

Select Standing Committee on Finance and Government Services

ANNUAL REVIEW OF THE BUDGETS OF STATUTORY OFFICES



LEGISLATIVE ASSEMBLY
of BRITISH COLUMBIA

DECEMBER 2017

SECOND SESSION
OF THE 41ST PARLIAMENT



December 18, 2017

To the Honourable
Legislative Assembly of the
Province of British Columbia

Honourable Members:

I have the honour to present herewith the Second Report of the Select Standing Committee on Finance and Government Services for the Second Session of the 41st Parliament titled, *Annual Review of the Budgets of the Statutory Offices*. This report covers the work of the Committee's review of 2018 statutory office budgets, as unanimously approved by the Committee.

Respectfully submitted on behalf of the Committee,

Bob D'Eith, MLA
Chair

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Composition of the Committee

Members

Bob D’Eith, MLA	Chair	Maple Ridge-Mission
Dan Ashton, MLA	Deputy Chair	Penticton
Jagrup Brar, MLA		Surrey-Fleetwood
Stephanie Cadieux, MLA		Surrey South
Mitzi Dean, MLA		Esquimalt-Metchosin
Ronna-Rae Leonard, MLA		Courtenay-Comox
Peter Milobar, MLA		Kamloops-North Thompson
Adam Olsen, MLA <i>(to October 2, 2017)</i>		Saanich North and the Islands
Tracy Redies, MLA		Surrey-White Rock
Dr. Andrew Weaver, MLA <i>(from October 2, 2017)</i>		Oak Bay-Gordon Head

Committee Staff

Kate Ryan-Lloyd, Deputy Clerk and Clerk of Committees

Ron Wall, Manager, Committee Research Services

Karan Riarh, Committee Research Analyst

Terms of Reference

On September 14, 2017, the Legislative Assembly agreed that the Select Standing Committee on Finance and Government Services be empowered:

1. To examine, inquire into and make recommendations with respect to the budget consultation paper prepared by the Minister of Finance in accordance with section 2 of the *Budget Transparency and Accountability Act*, SBC 2000, c.23 and, in particular, to:
 - a. Conduct public consultations across British Columbia on proposals and recommendations regarding the provincial budget and fiscal policy for the coming fiscal year by any means the committee considers appropriate;
 - b. Prepare a report no later than November 15, 2017 on the results of those consultations; and
2. a. To consider and make recommendations on the annual reports, rolling three-year service plans and budgets of the following statutory officers:
 - i. Auditor General
 - ii. Chief Electoral Officer
 - iii. Conflict of Interest Commissioner
 - iv. Information and Privacy Commissioner
 - v. Merit Commissioner
 - vi. Ombudsperson
 - vii. Police Complaint Commissioner
 - viii. Representative for Children and Youth; and
- b. To examine, inquire into and make recommendations with respect to other matters brought to the Committee's attention by any of the Officers listed in 2 (a) above.
3. To be the Committee referred to in the sections 19, 20, 21 and 23 of the *Auditor General Act*, SBC 2003, c. 2 and that the performance report in section 22 of the *Auditor General Act*, SBC 2003, c. 2, be referred to the Committee.

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

- a. to appoint of their number one or more subcommittees and to refer to such subcommittees any of the matters referred to the Committee;
- b. to sit during a period in which the House is adjourned, during the recess after prorogation until the next following Session and during any sitting of the House;

- c. to adjourn from place to place as may be convenient; and
- d. to retain personnel as required to assist the Committee,

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

Oversight of Statutory Office Budgets

The Terms of Reference for the all-party Select Standing Committee on Finance and Government Services (the Committee) adopted by the Legislative Assembly on September 14, 2017 assign the work of reviewing the budgets of statutory offices to the Committee, a longstanding practice of the Legislative Assembly. The statutory offices report to the Legislative Assembly through the Speaker, support the work of its Members, and play an important role in government accountability.

The province's eight statutory officer positions are:

- The Auditor General.
- The Ombudsperson.
- The Conflict of Interest Commissioner.
- The Information and Privacy Commissioner and Registrar of Lobbyists.
- The Chief Electoral Officer.
- The Police Complaint Commissioner.
- The Merit Commissioner.
- The Representative for Children and Youth.

Meetings Schedule

The Committee's review of supplementary budget requests for the 2017/18 fiscal year and budget submissions for the 2018/19 to 2020/21 fiscal years took place during the following meetings.

November 21, 2017	Office of the Representative for Children and Youth: 2018/19 Budget Request Office of the Information and Privacy Commissioner and Registrar of Lobbyists: 2018/19 Budget Request
November 22, 2017	Office of the Auditor General: 2018/19 Budget Request Office of the Conflict of Interest Commissioner: 2018/19 Budget Request Office of the Ombudsperson: 2018/19 Budget Request
November 23, 2017	Elections BC: 2018/19 Budget Request Deliberations (<i>in-camera</i>)
November 28, 2017	Office of the Merit Commissioner: 2018/19 Budget Request Office of the Police Complaint Commissioner: 2018/19 Budget Request Deliberations (<i>in-camera</i>)

November 30, 2017 Deliberations (*in-camera*)

December 11, 2017 Deliberations (*in-camera*)

Adoption of Report

Approach to Non-Discretionary and Discretionary Expenses Proposals

The Committee's past decisions have supported the ability of statutory officers to undertake their important work on behalf of the Assembly and its Members. For example, operating budgets increased by an average of 3.8% annually between 2013/14 and 2017/18.

This fall, the Committee received proposals from statutory offices for 2018/19 to 2020/21 budgets to manage non-discretionary pressures and greater statutory responsibilities as well as additional discretionary initiatives. Overall, the eight statutory offices sought to increase their operating budgets above 2017/18 levels by 8.2% for 2018/19 and by 9.7% for 2019/20.

The Committee's Members agreed to a principled and responsible approach to public sector budgets, and the need for long-term fiscal responsibility. As with past Committee decisions on statutory office budgets, Committee Members noted that the application of public service salary changes was a good approach for setting salary levels in statutory offices. The Committee also recognized the requirement to provide funding for new obligations assigned to statutory offices as a result of legislative amendments adopted by the Legislative Assembly. On the other hand, the Committee expressed reservations about undertaking certain discretionary activities given sizeable pressures arising from new and existing statutory obligations, and the need to fund proposed changes to statutory office compensation.

As a result, the proposal to increase overall operating expenses above 2017/18 levels was changed to 3.8% for 2018/19 and 3.3% for 2019/20 (the lower level for 2019/20 also reflects expiring projects and statutory program cycles).

Professional Services

Members noted significant professional services costs in several statutory offices, and requested additional information on these expenditures. While outside contractors can be useful in providing specialized expertise and technical services, the Committee encouraged statutory offices to continue to manage contracts carefully, and to ensure that they provide good value for money. The Committee agreed that statutory offices should include more information on proposed professional services contracts in their submissions for next year's budgets.

