — all of us working together in some areas like schools.

We've seen some significant improvements in schools based on the work of my office, like having someone in every school in B.C., as of September of last year, who is responsible to pay attention to the education and well-being of kids in care. We're seeing change there. We're seeing some real improvement of everyone coming together. But there wasn't anyone bringing everyone together on that issue. It's an odd situation.

In Ontario there's more leadership on that issue from the education sector. Here the leadership came elsewhere, but everybody is on board. I can't give you an exact comparison except to say that I know our mandate is here. We want to do it.

Do we wish we didn't have to have public oversight and so on? I think we do, but I think there are some real issues around public confidence in the system, and there are systemic issues that are yet to be addressed here. So the work is going to continue for a while, anyway.

[1125]

B. Routley: But you would agree with me that we could actually reduce the number of deaths or injuries to children by having a proactive program to help families deal with these situations? Certainly, a poverty reduction plan would be part of it. But if we do nothing... We're going to continue to have more deaths and injuries if we're not proactive in the way of dealing with those most vulnerable in our society. Isn't that correct? We're going to actually sit by and prioritize infrastructure on bridges or roads or whatever other Olympic thing we might want to do. Meanwhile, kids are going to die.

M. Turpel-Lafond: I think the life circumstances for those children living in deep poverty in British Columbia — particularly, I'd emphasize aboriginal children, and some non-aboriginal children, but aboriginal children especially — are profoundly compromised by that. Are they more likely to die under the age of two? Yes. Do they have a higher infant mortality rate? Yes. Are they less ready to learn when they enter school? Yes. Are they less likely to graduate from school? Yes. Do they have a higher teen pregnancy rate? Yes — all of those things.

But I think the need to keep focused on that... I think your point is key, which is that our systems have to be primed to remember that we have a duty of care to vulnerable citizens and particularly vulnerable children. My big thing is the evidence to show — it's not just talking about it — that we're making progress year to year, place to place, and that we're a responsive, effective system. My role is to play a part in that.

J. Rustad: Thank you for the report. I have a couple of budget questions and then also one question around the service plan, if I may, if there's time for it.

I want to start off with a talk on the service plan. On page 17 you made a very interesting comment. "Little is...known about outcomes achieved for children and youth in the child and youth...system...and a lack of identifying the outcomes and limited measures."

I wanted to ask you a little bit about that. In particular, I wanted to ask in context of the previous conversation about child poverty. The numbers that were just released today showed a 46 percent reduction in child poverty — the greatest in Canada — in B.C., to a rate now that has not been seen since 1980 in terms of the child poverty rates in this province.

So I'm just wondering, in terms of... There's still, obviously, more to be done. There's always going to be more to be done. But I'm just wondering: how do we get to a place where we can solve that issue of how to identify and measure the successes that we have seen in the system and where there may be room for improvements?

M. Turpel-Lafond: I think that that's an extremely good point. The example of poverty is one where... British Columbia doesn't have a measure — right? We sort of do LICO; we don't do LICO. For LICO before tax we've seen an improvement; LICO after tax we still are considered to have the worst rate. So it's a question of what you measure.

I've been very strong, as you know, saying, "Let's land on a measure of British Columbia that we think is a meaningful, real measure," so we don't have this debate every year. Is it the market basket measure? Is it before LICO? After LICO?

But quite apart from all of that, what I think is important is: what about children in poverty — in different positions of poverty? Whether it's 80,000 children or 100,000 children, what about their life circumstances? How can we ensure that there is not just that sort of market basket to meet their immediate needs but also that they are not then destined to a life in poverty themselves? So it's that mobility measure of our education systems — showing that mobility to get them out of poverty. Is the child care system effective?

I think the issue of poverty... If anything, I think I've been a very strong advocate for talking about it and working together on it to try and get some meaningful measures. But I think you're also right. Where we see improvement, let's understand what it is — and on outcomes. Has the before-tax LICO improvement been driven by the changes in personal tax exemption? Has it been changed as in the child tax benefit, because that hasn't moved? Has it been a change in medical services premiums? What is it? What is the envelope that British Columbia is working on to address child poverty? Quite apart from a robust economy, what is it that's going to do that, and what is proven?

Evidence is really important, but also, from my view, speaking more generally... What are the interventions,

the big tax-level interventions? Some of them are federal. Some of them are provincial. But also the service... We also know that poverty... In some of your constituencies you'll know that it's endemic in some communities. So responding to poverty in communities is crucial.

[1130]

One of the challenges with the LICO data is the fact that it doesn't measure any of the aboriginal poverty, because there's no aboriginal poverty included in it. So it's always been a huge gap. But the other measures we have of aboriginal communities in B.C. suggest deep poverty, which we're not making significant improvements on.

Again, a sophisticated measure, but the discussion is a key one. My goal is to really promote it from an outcomes perspective with respect to the life of the child and to have the evidence there.

We've had a shift to: what does the government believe the shift is attributable to? Will that be successful for the after-tax? Will it be successful for aboriginal communities? I think that's the area where I'm sort of promoting that we have that type of discussion, because I think it's right to have that.

J. Rustad: Thank you, and if I may, now — a couple of budget questions.

The first one is that I noticed in the budget, on page 6, one of the line items is grants. I know we talked about this a little bit last year, but I went looking through the annual report and service plan, and perhaps I missed it. I didn't really see any reference there to the grants. So I'm just wondering: what are the grants for, how is that determined and is that actually part of your mandate?

M. Turpel-Lafond: Right. Well, what we do with the grants is we support research initiatives, outreach and development of materials that are relevant to our mandate. Sometimes it's that joint piece. I'll give you an idea of some of them.

We gave a grant to UBC in the amount of \$20,000. We're working with the school of social work and school of education on developing some really valuable, hands-on material for caregivers about supporting better education achievements for kids in care, which we'll distribute throughout the system.

It's a small amount. We have their expertise, and then we work on a project together. They're small pieces.

Another one would be the B.C. Federation of Youth in Care. We give them a small grant of \$10,000, which allows us to meet with their youth, to bring their youth together and allow them to also keep their youth involved and having a voice with respect to the work of our office. It's that type of small grant.

Another one was a \$5,000 grant to the University of Western Ontario. That was to support the work of Dr. Peter Jaffe, who is a Canada Council expert, if you like,

in children who witness violence and domestic violence. He chairs the domestic violence review panel for the Ontario Coroners Service and is probably the leading scholar in North America on this subject. So it's a small grant to his school to permit him to do some work for us. Quite often with academics you do grants to their academic institution. So they're small amounts, but they allow work to be done.

One that we granted this year — again, I'm hoping I can complete the project — is a small grant to the Adoptive Families Association of B.C. It was a \$30,000 grant. That permits them to actually work with adoptive parents to do a piece of work for us around what are the challenges or barriers or positive aspects that the families encounter when they want to adopt.

