



Second Session, 40th Parliament

---

REPORT OF PROCEEDINGS  
(HANSARD)

---

# LEGISLATIVE ASSEMBLY MANAGEMENT COMMITTEE

**Victoria**  
**Tuesday, March 11, 2014**  
**Issue No. 5**

HON. LINDA REID, MLA, CHAIR  
AND SPEAKER OF THE LEGISLATIVE ASSEMBLY

ISSN 1929-8668 (Print)  
ISSN 1929-8676 (Online)



**LEGISLATIVE ASSEMBLY MANAGEMENT COMMITTEE**

Victoria  
Tuesday, March 11, 2014

*Chair:* \* Hon. Linda Reid (Speaker of the Legislative Assembly)

*Members:* \* Hon. Michael de Jong (Abbotsford West BC Liberal)  
\* Eric Foster (Vernon-Monashee BC Liberal)  
\* John Horgan (Juan de Fuca NDP)  
\* Shane Simpson (Vancouver-Hastings NDP)  
\* Michelle Stilwell (Parksville-Qualicum BC Liberal)

*\* denotes member present*

*Legislative Assembly Officials Present:* Craig James (Clerk of the House)  
Kate Ryan-Lloyd (Deputy Clerk and Clerk of Committees)  
Gary Lenz (Sergeant-at-Arms)  
Hilary Woodward (Executive Financial Officer)

*Others Present:* Russ Jones (Acting Auditor General)

---



## CONTENTS

Legislative Assembly Management Committee

Tuesday, March 11, 2014

	<b>Page</b>
Adoption of Agenda and Minutes.....	49
Legislative Assembly Expenses and Expenditures by Speaker's Office .....	50
Finance and Audit Committee Report .....	60
Clerk of the House: Update.....	64
Financial Update.....	65
Other Business .....	66



## MINUTES

# LEGISLATIVE ASSEMBLY MANAGEMENT COMMITTEE



Tuesday, March 11, 2014

2:00 p.m.

Birch Committee Room

Parliament Buildings, Victoria, B.C.

**Present:** Hon. Linda Reid, MLA (Speaker and Chair); Hon. Michael de Jong, MLA; Eric Foster, MLA; John Horgan, MLA; Shane Simpson, MLA; Michelle Stilwell, MLA

**Legislative Assembly Officials Present:** Craig James, Clerk of the House; Kate Ryan-Lloyd, Deputy Clerk and Clerk of Committees; Gary Lenz, Sergeant-at-Arms; Hilary Woodward, Executive Financial Officer

**Others Present:** Russ Jones, Acting Auditor General

1. The Chair called the Committee to order at 2:06 p.m.
2. **Resolved**, that the Committee adopt the agenda as circulated. (Shane Simpson, MLA)
3. **Resolved**, that the Committee adopt the minutes of January 6, 2014. (Michelle Stilwell, MLA)
4. The Speaker made a statement regarding recent expenditures by the Office of the Speaker and other departments of the Legislative Assembly.
5. **Resolved**, that draft rules be developed for review and approval by the Legislative Assembly Management Committee for capital expenditures over \$5,000, and further include that committee be notified of any capital project that is projected to exceed its budget by 10 percent or more, as well as the expected completion time of each project. (Shane Simpson, MLA).
6. It was agreed that a three-year work plan identifying the status of planned capital projects of be prepared for the Committee's review and consideration.
7. It was agreed that the Legislative Assembly's quarterly financial operating and capital reports, including a capital projects update, be posted online as part of a regular disclosure process.
8. It was agreed that the Committee receive monthly capital project updates.
9. The Committee received a report from the Finance and Audit Committee summarizing the meetings of December 12, 2013, and February 25, 2014, and providing recommendations for the consideration of the Committee.
10. The Committee discussed the recommended template for quarterly constituency office expense disclosures and considered the matter of disclosure of centralized constituency office expenses.
11. **Resolved**, that the Committee approve the revised template format for the MLA Constituency Office Expenses for the May 2014 release of the expenses covering the period January 1 to March 31, 2014, and that the additional disclosure of centralized Members constituency office expenses, such as lease costs, be given further consideration by the Finance and Audit Committee. (Hon. Michael de Jong, MLA)

12. It was agreed that the Finance and Audit Committee recommendation regarding Members Transitional Allowance policy be referred back for further review by the Finance and Audit Committee.
13. **Resolved**, that the Committee approve the use of public sector accounting standards for the Legislative Assembly's financial statements. (Shane Simpson, MLA)
14. **Resolved**, that the Committee approve the policies relating to tangible capital assets. (Shane Simpson, MLA)
15. The Clerk provided the Committee with an update regarding the work of Risk Masters in support of business continuity planning and the retention of Ernst and Young to assist with the internal audit program.
16. The Deputy Clerk and Clerk of Committees provided the Committee with an update on the iPad project and on the Legislative Assembly's external website redesign. The cost of the iPad acquisition was estimated to be less than originally predicted due to the acquisition of a less expensive model (32 MB Wi-Fi) at a cost of approximately \$16,800 for 28 devices. Total project expenditures may be reported more fully to the Committee at the next meeting.
17. The Acting Auditor General provided the Committee with a progress report on the work of the Office of the Auditor General with respect to the planning phase of the 2013-14 audit of the Legislative Assembly, including the upcoming audit of the Assembly's first financial statements.
18. The Executive Financial Officer provided the Committee with a progress report on the work to develop the Assembly's 2013-14 financial statements and also addressed the 2013-14 third-quarter financial reports.
19. The Committee agreed that any documents discussed during public meetings would be released publicly following the conclusion of committee proceedings with the exception of the following documents:
- all documents discussed during in-camera proceedings, including in-camera minutes or in-camera meeting summaries;
  - documents that are prepared for the committee regarding legal, commercial or personnel or security matters;
  - decision notes prepared for the consideration of the Finance and Audit Committee or the Legislative Assembly Management Committee;
  - internal audit reports; and,
  - draft reports prepared on behalf of the Committee for review and approval.
20. The Committee acknowledged the presence of the Clerk of the Canadian House of Commons, Ms. Audrey O'Brien, and welcomed her to the meeting.
21. The Chair advised that the Finance and Audit Committee will meet on March 25, 2014, from 2:00 p.m. to 4:00 p.m.
22. The Committee adjourned to the call of the Chair at 3:52 p.m.

---

**Hon. Linda Reid, MLA**  
**Speaker and Chair**

**Craig James**  
**Clerk of the House**



TUESDAY, MARCH 11, 2014

The committee met at 2:06 p.m.

[Madame Speaker in the chair.]

**Madame Speaker:** Good afternoon, hon. Members. Allow me to call to order the Legislative Assembly Management Committee meeting.

#### Adoption of Agenda and Minutes

**Madame Speaker:** Item 1, approval of agenda. Motion to approve? Vancouver-Hastings.

Motion approved.

**Madame Speaker:** Item 2, review of the previous minutes of January 6, 2014. A moment to review, and then a motion to accept.

**Hon. M. de Jong:** Actually, I just had a question on items 8 and 9. It relates to items 8 and 9, but it's more of a general question. In the minutes we talked about the iPad project, and we talked about the accelerometer on the main dome. In the future, and maybe now, some reference, probably, to estimated cost.... My recollection is that when we approved both of those things, we had some estimate of what the cost was going to be, and logically, I would think, we'd put that in the minutes.

**Madame Speaker:** Speaking to item 9, that, in fact, has gone to tender, and we will be accepting bids, and before a final decision is taken we will, in fact, report back.

**Hon. M. de Jong:** Did we have an estimate?

**C. James (Clerk of the House):** We haven't had a total estimate yet, because we don't know how much the entire project is going to cost. I understand that to date, \$15,000 has been spent on this project.

The Sergeant-at-Arms may have more details on that.

**G. Lenz:** The estimate is going to be roughly about \$40,000 — is what we're looking at. So \$15,000 today, going out for tender, depending on what the engineers come back with as per the request of LAMC, what they wish done. They'll come back at that point, but we're estimating about \$40,000 is the whole dollar value.

**J. Horgan:** The date on the draft minutes is January 6, which was a telephone call. I thought the last meeting was not that long ago. It was in person, and it was downstairs.

**A Voice:** That was finance and audit.

**J. Horgan:** Was that finance and audit? At what meeting did you give a price, or a cost estimate, on the iPad project — because you did?

**Madame Speaker:** That was probably finance and audit.

**K. Ryan-Lloyd (Deputy Clerk and Clerk of Committees):** I believe it was discussed in more detail at the December meeting of LAMC, and then the January meeting was at a higher level. There may have been some supporting documentation that the committee was provided at the last meeting.

I can advise, although I don't have the numbers in front of me, that the original estimate was for the 64-gigabyte version of the Wi-Fi product. In fact, the recommendation that came through was for the less expensive 32-gigabyte model. I know that the cost was reduced as a result of that, and I can get the final number to members of the committee either in writing shortly after the meeting today or at your subsequent meeting.

**J. Horgan:** That will be fine.

**C. James (Clerk of the House):** Furthermore, the iPads, as I understand it, Kate, are just the Wi-Fi model and not the one with the 3G or 4G network.

[1410]

**K. Ryan-Lloyd (Deputy Clerk):** Yes, that's correct.

**Hon. M. de Jong:** Maybe, then, to cut.... Did we end up with an estimate on the cost and agreement on the portion of the budget...? We're clearly doing this in a more detailed and better way than previously. So probably what we would do is approve.... We'd have a cost estimate, and we'd indicate from where within the budget it was being acquired. My recollection is the same. I think we had the detailed conversation around the iPads at an earlier meeting. I think it was November or December.

**A Voice:** Yes.

**Hon. M. de Jong:** December. I think there was a cost estimate. Not all members need them. I think ministers have them and don't need them, and some members have them. There would have been an estimate of what the cost for this was and where within the budget that was going to come from.

Do we know that?

**C. James (Clerk of the House):** Hilary, do you know where the assignment was for the iPads?

**H. Woodward:** Yeah, the assignment of the cost was in the election-related capital costs. I don't actually have that number. I can make that available.

**Hon. M. de Jong:** So the iPads are capital?

**H. Woodward:** Yes. It was included in there for the refresh.

**Hon. M. de Jong:** Oh, I see.

**Madame Speaker:** Other questions?

A motion, then, Members, to approve the minutes of January 6, 2014.

**Hon. M. de Jong:** Oh, I have one I'm not too proud to ask. Is the accelerometer the thing that measures movement? Is that what that is?