Office Costs and Shared Office Arrangements

Committee Members sought information on office costs for statutory offices, particularly the ratio of full-time staff to cost per square foot. Several statutory officers explained that they have shared office arrangements which generate savings, which the Committee has identified as a good practice. In the case of the Conflict of Interest Commissioner, the Legislative Assembly rents space to his office in a building on the parliamentary precinct – this proximity to Members facilitates good working relationships with Members, especially when the Legislative Assembly is sitting.

The Committee agreed to ask all statutory officers, including those with shared cost arrangements, to review their office costs and leases for the years ahead, explore competitive options and opportunities for savings and efficiencies, and report to the Committee on office costs in their submissions for next year's budgets.

Capital Budgets

In the course of their review of statutory office budgets, Committee Members observed a general practice of flat-line capital budget proposals for small and large statutory offices. In response to questions, some statutory officers advised that they use a zero-based budgeting approach, where all capital expenses are justified for each new period, for determining capital budget requirements.

The Committee concluded that statutory offices should provide more detail on capital budgets using structured practices such as zero-based budgeting. The Committee agreed that statutory office budget templates should be revised to provide more rigorous detail on capital project plans, and will provide Committee staff with further direction with respect to related revisions.

Statutory Officer Remuneration

The Committee took note of the October 25, 2017 adoption by the Legislative Assembly of motions changing remuneration for provincial judges for the 2013/14 to 2019/20 fiscal years, in response to the reports of the 2013 and 2016 Judicial Compensation Commissions. Since the salaries of seven full-time statutory officers are linked to the salary of the Chief Judge of the Provincial Court, remuneration for these positions is affected. For the 2017/18 and 2018/19 fiscal years, the salary of the Chief Judge of the Provincial Court is estimated at \$293,440 and \$297,920, respectively. The eighth statutory officer, the Merit Commissioner, is a part-time position with remuneration set on a per diem basis.

Since the implementation of the changes to judicial compensation had not yet been finalized at the outset of the fall process, the budget submissions of most statutory offices did not incorporate the projected new levels.

Retroactive statutory office compensation for the current and past fiscal years is typically expensed in the current fiscal year. Some statutory officers advised that they may seek supplementary funding to reflect the impact of changes to judicial compensation.

Recommendations for Statutory Office Budgets

The Committee concluded its deliberations on statutory office budget submissions by approving budget recommendations for the eight statutory offices, which are outlined in the following sections.

The Committee's proceedings and this report are available on the Committee's website at: <https://www.leg.bc.ca/parliamentary-business/committees/fgs>

Office of the Auditor General

The *Auditor General Act* establishes the province's Auditor General as an officer of the Legislative Assembly. The Act authorizes the Auditor General to undertake audits of the financial statements of government organizations, and performance audits on the efficiency, economy, and effectiveness of government programs, services, and resources. Vote 2 of the annual provincial Estimates provides for the office's operating expenses and capital expenditures.

Budget Submission for 2018/19 to 2020/21

The Committee reviewed the Auditor General's budget proposal for the next three fiscal years on November 22, 2017. In attendance were: Carol Bellringer, Auditor General; Russ Jones, Deputy Auditor General; Katrina Hall, Chief Financial Officer; and Stephen Kearsey, Senior Manager, Human Resources.

The Auditor General began by noting that this was the fourth year of her eight-year appointment. To strengthen planning and priority-setting within the Office of the Auditor General, she had established a comprehensive strategic planning framework, including a performance audit coverage plan. An updated performance audit plan reflecting revised priorities which draw on input from various stakeholders, Deputy Ministers, Members of the Legislative Assembly and the public, was nearing completion and would be released shortly.

In December 2016, the Committee approved a \$242,000, or 1.4%, increase in the office's 2017/18 operating budget, to cover increased travel to undertake new health sector audits, and information system costs.

The Auditor General proposed additional operating funding for the following areas.

- *An increased role for the office in the auditing of BC Hydro's financial statements.* Until now, the office has met its obligation to audit BC Hydro's financial statements through an oversight role, with detailed accounting functions contracted out by BC Hydro to external accounting firms. The Auditor General is seeking to change this practice such that her office would undertake the direct audit function beginning in 2019/20, with implementation over the next two fiscal years. Transitional costs would amount to \$480,000 in 2018/19, for added salary expenses. For 2019/20 and 2020/21, approximately \$900,000 was sought for new salary and other operating expenses.
- *Increased attention to information technology issues.* The Auditor General noted that information technology audits and support in her office were of increasing importance, and sought a further \$150,000 for two positions in the 2018/19 fiscal year and \$225,000 annually for three positions thereafter.
- *Added resources for other performance audits.* To carry out the office's plan for performance audits, the Auditor General requested \$51,000 for one position in the 2018/19 fiscal year and \$295,000 annually for four positions in the following fiscal years.
- *Corporate services salaries.* An additional \$50,000 for one position was proposed beginning in the 2019/20 fiscal year.

- *Base salaries funding.* The Auditor General sought \$500,000 in further base salaries funding to manage an approach to fully staffing positions across the office assuming ongoing attrition rates. This funding would be required if expected attritions did not occur as anticipated.

Overall, the Auditor General requested \$18,520,000 for the 2018/19 operating budget, \$1.2 million, or 6.8%, above 2017/18. Further increases to \$19,315,000 for 2019/20, or 11.4% above 2017/18, and \$19,320,000 for 2020/21, were also sought.

The Auditor General proposed increases in capital funding to replace aging information technology infrastructure, purchase furniture and equipment for \$25,000, and acquire accounting software. The capital budget involved \$435,000 for 2018/19, 24% over approved spending of \$350,000 in 2017/18, and \$250,000 for each of 2019/20 and 2020/21 fiscal years.

Committee Inquiry

Committee Members considered the budgetary implications of the Auditor General's proposed approach for the BC Hydro financial statements audit, occupancy levels and office costs, changes to unused appropriations since 2015/16, and comparisons with other jurisdictions on work on financial statements and performance plans.

BC Hydro Financial Statements Audit

Committee Members sought details about the Auditor General's budget submission with respect to a change in her office's role in the audit of BC Hydro's financial statements commencing in the 2019/20 fiscal year. They asked if the office could undertake an increased role for the BC Hydro financial statements audit in the absence of the requested increase in operating budget funding. The Auditor General explained that while her office had some flexibility, an expanded role in the BC Hydro audit would not be possible without additional budgetary resources.

The Committee also discussed the Auditor General's plan to build specialized accounting capacity within the office in the 2018/19 transition period in order to be ready to manage an increased role for the BC Hydro audit in 2019/20.

Members asked whether the proposed resources for the increased role in the BC Hydro audit would sunset at the end of the audit's five-year term. The Auditor General and the Deputy Auditor General indicated that a continued role in the BC Hydro audit or enhanced auditing of other major Crown Corporations (such as ICBC or the BC Lottery Corporation) could be possible after the expiry of the five-year term depending on identified risk levels.