One of the things we hear quite often is: "I want to adopt a child, but it's going to take me eight years because I can't get this and that and so on." We do advocacy cases, so we give them a small grant. We say: "Look, work with all of the parents in your network. You're going to do a survey. We're going to engage them." I want to hear that perspective.

My work is on children and permanency status and why there are only 300 adoptions a year when there are 5,000 kids that are eligible. That's my question: why are we not promoting more adoptions? But I want to hear from them, from the adoptive parent perspective, meaning what are the barriers they face?

It's a good example of how I use a grant. Can I go out and survey them? I could, but they can probably do a better, more effective job than I can, and it's probably going to cost me three times as much if I did it myself. I try to find ways to support specific projects, to get evidence and data together to inform the reports.

J. Rustad: Thank you, and just following up along that. The things that you provide.... Like you say, you need to be able to have that professional input. You need that data for that. In my background, I think that would be called hiring professional services as opposed to grants. Grants aren't normally a function of an officer of the Legislature. It's not what's in their mandate to do.

Hiring professional services to actually acquire information that helps you in doing your work — that, to me, sounds more realistic. But that also means that it's a process of competitive bid and other things that go on as part of that, as opposed to a direct grant. Perhaps in the next year if you look at how this is set up as opposed to having that as a grant, because it's not something.... It's something that I guess you could say I'm a little uncomfortable with because of the role of your office.

I fully understand hiring professional services. If it's in that as part of that, that's fine. Just something to think about.

M. Turpel-Lafond: I think the challenge is.... Member, we are audited every year by the Auditor General. Our office is, because of our statute. We're audited every year. So this isn't an area of concern with respect to that.

In any event, I think the challenge is that many of the leading researchers in the field, who are senior academics in their institutions, don't do consulting work. If they are to be engaged, you have to engage through their academic institution. I think that that is just the nature of us being able to engage outside.

It's a fairly modest area and pretty much goes to a very targeted source. The individuals are individuals that are one of a kind, if you like, in a particular institution.

We have a small one now with a very significant professor who is an expert on child welfare. He is, under a small grant to the University of Toronto, working with us and, actually, the Ministry of Children and Families. He's very keen on this work. We're all kind of working together, looking at the reasons and what happens with aboriginal families when they come in and out of the child welfare system. Who comes out? Who stays in? Why is that? We're taking a significant period of data, to analyze it, to better understand what actually does happen on the ground.

The only way.... I mean, he was on a sabbatical. Money could go to his school to get him freed up to do this work. He's not a consultant. It's sort of like the only way you can engage that type of very significant expertise. I can't hire an academic full-time. I don't want to have academics on staff, but I need to find some way to buy that expertise.

Again, in a way, the Ministry of Children and Families says: "Boy, that would be fantastic if we could find this out." Really, it's my office trying to find a way to do that. There's some discretion involved, but there are pretty significant products that are produced as a result of those collaborations.

J. Rustad: Sorry. I have one other budget question, if I may.

J. Les (Chair): You have one more? Very quickly.

J. Rustad: Okay, the other budget question is just around the FTEs and the increase — the amount of money that's for salaries and employee benefits, as well as the building occupancy associated with the five additional FTEs. As you may or may not be aware, I'm pretty sure that the other offices of the Legislature have not come and asked for any FTE increases. We are still in a budgetary challenge in terms of running a deficit in government, trying to get back to a balanced budget.

I'm wondering how much of the money within the salaries and employee benefits and building occupancy is associated with your existing staff versus how much of that is an increase with the additional five FTEs.

M. Turpel-Lafond: It's all related to the five FTEs, with one exception. There is a small amount which is to backfill maternity leaves. We have some maternity leaves, so we need to make sure we're still fully functioning during those leaves. There's about \$48,000 of that to backfill maternity leaves.

Otherwise, it's completely associated with the new FTEs. So it isn't with any of the current....

B. Ralston: I appreciate the presentation. I'm mindful of the fact that the creation of your office was a significant legislative achievement and provides advice going forward to a number of agencies in government.

In your report you speak of:

"There is an inevitable tension that results from an independent office providing oversight to a government ministry. ...office provides oversight of government to identify and address challenges that exist in the system, through examination of policy and lessons learned.... Our office, through its well-researched findings, challenges the system. We point out current practices, policies or legislation that are not meeting needs and expectations. We push for change, and change is not always easy for people and governments to accept."

My question is, I suppose, a little bit longer term than just the immediate requirements. One would think that after having performed these valuable analyses of programs, particularly new programs, that they're more effective and that the need for intense oversight in, certainly, some programs might diminish and that, in the long run, some of these functions might no longer be necessary.

[1140]

Is that too optimistic a view? It seems to me that that is the purpose of oversight. Certainly, my experience in reading a number of reports of the Auditor General, whether they're performance reviews or financial reviews, is that sometimes those agencies of government do take your lessons to heart, implement them, and the problem, if I can put it that way, is diminished or disappears. In the long term, is your budget going...? For that reason, it would, one would hope, either flatline or diminish, certainly in these areas.

M. Turpel-Lafond: Two things there. First of all, given the fact that we only have three years of operation, really understanding what is an operating budget for this function.... I think now we kind of have a sense of it. Clearly, there's a range here.

In terms of the monitoring of the system, I think Mr. Hughes himself thought that we should review this in a period of time to see: does that systemic monitoring function need to continue? Everybody seems to be fairly strong that an independent advocacy function is necessary when you have kids under state care, and reviewing critical injuries and deaths is important. So those are done, but the monitoring piece doesn't need to continue.

My optimistic view in 2006 would be: "Well, I'm a nonsense type of person. I hope within five years this is

finished." But I have come to a different view, and it's not one that I'm very happy about, because the nature of the engagement with the ministry and my office around the monitoring has been unsatisfactory to me.

I had anticipated in this function that we would do things like I would meet every month with an agenda and identify where the work is, where the progress is, what is happening and so on. That has proven impossible. As a result, it's been a very difficult process around monitoring to say: "Here's what we found. How are you responding to that? What do you think about it?"

It's been a very slow process. Now, is that going to happen forever? I don't know, but I think it's quite unsatisfactory. So I think we've lost an opportunity here. The work still has to get done. It's just that I feel like some of the time has been wasted. The work is valuable. The discussion needs to happen. When will it come around to happening?

Some changes are made. But it's not.... Given my sort of professional background and expectation, I would have thought that it would have been a different type of engagement, given the fact that, essentially, the child welfare system was put under very active oversight because there was a problem with it.

The response has been kind of to ignore parts of the oversight function. I've had to command their attention by saying: "No, we are going to talk about this issue, please. Let's do it." So it has been a difficult process. I've had to ask for support on that.