**Madame Speaker:** Correct.

**Hon. M. de Jong:** Okay. All right.

**Madame Speaker:** And I can give some background that indeed, the individuals in Washington State.... We've had some meetings with them and will continue to have some meetings with them in terms of how we bring that technology to bear in British Columbia. We will keep you apprised.

A mover for acceptance of the minutes? Michelle Stilwell. Second, John Horgan.

Motion approved.

#### **Legislative Assembly Expenses and Expenditures by Speaker's Office**

**Madame Speaker:** Members of the committee, before proceeding with today's agenda, I would like to provide an explanation for a number of Legislative Assembly expenses which were reported by the media last week.

I certainly apologize, and I recognize that concerns which have been raised have detracted from our work to make the assembly's financial management more accountable and transparent. As Speaker, I take full responsibility for these expenditures. It is my belief that the changes were necessary.

I've also brought along a detailed accounting of the expenditures to date.

As Speaker, I believe I have a duty to instil confidence with respect to the expenditure of public funds, and I will continue this work to ensure that this goal is realized.

I was elected to this office on the 26th of June of 2013. Three members who rely on wheelchairs for mobility came into the chamber on that day, two for the first time. Allow me to provide the costs and additional context.

A ramp in the library corridor was designed and constructed to allow all members to gain access to the Legislative Library. This \$47,000 cost is reflected in the woodwork undertaken to preserve the heritage aspects

of the Legislature.

In addition, not all members could gain access to the Ned DeBeck Lounge on the third floor, as there is not sufficient capacity in the library's historic elevator. Given that reality, a gathering place for all members was created in an underutilized space in the library. This space previously held card catalogues. Televisions were installed to allow members to view the House and committee proceedings. The cost is approximately \$13,000.

At the end of this session we will be undertaking a review of this initiative. Meanwhile, the provision of food service will cease immediately.

These changes to the library corridor to allow members increased access necessitated moving the media scrum area. Options were discussed with members of the press gallery. The cost of this relocation was \$6,300.

With regard to technology in the chamber, the console has new technology, an integrated console to enable the Speaker or Deputy Speaker to know when members wish to speak. It does provide enhanced signalling technology, which connects a console to the desks of the three members who rely on wheelchairs for mobility.

The console also allows for communication with the Clerk's table and the Sergeant-at-Arms, things not previously possible.

The B.C. Legislative Assembly is an historic meeting place. Any work undertaken must complement the heritage aspects of the Legislative Assembly. The cabinetry to house the components was \$29,000, and the electronics of the console were \$16,000, for a total cost of \$45,000.

Changes to the furnishings of the Office of the Speaker were last completed in the year 2000. The chairs in the Speaker's office were taken from storage and re-covered. The total cost of Speaker's office furnishings was \$6,400.

The legislative dining room window coverings for 17 windows at a total cost of \$13,000 is routine maintenance and was last completed in the year 1996.

[1415]

Constituency office. On June 26 I was elected Speaker of the House. Five days later, on July 1, a very serious security threat was in place. Like all of you, I was very concerned. A number of security assessments were carried out following those events, including one at my constituency office.

Based on the best advice available to me at the time, I undertook a number of security enhancements to my office. Security provisions are \$45,000; attendant costs related to building code compliance, \$28,000; and temporary rent, \$6,000. The total cost is \$79,000. The renovations will be paid from the funds provided to my constituency office. I assure members that notwithstanding these expenditures, the Speaker's office will be under budget at fiscal year-end.

Staffing in the Speaker's office is budgeted for four positions. Three are currently filled. The most recent hire is the executive assistant. In order to express concerns

raised regarding staff travel expenses, my executive assistant has been assigned to work out of my Richmond East constituency office, thereby eliminating any ongoing expenses for travel and accommodation.

In addition to these matters, I received a request from the media for details of my travel expenses since being elected Speaker. Like all other members, my travel expenses include amounts reimbursed from September to December 2013, which were disclosed publicly on February 7, 2014. Out-of-province travel for the January to March 2014 period will be covered in the next quarterly report, which will be released in early May. As Chair of this committee, I will work within the disclosure processes agreed to by LAMC. I am pleased to have further discussions with you regarding any proposed expansion of travel reporting by members.

In closing, I would like to express my appreciation for this opportunity to provide an explanation of the Legislative Assembly's expenses which have been reported. As stated earlier, I take full responsibility for these expenditures. I welcome LAMC bringing more rigour to how the assembly does business. We will continue to use this platform to make matters public as we continue our systematic approach to accountability.

As we all know, with transparency comes information which has never previously been disclosed. I will work with LAMC to deliver the context around the modifications in place today. I will look to my colleagues to assist in strengthening our practice. At future LAMC meetings detailed discussions on procurement policy will take place, as well as ongoing monitoring of all capital projects undertaken by the Legislative Assembly. A template and accompanying approval documents have been prepared for this purpose.

In light of recent security concerns, I have also asked for a review of security policy, which will then go to the finance and audit committee and then to LAMC for approval. I will be pleased to answer any questions that you may have regarding these matters.

Members, thank you.

**E. Foster:** Madame Speaker, thank you very much for this report. I noticed on the last page of our binder the different expenses are broken down there. I see that for some other things that were budgeted, money hasn't been spent. Obviously, there was some changing of priorities.

I have two questions. Those are fairly major changes in priorities. I would've thought that there would've been a discussion here at this table before that was done. But my main question is on these major expenses.

What's the process that we use — for the ramp, for example? It's the first thing on your list. Would that go out to tender? Would there be any cost analysis done prior to the construction starting there? Obviously, we need the ramp. There's no question about that. I don't think anybody could question that, but just how does that work?

**C. James (Clerk of the House):** In terms of the ramp, I understand, in checking with Gary, the Sergeant-at-Arms, that it did go to tender. There were two quotes, and the quotes came in about \$1,000 apart, if I'm not mistaken. But there were some design changes as the ramp was being built.

**Madame Speaker:** The design changes, from what I understand, needed to reflect the size of one of the chairs in question.

**Hon. M. de Jong:** First of all, thank you for the.... All of us, I think, are alive to the fact that there have been these questions and that the Speaker's office and you have been dealing with them. We're taking these steps — right? — to do something that hasn't been done before, which is: provide a more thorough airing and openness around the public moneys that are being spent here.

Eric has just referred to the documentation. What I'd like to explore for a moment is: how do we institutionalize some steps that prevent the kinds of issues from arising that have just arisen over the last number of months?

[1420]

It struck me that part of the answer kind of lies in the material that we have right now. We've got, by historic standards for LAMC, remarkably clear and, I think, accurate financial statements.

I think members have got them. There are the operating expenses for the third quarter. There are the forecast operating expenses going forward. There is the capital project update.

The first question I had about those were.... They all say: "Confidential. For committee members' internal use only." I'm not sure why that is.

When we get to, for example, the capital update, it strikes me that one of the ways we can avoid the kind of thing that I think everyone wants to avoid — and certainly, you've made it clear that you do, Madame Speaker — is if this stuff is out there and we've tabled it.... I mean, we are still, I think, kind of having a conversation even now that no one else can really follow. We've got material that no one else has, which we can track.

I'm not sure, in this case, why that would be so. We approved some capital budget. There are some projects referred to here. I think my first question is: does anyone on the committee...? If there are issues, I'm happy to hear them. Does anyone have any issues around the disclosure and making public these documents before LAMC meets? Is there a reason not to do that?

**C. James (Clerk of the House):** If I could help the committee in this area. It's entirely up the committee. I understand what you are saying. I welcome, and I think the executive certainly welcomes, along with Madame Speaker, more openness, more transparency, more accountability and more controls, especially on the control side.

I'm going to wander or stray in to No. 5, which is the Clerk's update, and I am going to refer one of your questions — part of your question — to the Auditor General, who might be able to provide some guidance, if that's all right, to the committee.

One is: what can be released? This is a parliamentary committee, and a parliamentary committee should receive the material, deal with the material, before it's publicly released. If the committee wishes to do it otherwise, handle it differently, that's fine. The discussion about Vote 1, the Legislative Assembly budget for the next fiscal year — it was considered by this committee to have that discussion in the public domain.

That's fine, but the committee needs to decide what it wants, what it wants to keep in private, what it wants to keep public. I have no difficulty with any of the material, as Clerk of the House, that I am sharing with members of this committee being publicly disclosed.

There are caveats, and this is where, perhaps, I might have to rely on the Auditor General to provide some guidance to the committee on what types of information are customarily disclosed from an organization publicly.

In straying into No. 5, I will be informing you about our move toward financial statements — our stand-alone, auditable, independent financial statements. The financial statements are somewhat of a mystery to me, but we have very skilled people — the executive financial officer; and we have relied upon, with a great deal of help, if that's the proper way of describing it, the resources of the Auditor General, who has been assisting us in reaching that point.

Financial statements. The Legislative Assembly's move to financial statements in April, or thereabouts, will provide more openness and more transparency. That, to me, is a giant step forward. I think all members should embrace that. I believe we'll be the fifth jurisdiction in the country to settle on these financial statements.

We had a seminar, tutorial, for the senior management team on financial statements on Friday to explain what it is, what it involves and why it's necessary and why we're moving toward it.

One of the reasons we're moving toward it, aside from good governance, is because it was a recommendation by the Auditor General, and I am going through every recommendation and checking them off to make sure that at some point very soon, we're able to reach that point where we can say that we've addressed, or we believe we've addressed, all of the recommendations of the Auditor General over the past number of years. Hopefully, that meets the test when we are audited.

[1425]

In terms of projects, we have developed — and again, subject to how, perhaps, the executive financial officer feels about this — a project template. We are maintaining this project template. We believe that it's more properly suited for management, including members of

the Legislative Assembly, to receive on a regular basis so that they can see what capital projects are being undertaken in the Legislative Assembly — who initiated them; who approved them; their status; whether they're under budget, over budget or on budget; and their expected completion time.

There will be new items put on here that will require, in my view, the approval of the Legislative Assembly Management Committee.

To address your comment, if I understand you correctly, about at what level this committee becomes engaged in addressing these issues and approving these issues or being advised of these issues, that's up to the committee to decide. But I know that whatever limit you set, we will abide by that and generate the proper reports for the committee to consider and to address.