Members considered alternative approaches to the BC Hydro financial statements audit such as the use of contracted accounting resources which could provide the office with more flexibility to limit the requirement for budgetary increase. The Auditor General stated that her office might use targeted contracts with accounting firms to handle specialized accounting matters in the BC Hydro audit.

The Auditor General advised the Committee that a change in her office's role would not result in an additional net cost for government as a whole for the 2019/20 and subsequent fiscal years, since BC Hydro was currently paying for external accounting firms to undertake its financial statements audit. In a situation where her office undertakes such a role, the office would bill BC Hydro for fees currently going to external firms. To maintain its independence, her office has a practice of returning such fees to the Consolidated

Revenue Fund, which then pays the office an equivalent amount for operating expenses. However, the public sector would have a net increase in costs in the 2018/19 transition period as the office prepared to take on an increased role in the BC Hydro audit.

In response to a subsequent written request for further information on operating budget expenses, the Auditor General provided the Committee with a revised approach for the BC Hydro financial statements audit. This approach would involve an enhanced auditing role for her office on BC Hydro itself and continued contracting out by BC Hydro of technical audit functions (such as the financial statements of the BC Hydro subsidiary, Powerex, and BC Hydro's pension plan) to private sector accounting firms. Salary cost increases would be \$240,000 in 2018/19 (down from \$480,000 in the Auditor General's November 22, 2017 presentation) and \$375,000 in the 2019/20 and subsequent fiscal years (down from \$750,000).

Office Occupancy Levels and Office Costs

Members noted that the Auditor General's budget request involved an increase in full-time positions, and asked about occupancy plans for the additional positions. Office staff explained that some of these changes involved a shift from part-time to full-time positions and parental leave arrangements, resulting in no net change. The Auditor General explained that the office moved into new space shortly after she began her term, reflecting decisions made prior to her arrival. Since then, she had advanced initiatives to improve the efficiency of office use, including shared space arrangements and consolidating kitchen spaces.

Changes to Unused Appropriations since 2015/16

Members requested information on the office's level of unused appropriations, observing that the Auditor General was requesting significant increases in operating funding while in recent years actual expenditures had been approximately \$1 million less than budget allocations. The Auditor General advised that as a result of strengthened planning and efforts to address recruitment and retention issues, unused appropriations for the 2017/18 fiscal year were expected to be significantly lower.

Comparisons with Other Jurisdictions

The Auditor General was asked how other jurisdictions compare with her office in the percentage of total audit work undertaken as direct audits and the percentage carried out as oversight audits. She stated that jurisdictions across Canada have varying approaches. Some undertake all public sector financial statement audits, while others contract some financial statement audits out to private accounting firms. For example, Ontario's Auditor General focuses primarily on performance audits. British Columbia fits within the middle of jurisdictions across the country, with robust financial statement and performance audit programs. Close to 60% of the office's work is in financial audits and about 40% is in performance audits.

Recommendations

The Committee acknowledged the valuable work of the Office of the Auditor General in ensuring that the province's public sector follows sound fiscal and accounting principles and practices, and provides value for money in the administration of government programs. Members also affirmed the importance of the effective auditing of BC Hydro's financial statements and appreciated the Auditor General's additional information on an enhanced plan to undertake the annual BC Hydro audit.

Committee Members concluded their deliberations on the BC Hydro audit by agreeing to the Auditor General's revised approach of an enhanced role for her office combined with continued external private sector expertise in technical areas. This revised approach promotes a flexible staffing model, compared with a larger permanent full-time staffing investment that would be required otherwise. They also supported requested increases in operating funds for travel, professional services, office and business expenses, amortization, building occupancy costs, and grants. Members recognized the emerging information technology and performance audit issues identified by the Auditor General and her independence in determining the office's activities. In the context of overall fiscal responsibility, Members concluded that these emerging issues could be managed through priority-setting within an established budgetary envelope.

The Committee's decisions reduced the increases in operating expenses above 2017/18 from the requested 6.8% to 1.4% for 2018/19, and from the requested 11.4% to 3.2% for 2019/20.

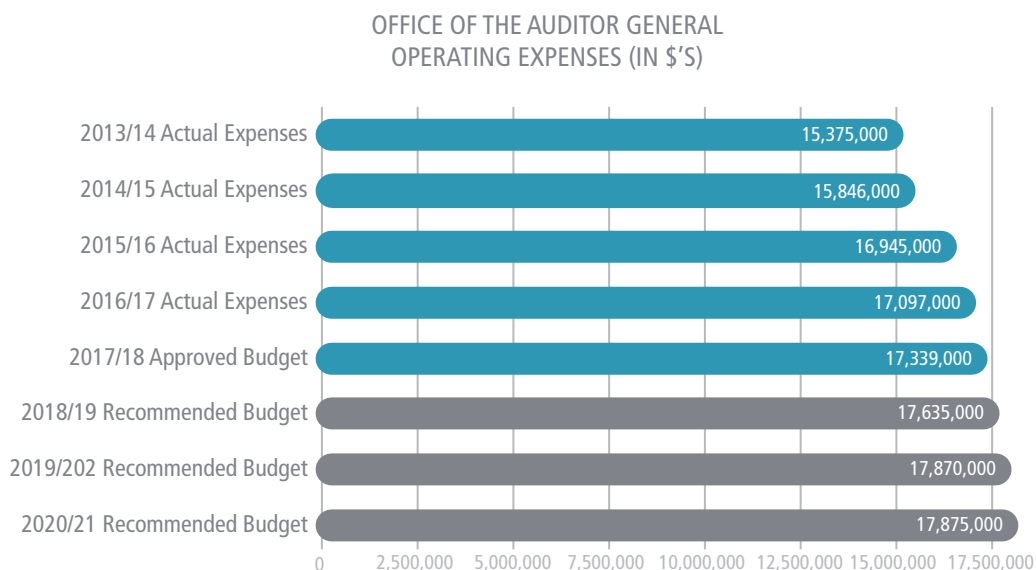
Members observed that the office's \$435,000 capital budget request for 2018/19 amounted to a 24% increase over the \$350,000 level approved for 2017/18, and a substantial expansion over the \$125,000 level for 2018/19 set out in the office's fall 2016 budget submission.

Notwithstanding the capital needs outlined by the office for the year ahead, in view of the fiscal context for the overall public sector, Members agreed to a scaled back capital budget of \$250,000 for the 2018/19 fiscal year, and supported the proposed capital budgets of \$250,000 for each of the 2019/20 and 2020/21 fiscal years.

RECOMMENDATIONS

The Committee recommends to the Legislative Assembly that:

1. The appropriation for the operating expenditures of the Office of the Auditor General be \$17,635,000 in the 2018/19 fiscal year, \$17,870,000 in the 2019/20 fiscal year, and \$17,875,000 in the 2020/21 fiscal year.
2. The appropriation for the capital expenditures of the Office of the Auditor General be \$250,000 in the each of the next three fiscal years.