I'm not saying I'm a victim of anything. I'm prepared to take on the job, but I want to see the job done. I don't want to see this function last for twenty years. At the same time, it requires a degree of attention within government that is around: "Let's improve accountability and responsivity." I think that that has not met the test yet, but that's outside my control.

D. Donaldson (Deputy Chair): Thanks for the presentation. Many areas that you outline are of great concern to me from the region I represent.

I'll put two questions in one. The increase in advocacy caseload and the FTEs that are going to be directed towards that or proposed directed towards that.... Have the funding cutbacks to community service organizations that support children and youth resulted in an increase in calls to your office?

The second question would be related to costs that you're proposing today and reasons for them. You said that it's critical injury and death and that the cases that, for lack of a better word, I would say are stuck in limbo.... You said you met with the judiciary to ask that they expedite the process so that they can get on with the work.

Can you describe to me whether the people you've met with have pointed to why they can't get on with that work — what the reason for the delay is?

M. Turpel-Lafond: First of all, with respect to the advocacy matters, changes in government services to families — not just to children but to families — affect children. So what happens is that someone is served here, and then that service doesn't exist. So they're going to be served over there, or they're on a waiting list for a service.

As an example, for instance, a family has experienced serious domestic violence. A child phones us and says: "My mother is being assaulted regularly. I can't live in this home. It's too stressful." There are issues around the child needing services around.... They'd be kind of living outside the home, but also, a child has witnessed domestic violence. "Well, the service isn't here in this community, but it's in this one here. How do we get the child there?"

The calls increase, but they're also more complex, because then we're like: "Well, why isn't the service here anymore?" or "Is their wait-list that large?" or "How can we get people together?" or "This child's really in need."

[1145]

The work is there, and it does come up. When changes in services happen, it does go up.

There have been two trends. One, there have been some cuts in the system that have affected families. Secondly, there have also been more families that require support, particularly around the downturn. Families get in crisis. They suddenly move. Particularly, those in the resource sector may move back into an urban centre suddenly — Prince George or where have you. Prince Rupert, Prince George, Kamloops are just inundated with families that need services, and the supports aren't there.

We have to work with those kids that really need urgent supports to make sure they're connected. So those are complex cases. Not only are there more, but they're more complicated, because we also have to follow the service trail of what happened and why and can we get this back and so on.

The second issue about the critical injury and death area. The reviews and investigations that we're doing need to be completed. When I meet with the judiciary and others to say, "Why is it taking so long?" the challenge is.... For these children, in their lives they touch upon multiple systems. A family may not just be in the child welfare system; they may be in the criminal justice system. There's a criminal justice component. There may be a family law system.

Really, around vulnerable kids, it's this need to improve all of these systems. So an eight-month delay for a presentation hearing in the child welfare system is a really big concern to me. I go out and talk to the judges and say: "Why is it taking eight months for the first hearing for a child that's been removed? This is unacceptable." The result might be that that child is returned to a family where maybe they're being abused again because the system can't function. Or there's a criminal prosecution

of a significant assault of a child that evaporates because the time is too long.

I look at it from the child's perspective. I'm saying: "Do whatever you can, whatever efficiencies, to keep in mind that my function has to be there, but also, the kids need to be served." I think they're very mindful of that.

People want these systems to run well. It's just that sometimes they lose track of it, because it's an adult environment. You know, a criminal trial process — the child is deceased, so what's the concern? Well, the concern is that we find out: should the child have been with that person who committed the homicide? We need to really look at whether or not we've addressed that.

I've found a fairly responsive audience, but sometimes they have their own issues, their own administrative functioning issues that they're working on. I'm supporting good systems, but children need a range of systems. They need the Ministry of Children and Families, a good criminal justice system, a good family law system.

We need our government to work well for children, and where there are patchy things, we all need to sit down and fix them and work together on them and make sure that the systems are present.

People don't always have an overarching view of how the children are served by these different systems. So in a way, my office steps back, like we did in the domestic violence report into the death of Christian Lee, to say: "Well, safety planning for the mother was substandard because we don't have a system for domestic violence that's consistent across these various areas." But then we start working, and we can build it. It's a complex issue.

But I do take a position of leadership. I do go out and speak to the judiciary. I go to speak to teachers. I go to speak to police. I go all over the system to say: "Let's work together. Let's resolve some of these issues and dedicate ourselves to understanding, based on the evidence about what the problem is and not be just finger-pointing, but like: what is the actual problem here, and are we working on it?"

J. Les (Chair): Okay. Thank you very much, Mary Ellen. We've used up all of your time and a bit more, but that's fine. I appreciate you coming this morning and sharing your budget needs with us.

We will recess for ten minutes, pending the arrival of the Auditor General.

The committee recessed from 11:49 a.m. to 11:58 a.m.

[J. Les in the chair.]

J. Les (Chair): The Auditor has just refilled his cup of coffee, and I'm sure he's all set to go. So John, over to you.

Office of the Auditor General

J. Doyle: Good morning, Chair, and good morning, Members.

It's my pleasure to present the Office of the Auditor General's estimate of resources for the coming financial year. What I propose is to go through a brief presentation and then open up, obviously, to any and all questions that you may have, to explore any aspects of the office's resources and how we actually conduct our work.

Could I say from the outset that since I've arrived within B.C., the office has been pursuing a strategic direction that is deliberate and has been shared with this committee each and every year that we have come before you to discuss our budgets.

It's in fulfilment of the legislation, which is the Auditor General Act, and its work is relevant to all legislatures' legislation, people that are associated with the public service and many citizens. In that regard, I know that much of what we do is watched and considered carefully.

Through our audits and other work that we do, we attempt to help promote effective and accountable government.

One of the early issues that I identified and shared with this committee was that I needed to deal with a significant problem, not a unique problem but a significant problem, and that was in regard to the amount of retirements that were going to take place in my office over the next short period of time.

[1200]

It's still the case that about a quarter of my senior staff will retire within the next five years and that those people will leave the public service. Now, that isn't a problem if you adequately plan for it. So early on what I did was share with this committee my approach to recruiting new associate CAs or want-to-be CAs into the office, growing them from within and setting up programs within the office to actually develop our own resources and staff.

The committee agreed with that approach in 2007, and since then I've been reporting back each and every year that that approach is now starting to bear fruit. We're actually starting to see a critical mass or a critical cohort of junior staff starting to work their way up to manager level. We've got a couple that have recently been promoted to junior managers, but it will still be another year or two, probably three, before we get them up to the stage where we've got internal resources that will be able to replace senior staff as they move on into retirement.

This is all happening at a time when we have some major problems within the accounting and the financial reporting world. You'll have heard of international financial reporting standards. Well, they're here; they're now. They're right across Canada, and we have a number of entities within British Columbia that now have to report on the basis of those standards.