**Hon. M. de Jong:** I think others have a.... Craig, my first suggestion, however, aside from all the other valid points you raised, is with respect to the material contained in the final tab of the book, the update both from an operating and capital point of view. I can't think of a reason we would be hesitant to table that in a public setting and make it available to the public. I was kind of starting there.

**C. James (Clerk of the House):** And neither do I.

**J. Horgan:** Wow. We've just had a lot of information there. I was wanting to go back and comment on one of Mike's points, but it's a barrage.

I want to start with.... The Clerk just said: "When does the committee get engaged?" Well, I got engaged on the console when the cameras flashed on and the microphones were put in front of me and I was asked: "Why did this happen?" We get engaged, in that instance, a little bit too late, it strikes me, for our own good and for the good of this institution.

I went to great pains to defend this office, the Speaker's office, and this committee at that time, because I believe we have made tremendous strides. The first meeting I attended of LAMC was three years ago. It was in the Speaker's office. We had a verbal briefing on a \$66 million budget in which the individual who was giving the briefing said, "Yadda, yadda, yadda," at one point.

We have come about 60,000 miles from that point, and I think it's absolutely, critically important that we acknowledge the progress we've made as an institution and under your leadership, Madame Chair. But it's still not good enough to just start barraging numbers. We need to have, I believe, appropriate sign-offs — the console issue in particular.

I came into the Legislature when we were in an off period. It was about 200 days, you might remember, between July and February, and there it was. I had no knowledge of it. I said: "What the heck is that?" It started to grow on

me. I certainly recognize, after seeing its construction and the value that it provides for members who are not able to access the Speaker directly, visually or by standing.... It assists the Clerks' table. It assists the Sergeant-at-Arms. All of these things are good.

I didn't know any of that when the cameras went on and the microphones were stuck in front of my face. I would suggest that that's not good enough — certainly not for me, nor the members of this committee.

When we embark upon these capital projects that are obvious to the public, I would suggest that we should be told at the front end. We should be advised on what the estimated cost of those projects is going to be and then monitor it as any committee would to ensure that we stay within the framework of that proposal and that estimate. It didn't happen in the case of the console.

I'm now advised that there was scope creep on a ramp, and that may well be important. But what was the context of that? When we put out the tender, did we not have a clear idea of what was required before we did that? If that's the case, why?

If we're going to embark on what are clearly modest capital projects, when you consider we were talking at a recent LAMC meeting about the roof falling down and multi-tens of millions of dollars involved.... We're building a ramp and a console, and the public is incensed by that.

We need to do a much better job than just say we have lots of numbers here and we're going to be better at it in the future. If we as committee members are going to be doing our due diligence, we need to know what the plan is before you start, not after it's finished. So I leave that with you.

[1430]

With respect to Mike's point about these numbers, again, we're in the middle of the estimates process, where every ministry is laying out the costs that they expect to incur over the next fiscal year and how they're going to stay within those targets. There's a rigorous cross-examination. As the minister says, the public can access those documents. They're published and ready to be available to everyone. There's no reason why this material, in my view, should not be available to the public as well.

If we are going to embark on a transparency agenda, it starts with every penny, right down to the muffin. I believe that we would have all been better served over the past number of weeks had we been right upfront about these expenditures and not clandestine about how we distributed the information that resulted from them.

The media knew more about this than I did. I don't think that's acceptable.

**Madame Speaker:** I'll respond. I accept the comment, and I absolutely accept the criticism.

I do believe that technology in the chamber in 2014 is appropriate. You will know that I got far more than I

bargained for in the size of the console as well. I regret that. There's no question.

Certainly, the work that I've done with Hilary in the last number of days in terms of how we have the proper approval sign-off — that, you have my commitment, will go forward. There will be much better, if not hugely improved, processes for us to engage as we go forward.

**M. Stilwell:** Just in comment, as the person on this committee who actually utilizes the majority of the modifications that have been made here in the House, I'm grateful to the Speaker for her leadership and her openness to those changes to make this House more accessible for not only the three people that have been elected to office but for the general public.

The ramp to the library, although having a cost to it, has opened the door to the general public — to the seniors, to the families, the parents who come in with strollers — and has opened so many doors to areas that most people wouldn't have been able to access before. So for that, I am grateful.

Again, I think as a note that was mentioned earlier, just the procurement process and how that comes to be.... I'm also grateful for the dialogue that I've had with the Clerk and the Sergeant-at-Arms in this whole process, since being elected, on what the needs are of not only myself but Sam Sullivan and Minister Cadieux.

It's something, going forward, where we're all trying to find our way and trying to move forward not only for the three people who are here but the general population.

**S. Simpson:** Just a quick question. When the financial statements start to be regularly reported, I assume that would be quarterly that they would be reported?

**H. Woodward:** They would be annual.

**Hon. M. de Jong:** There are quarterly updates.

**S. Simpson:** Annual with quarterly updates.

**H. Woodward:** Correct.

**S. Simpson:** So once we're doing that, I don't see any reason why that information wouldn't be made public. I mean the quarterly updates, and just make them public. I don't see any reason why we have to wait for us to do that.

There may be things in the minutes and in other parts of the documents that make sense that they want to come through this committee before they become a public document. That may be a call. I don't know where that call gets made.

Generally, I don't have a problem with that — that we deal with some of this first. But the financials are what they are. Making them public makes eminent sense.

I guess when I think back to kind of what's occurred

over the last few weeks and trying to learn the lesson from that, generally, I think the comments that John and others have made about increasing transparency.... We're all learning as we do this about what that means and how it works. There are going to be some rough spots along the way, but they're only there because, in fact, we are letting information out and people are aware of it. They raise the questions, and those are legitimate. We will be better at this collectively as we move forward.

But the point that I think is a really important point is how the sign-off process will work. How do decisions get made on expenditures, and at what level? What's the role of this committee or committee members — either this committee or finance and audit, if it's there? At the end of the day, it all rests with LAMC, not with finance and audit, but maybe there's a discussion that happens there.

I do think that we need to have a sign-off process that isn't in place today. I don't see it. I don't know how the decisions get made, entirely.

If the lesson that we learn from this is that we're going to put something in place, developed by staff, that makes sense — that we can all go and follow that paper trail and understand how a decision got made, who made the decisions, who authorized the decisions.... Then if there are questions, at least there can be answers.

[1435]

It seems to be more about the need for answers more than what the actual answers are, to some degree. That is the challenge. I hope that we can focus some attention on that, that that's the lesson we learn and that we move forward from here.

**Madame Speaker:** Hon. Member, I am happy to bring all the sign-off approval documents just currently created to finance and audit, and from there, finance and audit can make the recommendation whether or not they proceed and whether or not those recommendations should go forward to LAMC.

That is the background that I come from. I'm more than happy to continue that.

**S. Simpson:** I think a process that is effective and makes sense would work for everybody.

**Hon. M. de Jong:** Maybe a couple of action items emerge from this, to John's point and what Shane has said. It sounds like there's agreement around these quarterly updates. Probably the fact that the group sitting around this table may have to answer for them.... What we would do is tie their release to, at minimum, a quarterly meeting of LAMC.

We tend to meet on a fairly ad hoc basis. I think probably what we're gravitating towards is, at a minimum, a quarterly meeting of the group where, if nothing else, we'd get the quarterly financial updates and they'd be released as part of that package. We'd have a chance to scru-

tinize them and pose any questions. That's on the capital side. That reporting structure would be institutionalized by the regular quarterly meeting.

Beyond that, it seems to me there are a couple of other issues, then, that we should finalize. Do we want to set a threshold for committee consideration and approval of capital projects beyond a certain financial amount that would require a minute from this committee, saying that the committee approves? That probably makes sense, if it doesn't already exist — and what the amount is. Is it \$1,000? Is it \$5,000? We can agree on what that is.

If there is an existing project that is underway and showing signs of being over budget, probably we should set a threshold for it, coming back to the committee with a report that says that unexpected costs are accruing. We should set a threshold for that as well. Those are two things.

The last thing I think you mentioned, Madame Speaker, that we should be clear on is with respect to both constituency office improvements and travel. MLAs now.... We've lurched our way to some kind of a regime that provides scrutiny around that. I think what you were saying is that the Speaker would be captured by that same mechanism. It's quarterly reporting that we do. That is so, in terms of constituency office expenses, travel....

What do we do for constituency office capital improvements? Is there a reporting-disclosure mechanism for that?

**C. James (Clerk of the House):** Typically, improvements to constituency offices should be done at the beginning of a parliament and rolled into a lease. That would be the standard practice. If it happens to go midway through a parliament, for instance, then there really is no mechanism to address who or what account pays for the capital improvements or the tenant improvements.

**Hon. M. de Jong:** There are, then, two issues that flow from that: how is it paid for, and how is it disclosed? It would most certainly involve the expenditure of public money, either from the constituency office account or some other Vote 1-related account. I think that needs to be accounted for.

Look, we're all big people here. I think the disclosure stuff around travel is going to capture the whole office, including Clerks. I don't know how we do that presently, but from that point of view, it's sort of one big happy family. We need.... I don't know.

[1440]

I know we have general budgeted items, but look, people are interested in where we're going and what we're spending when we get there. I think we've got to find a mechanism for that as well.

**C. James (Clerk of the House):** It's a good point.

**E. Foster:** The issues that Shane brought up, and John and, well, everybody basically.... I think one of the problems we have here, which we probably wouldn't be having this discussion today.... We had a capital budget, and there were some priority changes made. If they'd been brought to the committee, I don't think that there would have been any issue with them.

Those priority changes will always happen. I think it's imperative that discussion is had here before those priority changes are made. I think that's where we ran into trouble on this one. Had we had that discussion, I don't think we'd be having this discussion today, honestly, because everybody would see.... All of a sudden these numbers came up, and "Where did the money come from?" and so on.

I think that's key to this, whatever number we arrive at. But when we do a major priority change like that, I think it's important that it comes here. It's imperative that it comes here.

**Madame Speaker:** Point well taken.

**J. Horgan:** I absolutely agree with Mr. Foster. I know Michelle understands this, and I don't want any misunderstanding. I do not begrudge the expenditures at all, and I fully support them. But I didn't know about them, and that's the problem.

As Eric just said, if we had had the information — not an issue. But when I or any of us are approached by the media with a number that we're not certain of and asked whether we approved it, yes or no, that's difficult.

We're sitting now, for those listening on the Interwebs, at a pretty sweet-looking table that wasn't here before, and it only cost \$30,000. You're sitting now, Madame Speaker, at a modest-looking console that cost more to build. Those are inconsistencies that I think members who are participating in the committee should at least have some rationale for.