Office of the Conflict of Interest Commissioner

Under the *Members' Conflict of Interest Act*, the Conflict of Interest Commissioner advises Members on their obligations for conduct, meets with them to review disclosures of financial interests and obligations required by the Act, and provides opinions in response to requests about compliance with the Act. The yearly appropriations for the office are provided under Vote 3 of the annual Estimates.

Budget Submission for 2018/19 to 2020/21

The Committee reviewed the office's budget proposal for the next three fiscal years on November 22, 2017. In attendance were: Paul Fraser, Q.C., Conflict of Interest Commissioner; and Linda Pink, Executive Coordinator.

The Office of the Conflict of Interest Commissioner has the smallest operating budget of all of the province's statutory offices with two full-time and three part-time staff. Most costs are non-discretionary, particularly salaries and benefits, with the Commissioner's compensation being the largest expense.

The Commissioner submitted an operating budget for the next three years based on a 1.5% cost of living increase for staff salaries, and reduced professional services costs related to lower anticipated legal expenses. Overall, the Commissioner proposed an operating budget of \$687,000 in each of the next three fiscal years, 7.5% lower than the approved level for 2017/18. An unchanged capital budget of \$25,000 was sought for each of the next three years.

Committee Inquiry

Committee Members sought further information on the Commissioner's remuneration, and funding to improve his office's website and public outreach.

Commissioner's Remuneration

The Commissioner explained that his position had been increased from 75% to full-time status in 2015. Because of his age, he has been unable to participate in the BC Public Service Pension Plan and was being provided with lump sum pension payments instead. The Commissioner explained that the lump sum payments end at the conclusion of his second term on April 5, 2018. The Legislative Assembly has established a Special Committee to Appoint a Conflict of Interest Commissioner, which will be reviewing the position's future terms and conditions.

Proposed Funding to Improve the Office Website and Public Outreach

Members sought information on funding to modernize the office's website and observed that the office's educational outreach was important for British Columbians. The Commissioner indicated that website funding was reflected in an increased professional services budget.

Recommendations

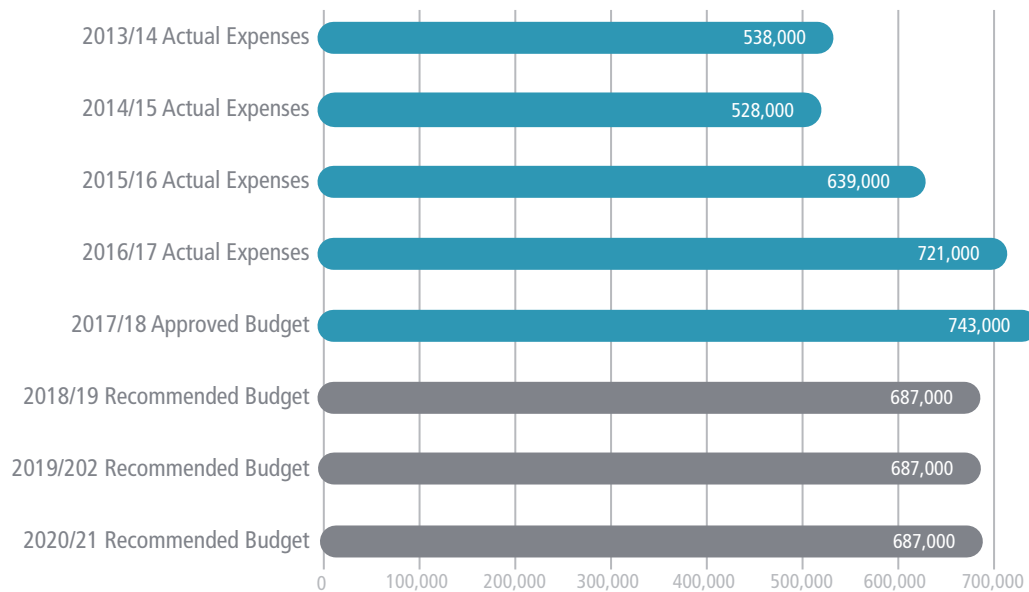
Members commended the Conflict of Interest Commissioner for his administration of conflict of interest matters. The Committee took note of the small size of his office, and agreed to his proposed operating and capital budgets.

RECOMMENDATIONS

The Committee recommends to the Legislative Assembly that:

1. The appropriation for the operating expenditures of the Office of the Conflict of Interest Commissioner be \$687,000 in each of the next three fiscal years.
2. The appropriation for capital expenditures of the Office of the Conflict of Interest Commissioner be \$25,000 in each of the next three fiscal years.

OFFICE OF THE CONFLICT OF INTEREST COMMISSIONER
OPERATING EXPENSES (IN \$'S)



Elections BC

Elections BC is an independent, non-partisan office which administers provincial general elections, by-elections, referendums, recall petitions, initiative petitions and initiative votes, and other elements of the provincial electoral process, and oversees local election campaign financing and advertising requirements. The Chief Electoral Officer is an officer of the Legislature, with responsibility for the administration of the *Election Act*, the *Recall and Initiative Act*, the *Referendum Act*, and campaign financing and advertising rules under the *Local Elections Campaign Financing Act*. The appropriations for Elections BC's operating and capital expenditures are provided under Vote 4 of the annual Estimates.

Budget Submission for 2018/19 to 2020/21

The Committee met on November 23, 2017 to review Elections BC's budget proposal for the next three fiscal years. Representing the office were: Dr. Keith Archer, Chief Electoral Officer; Anton Boegman, Deputy Chief Electoral Officer, Electoral Operations; and Tanya Ackinclose, Manager, Finance.

The Chief Electoral Officer presented the office's three budget requests, based on statutory obligations and non-discretionary pressures.

- *Core operating budget.* \$10,405,000 was requested for 2018/19 for ongoing core operating expenses, an increase of \$718,000, or 7.4%, from 2017/18, to cover salary and benefit increases, voters list maintenance and political entity reporting (the latter costs rise in the year following a provincial general election as temporary staff are retained to finalize compliance reviews of election financing reports). For the 2019/20 fiscal year, \$9,993,000 was sought, or 3.2% above the 2017/18 level, and \$10,138,000 was proposed for the 2020/21 fiscal year.
- *Event-related operating budget.* \$3,410,000 was sought for 2018/19, down from \$36,467,000 in 2017/18 to administer the 2017 provincial general election. The upcoming fiscal year request would cover the cost of two electoral events: \$1,690,000 to administer campaign financing for the 2018 General Local Elections; and \$1,720,000 for ongoing readiness for a provincial general election.
- *Capital budget.* \$700,000 was proposed for the next three fiscal years for: the provision of online voter services; a vote by mail tracking system to support a possible 2018 referendum on electoral reform; and enhanced candidate services support. The proposed levels reflected a \$150,000, or 27.3%, increase above the 2017/18 approved budget level.