Perhaps what you haven't heard so much about are the other changes that are occurring in accounting standards in respect to public sector standards. The not-for-profit group, which is a discrete group of standards — it's called the 4400 series at the moment; it'll be called the 4200 series in the future — is changing.

A recent instruction issued by the Ministry of Finance has advised all public sector organizations to move to PSAB without the 4200-series not-for-profit accounting included in them. It's a staged move, but basically it means that every single organization in the government reporting entity outside of core government will be changing its basis of accounting and financial reporting in the next two years.

The way that the profession has to deal with this is that, basically, they have to provide a lot more support to their audit clients, and also, they have to do additional procedures to ensure that the audit work is done correctly and appropriately.

Currently we have provided the financial statement audit coverage plan, which is the plan to audit the government reporting entity. The audit of the government reporting entity is one of the largest — if not the largest — financial audits that's conducted in this province. It's led by my staff, and I'll give you some more details about that as we go through. That coverage plan has been approved by the Public Accounts Committee, as is required under the legislation, and then is passed here for your deliberations.

We also conduct performance audit work under our mandate — which, again, is in the legislation — where we look at effectiveness of government programs and at the outcomes that have been achieved. In addition, although we're not consultants — and I wouldn't want to be characterized as a consultant, because we're not — we do spend a lot of time in discussions with public servants and others and in providing information or observations about what we have found in the course of our duties, and many find this extremely useful.

I think I've said for the last three years, or three presentations to this committee, that I won't spend money unless I have to. In the first year it was characterized by a handback of nearly a million dollars. The second year it was characterized by a handback of a quarter of a million dollars. I'm pleased to say that I won't have any money to hand back this year.

[1205]

Now, why would I hand back money? Well, we were working into the process of trying to right-size the staffing structure and the way that we operated, and it isn't something that you can spin on a small coin. It's something that takes a couple of years to put into place and to get the structure and form correct. We think we've now achieved that.

As we go forward, we can still see us living within our means. I don't think the hand-backs will occur in anything

like the quantity that they did in previous years. I did explain on several occasions that I don't spend money if I don't have to, and that is still my stance. I fully expect my staff to properly analyze and look at all expenditure activity within the office and to try and squeeze the non-essential expenditure down to an absolute minimum.

Occasionally, if you squeeze it down enough, the non-essential becomes essential, as indeed I will point out in a little while in regard to some of our IT spending. In the main, we've actually found ways of reducing the ongoing cost of some of our administrative functions. So moving forward, we're starting, and we will continue to be, at a lower base.

This year, as we go forward, my expectation is that we will be exactly matching our budget — within \$1,000, \$2,000, \$5,000. There is not a big margin of error, and we are already looking at how we can hold and constrain the current out-turn.

We did a few things this year that contributed to that good performance. One of them was we introduced digital telephony into the office. In other words, we got rid of the old telephone systems that we had, and we brought one in that actually went through the Internet.

I can sit in front of my computer, and wherever I'm sitting — that could be in my office or here or anywhere else — I can receive telephone calls, and I can video-conference with any member of staff within the office. We can basically communicate a lot better than we could in the past with the land-line system.

The actual implementation of that came in a little bit later than we thought because of some technical difficulties, so we haven't achieved the full savings that we expected to achieve, which gave us some cost pressures this year. In future years those savings will be there in full, and we will show you how we're dealing with that as we go forward.

One of the other things that occurred last year was that we explained that we were going to defer a lot of IT maintenance and planned replacement. Why is that important? Well, we felt that we could live with just moving forward for one year, or for a limited period of time.

This year we can't. We need to actually change and upgrade our computer systems. You'll appreciate that auditors in the field basically take their desk with them. So if I were to turn up with my laptop, I would have with me all the tools, all the access to all the systems that I would need to conduct the audit.

Because of that, we need to make sure that our technology and our equipment and our training and development are all in line so that we're able to do that. To not do it would result in additional costs, additional travel and additional time spent at various entities.

If I could draw your attention, please, to table 2, which is on page 3. What we've got here are the estimates from last year and the expected forecast as structured in

September but confirmed quite recently by my staff. It shows that whilst there are some variations in line items, in total we will be right on target as far as the budget is concerned. Obviously, that is the optimum place to be. That's table 1.

If I could draw your attention to table 2, on page 3.

[1210]

What we do each year is a comparison with other jurisdictions in Canada, because the first year I presented information to you somebody asked me: "Well, what's it like elsewhere?" We've maintained these tables each year as we go forward, and there is a full analysis on the very last page of the estimates document.

This table here just shows the situation as regard to B.C. What it shows is that if my office were to be funded in the same way as the average of all the other Auditors General offices across the country, then, in fact, I would have a much larger budget than I currently have.

Now, that is not my request. I'm just bringing the point to you, because the way I heard the question the first year round was: "You've got lots of money. Why have you got lots of money?" I was trying to demonstrate that actually we are pretty tight, and I will continue to be tight. No one has ever accused me of being generous to them in regard to salaries, and no one's ever accused me of paying out anything I didn't have to pay out if I could possibly avoid it. Just ask my wife.

N. Letnick: What's your phone number? [Laughter.]

J. Doyle: I'll give that information to the member afterwards.

I'm not seeking these larger numbers, but just to put the whole situation into perspective, as I do each and every year.

I think I've already mentioned the demographic challenges that I have. I'm pleased to report that we've got something like 24 staff within the office that will probably — more than half of them — stay for an extended period, who are under training. It's not cheap labour, but it's the same model that's used in all the private firms. They will grow and develop.

We now have a dozen or more people in the qualified auditor zone that are now moving into assistant manager or manager positions, and they will take over the engagement leader type of roles as we roll forward and as time progresses and their experience deepens.

Where we have the gap is in that senior set of ranks above the manager level, and that's where we're starting to see people leaving the organization after what is typically 25 years or more loyal service to the office. I think last year — or if it wasn't last year, it was the previous year — we acknowledged that three people had left. Cumulatively, they had more than 100 years of service to the office. When you lose that kind of corporate knowledge, it can be problematical.

Let me just look at what's happening over the next period of time that causes pressure on my budget. On page 7, table 3, we've got the estimate. As you can see, there's a small increase from the \$15.4 million to \$15.752 million, and there's a breakdown there against each of the line items. You'll also notice that there is an increase in the capital expenditure, which dipped down to \$150,000 last year from \$250,000. I'm requesting that it go back up to \$250,000.

Why do I need that, and what am I doing with those resources? In my view it's a fairly modest change, but it's one that still needs to be well-discussed and explained. The first one is that we're in an unprecedented time when it comes to change. This is in Canada; it's not unprecedented in different countries. I think I went through a similar exercise in Australia when they moved to international financial reporting standards, and it was a major impact for all audit offices right across the country.