Why is it that we have this lovely table here that cost about the same as a very, very small console — take away the technology, some of which I'm speaking into now? That seems to be incongruous, for me.

Everyone who's done a home renovation knows that you're just going to take the sink out and that's it and then, the next thing you know, the whole first floor is done. These are challenges that people that have home renovations understand. When you're working in a heritage building, of course you're going to have to make sure that you're using the finest of craftsmanship and the finest of materials.

But this table looks pretty good to me. I'm wondering why it is about ten times the size of the one you're sitting at now, Madame Speaker, and it cost about the same. How did that happen?

**K. Ryan-Lloyd (Deputy Clerk):** Thank you for the

question, Member. The committee room table cost, the actual furnishing in front of you, was — you're quite correct — in the neighbourhood of about \$26,000, most of which was provided by Graphic Office supply. There were some custom carpentry attachments — the conduit at top that was done in house.

The electronics, though, were essentially repurposed, compared to some of the newer electronics, I understand, or the components of the Speaker's console project. Most of these are repurposed from the previous Hansard equipment that was here.

There were a number of other changes that brought the total for this particular table project to about \$32,000, as is reflected in the project document cost. I can go into other details, if members have questions. But that is, in essence, a bit of a hybrid project reflecting some of the work that was planned for parliamentary committees in this room and also some of the upgrades that were required last July when this room served as the site for Committee C proceedings.

**J. Horgan:** Again, I don't begrudge the expenditure, but I walked in here one day and: "Holy cow, what happened here?" If I'm going to be an active member of the committee, I should have some sense of maybe what the workplan is so that, as Eric suggests, when these capital projects come on stream, we're better prepared for it, if there's a curiosity about the expenditure or the value to the institution. That speaks, Craig, I think to....

I appreciate that new procedures being put in place that are leading the country — or, certainly, catching up with other jurisdictions in the country — are important, but we, at the end of the day, are practical retail politicians. We need to have some sense of what's going on so that we can better address these issues with our own communities and with the broader public.

I think that the way to do that is not through quarterly meetings but a more hands-on approach to these projects that are visible and are part of our workspace. If we know what you're doing, then we're in a better place to answer questions when they come forward.

**Madame Speaker:** With respect to your comments, I would be pleased to take forward a three-year workplan. It would make perfect sense to me that everything we intend to do in the next 30 months, 36 months, is actually laid out in lots of detail and has lots of feedback from the committee in terms of whether or not we should proceed. I will commit to doing that.

[1445]

**R. Jones:** Just a few thoughts. All very good discussion here. You're correct that there needs to be, I think, some very good processes in place for the committee to address, starting with the budgets. There's the operating budget, which should probably come to the finance and

audit committee first, and a capital budget as well. That capital budget could be a one-year budget or a three-year budget or a five-year budget — whatever you want. Then on the recommendation of the finance and audit committee, it should probably come to the committee as a whole as to whether that should be accepted.

As far as projects go, you're absolutely right that you'd need to set, I think, a threshold for which projects should come to the committee to get approval. That is entirely up to you guys to decide — whether \$10,000 and above is the right amount or whatever. Just watch what you wish for, because the lower you get, the more you get to see. But it is definitely something that I think — you're right — should come here and get approval.

As far as quarterly reporting goes, what you have in the package here, I think, is very, very good. It's at the right level for public disclosure. You have to watch, when you get to the capital, what you actually want to disclose. Do you want to disclose a \$500 or \$1,000 capital item in as much detail that's on this list? You may not want to, but that's something that I think you need to take a look at.

I would suggest that a spreadsheet that might be useful to the members here to get on capital projects is what Eric was sort of, I think, referring to. You have the original budget projected amounts to the end of the year, what's been spent to the year, and then a column that talks about on time and on budget. What I've seen in a number of Crown corporations is what looks like a stoplight, where you have green if it's good, yellow if there might be some problems and red if you're in a lot of trouble.

That would require management to give you an explanation as to why it's red or amber. Green is usually pretty good, so you don't have to worry too much. But I think it would be very useful for the committee to get something like that on a quarterly basis so that you can then ask the tough questions. Okay, why is this red, and what do we have to do to rectify the situation? Or do you have to approve an additional amount to get it to completion?

Those are just some thoughts that I've seen.

**S. Simpson:** I appreciate that, and I don't necessarily want to be micromanaging \$500 expenditures and purchases. So I guess my question for the Auditor would be... Looking at this organization and your experience with other organizations, what kind of level do you think makes sense for the organization, for this entity, for us as members of the committee, to be wanting to pay more attention to versus having it dealt with by staff and the Clerk's office?

**R. Jones:** Good question. I think the committee needs to decide what's going to get the media interested and be asking questions. That is really the risk you have to look at. Is a \$2,000 item going to raise the media's attention?

It's a tough one to answer. You know, this is probably a bad example, but if you go to B.C. Hydro, it's probably

\$10 million that comes to the.... But is \$1,000 the right number, or is \$10,000? I think it also relates to what the item is that you're dealing with. So it could be \$25,000.

**Madame Speaker:** Hon. Members, with respect to Mike's comment, he wants to have us minute something. What might that be for this threshold, and what might it be for coming back to the committee? Should this go for the project change by a particular percentage?

**Hon. M. de Jong:** New days, new practices. Err on the side of caution. Make it \$2,500. If it becomes onerous, we change it.

[1450]

**E. Foster:** To be clear on this, are we talking about...? If we have a budget we set out, we'd see that the first of the year. Again, if the project is on budget and on time and so on, we don't have to deal with it. We've already dealt with it. We're talking about changes, additions to and that sort of thing.

**Madame Speaker:** Correct. That would be my understanding.

**M. Stilwell:** And specifically, in regards to capital stuff or maintenance as well? I don't really want to know when you're cleaning the carpets here and if that's going to be an expenditure of \$2,500.

**Madame Speaker:** Mr. de Jong, are you just talking capital?

**Hon. M. de Jong:** Right, but the capital and maintenance — there's stuff in the budget. Look, we get at the beginning of the year.... If you go to the final page in our material, "Capital projects update," there's actually a pretty manageable list there. I mean, I don't know. What is there? About 15 items there.

We'd see that at the beginning of the year, and we'd approve that. Then if anything is going to get added to it beyond a certain amount.... I said \$2,500; maybe it should be \$5,000. But I think we're in that range. If anything gets added to it beyond a certain amount, you'd want to bring it back here. And to the stoplight scenario, if there's a variation, if suddenly we discover that the \$1 million item is now a \$1.5 million item, that would need to come back as well. We'd set a threshold beyond which....

But again, in that case, getting the quarterly updates that we're getting in the form the Auditor is suggesting, we'd institutionalize that review as well.

**Madame Speaker:** Are you making a motion?

**Hon. M. de Jong:** I'll turn that into a motion for discussion purposes.



**J. Horgan:** Are you going up on your \$2,500? There's a greater-than-\$5,000 category on the capital purchases, so that strikes me as a reasonable place to start....

**Hon. M. de Jong:** Yeah, \$5,000 is fine for me.

**J. Horgan:** While we're still on that page, in the pending area it says "C container." Is that emergency preparedness material that we're packing away?

**C. James (Clerk of the House):** Yeah, it's as a result of having to move the C containers off the block behind us that's been sold. We have to bring them onto the property.

**J. Horgan:** I see. We have to bring them onto the precinct?

**C. James (Clerk of the House):** Yeah.

**J. Horgan:** Okay.

**Hon. M. de Jong:** We have a separate agenda item later to review the....

**J. Horgan:** For that? Okay. It just jumped off the page as a ton of money we're spending.

**Hon. M. de Jong:** Yes, I wondered about....

**J. Horgan:** Just speaking to that, I agree with Michelle and Shane, who both said: "Let's not micromanage this." I just want to know, as a member of the committee, that if something arises that I'm responsible for, I've had at least some foreknowledge of the expenditure and why it's being made.

I think that \$2,500, \$5,000 is pretty low, but it will bring in the rigour that we require. The advantage of this most recent event is two things. First, it has shone a spotlight on the new transparency which we're all proud of, and we should be, and it has also curtailed the muffins, and it will curtail other frivolous expenditures. That's the essence of transparency.

As the House Leader knows, if people are watching you, you use your head faster than you would otherwise. It's good for politicians; it's good for the Clerk's office; it's good for the institution. And the Auditor would concur. The more transparency, the fewer bad expenditures are made.

The point of putting this information out to the public for all to see — we all want to have that happen. We don't want to be bogged down having meetings to go over \$5,000 expenditures unless there's a requirement to do so.

**H. Woodward:** I just wanted to point out that, as has been mentioned, this is an evolving process. The document that's being referred to mainly right now refers to

facilities projects, which are usually our major projects, and then anything used in capital contingencies. So the discussion that's going on — the list would grow. It might be a little more daunting.

**S. Simpson:** How much growth?

**H. Woodward:** That document.... When you don't have Hansard in there or information technology.... Again, the \$5,000 threshold would reduce some of the items that are currently on this list. But I just wanted to point out that this is not a full list. This is usually, typically, more major projects that we are exposed to.

[1455]

**E. Foster:** I think back to John's comments, a couple of times. Whatever number we pick, there will be lots of times.... We don't have to bring everybody to Victoria to have a sit-down. It's about knowing what's going on. It's about a quick e-mail going out to say, "Line 7 — we're changing, and we're going to spend \$5,000 or \$8,000 or \$10,000," so that we don't walk into the room and see a new room and not know about it. I think that's key to the thing.

I don't think we need to micromanage. We just need to have the information so that we know. If people have questions, then maybe you're going to have to have a meeting — if somebody's got issues — or a phone call or something like that. I think that's the important part.

**Madame Speaker:** With respect to the Russ's suggestion, I will absolutely ensure that we have an on-time, on-budget column in any document we produce. I would be pleased to do that.

**C. James (Clerk of the House):** I would like to make a couple of comments, if it's possible. What Russ was actually referring to was what I displayed earlier on in the spreadsheet for capital projects, which I think is going to be very helpful.

This is a document that we're not going to send out quarterly. We hope to send it out monthly so that members have an idea of what capital projects are being undertaken and for nothing to proceed, at any cost, until members either tacitly don't acknowledge the project or they do and they say: "We have questions about this, and we want to have it brought to LAMC."