The Chief Electoral Officer advised the Committee that a proposal for supplementary funding for the 2017/18 fiscal year would be submitted for the Committee's consideration regarding the implementation of new legislative amendments adopted by the Legislative Assembly respecting electoral financing and annual allowances for political parties, local elections campaign financing, and a provincial referendum on electoral reform, and for the administration of a by-election for Kelowna West, which must be called by February 3, 2018. The implementation of legislative amendments would also have budgetary implications for future fiscal years.

Committee Inquiry

Committee Members reviewed provincial election preparedness costs, the budgetary impact of provincial and local election cycles, staffing changes since 2013, office expenses, and capital budgets.

Provincial Election Preparedness Costs

Members sought explanations for provincial election preparedness costs in the budget submission for Elections BC. The Chief Electoral Officer confirmed that in a majority government situation, Elections BC would begin preparations for a provincial general election in the year prior to a general election, whereas in the current minority government situation, an ongoing state of election preparedness was required. In response to questions, the Deputy Chief Electoral Officer advised that of the \$1,690,000 sought for preparedness, about \$850,000 could be classified as pre-purchases for electoral forms and documents, which would not be required in the successive years of this provincial electoral cycle. Advance computer configuration and system documentation were other significant front-end costs. On the other hand, District Electoral Officers and their deputies were being hired and these positions would be staffed on an ongoing part-time basis for electoral readiness.

Provincial and Local Election Cycles

The Committee asked the Chief Electoral Officer whether operational and capital efficiencies could be realized from fixed election dates for quadrennial provincial and biennial local elections. He indicated that the mandate of Elections BC was much broader for provincial elections than for local election campaign financing. In this regard, a small proportion of part-time staff used in provincial general elections would be hired for local election campaign financing requirements. As a result, there was limited scope for provincial and local election efficiencies.

Elections BC Staffing Changes since 2013

Members inquired about hiring activities at Elections BC since 2013. The Chief Electoral Officer explained that legislative amendments adopted by the Assembly had expanded the mandate of Elections BC since 2013. The *Local Elections Campaign Financing Act*, adopted in 2014, added the responsibility for overseeing local elections campaign financing provisions, which had been implemented through the addition of 11 full-time staff. In addition, operational assessments had led to decisions to split several management positions and reorganize human resources staff in order to strengthen the administration of electoral business lines.

Office Expenses

The Chief Electoral Officer indicated that a one-time increase in building occupancy charges for 2018/19 was due to the need to replace two air conditioning units in Elections BC's computer server room.

Capital Budgets

Members asked about Elections BC's approach to capital budget planning and its use of zero-based budgeting to establish capital budget plans. The Chief Electoral Officer confirmed that zero-based budgeting is used for all of Elections BC's capital projects, which involved the amortization of certain capital projects over five years. An unscheduled event such as an initiative petition or a plebiscite requiring additional capital resources can crowd out work planned for the capital budget and Elections BC aims to keep the capital budget request at a \$700,000 level.

Recommendations

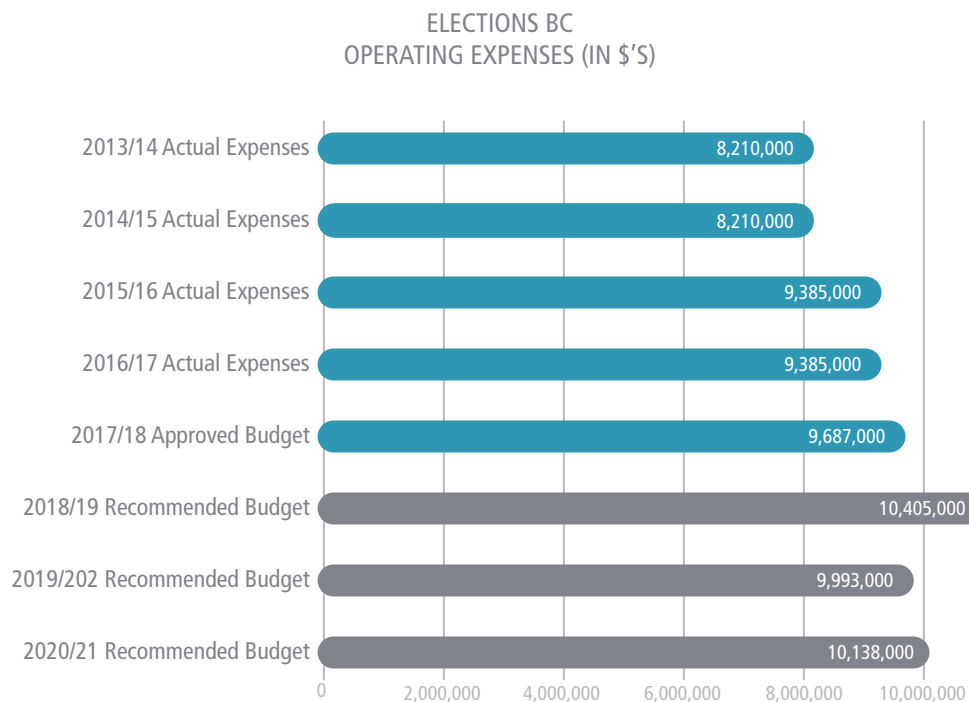
Committee Members commended the Chief Electoral Office and his staff for their effective administration of electoral services for British Columbians. Members noted that changes in operating and event-related operating budgets reflected non-discretionary and statutory obligations, and agreed to the proposed operating, event-related operating and capital budgets.

As noted above, increases in operating expenses above 2017/18 levels amounted to 7.4% for 2018/19 and 3.2% for 2019/20 (the lower level for 2019/20 reflects statutory program cycles).

RECOMMENDATIONS

The Committee recommends to the Legislative Assembly that:

1. The appropriation for the operating expenditures of Elections BC be \$10,405,000 in the 2018/19 fiscal year; \$9,993,000 in the 2019/20 fiscal year; and \$10,138,000 in the 2020/21 fiscal year.
2. The appropriation for event-related operating expenditures for Elections BC be \$3,410,000 in the 2018/19 fiscal year.
3. The appropriation for capital expenditures for Elections BC be \$700,000 in each of the next three fiscal years.



Office of the Information and Privacy Commissioner and Registrar of Lobbyists

The Office of the Information and Privacy Commissioner is the independent oversight agency responsible for monitoring and enforcing compliance with the *Freedom of Information and Protection of Privacy Act* and the *Personal Information Protection Act*. An officer of the Legislature, the Commissioner is responsible for: reviews of access to information requests; the investigation of complaints; monitoring general compliance with the Acts; promoting freedom of information and protection of privacy principles; and providing advice and information to public bodies on access and privacy issues. The Commissioner is also designated as the Registrar of Lobbyists, with responsibility for enforcing the *Lobbyist Registration Act* and overseeing the BC Registry of Lobbyists. The appropriations for the operating and capital expenditures of the office are provided under Vote 5 of the annual Estimates.