[1215]

In Canada what we're doing is partially going to international financial reporting standards. The other part is that we're looking at a situation where almost everybody except core government is changing its basis of financial reporting over the next two years.

I've spoken with my colleagues in the firms in regard to what that does actually mean when it comes to work, and they have been quite clear to me that for every entity that you audit, on average, there are 200 extra hours that you would have to do in regard to your normal audit to actually take into account those shifts and changes over each of the next two years — 200 hours.

Now, for my office that's about 5,000 hours in total. If I used a low — I mean, it is very low — billing rate of \$100 an hour, then that's half a million dollars cost pressure that I have. I need to have the staff that could actually do the work to do that. That's one of my cost pressures that I've got to look at and try and manage.

When we identified this, and we identified it quite early on, we started looking as an office at ways that we could actually not ask for a half a million dollars but actually think about what we could do to change the way that we operated, improve efficiencies, do things differently, take advantage of the cost structure which is changing from very senior people who are near retirement to more junior people who can conduct different kinds of work.

We feel that with the changes that we're bringing in to the office under the international auditing standards — which are quite a profound shift and change as well, which I haven't really gone about too much, but it's quite different — we can manage to contain much of that change because of internal efficiencies and new IT tools and new ways that we can actually conduct our work and how we manage our risk. Because of that, the amount of money that I am requesting is actually not half a million dollars or anything near it. It's a mere \$352,000. As I say, I'll go through some of the details.

Now, last year when I came to you, I gave you an estimate of what I thought I would need in this future year. The actual amount of money that I'm requesting now is a lot less. It's about a third of a million dollars less than what I asked for last year.

The question could be asked: "Well, you know, do you just put ambit claims in all the time and insist on big numbers and ask for the cash?" So what I've done on page 8 is that I've started off with the amount of money that we were actually awarded as part of our budget, the \$15.4 million. I've then explained how we got to the estimate that we presented to this committee for the 2011-12 budget, which was \$16.1 million. I've then explained why we don't need some of that now.

One of the reasons is that we have built in an expectation that there would be across-the-board salary increases during the year. That has not occurred. As a consequence, there is a reduction in the implicit cost of the office because of that process not happening.

Another is that we've gone and been able to squeeze even further some of our administrative costs, although I will say that I think we've reached the stage now where I don't think there's much more that can be done in that area. Contrary to that, there's also a need for a short period of time only — and this is in the next year or two — where we are going to be using professional services to supplement our work in a couple of distinct audits, and then we won't need the money again. That comes down to the amount that's being requested.

[1220]

The distinct audits — LDB. We're getting a firm in to do that. We're trialing that. It was a suggestion that came out of the Public Accounts Committee from certain members.

Another one is looking at B.C. Rail and B.C. Transit, looking at transitional processes where we step from one form of oversight to another form of oversight. To do that, we are utilizing the resources of external firms.

One thing about salaries which I think I need to emphasize, because you'll notice there's a difference between the \$466,000 and the \$600,000. When we actually do the budget model, we actually do it by individual person so that we can see exactly what the cost change is from one year to the next. That's how good the model is. But there are two types of upward pressure on salaries, particularly in a small office like my own.

The first is pay increases themselves, the 2 percents, cost-of-living type.... That didn't happen, and that's the bulk of the \$600,000 that we originally built in.

The second component is the normal increments that occur because most people are not on a fixed salary, but they're going to somewhere. We've recruited people, and we've brought them in, and then they go up in salary following an annual performance review and assessment process, which we have within the office, that looks at their training and development, their actual performance,

how well they've done, what their peers think of them and the quality of the work that's actually been generated from their particular area.

Those increments are actually the reason for the difference between the two figures. But we could actually track — with or without CPI pay rises — our cost and salary model going right out for a couple of years without much difficulty.

Last year I suggested that we did not upgrade some of our information technology and that we pressed down the costs and the structure. That's fine; that worked. But there's only so long that I can actually do that when you consider that 96 percent of my staff would be out on the road, including myself. We take our office with us when we go.

We need good technology and good systems to make sure that not only is all our information backed up and secured and protected but, in fact, that we can operate as an auditor when we're in any particular given situation. So we actually need to catch up on that deferred change this coming year. Otherwise, I'll start to meet additional costs in regard to updating and protecting what it is. I might have to recruit more people to look after it, and eventually I'll get to the stage where it costs me more not to bring the upgrades in place than actually bringing them in.

I have with me today three members of staff. Two are at the front. On my right is Malcolm Gaston. Malcolm is an assistant Auditor General in the performance audit and governance areas, and Malcolm is on the internal finance committee of the organization as well as chairing the people committee.

To my left is Katrina Hall. Katrina is the finance manager within the office and is actively involved not only in preparing a lot of this documentation but also in the monitoring of where we're going with our financials. Basically, she knows just about everything you need to know in regard to what's happening as far as the numbers are concerned.

Behind me is Marc LeFebvre. Marc is the director responsible for not only the human resources function within the office, but he also has overview of the finance function.

[1225]

Again, if there are any questions in regard to some of the work that we're doing with professional development and how we're doing in it, well, I think we're doing things that are actually going to be taken up by other offices across the country in regard to the way that we're developing and growing staff at minimal cost.

I'll stop there, if I may, Chair, and field any questions that you may have.

J. Les (Chair): Thank you, John. Are there any questions from committee members?

B. Routley: Just on your last point. I'm interested in your work on the development of staff. Obviously it's critical, with the silver tsunami about to hit right across the country, that we start preparing staff and doing professional development. What kind of work have you done there, and what kinds of applications does it have to other public service areas within, possibly, different ministries?

J. Doyle: Thank you for the question. We started a strategy back in 2007, maybe early 2008. The strategy identified that the number of senior people with multiple years — decades — of experience that were going out could, in fact, create significant problems for the office if we didn't do something about it.

We had a number of choices. We could go out and recruit experienced people at probably a very, very high cost indeed, and they wouldn't always necessarily be a good fit either, because they would be coming principally from the firms. Although they do similar work, their drivers are not necessarily the public service drivers.

What we elected to do was to kick-start the entry-level CA program. At the time I arrived, I think, there were two people that were graduating, and then both of them left. That had been the history for a number of years.

Last year — I think we have a photograph in our annual report — I think there were 11 people that graduated, and two of them have now subsequently left but not until after they had finished the next audit cycle. So we kept them long enough to actually contribute to the next audit cycle, whereas the previous process was that they would just leave well before the audit cycle was there, and we'd be left with problems.

But that just isn't enough. I mean, just getting youngsters in and getting them trained up isn't enough.

At every layer within the office, we have identified the school's criteria and the kinds of attributes that they should be applying and demonstrating — what they should be — in a clear form. Then we have developed our training and development programs to assist people to actually be able to demonstrate those attributes on an ongoing and regular basis as a natural part of what they do.