The other thing is this. If any reduction in the amount that can be spent without your approval is going to inundate you, I'm okay with that. But LAMC is either going to have to meet more frequently, or I can set up a system that will enable you to receive the information, approve the material — by e-mail, by fax, whatever it happens to be — so that you know what's going on. If you have questions, we can address it that way as well, without actually having a formal meeting.

Secondly, we have, over the past more than a year now, developed a form which everybody needs to fill out and explain exactly what it is they want to procure. This is a document which is perhaps not still evolving, but it is very strictly enforced in terms of who is making a request for capital and the approval process.

The discussion begins with the executive committee and goes to my audit working group, which is a robust committee consisting of a former Auditor General and comptroller general, a representative from the Office of the Auditor General and the executive. It goes from that body to the finance and audit committee, which wrestles with these issues, and from there, it makes a recommendation to this committee in order for this committee to be better informed and kept informed as to the kinds of decisions they're going to be asked to make.

**S. Simpson:** A couple of things. One is, certainly, the paper trail that the Clerk is talking about there. That needs to be there. If there are questions asked, we can go back and pursue that. I don't need to see that paper trail every day, but I want to be able to say, "Where is it," if we want to know that.

In terms of the work, I think the \$5,000 level.... I think the point that Eric makes is a good one. If we can get this document that allows us to see what's there, it's not a matter of.... If members have a concern about it, I would think, because finance and audit meets more frequently than LAMC, members can probably come and talk to those of us on finance and audit and say, "Look, I'm not sure about this," and then we can pursue it. Finance and audit can decide at that point to send it to LAMC if there's not a reasonable answer that satisfies people on that.

Three are two things that I'm interested in. I agree with the notion of \$5,000 to understand what the expenditures are.

The other thing, if it lists on there that I would like.... This will be different. I want to know if there's a project that's there and the project goes.... I'm picking a number out of the air; I need some help on this.

If the project is 10 percent over budget, 15 percent — whatever that number is — that's when I want to know about it. I don't want to know when it's on budget. If it's operating and we've given it a budget and it's on budget or it's under budget, I'm good. If it's starting to climb over budget, that's the point when I want to know that somebody is going to explain to us here what the reason for that is.

There could be absolutely legitimate reasons — a change of scope, all kinds of things — but that's the point when I want it flagged, because we will get into challenges when we start spending significantly more than was budgeted for things and that we've signed off on. When that becomes 50 or 60 percent more than the original price, then there are questions that need to be answered.

I'd rather have them dealt with much earlier rather than at the end, when somebody puts out the bill.

**Madame Speaker:** Russ, back to you. What do you think the threshold should be — 10 percent, 15 percent?

**R. Jones:** Well, again, that's whatever the comfort level is here. Ten percent would probably, to me, be at least an amber sort of light, if you were looking at a stop-light. Anything 15, 20 percent would be definitely a red light one.

[1500]

As I say, as well, on time. As soon as you see something — the scope creeping or the time creeping, too....

**S. Simpson:** The money is going to come with it.

**R. Jones:** Something is going to happen, yeah.

So it's whatever this committee feels comfortable with, but let's say a 10 percent and a 20 percent would certainly make sense.

As I said, if you see all greens, you're good anyway. It's just those yellows and reds that — you're right — you should be concerned about.

**Madame Speaker:** So is there a motion on the floor?

**C. James (Clerk of the House):** In terms of helping the committee along with this particular issue, I think it would be a good idea for us to draft rules for operating and capital expenditures so that we can capture or at least provide you with information that applies and how it's going to be implemented.

**S. Simpson:** If this agreeable.... I think we want a consensus.

I would move that we have the Speaker and the Clerk's office draft up rules and that they include a \$5,000 threshold on purchases and a notification of any project that goes 10 percent over budget — a budgeted project that's 10 percent over — and that the committee be notified, that committee members be made aware of the increased expenditure.

The committee and then the Clerk can figure out what that looks like on a piece of paper, if it incorporates those factors.

**Madame Speaker:** Looking for a seconder before we speak to the motion.

**E. Foster:** I'd be happy to second that, but I'd like to make a little amendment. As opposed to "that is going over," "that is projected to go over" would be different. Ahead of time, I think it would be, because generally you can tell.

**S. Simpson:** Absolutely. I mean, when we think it's going to be 10 percent or more over our price, then we need to hear about it, and the sooner, the better.

**Madame Speaker:** Michelle, speaking to the motion on the floor.

**M. Stilwell:** Could that also amend to the time frame of the project — being completed on time?

**S. Simpson:** That's friendly. Sure.

**Madame Speaker:** On time, on budget, a \$5,000 threshold and a 10 percent lift brings everything back to this table for consideration. That's the motion.

Motion approved.

**Hon. M. de Jong:** We've now, I think, embarked on a better way to keep the committee apprised.

Craig, the document you held up.... I'll call it the traffic-light document, if I can borrow that term from Russ. What I don't think we have definitively decided is the part of this that actually generates the interest. Is that a public document?

**C. James (Clerk of the House):** I don't mind it being public.

**Hon. M. de Jong:** Okay. That, coupled with the quarterly financial statements.... They then become public documents. We see them, but others see them and can track the projects. Again, I can't think of a reason why we wouldn't do that, which means, effectively, that we're probably going to have to post that and the quarterly financial documents. They should both be posted on whatever website we have that's appropriate for that.

**S. Simpson:** So I'm clear, Mike, your suggestion is that we establish quarterly meetings of LAMC around the time of the preparation and the finalization of the financials and that our expectation is that we will meet, we will see those, we will sign off on those, we'll sign off on the tracking document for capital projects and then they become public documents.

**Hon. M. de Jong:** I think that we're evolving to a point where the days of simply calling a meeting whenever we sort of get around to it.... Otherwise the Clerks are.... Otherwise the staff are going to be stuck. They're not going to know. People are going to be calling for this material. They won't know when to release it.

Every three months there will be an update. That strikes me, in response to inquiries.... This is true on expenses and other items. I think it is fair, from an administrative point of view, to say to someone: "Look, all

of that material is available next month as part of an ongoing, regular disclosure process." That strikes me as being reasonable.

**Madame Speaker:** Well, and more than fair. We, in fact, have met our quarterly meeting requirements, but on a go-forward basis, we will require additional meetings. We will have a finance audit committee meeting before the end of March, and then we can all make the plan for how we put this into effect, effective April 1.

**E. Foster:** Craig, did you not say that you were going to make that document available to us on a monthly basis, just to give us an update as we go along?

**C. James (Clerk of the House):** Well, I think monthly would be fine. If you wanted it more frequently, it all depends.

**E. Foster:** Monthly would be fine. Not necessarily being published or anything, just for our own....

[1505]

**C. James (Clerk of the House):** Right — and any anomalies that we see as well.

**E. Foster:** Great. Thank you.

**J. Horgan:** Just taking Russ's suggestion from the Auditor General's office that perhaps once we ratify this minute, we can send it to the B.C. Hydro executive, and they'll report on scope creep and their capital budgets as well. It would probably be in the public interest, I think, if we did that.

**Madame Speaker:** Members....

**S. Simpson:** I think you just politicized this meeting.

**J. Horgan:** Oh no. I'm just suggesting we spread like a virus here.

**Madame Speaker:** Members, thank you all for your commentary.

I think that brings us to item 4 on the agenda: report of the finance and audit committee — review of accounting policies, transition allowance, constituency office disclosure template and finance and audit committee work.

Perhaps we can move directly to the constituency office disclosure template, because that one will be required as we go forward.

I'm on item 4 on the agenda.

**Hon. M. de Jong:** Right. I had some questions about the report.

### Finance and Audit Committee Report

**Hon. M. de Jong:** Okay. This is not my most important question. We're talking about the continuation of an analog cable service. I'm not sure what all that is about — digital versus analog. I thought it was all digital now.

If I'm on the right document, there is... I'm on page 3, recommendation relating to transitional assistance policy. What we're dealing with is the subcommittee that I know members were working on.

Here's what... In sub (i) it appears that there was a conversation around income exemptions. I want to make sure I understand this properly, and then I'll give you my view on it. Presently for a member who decides not to run in a general election, or runs in a general election and is not successful, there is transitional assistance of up to 15 months of an MLA's basic salary. In addition to that, there is a mechanism by which, if that by then former member derives employment income during that period of time, that is deducted from the roughly \$8,000 a month they are paid as transitional assistance.

In the recommendation two things seem to emerge — and I read the schedule as well. One, that there would be no exemption threshold applied to MLAs — or more properly, I guess — former MLAs who are currently in receipt of transitional assistance. I agree with that.

When you go to the schedule, it appears there was also a conversation about possibly amending the existing regime to provide an income exemption for former members during that 15-month period. If I understand that correctly, that means that what was contemplated, possibly, was a former member is receiving their \$8,000 a month, derived employment income of \$2,000, and if that were below the threshold, they would obviously keep their \$2,000 but also the \$8,000. They wouldn't be obliged to deduct that amount.

If I've incorrectly summarized the issue, let me know. But if I haven't, then I'm not supportive of that. I don't know how you can justify... Someone is receiving \$8,000 — an MLA salary for 15 months. It's designed to be transitional assistance. I think the recommendation is that LAMC consider or authorize the subcommittee to consider an income exemption threshold for the future. That's kind of a non-starter for me. I don't know how I would defend that going forward.

That's my one observation with respect to that part of the recommendation. Then in sub-sub(v) it talks about a formal review of the entire transitional assistance program. Maybe some members of the committee could explain what prompted... I don't know. Everyone is busy, so if the Clerk has an idea of...

[1510]

**C. James (Clerk of the House):** Well, that ties into a recommendation that was made by the MLA compensation commission some years ago and that after a certain

period of time there should be an entire review.

**Hon. M. de Jong:** Oh, I see.

**C. James (Clerk of the House):** So this is the tie-in to one of those recommendations.

**Hon. M. de Jong:** Okay. All right.

And then the last thing, and I'll shut up. On No. 4, MLA constituency office disclosures, there are two elements there. The first bullet: removal of the funding section from the body of the report. When I looked at the document, that actually made sense to me, if we're going to include the funding element somewhere else. The second bullet: removal of the centrally funded expense section from the body of the report — I don't agree with that.

The fact that it is... I mean, for me, the purpose of the disclosure was: what public money is being spent in the constituency office? The fact that it's centrally funded doesn't make any difference to me and I dare say wouldn't make any difference to any taxpayers. I think that should stay there. Those are my three points around the report.