Budget Submission for 2018/19 to 2020/21

The Committee met on November 21, 2017 to review the office's budget submission for the next three fiscal years. In attendance were: Drew McArthur, Acting Information and Privacy Commissioner and Registrar of Lobbyists; Jay Fedorak, Deputy Commissioner and Deputy Registrar; and Dave Van Swieten, Executive Director, Corporate Shared Services.

The Acting Commissioner noted that a January 2016 Committee decision to provide a \$230,000 increase in annual operating budget funding to cover an additional investigator and another adjudicator has reduced the time citizen complainants must wait for their files to be investigated. A December 2016 Committee decision to support an additional \$50,000 annually for 2017/18 to 2019/20 has covered the costs of an Asia-Pacific Privacy Authorities secretariat, strengthening the office's relationships in the Asia-Pacific region, facilitating opportunities for the province in the digital economy and creating greater awareness that BC is a good place to do business.

The Acting Commissioner sought additional operating funding for the following areas.

- *Non-discretionary operating costs.* An additional \$157,000 in each of the next three fiscal years was proposed to cover non-discretionary increases in salaries and benefits, and building and other costs.
- *Caseload processing.* A \$230,000 annual increase was requested to fund two new positions to deal with growing caseloads due to a near doubling in the number of processing time extensions from public sector organizations.
- *Public education.* New funding of \$246,000 annually for one analyst and one investigator commencing in the 2019/20 fiscal year was sought for increased public awareness of the province's information and privacy laws.
- *Impact of potential changes to information and privacy laws.* A further \$246,000 in salaries, benefits and associated costs was identified beginning in the 2020/21 fiscal year for possible changes to privacy protection requirements to ensure that BC businesses continue to have access to European data.

Overall, the Acting Commissioner proposed operating budgets of \$6,420,000 for 2018/19, 5.9% above 2017/18, \$6,653,000 for 2019/20, 9.7% above 2017/18, and \$6,897,000 for 2020/21. An unchanged annual capital budget of \$45,000 was sought for each of the next three years.

Committee Inquiry

Committee Members inquired into the proposed public education initiative, office costs, lobbyist registration, capital expenses and professional services.

Public Education Initiative

In response to questions, the Acting Commissioner stated that the proposed public education initiative was designed to raise public awareness of privacy regulation and access to information issues. The office has identified significant changes such as the use of artificial intelligence to process big data, which are expected to heighten public requests for information on the impact of new technologies on personal information.

Office Costs

Members sought details on office office expenses. The Acting Commissioner advised that the office is fully staffed with 38 full-time positions, and occupies two floors in a shared building arrangement, including co-located reception areas, boardrooms and common services, with three other statutory offices.

Lobbyist Registration

To follow up on inquiries from Members, the Acting Commissioner's staff outlined public education activities for lobbyist registration. Three key stakeholder groups were targeted for the provision of information: lobbyists; lobbyist associations; and groups that use the lobbyist registration database.

Capital Expenses

Members asked about the scope of the office's capital expenses. The Acting Commissioner indicated that capital projects include shared hardware services, such as computer servers for information technology infrastructure, which are aging. The capital budget level had been constant at \$45,000 annually, and the office had underspent that amount in recent years.

Professional Services

The Acting Commissioner's staff stated that professional services contracts for the office related mainly to legal expenses for adjudicative files.

Recommendations

Committee Members expressed their appreciation to Mr. McArthur for his continued service to British Columbians as Acting Information and Privacy Commissioner, and for the work of his office in providing oversight of the province's laws respecting freedom of information, protection of privacy, and lobbyist registration.

Committee Members noted January 2016 and December 2016 decisions had, respectively, provided the office with a 4% expansion of resources to address caseload backlogs, and funding for an Asia-Pacific Privacy Authorities secretariat. Members supported the office's increases to cover non-discretionary salary and benefit

costs and related operating expenses, and the proposed capital budget. They acknowledged the changing information and privacy environment outlined by the Acting Commissioner. In the context of overall fiscal responsibility, Members concluded that emerging issues could be managed through priority-setting within an established budgetary envelope, and that resources for new statutory obligations could be considered after the Legislative Assembly’s adoption of legislative amendments.

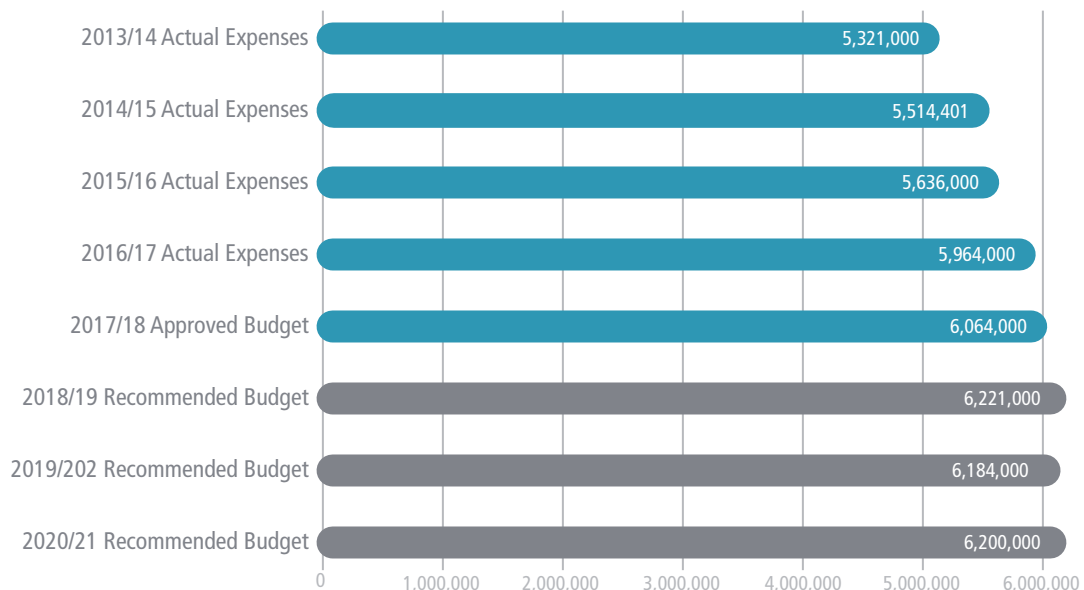
The Committee’s decisions reduced the increases in operating expenses above 2017/18 from the requested 5.9% to 2.6% for 2018/19, and from the requested 9.7% to 2% for 2019/20 (the lower level for 2019/20 also reflects expiring projects).