We have also built into the system or the structure two development areas. One is at the assistant manager level — qualified people who now want to go into the management area to become an engagement leader. What do they need in the way of skills — soft skills and technical skills?

We've also built another one in there at the senior manager level, which is: after you've been doing the manager job for a while, do you want to go into the managing of a portfolio of different audits?

What we're finding is that once we match that with rewritten performance manuals — accounting manuals, if you like, methodologies.... Once we've linked it up

— and Marc was a big proponent in this whole process — with our training and development and our technical training.... The technical training was always good, but we've linked it up better. What we found was that people were able to not only demonstrate better results in the way they were actually going about things, but they were able to it with more confidence.

At the same time that was happening, we had to make sure that our quality assurance was there. It's not just a question of getting more people in that don't know what they're doing. It was getting more people in, train them up, make sure they knew what they were doing and then make sure they did the right thing.

[1230]

Parallel to that as well, I have grown the quality assurance function within the office in compliance with the international standards, which required a whole new setting up of the whole exercise. Now we have a situation where individual senior people are trained to evaluate and review working papers, to do proper supervision, to basically comply with all the standards that we need to comply with but in an overt and recordable fashion.

The consequence of all of that is a group of people that is second to none when it comes to the quality of the work that they can do in the financial audit area and in the performance audit area.

Secondly, we've been asked to contribute to the CCAF, which is the national body — the Canadian Comprehensive Auditing Foundation — which is and has been a world leader in the development of training for auditors, a world thinker in regard to some of that. We're actually now contributing the way that we do things, the curriculum that we use, the way that we assess people, the attributes they're expected to deliver. We're actually starting to provide that so that it can be played out on a national basis.

D. Donaldson (Deputy Chair): Thank you for the presentation. I have a question around the capital spending, just so I get a better idea of how you and other independent officers approach, especially, the IT component.

First of all, I just want to recognize that \$250,000 out of a total cost operations budget of over \$15 million is not especially significant, although I suppose, added up over several years, the capital spending, I think in the general public's eye, would constitute a big figure for most people.

You talk about a three-year computer replacement strategy. We had another officer talk about a four-year computer replacement strategy. Is there a standardized approach to this? Is it up to each independent officer to determine that? How do you come up with a three-year replacement strategy scenario?

J. Doyle: The first thing I'll observe is that I don't know what other independent officers do in regard to their cap-

ital spend, and I'm certainly not going to comment on it. I know what I do, and I'm more than happy to explain what it is that we do within our office.

I would prefer a two-year cycle, because I want you to think about what it is that we're doing here. We're not talking about desktops that sit and gather dust on a person's office desk. We're talking about technology that my staff pick up and take with them into the field. They need to make sure that everything that goes with that — from the security, the encryption, to the access to our major systems that are resident on our servers in Bastion Square — is smooth and straightforward. To do that, we need good-quality equipment and we need to make sure that the technology supports the whole of that so that it's a seamless process.

Now, I have a laptop from the office, which is in a non-essential area, which I've had for three years. I won't change it until it actually falls apart or no longer becomes suitable to link up to our computer systems. But the laptop that I take with me, if I need to go out of the office and conduct work, is one that is entirely linked up to all the information that I would need to actually do whatever it is I do as an auditor out in the field, whether I'm anywhere in the province or outside the province or elsewhere.

One of the issues that we identified early on was the capacity for communication and the telephone tag that sometimes occurs. So we changed our telephone processes so that they work through the computers. Now when you ring someone up.... If you rang up one of my staff, it doesn't matter where they're sitting.

If they've got the computer switched on and they're working, they will be able to answer you from that particular place and answer your query or go through whatever issue it is. You wouldn't know where they are. If they couldn't answer you, then you could leave a message and they would get back to you.

[1235]

The technology that we're using is not the leading-edge technology. It's the safe and the robust behind the leading edge of the technology. Our laptops should be switched over every two years. We've stretched it to three years. One of the questions about the quantum of the \$250 million is that because they are slightly over the \$1,000 limit per laptop, it basically means that they meet the capital requirements, and therefore we have to capitalize them. That's why we need the capital funding.

If we didn't have to capitalize them, then we'd need the operational funding, and then we wouldn't have the amortization calculation later on.

The other thing that we spend money on is to try and make savings. Last year I asked my technical staff why we paid so much in telephone bills. I got some quick and immediate responses, but then I told them to stop guessing and go away and look at it properly. What I

found was that if I had the telephone on my desk, it cost more to have that telephone on my desk than it would cost an individual to have their own stand-alone phone in their home.

I couldn't understand why. So I asked the question. "Show me the invoice; show me why." The invoice was incomprehensible. I had no idea why that telephone in front of me cost me so much. And it was a horrible, grotty-looking thing as well. So I said: "What's the solution? What can we do to reduce our costs?" Calls weren't the problem. It was all the fixed costs. So we came up with a process where we could actually run the telephones through our computer systems.

To invest in that — to make it happen, to make it play out — did result in savings, which we've built into this thinking. But we needed the capital equipment to actually go through that process. Then going forward, we actually don't have telephones in the office. Well, we've got a few lines, which we use for emergencies. But we actually don't have the old-style telephones in the office anymore. They were all packed up and sent back to wherever they came from, and we don't use them anymore.

The other aspect of capital is that we've been in that building now for quite a while. We are very friendly with the local small animal life — about this big. They broke into Malcolm's office the other day and got stuck in his — what was it? — granola bar. We've got a photograph to prove it, if you'd like to see it. And we do need to basically refurbish from time to time. So we've used....

Interjections.

J. Doyle: We've done a little bit of refurbishing. We did think about moving, but we found that the cost of moving far exceeded the benefits, and therefore we felt that if we could squeeze up a little bit more within the office, then that's what we would do.

One of the things that perhaps is topical at the moment is that the heating system in the office does not work very well. I can give you a list of staff who would like to talk to each and every one of you about the quality of the heating within the office and how it needs to go on the capital program. It's not there at the moment, but it's an issue. There isn't any other capital that we particularly get involved in. It's really about office accommodation and making sure that auditors can operate effectively.

One thing we are looking at, at the moment, is auditing methodology software that should improve the way and the efficiency with which we operate. If we were to go ahead and do that.... We're still looking at the costs associated with that. We think we can manage it within the \$250,000, even if it's over two years that we have to do that, but I won't know for sure until we finish that particular block of work. But again, we're looking at how we make efficiencies in what it is that we do.

I'm not complaining that other people have the four-year cycle. I'm just saying that it wouldn't work for us because we actually physically locate people for extended periods of time in clients' offices. They need to operate as if they were actually still at their desk in the office.

J. van Dongen: Three quick questions. I'm always fascinated by the constant evolution of accounting standards, particularly from the perspective of adaptation for the people using these systems and, secondly, from the impacts on management. You talked about international financial reporting standards, John, and then you talked about the Ministry of Finance issuing a directive to go to a different series or 4200 series, whatever you call it, for non-profits.