**S. Simpson:** Just in regard to the centrally funded, the discussion we had was about the ability to put that number in as a total number. The problem becomes that we saw, for example, that our rents, our lease payments, are paid centrally. The difference becomes: will people distinguish between a downtown Vancouver lease payment versus a Smithers lease payment? The numbers will be dramatically different because of market.

Do you just say: this is how much is spent on leases, on rents, by the Legislature for 85 members, and it's X hundreds of thousands of dollars? Or do you break down every one, and then do you have to explain that and what the arrangements are and how that works? I think that's the question that was struggled with.

**Hon. M. de Jong:** Yeah. I appreciate what went into the analysis. I guess we sort of crossed that bridge on travel expenditures, right? People see those individually. Someone living closer is way less than someone living further. I think people get that rent in Terrace is lower than rent in Vancouver.

I don't know. If we're just going to globalize the number, I think people are going to say: big deal. I think, in the world we live in, what people — not many people but a few — will compare after an election is what they're paying now versus what was being paid, who's more prof-ligate, who had to upgrade or whatever.

**S. Simpson:** You know, I'm somewhat indifferent on this, but I think people want to know is: what do I approve as an MLA? What am I saying that I'm spending out of that \$119,000 I get? They want to know: how did I approve this and what did I spend?

**Hon. M. de Jong:** And to that point, it would be that you approved where you're renting. You made the decision. Not you, but we, individually, decide where we're going to rent. The fact that the money is coming from another....

**S. Simpson:** Shared Services gets uppity about that.

**Hon. M. de Jong:** Yeah. So anyway, that's....

**S. Simpson:** Fair enough.

**J. Horgan:** Well, I disagree with Mike on this. I think that you can make choices about your travel. You can make choices about how you conduct your week, and therefore, even if you live in Smithers, you can find ways to reduce your costs.

I know, certainly, that's something that Members of Parliament from British Columbia do. They're all going to the same place. They all have to fly out of Vancouver, more or less, to get to Ottawa. There are wild discrepancies in what individual MPs expend on travel.

If we have a global budget that includes the \$119,000, we are making decisions about how that money is spent, and we should be accountable for that. Many members of the Legislature move into offices that were already leased by the previous MLA if the MLA retires or the MLA is defeated. So the choice question is really not there. It's a case of: well, it's here. It's easier. It's less costly than folding everything up and moving to a new place.

It's not entirely, in my view, up to the individual as to where they're going to rent. It can be, ultimately, but there are 85 of us, and the costs are different in each case. My sense is that the public will know this is how much all 85 of us are expending on our accommodation in our constituency, just as all 85 of us spent 30 grand on this table we're sitting at. I mean, I'm not going to break it out. I didn't make a decision on that. The member for Cariboo-Chilcotin didn't make a decision on that. But they're accountable for that expenditure as well.

[1515]

**M. Stilwell:** Well, sort of touching on the fact of 85 members from different areas of the province who pay different things, accessibility requirements in my office were greater than the average person. The accessibility requirements of Sam Sullivan — greater than the average. My costs would then be seen, so there would be have to be a footnote somewhere stating that fact too, if we're going to do it individually, so that people recognize that's why my lease, or Sam's, may be more.

**Hon. M. de Jong:** My last kick. I thought the question we were trying to answer for the public with this is: how much does it cost to run that constituency office? You can't really answer that question unless you know.... I just don't have the same....

The issue around travel expenses for MLAs is largely a non-issue now. There are huge discrepancies, and actually, you don't have a choice from Prince George. It's more expensive.

**A Voice:** You can drive.

**Hon. M. de Jong:** Then it's really more expensive.

**J. Horgan:** If you submit the bill. You don't have to submit the bill. You can make a choice. That's my point. You can make a choice.

**Hon. M. de Jong:** I get that there will be discrepancies, but I don't know how you answer the question that I think all of us are happy to answer, which is: how much does it cost to run this constituency office? Well, it costs all of this, and this is how I, as an MLA, choose to allocate the discretionary funding I receive. By the way, there's a lease payment of X amount. That's what the cost is, all in, for the operation of this constituency office.

**S. Simpson:** I think it's a different question. I think that's an important question, but I think the question people have is: how are you, Mr. or Ms. MLA, spending my money that you have discretion over? I think that's the question they ask, when they ask: "Speaker, how come you spent this money this way?" or "MLA, how come you spent that money that way?"

I think they want to know where I'm travelling to, what I'm billing for, am I billing other things, have I had my moat cleaned lately, and stuff like that.

**E. Foster:** The whole world knows how much rent I pay at my office, so it really doesn't make any difference to me one way or the other. I'm pretty much disclosed, so it's okay with me.

**Madame Speaker:** Hon. Members, I am in your hands. How would you like to proceed?

**S. Simpson:** I'm not wedded terribly to either position.

**J. Horgan:** I think there will be more footnotes than there will be disclosure at some point. I'm inclined to agree with Michelle.

I have some experience in this, because I asked what the range is in my region so that I can make an informed decision. With respect to the good burghers in the Clerk's office, they quite rightly said: "Well, each individual member has different circumstances."

I asked again: "What's the range so that I can make an informed decision?" It was very difficult to come to that.

Then we brought in Shared Services to assist us to make better choices. What that did was, to a certain extent, take the responsibility away from me so that I didn't

have to say, "Well, I can't go to this space because it's not within this range," because I didn't know what the range was. That was left to Shared Services to figure out on our behalf, all 85 of us.

Unless we want to have pages and pages of footnotes on these disclosures.... What am I responsible for? What can I change in my behaviour over the course of a fiscal year? If I sign a four-year lease, it's a four-year lease. If I break the lease, it costs even more. I'm inclined to say, "This is what 85 MLAs cost to be housed in their communities, and this is what we're given annually to expend. What are you expending it on?" is a better way to proceed.

**S. Simpson:** I'm going to suggest, for the position we have, that we take the position — not Mike's position, but the position with the global — we look at that, and we report that out for the first year. We'll find out pretty quickly whether people like or don't like that reporting model. We can always come back and re-evaluate and decide to break things out in a more specific way if we decide that it's not meeting people's expectations and needs.

We'll take a little bit of heat, though, if that's the case. I think people want to know how I spend my \$119,000, primarily.

**Hon. M. de Jong:** In a case where a situation develops where there are public questions around the rent paid for an individual office, what will the response of the committee be?

[1520]

**S. Simpson:** I think we disclose the number. I don't think the number is a secret. I mean, if somebody comes and asks me what I pay, I'd probably go pull out my lease document, find out and tell them I pay X amount of money. I'm not worried about doing that, but I don't think it should be the debate of "How come you spend this much?" and "How come you spend that much?" when there can be pretty legitimate reasons for why there are differences.

**Hon. M. de Jong:** So if the Speaker's office gets a request from some outlet to say, "We'd like to know all of the rents for all 85 const offices," what would our advice to the Speaker be?

**J. Horgan:** It's a global number. I mean, I have space in the Legislative Assembly that I don't pay for. I have a desk there. I have a telephone. I have a computer. If we're going to break out....

Your office is bigger than mine, Mike. If you want to go square footage, then.... Every circumstance is different. The one thing that is common among us is that we're given \$119,000 to spend. If we want to break out what my space, which is quite modest, in the Legislature is costing the taxpayers, I'm happy to do that. I use only one urinal

in the place, and on and on it goes.

There are shared services that are provided to us that we all pay for. I think constituency offices fall under that.

**Hon. M. de Jong:** I think I know the will of the committee.

**J. Horgan:** That was my will anyway. The committee can do what it likes. It doesn't matter to me.

**Hon. M. de Jong:** I'm just anticipating, in the climate we exist in, the likelihood of that question being asked.

John, it sounds like you'd say: "This is the global figure, and we're not telling you." I don't think we're going to get away with that. I don't think that....

**J. Horgan:** Not now.

I mean, let 'er rip. It doesn't matter. But there are differences, and Michelle was articulating her circumstance quite ably. There are going to be higher numbers for different people in different parts of the province. If we want to get into a debate internally with the five people that want to follow these things and pester the Speaker's office and pester us, then so be it. But then let's bring it on in every square inch of this building, because that's really what we're talking about.

We spend \$69 million. Let's break it out by 85 people, and we're all responsible for that, right? I mean, at some point.... I'm not responsible for what else happens outside of my sphere of influence.

**S. Simpson:** I have a question for the Auditor, because much of the whole transparency was driven out of the Auditor's office in reports by the Auditor about believing we needed to have broader transparency, and we needed to deal with that.

Consider this notion of the global number for that that is paid here for us versus what we do as individuals. I'm seeking some advice.

**R. Jones:** Well, definitely the \$119,000 was of concern. I mean, yes, each rent is going to be different. If you felt it was something that the public wished to know, you could do a separate schedule that showed each MLA's rent, if you feel that's necessary.

I can't say that I know of anywhere else where that probably is done, but it is more transparent to do it that way.

**S. Simpson:** Do you see it as problematic, as the Auditor General? I know that your office is very clear about the \$119,000 and the need to be clear about how we expend that.

**R. Jones:** We thought it would be much better transparency to show how that's spent.

As far as the audit goes, it doesn't really matter to us. We will select our sample to look at various expenditures — one or two leases, probably, or whatever — in terms of getting the audit evidence that we need to be able to sign off on what was spent.

We don't sign the audit opinion and say that each one of the leases is absolutely correct. We take a sample and take a look, and if appropriate procedures have been followed and the dollar amounts are correct, then that's good enough. We're not looking at it on a micromanaging basis.

**J. Horgan:** The finance and audit committee reviewed this, and they made a recommendation. If a member of the committee doesn't like that recommendation, why don't we kick it back to them and bring it forward with an amendment? Clearly, there's a difference of opinion here, and we're not going to have consensus on this item.

It doesn't matter to me. I just felt that this was what came forward. It is a global expenditure, and it's different in each community. But as for disclosure, I'm: let 'er rip. It doesn't matter to me.

[1525]

**Madame Speaker:** Let me put the question to Hilary, because I understood it was here today because we needed it in terms of timing for how best to go forward.

Hilary, can we review this again at the end of March and still meet our requirement?

**H. Woodward:** It would make it rather tight. It's possible, but it's going to shorten the time frame in terms of us helping the constituency assistants get familiar with this format. What we looked at, and it's in this note, was to discuss the ability for them to have kind of a mock run of how this would be for them.