RECOMMENDATIONS

The Committee recommends to the Legislative Assembly that:

1. The appropriation for the operating expenditures of the Office of the Information and Privacy Commissioner and Registrar of Lobbyists be \$6,221,000 in the 2018/19 fiscal year, \$6,184,000 in the 2019/20 fiscal year, and \$6,200,000 in the 2020/21 fiscal year.
2. The appropriation for the capital expenditures of the Office of the Information and Privacy Commissioner and Registrar of Lobbyists be \$45,000 in each of the next three fiscal years.

OFFICE OF THE INFORMATION AND PRIVACY COMMISSIONER
OPERATING EXPENSES (IN \$'S)



Office of the Merit Commissioner

The Merit Commissioner provides independent oversight and insight into merit-based hiring in the BC public service, as authorized by the *Public Service Act*. The budget of the office is provided under Vote 6 of the annual Estimates.

Budget Submission for 2018/19 to 2020/21

The Committee met on November 28, 2017 to review the office's budget submission for the next three fiscal years. In attendance were: Fiona Spencer, Merit Commissioner; and Dave Van Swieten, Executive Director, Corporate Shared Services.

The Commissioner is a part-time position with an office to support merit-based hiring processes in the BC public service. She outlined a budget plan for the next three years based on a slight increase to cover non-discretionary increases to salaries and benefits, building occupancy costs, shared services, and the targeted use of contract workers to conduct in-depth merit performance audits. Overall, the Commissioner sought an operating budget of \$1,141,000 for 2018/19, an increase of \$16,000, or 1.4%, above the 2017/18, as well as \$1,141,000 for 2019/20 and \$1,145,000 for 2020/21. An annual capital budget of \$15,000 was proposed for each of the next three fiscal years, the same as last year's level.

Committee Inquiry

Committee Members examined the Merit Commissioner's occupancy costs, unused salary appropriations, principles for conducting audits, public service diversity, and the oversight of public service terminations.

Occupancy Costs

Committee Members noted the significant office expenses for the Office of the Merit Commissioner and requested explanations for occupancy costs. The Commissioner and her staff indicated that the office has a shared services arrangement with three other statutory offices which provided efficiencies for office costs. Long-term leases include opportunities for renegotiation in years five and 10 of a 15 year lease. Members noted that some organizations in the non-profit and private sectors realized savings by locating outside downtown core areas, and asked the Commissioner to examine options for occupancy cost efficiencies and savings.

Unused Salary Appropriations

The Commissioner was asked about her office's experience in recent fiscal years in which actual salary expenditures were less than approved budget levels. She indicated that retirements, leave arrangements and

hiring lags had created this situation in the past. The office was now at full capacity and consequently, actual expenditures were nearer to approved budget levels.

Principles for Conducting Audits

Members inquired into the office's use of principles in conducting audits of merit-based hiring in the public service. The Commissioner stated that the *Public Service Act* sets out factors of merit to be considered in an appointment or in a merit-based process. The office also applies principles of administrative fairness. Reports with recommendations to government are prepared by the office after the completion of merit performance audits.

Public Service Diversity

The Commissioner indicated that public service workforce diversity was the responsibility of the BC Public Service Agency. The Agency considers measures to address diversity issues in the workforce and to ensure that representation reflects the overall population of the province.

Oversight of Public Service Terminations

In response to questions from Members, the Commissioner acknowledged the recommendation in the April 2017 report of the Office of the Ombudsperson titled, *Misfire: The 2012 Ministry of Health Employment Terminations and Related Matters*, that government introduce legislative amendments by March 31, 2018 to provide the Commissioner with authority to review all public service dismissals for just cause. The Commissioner told the Committee that she had not been officially notified as to how that recommendation would be implemented. In the event that there were changes that impacted her office financially, she could return to the Committee with a proposal for supplementary funding.

Recommendations

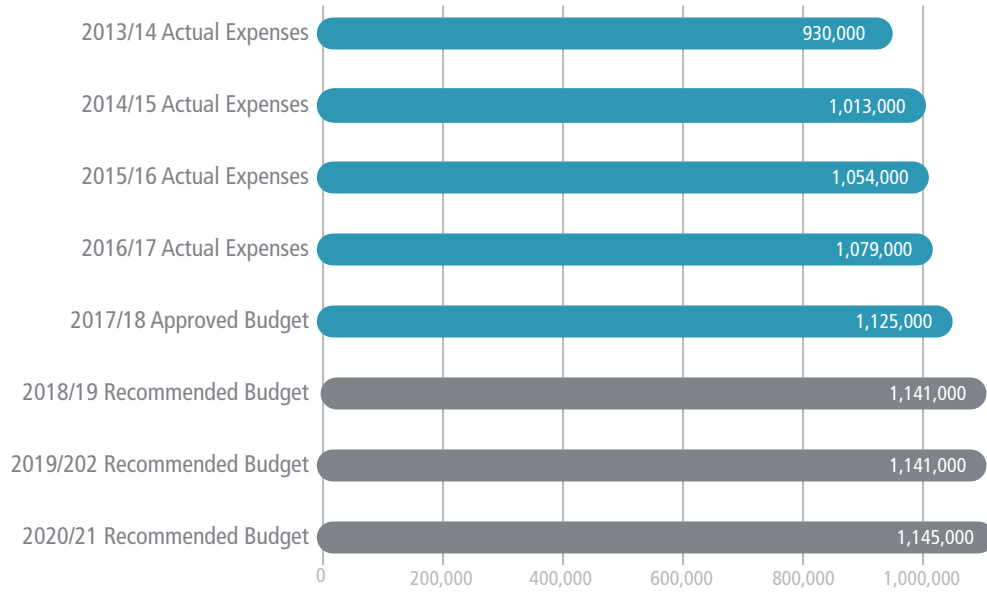
Committee Members acknowledged the valuable work of the Merit Commissioner and her office in ensuring merit-based hiring in the provincial public service, and supported her proposed operating and capital budgets.

RECOMMENDATIONS

The Committee recommends to the Legislative Assembly that:

1. The appropriation for the operating expenditures of the Office of the Merit Commissioner be \$1,141,000 in the 2018/19 fiscal year, \$1,141,000 in the 2019/20 fiscal year, and \$1,145,000 in the 2020/21 fiscal year.
2. The appropriation for capital expenditures for the Office of the Merit Commissioner be \$15,000 in each of the next three fiscal years.

OFFICE OF THE MERIT COMMISSIONER
OPERATING EXPENSES (IN \$'S)



Office of the Ombudsperson

The Ombudsperson is an independent officer of the Legislature under the *Ombudsperson Act*. The Ombudsperson has two primary roles: responding to individual concerns and complaints; and providing general oversight of the administrative actions of BC public agencies. The appropriations for the office are provided under Vote 7 of the annual Estimates.