Are you talking there about non-profits that the government entity is contracted to, where we're giving significant grants of dollars? Where does the auditing of non-profits enter into your work?

J. Doyle: First of all, I should emphasize two things about accounting standards — and auditing standards, for that matter. The first is that the legislation says that I must follow them. There isn't any.... I shall follow them.

The second is that I have almost no impact or influence on what they say. In fact, it's an outside body that is bringing forward these standards and the time frames for these standards, and I've got very limited influence into how they actually play out. But I must still follow those standards — both the accounting and the auditing.

The Ministry of Finance has issued an instruction that the 4200 series will not be followed in the future. It used to be the 4400 series. The 4400 series is currently being used extensively in the SUCH sector. That's schools, universities, colleges and hospitals. In fact, I can't think of any entities in the SUCH sector that don't use the 4400 series not-for-profit accounting. There might be one or two, but I can't think of them.

They have been told that even though the Accounting Standards Board is changing, is basically getting rid of the 4400 group and replacing it with a new revised set of standards called the 4200s, government has said that the SUCH sector will actually go to pure PSAB in a year's time — not this coming financial year but the subsequent financial year. Therefore, there will be no not-for-profit accounting in the government reporting entity in three years' time.

I think the answer to your question is that we don't actually have.... Sorry, I think I've identified the not-for-profits, but the not-for-profits that I'm talking about are not the people the grants are given to.

J. van Dongen: Yeah, they're the SUCH sector.

J. Doyle: This is the SUCH sector and people or entities within the government reporting entity.

We still have the power to follow the dollar. It's in the legislation. So if a grant is made outside the government reporting entity, we can still follow that dollar to see how that money was deployed. But I don't think the Ministry of Finance would be issuing instructions to them in regard to how they did their financial reporting.

If they did and the entity accepted it, then that would bring together issues of whether they meet the definition of control, which means that they should be part of the government reporting entity. I think the people or the entities that you're describing are definitely outside of the government reporting entity.

J. van Dongen: Okay, I appreciate that answer. It's obviously something we could probably spend a day on, but on the higher level....

J. Les (Chair): Please, please, please.

J. van Dongen: And I'm not going to go there, hon. Chair.

I think you raised an interesting comment when you talked about accounting and auditing standards. I don't know what is all in legislation that government and you yourself have to follow. I think that in good faith, in our balanced-budget legislation, we put those requirements in there.

[1245]

I'd be very interested if you have comments on that. I mean, we put it in place for a public interest perspective, but I do feel that over the years there are sometimes significant implications for management, where it appears that having to meet certain accounting-auditing standards impacts what might otherwise in good faith be viewed as good management practices. I've seen, over the years, lots of examples of where bona fide managers feel that they're being restrained or restricted from doing some good management decisions because of the accounting-auditing standards.

I'd be interested in having a conversation about that further off line to just explore if there are things there that might be better designed differently and still meet the public interest of full accountability and a properly standardized reporting process, which is what we as a government would definitely want. So I would probably follow up with you on that.

The one area speaking directly to budget, Mr. Chairman, is the travel. I know that the number has come down a little bit, but I'd like you to talk a little bit about the composition of the travel budget, both in terms of how much of that is inside British Columbia and how much of it is, say, conference travel outside of British Columbia. So just a little bit about the degree of travel that we're doing on both fronts, including how much travel your auditors do within the province and

how much we do, from a conference perspective or otherwise, outside the province.

J. Doyle: I'm happy to have that conversation with you outside, regarding.... You should be aware that government introduced Bill 2 because of concerns in respect to the direction of PSAB, which is the public sector accounting standards board. As a consequence of that, they have now the capacity — although they have assured me they're not going to be using it yet, if at all — to redefine GAAP, particularly in respect to what is called rate-regulated accounting, which is basically B.C. Hydro.

So I'm quite happy to have that discussion outside. It is a complex and wide discussion, but obviously, there's only so much excitement I can cope with in one day.

As far as the travel is concerned, we do have a big travel budget. The reason we have a big travel budget is that, quite frankly, we pick people up, and they go out to all over the province. They spend, potentially, weeks at a time working with clients to conduct audit work.

The travel isn't just travel. It's also accommodation and all the other expenses that are a normal part of someone working away from home in that particular way. And we follow the same guidelines that the rest of government follows in regard to the amount of support that we give.

We will make some savings in regard to audit travel — we classify audit travel and non-audit travel — because we've contracted out the LDB, the Liquor Distribution Branch, audit for the coming year. That means we've saved about \$27,000 of going backwards and forwards. We've got someone else, actually, over on the Mainland to conduct that work.

It is fair to say that it's very difficult. The travel budget follows the coverage plan, and it's very, very difficult to find savings, short of insisting that my staff take tents with them and all the rest of it. During the Olympic period we knew that there were big problems with accommodation in Vancouver, and so we did limited travel at that period of time, and we looked at a couple of other ways that we could try to reduce costs by pre-booking in advance any space that we actually needed.

[1250]

The bulk of the travel is within the province, but there is some travel that goes outside the province. We're linked up with an organization called CCOLA, which is all the Auditors General within Canada that get together on a regular basis. There is a series of committees associated with that, and there are also formal conferences that take place twice a year: one in Ottawa next year at the end of January and one in Halifax in August or September. I can't remember the date. Those are the two fixed ones that take place.

Now, we typically send people to attend those conferences. We keep it down to an absolute minimum, and they could stay there for.... These conferences usually go for two, three or four days. What's attached to those conferences is as much working as we can do. They're not there on holiday. Everyone is working.

In addition, CCOLA has started to move towards, in a big way.... We've insisted upon this, as have many of our colleagues — that they will use teleconferencing and those sorts of techniques to actually hold meetings as much as possible to save the cost of transferring people out and moving. We're hoping to see some downward pressure on the costs because of that.

We've also got links internationally with Barbados. We've got a twinning program where they send two staff over to us on a regular basis. We've got two of them now working until the end of June. We don't pay for their travel. That's all paid for by CCAF, and the funds come from the national government through a development program.

I was reimbursed the cost of me travelling over there to meet with the Auditor General of Barbados, and also to interview people that could come off on that, so there was no cost to the province.

We also conducted a review of how well or not well they were going, to see how our twinning arrangement should go, and we do training from time to time, all of which is recovered. So we incur an expense, and then we get the expense recovered.

I think that means it's an offset. It won't actually increase the total amount that is in the books. We don't treat it as income. We treat it as an offset process.

Other conferences. There are a few that we do send people on. Some of them can be within the province, some of them can be within Canada, and some of them can be international. For example, we had a bushfires conference that I sent staff to. I think it was two members of staff. That happened to occur in the southern United States this year, and it fed into a body of work that we needed to review and have a look at.