**Madame Speaker:** This doesn't actually go public till — when? — May?

**H. Woodward:** The first week in May.

**Madame Speaker:** The first week in May, so we probably have some time to extend this till the end of March.

**H. Woodward:** Yes, but preferably not beyond that.

**S. Simpson:** CAs have nothing to do with that lease payment. It's all paid directly, so that wouldn't be something that they would actually enter in any way. Presumably, it could be entered....

**H. Woodward:** Yeah, yeah. The expectation.... If it was possible to send that section, the non-centralized portion, out to them so they can get familiar with what they needed to do, that would be fine.

**S. Simpson:** Well, I think we're all agreed. The discretionary — everybody wants that piece up. The debate is about this global piece, but everybody wants that other piece to be there. I think there's agreement on that.

**Madame Speaker:** I'm seeing confirmation, so we will send out the non-global piece today, if that is the wish of the group. We will continue this discussion on March 25, the next finance audit, regarding the global spending.

**Hon. M. de Jong:** Well, I agree. Let's get on with the stuff that we've agreed to. The other stuff — I also agree with Shane. If you're going to include it, we have all the data now, because it's centrally managed, so we'll go to the committee. If anyone wants to reconsider, then we can do that.

What about the other point I asked about — the possibility of an income exemption threshold, which the committee also, I think, thought about and contemplated further discussions about? I just thought I'd raise now that, for me, I'm not supportive of that. If others are, then the work should continue. But if the majority aren't, then there's no point wasting time on it.

**Madame Speaker:** Any other comments?

**E. Foster:** Is that the recommendation of the committee — that the \$2,000 threshold be put in?

**Madame Speaker:** No.

**Hon. M. de Jong:** No. In fairness, I don't think it is. I think the committee is suggesting that it was prepared to consider and do more work on that. I don't think the committee is recommending that, but they are recommending doing more work on that.

**E. Foster:** I can't support that. We have trouble enough justifying the 15 months, without adding anything to it. I wouldn't be supportive of that.

**S. Simpson:** Well, I think there's some guidance there.

**Madame Speaker:** Thank you all. Any other questions or concerns under item 4 on the agenda? Do members wish a formal motion in terms of what we've just done in terms of sending out the non-global portion to CAs?

**Hon. M. de Jong:** Well, I guess the motion would be to amend the form as recommended by the finance and audit committee. I think that's what generated this conversation. Correct?

**Madame Speaker:** It actually is amended, I believe. It's found at the very last page, behind the blue tab. It doesn't today contain....

**Hon. M. de Jong:** I move that LAMC approve the revised format for the MLA constituency office expenses for the May 2014 release for expenses for the period January 1 to March 31, 2014, and that the disclosure of centralized constituency office expenses, such as lease costs, be given further consideration.

Motion approved.

**Madame Speaker:** Any other items that the committee would wish to address under item 4 on the agenda?

**C. James (Clerk of the House):** If I could make a comment, Madame Speaker. There are two others, two accounting policies that need to be addressed by the committee. One is the public sector accounting standards, and the other is the tangible capital asset policy. These are both relating to the financial statement work that we're doing internally for Vote 1.

Just so you know, we have conducted a tangible capital asset inventory — it concluded over the weekend — of the entire Parliament Buildings. It's the first time it's ever happened, and we're quite pleased. I think Hilary and financial services will be now prepared to use as a baseline some of the information that's required to move forward on the financial statement program.

[1530]

**J. Horgan:** Are we going to break down  $\frac{1}{85}$  of those tangible assets and account them to each MLA, or is that going to be a global number for the institution?

**H. Woodward:** It will be a global number on the financial statements.

**J. Horgan:** All right.

**S. Simpson:** I would move both of those. We need decisions. We can do them separately, if people want to break them out, but the public sector accounting standards and the tangible capital assets — that we proceed with those. I know that we've had this discussion at the finance and audit committee. They are requirements.

We really need to get this done in order to meet the obligations of the Auditor General, to satisfy them. These are key pieces to satisfy them. It also gives us a baseline and a place to start, to be able to move forward with more complete recordkeeping of how we spend things.

**Madame Speaker:** Hon. Members, recommendation on public sector accounting standards.

Motion approved.

**Madame Speaker:** Shane, speaking to tangible capital asset policy.

**S. Simpson:** I would move that for the same reason.

Motion approved.

**Madame Speaker:** That concludes item 4 on the agenda.

On item 5, Clerk's update.

#### Clerk of the House: Update

**C. James (Clerk of the House):** I will be very brief, I hope.

One of the items on this, under No. 5, is the projects tracking system, which I've referred to and has been some discussion with members this afternoon. Two very important programs that we have been undertaking, which we've been keeping the finance and audit committee and Legislative Assembly Management Committee apprised of, are the internal audit program and the business continuity project.

Risk Masters has been asked, after tender, to help us with phase 2 of our business continuity program. There is some information about the work that Risk Masters is doing for us. I hope to be able to report at the next finance and audit committee the progress that we're actually making on that front.

The internal audit program. Ernst and Young has been retained, again after a tender, to assist with an internal audit program for the Legislative Assembly. I think that this is quite exciting and, again, part of the accountability and openness and transparency for the Legislative Assembly.

The internal audit program will enable all of the Legislative Assembly branches to receive, at some point, an internal audit. The audit program will be developed. There will be a sampling of constituency offices as well. The Auditor General may wish to comment on that. I don't mean to put Russ on the spot.

In any event, in the last week of March Ernst and Young will be here for several days. I'm hoping that the finance and audit committee can meet with them to begin work on developing an audit program, which will then be approved by the finance and audit committee and, of course, brought here in terms of LAMC's approval of it as well. We'll keep you informed as we move forward.

Two other projects. The tablet and website projects I'll leave to Kate, if Kate wishes to speak briefly to those.

**K. Ryan-Lloyd (Deputy Clerk):** Thank you, Craig. As we discussed earlier in this meeting, the iPad project is underway, and members will have received.... For those who hadn't already received an iPad in conjunction with that, both the device and training were available throughout the last week or so and continue into next week.

In the course of your meeting I was able to confirm some of the costs for that initiative. The original estimate, which your committee would have received in



December, was for, as I described, a more expensive model, the 64-gigabyte model, at a retail cost of about \$849. In fact, based on recommendations from our IT department, we went with a 32-gigabyte model at \$600 each. We have purchased 28 of those, for a total of approximately \$16,800, as opposed to the original estimate, which was closer to \$23,700, so members are aware of that.

That project continues. As members may be aware, the iPad devices that they currently have in hand, in fact... Included for the first time today is the supporting documentation for this meeting. If members have a familiarity... I know some members are still new to that technology.

Going forward, we are looking to support the work of all committees with that documentation process. In addition to that, as members may know, the House documents are also available there, updated on a daily basis. The orders and the votes are both available, and all bills as well, as they are tabled at first reading.

[1535]

**E. Foster:** I got the e-mail from Craig. I have an iPad, the issued one that I use for my cabinet committees and so on. I couldn't get these documents up on it.

**K. Ryan-Lloyd (Deputy Clerk):** That's correct, Eric. For the first time that you access the new file folders that have been assigned to you individually, we'll have to help you through that setup process, but once it's in hand, you need to enter another password or something. It's just essentially linking you as another unique IP address to your particular file folders.

In your case, it would provide you with the House documents that are common to all 85 members as well as documents related to LAMC and Finance and Government Services, the two committees that you currently serve on. I can help you with that after the meeting.

**E. Foster:** Perfect.

**S. Simpson:** I'm starting to figure it out, and it actually is quite useful. I just have to make it stop binging at me.

**K. Ryan-Lloyd (Deputy Clerk):** I should also perhaps... Just further onto another significant project that we are in the midst of embarking on is a major renewal of the Legislative Assembly's external website. A consultant has been retained to help us undertake initial discussions with our key client groups, including members of this place and caucus staff, departmental staff and some external users.

By the time of your next meeting, should the committee have an interest, we should have a better handle on what the recommendations are with respect to the renewal of that website and what projected costs might be in terms of the length of that project and its impact on

the bottom line.

**Madame Speaker:** Any other items under section 5? Thank you, Members.

Section 6 — Office of the Auditor General — financial audit update.

### Financial Update

**R. Jones:** A fairly brief update. We're still in the planning phase of the audit. We'll be shooting to have financial statements for sometime in September, which for the first year, I think, is a good target. It will take a bit of work to get the financial statements into the public sector accounting standards format, but I have great confidence in management in pulling that off with the help of the subcommittee.

Everything at this point looks pretty good. We're very happy with the progress that's going on. As Craig had mentioned, there had been some talk about us going out and auditing constituency offices. I think, given the fact that internal audit is now going to be doing that, it will allow us to place some reliance on the work that they do going forward.

Constituency allowance dollars enter into our sampling of expenditures anyway, so there may be some that come up in our general expenditure sampling, but we're not targeting any specific offices at this point in time.

**Madame Speaker:** Any question for the Auditor?

Thank you, sir.

The 2013-14 financial statements progress report — Hilary Woodward.

**H. Woodward:** This is the first update that we've included in your package. We're pleased to continue to provide you with updates. We thought it would be useful for you to see, as the Auditor General was mentioning, our progress on the financial statements. We have it noted as being released in October, but September would work for us as well.

I'll just briefly mention one of the pieces here. One of the first things that we've been doing is, of course, validating our opening balances for our tangible capital assets. That was one of the issues that previously was raised. We've been doing a fair bit of work, going back into our financial records. As Craig mentioned, the inventory management system will be yet another test to us to test the completeness and existence of assets.

A lot of preparatory work is underway, but we are on track to have that work completed by the end of this month. Then we'll move on to financial obligations or liabilities and be doing a bunch of work there. Then we'll be able to report to this committee on our progress on those at the next meeting.

**Madame Speaker:** Thank you, madam.  
Any questions for Hilary?  
So you've touched on third-quarter financials as well?  
That brings us to other business, hon. Members.

### Other Business

**Hon. M. de Jong:** We've been talking about the, I presume, four documents that are in the last tab of the.... Is that right? Further to our earlier conversation, they now become sort of publicly posted. We approve them, and they go on some website or something.

[1540]

**Madame Speaker:** I think the discussion, Mike, was April 1. We will start off the new fiscal.

**Hon. M. de Jong:** Well, I wouldn't wait. There is no magic table. This is a third-quarter update, so I wouldn't.... Don't tie it to a.... If you tie it to April 1, people are going to think it's something that it's not — right? April 1 is the beginning of a new fiscal year. This is a third-quarter update, so I'd sort of purposely not put it on the first. I'd do it in the next few days.

**Madame Speaker:** Comments? Questions?

**J. Horgan:** I agree with the House Leader that we discussed these and they are now public documents. We've approved them. Slap them up.

**K. Ryan-Lloyd (Deputy Clerk):** May I just clarify for the committee and also for our own understanding as staff as to your preferences with documentation for this committee, because I recognize that there is media interest in the deliberations of your committee.

We have developed, just in-house, a sort of preliminary guideline for staff should we receive media inquiries, and subject to.... Your guidance today would be welcome to make any adjustments that you think are appropriate.

Currently the documents that are discussed during public proceedings will in fact be public documents following the conclusions of your deliberations. That would be consistent with all parliamentary committee information that is provided to members of the committee, with some exceptions. And the exceptions that we have made a note of, which are reflective of some of the early discussions that LAMC had in the fall of 2012, I would just like to share with you, for your information and advice.

The following documents would remain confidential: all documents discussed during in-camera proceedings as well as in-camera minutes or in-camera meeting summaries, documents that are prepared for the committee regarding legal or personnel matters or with commercial interest for the Assembly, documents related to security matters, decision notes to the finance and audit committee or to LAMC.

The thinking behind that, which of course mirrors practice, I think, typically in the public service is that if staff were to prepare on your behalf a number of options for your consideration, it would be, in fact, a decision that you take in public session that becomes part of the public package for information release rather than options that you perhaps have considered and discarded. I leave that to you for your consideration.

**Hon. M. de Jong:** We used to think that was the practice at cabinet too. Apparently not.

**K. Ryan-Lloyd (Deputy Clerk):** Also, internal audit reports — although the summary of Legislative Assembly internal audit action plans would certainly be released once the internal audit has been received and reviewed by the Speaker and your committee; and draft annual reports, of course, of your committee which would be following parliamentary practice of other committees.

I would certainly welcome your guidance on that. It is a question that we have grappled with in our office, because typically what would happen in most parliamentary committee meetings is that anything discussed on the public record is automatically public. But we recognize there are some caveats just to ensure that your deliberations run smoothly.

**E. Foster:** A caution. We had the budget at the first of the year for capital expenditures within the building, and that's public. That's fine. As we start to break that down and do estimates on this room, before.... If we're going to go to tender on these things, we shouldn't have a budget number public, because I'll guarantee you that's what the bids will come in at.

Just to caution there as we discuss those numbers. Once the tender is in, then it's fine. But I think there's a balance there — to make sure that the budget number is not out ahead of the bids.

**Madame Speaker:** Timing is everything.

**Hon. M. de Jong:** It's true, but there's no way around that. If you're releasing.... A budget is a forecast of what you're contemplating or prepared to spend. I mean, that's a common problem, because you make an estimate, and then if the final job comes in, even though it is merely an estimate, you're exposed to: "Well, it's over budget."

It's not actually over budget until you've done the procurement and you've figured out what it is, and then it runs over budget from there. But you can't budget otherwise. Budgets are forecasts for what you anticipate spending. If we're not going to include those numbers, then you're going to have an empty capital page.

You're right. What happens through the year is you start to lock down some of the numbers — right? But I'm not sure how we would have dealt....

If you go back to our capital budget at the beginning of the year, there are some estimates in here. I think we've got to be careful about that.

[1545]

Let me say, in answer to your specific question, Kate, that I think all of that made sense to me in terms of the exceptions. I think the big one would be for the finance and audit committee.

Shane and Michelle, you're on that as well. On balance, what do you folks think? I think what Kate was saying is that that report would not be released. It would be the decision of LAMC flowing from those deliberations that is released. That kind of makes sense to me, because the committee does the work and sends it back here. We then make a decision.

I'm okay with that, but I'm interested what...

**S. Simpson:** My inclination is that. I think that the discussion of options is not something... You're not accountable for your discussion of options. You're just accountable for your decision, and whatever that decision is, is the decision.

**Hon. M. de Jong:** You'd think that.

**S. Simpson:** Yeah. Well, you're in a different category, Minister.

So I think that's the case.

In terms of the capital, I have some sympathy for Eric's view. I think that when you look at the exclusions here.... We talked about commercial enterprise and those things. I wonder whether you can, at the point, create a global capital number, with a list of projects which don't necessarily have a number attached to them until you let a contract.

Once you let the contract, plug the number in and say: "This is what it is. We've let the contract, and it's \$50,000. Here it is, and that's what we're doing." Then people could say: "Well, you're spending \$50,000 on that." But the deal is done, and the bids are in, and somebody's been successful.

I'm just wondering whether that's a doable thing. Maybe that's a question, actually, for the financial officer as to: is that a practical way to deal with that? I'm not sure.

**H. Woodward:** I think that would be more appropriate to avoid the risk of people... We've experienced that before. Something inadvertently gets released, and then the bids all come out at the amount that's been quoted. It is a problem.

**S. Simpson:** We could say, "The Legislative Assembly has a budget for \$10 million for capital" — just to pick a number out of the air — "and that's our budget. We expect that these 15 projects will be included in that budget" — without putting any numbers to any specific projects.

Then those numbers will be released at the time that those contracts are let.

Does that make sense?

**H. Woodward:** Yeah, and that's doable. Yes.

**Madame Speaker:** I think it's fair to say we're committed to timely release. We can work out the details as we head into finance and audit next week as well.

I'm conscious of the time. Other business arising?

**Hon. M. de Jong:** Does any of that, therefore, inhibit our ability to post this document that says "Capital Projects Update"?

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

**Hon. M. de Jong:** Sorry. It does inhibit?

**S. Simpson:** Some of the contracts are let; some of them aren't.

**C. James (Clerk of the House):** Can you show me what you're looking at?

There will be some security-related projects in there, so they would have to be deleted.

**Hon. M. de Jong:** Okay, but the fact that something has in its title "security" surely doesn't, in and of itself, disqualify it.

Interjection.

**Hon. M. de Jong:** Well, we're changing the locks.

We presumably are not going to disclose the model number of the new security instruments and an owner's manual for how to operate them. But the budget says "security-related expenditures." That doesn't tell anyone anything, I don't think.

**C. James (Clerk of the House):** That's fine. Just remember that it is also an incomplete list. We have to flesh it out in terms of what we're doing elsewhere.

**S. Simpson:** But I would think that anything on this list, where we've let the contract... I mean, if there's a legitimate security concern, then that's another matter altogether. But anything where we've let the contract and we have a value for the contract and expected completion, I don't see why that wouldn't be on the list.

**Madame Speaker:** If it's the will of the members, we will bring that list to the next finance and audit committee.

**Hon. M. de Jong:** Well, we're releasing this one, is what

we've decided.

**S. Simpson:** Yeah, unless there's anything specific on here the Clerk could identify that is not a let contract and is something where we could compromise the commercial nature on it, I think that we're putting this list out.

**Madame Speaker:** Okay. Any other items under "Other Business"?

**S. Simpson:** Just a matter... I know that Gary has been dealing with this, and I'll just flag it. It's a WorkSafe question. You will know that we had the incident at the member from the West End, Spencer Chandra Herbert's — where his assistant was assaulted. There's a police investigation, and charges have been laid. That's all being dealt with.

[1550]

But that did raise questions, I believe, for WorkSafe as well — specifically, but probably broader questions for our offices generally. I don't know what the status of that is and don't want to kind of blow things out of proportion. I just would like to flag, maybe with Gary, that I would like us to stay on top of that if there are legitimate working-condition issues that WorkSafe has identified in our constituency offices and there's advice about how we address those so that we ensure the security of both our staff and members when they're in their offices, or improve that if there are concerns.

We should know what that is. We certainly need to satisfy WorkSafe and any concerns they may have.

**Madame Speaker:** The member has come to see me and, certainly, he has promised to bring the order that he has received from WorkSafe. We are more than happy to follow that up.

**S. Simpson:** Yes. I know we are dealing somewhat with the specifics of that, and we'll deal with that. I just see this now as an issue for 85 members in different ways. Some members.... I know we have members who have had additional technology put in their offices at the suggestion of authorities. That's been followed. I'm sure members on both sides, where RCMP or police or Leg. security have said, "You should do something additional for a legitimate reason," it's been done.

**J. Horgan:** I just want the minutes to reflect that we have a guest today, Ms. Audrey O'Brien from the House of Commons, who also sits in on the Board of Internal Economy, which does not sit in public as we do today. I'm hopeful she'll take this example back to Ottawa and, within a fortnight, we'll have changes there as well.

**Hon. M. de Jong:** Oh, the fun you'll have.

**S. Simpson:** Failing that, we'll send some journalists to talk to you who are very keen on this.

**Madame Speaker:** Hon. Members, in terms of next discussions, we will certainly have some discussion at the next finance and audit regarding the MLA personal liability card. I would propose that we meet next for finance and audit on March 25, from two to four, in this room. We will have discussions at that point with the individuals from Washington State on how they manage their safety, security and seismic issues.

May I entertain a motion for adjournment?

Motion approved.

The committee adjourned at 3:52 p.m.

## HANSARD REPORTING SERVICES

Director  
Robert Sutherland

Manager of Reporting Services  
Christine Fedoruk

Publishing Supervisor  
Laurel Bernard

Editorial Team Leaders  
Janet Brazier, Robyn Swanson

Technical Operations Officers  
Pamela Holmes, Emily Jacques, Dan Kerr

Indexers  
Shannon Ash, Julie McClung, Robin Rohrmoser

Researchers  
Jaime Apolonio, Richard Baer, David Mattison

Editors  
Kim Christie, Deirdre Gotto, Jane Grainger, Betsy Gray, Iris Gray,  
Linda Guy, Barb Horricks, Bill Hrick, Paula Lee, Donna McCloskey,  
Bob McIntosh, Anne Maclean, Constance Maskery, Jill Milkert,  
Lind Miller, Lou Mitchell, Karol Morris, Erik Pedersen,  
Janet Pink, Amy Reiswig, Heather Warren, Arlene Wells,  
Glenn Wigmore, Anita Willis

Published by British Columbia Hansard Services,  
and printed under the authority of the Speaker.

**[www.leg.bc.ca/cmt](http://www.leg.bc.ca/cmt)**

Access to on-line versions of the report of proceedings (*Hansard*)  
and webcasts of committee proceedings is available on the Internet.