This is where something is specific to a particular body of work that we're doing. It gets built in to the budget for that particular program. We can't really judge it in advance, but if we don't have to spend it then we won't spend it, and therefore you'll see a budget variance occurring in that particular line as we go forward.

J. van Dongen: That's good, John. Thanks very much for that answer.

N. Letnick: Three quick questions. Well, first, a comment. You're asking a 2.3 percent operating increase from last year, it looks like anyway — \$15.752 million from \$15.4 million. It works out to 2.3 percent. It just happens that the national rate of inflation over the last

year was 2.4 percent, so you've missed out on 1 percent that you could have probably asked for and it would have been good.

J. Les (Chair): Don't give him any ideas.

N. Letnick: Congrats on that.

The three things are salaries, occupancy costs and info technology. You might have talked about this a little before, but I just want to confirm the salaries are going up by \$134,000, and you're saying that's mostly to do with people moving up on the grid and inflationary pressures and not a whole bunch of new FTEs — correct?

J. Doyle: There are no inflationary pressures. It's just people moving up and being promoted as per the staff development plan.

N. Letnick: But the CPI is in there too, you said.

[1255]

J. Doyle: No. There's no increase for any of the salaries. In fact, there's one increase in there, but that's mine. My salary is based on a different process from all my staff. It's at arm's length. I have no say in it, and it's linked to judges' salaries. So I unfortunately got a pay rise this year, but no one else did.

Could I just emphasize that looking at last year, it's not the same as this year. We're not doing what we did last year, and we're doing it again. Actually, this year is different from last year. It should change. But what we do is we go right back to the beginning, and we build up again.

N. Letnick: Okay. The occupancy costs are going up in the neighbourhood of \$50,000. Did you already describe why they are going up by \$50,000? Did I miss that?

J. Doyle: The accommodation that we occupy goes through ARES, which is the government system, and basically, we pay the bills. The bills have gone up. We haven't got new space. We haven't got any significant changes. It's just the normal part of the tenancy agreement that's in place. We've been in that particular office now for more than 20 years. Every now and again there's an assessment as to what the costs would be.

Now, the actual charges are a combination of rent, various outgoings, cleaning and what have you. So it's not just space, but it's something that we're contractually liable to do. The actual average cost of space in that building is lower than you'd get anywhere else. If you tried to move, it would be horrendously expensive in comparison. So we're still onto a good deal.

N. Letnick: But it is a point that sticks out compared to what you've had before. You've gone from \$670,000,

\$686,000 to now \$736,000, and then you project in the future not going up by as much. There's something happening this year that's specific to this year.

J. Doyle: It's the contract.

N. Letnick: It's the readjustment of the contract.

J. Doyle: It's just the rental contract that's there. We acquire the accommodation through the government system and, as you'd appreciate, through that process we actually have a limited influence in what we can do. We have a choice. If we think that the cost overall is too high, we can get up and walk away and find somewhere else to live.

We thought about that, but every time that we looked at other accommodation, it would actually have cost us more, by a factor of 1½ to 2. So in fact, we've still got a good deal where we are at the moment, and we can't avoid it.

N. Letnick: All right. And then the last question has to do with infotech. You did talk a lot about your new communication system. I'm not too sure if that new communication system is covered under info technology, but I thought you said it was going to be cheaper, and infotech is increasing by \$100,000 from last year.

Do you know why it's going from \$293,000 to \$391,000?

J. Doyle: Yes, I can tell you exactly, apparently.

The \$50,000 is the Microsoft Enterprise licensing, and \$40,000 is looking at a methodology that will, we hope, provide efficiencies that would allow us to do more with less in regard to staffing. That's \$90,000. The other component of it, which is not in part of the table that you read from, is \$100,000 in capital, which is the laptops, tape backups and records management.

N. Letnick: So the \$50K for Microsoft is software, I assume?

J. Doyle: Yes. What it is, is software that we need to actually operate our network.

N. Letnick: Right. So that's on an annual basis. You had to pay a licence fee on an annual basis?

J. Doyle: Yes, that's the way that the costing works on a regular basis within the IT world.

N. Letnick: Right. But are you saying that the \$50,000...? It's an increase from last year. So are you saying that you're going to have to pay this \$50,000 more every year or just this one year?

J. Doyle: Oh, I see. What we're doing is moving to a mechanism by which all our software is integrated

properly. At the moment, if you are in a government office and you switch your computer on, you can go away, have a cup of tea, have breakfast and then come back, and it will be just about ready for you when you return.

[1300]

That isn't a story I'm making up. It's one that was explained to me by a couple of very senior people. I've never experienced it, but it sounds interesting.

In my office you switch the computer on and you're actually working within two minutes. The reason is because we structure the controls, the barriers, the firewalls and everything in a certain way. For that, we need the software that will allow us to do all of that properly. That's why we need to get that Microsoft Enterprise software and put it into place. We need to keep it there to make sure that we continue to operate efficiently and effectively.

Your next question would be: "Well, what savings can you make?" Well, quite frankly, if it works, we will have more time to do more or we'll need less in the way of costs to be incurred, once we've got it in place.

Once it's in place, the question will be: "Well, what more are you doing, John?" Or secondly: "Where have you stepped back on the way of your costs?" I will know, and we'll be able to deal with that next year.

N. Letnick: I just want to be clear to understand for next year. The \$50,000 is an operating cost. It is for Microsoft. It is a licence fee that you will have to pay as long as you want to continue to use the software. It's not a one-time fee to set up.

J. Doyle: That's my understanding.

N. Letnick: That's what the budget says for the next couple of years.

J. Les (Chair): Okay. I think we're out of questions. Thank you, John, very much, and your staff.

We will recess for 15 minutes so that everybody can grab a bite to eat. We'll reconvene at 1:20.

The committee recessed from 1:02 p.m. to 1:26 p.m.

[J. Les in the chair.]

J. Les (Chair): What I need at this point is a motion for the committee to deliberate in camera.

That's moved.

Motion approved.

The committee continued in camera from 1:26 p.m. to 2:41 p.m.

[J. Les in the chair.]

J. Les (Chair): We will now resume our public meeting.

I need a motion to adopt the recommendations reached earlier today in the in-camera session.

D. McRae: So moved.

Motion approved.

J. Les (Chair): I also need a motion that the Chair and the Deputy Chair review the final text before publication and, upon agreement between us, file a report with the Legislative Assembly — or the Clerk, as the case may be.

D. Donaldson (Deputy Chair): Moved.

Motion approved.

J. Les (Chair): Any other business?

J. Rustad: Motion to adjourn.

J. Les (Chair): A motion to adjourn — a very welcome motion indeed.

Motion approved.

The committee adjourned at 2:42 p.m.

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