Budget Submission for 2018/19 to 2020/21

On November 22, 2017, the Committee met to review the office's budget proposal for the next three fiscal years. In attendance were: Jay Chalke, Ombudsperson; David Paradiso, Deputy Ombudsperson; and Dave Van Swieten, Executive Director, Corporate Shared Services.

The Ombudsperson advised that the January 2016 Committee decision to provide \$110,000 in increased annual operating budget funding for the 2016/17 to 2018/19 fiscal years for hiring an additional investigator to reduce case backlogs was having a significant impact in concluding inquiries in a more timely manner.

The Ombudsperson expressed appreciation for the December 2016 Committee decision to support a new Preventative Ombudship Initiative in the context of the office's 2019/20 budget proposal. The new initiative involves training by the office regarding best practices to reduce administrative issues across the public sector and was funded at an annual cost of \$693,000 for 2017/18 to 2019/20. The Ombudsperson indicated that an assessment of this initiative would be provided in the context of his 2019/20 budget submission.

The Ombudsperson sought additional operating funding for the following areas.

- *Investigation of terminated Ministry of Health workers.* Supplementary funding of \$75,000 for the 2017/18 fiscal year was sought to cover investigation wind-up and printing costs.
- *Non-discretionary salary and benefit and related expenses.* An annual increase of \$209,000 was requested for the next three fiscal years to cover increased salaries and benefits, and information technology and facilities costs.
- *Increased systemic reports.* An expanded systemic investigation capacity costing \$487,000 in each of the next fiscal years would enable the office to increase the number of complex investigation reports from the current level of one to two per year to five to six per year.
- *Indigenous communities awareness initiative.* Improving service to Indigenous communities was a priority in the office's 2016-21 strategic plan and new funding of \$125,000 annually was requested for this purpose.

Overall, the Commissioner sought an operating budget of \$7,474,000 for 2018/19, or 12.3% above 2017/18, as well as \$7,388,000 for 2019/20, or 11.0% above 2017/18, and \$6,775,000 for 2020/21 (2019/20 and 2020/21 levels also reflect expiring projects). An annual capital budget of \$75,000 was proposed for each of the next three fiscal years, the same as last year's level.

Committee Inquiry

The Committee requested further information on funding for the investigation of terminated Ministry of Health workers, Indigenous engagement, systemic issues reporting and the processing of complaints.

Funding for the Investigation of Terminated Ministry of Health Workers

The Commissioner advised that \$122,000 in printing and investigation wind-up costs were incurred in the 2017/18 fiscal year to complete the April 2017 report on the terminated Ministry of Health workers, which had been referred to the office for investigation by the Committee in 2015. The office had been able to offset some of these costs internally, resulting in a net request for \$75,000 in supplementary funding for the 2017/18 fiscal year.

Indigenous Engagement

In response to questions from Members, the Ombudsperson indicated that his proposal to enhance the engagement of Indigenous communities was designed to strengthen their access to services provided by his office.

Systemic Issues Reporting

To follow up on Committee inquiries, the Ombudsperson noted that his office has produced one to two reports annually on significant systemic administrative issues in recent years. His proposal would enable his office to hire additional staff to expand the number of systemic issues reports to approximately five to six per year.

Processing of Complaints

Members asked about the processing of complaints by the Office of the Ombudsperson. The office receives about 8,000 complaints and inquiries every year regarding public administration. In some cases, such as veterans' benefits, the office does not have jurisdiction, and individuals are referred to the appropriate organization. In the end, the office's investigators handle about 2,000 requests annually. This is consistent with investigation rates for other jurisdictions across Canada.

Recommendations

Committee Members expressed their appreciation for the important work of the Ombudsperson and his staff in serving some of the province's most vulnerable populations. Members observed that the Ombudsperson had advised the Committee in his previous budget submission for 2017/18 that no additional funding would be requested for the investigation of terminated Ministry of Health workers beyond the amounts approved for 2016/17. Accordingly, further supplementary funding for the 2017/18 fiscal year was not recommended.

The Committee took note of its previous decisions to increase funding for the office by \$110,000 in each of the 2016/17 to 2018/19 fiscal years to reduce investigation backlogs, and to provide \$632,000 in each of the 2017/18 to 2019/20 fiscal years to undertake a pilot project to cover training across the public sector on best practices to reduce administrative issues. Members agreed to the Ombudsperson's proposed increases for non-discretionary salary and operating expenses amounting to \$209,000 in each of the next three fiscal years, and supported his requested capital budgets. In the context of overall fiscal responsibility, Members

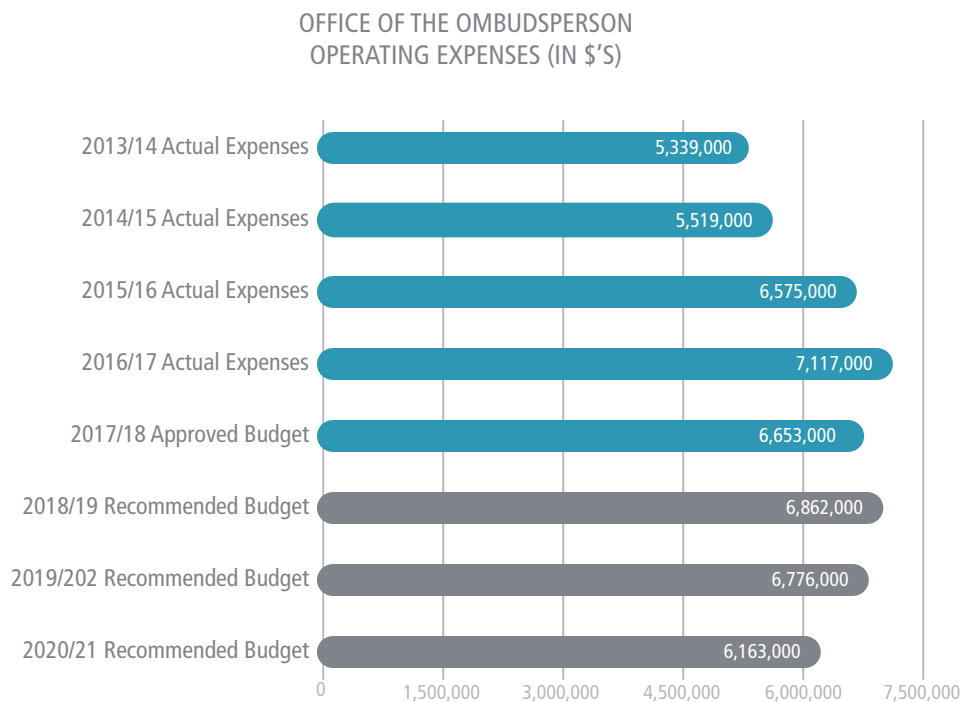
concluded that initiatives to increase reporting on systemic issues and expand the office’s outreach activities should not be advanced.

The Committee’s decisions reduced the increases in operating expenses above 2017/18 from the requested 12.3% to 3.1% for 2018/19, and from the requested 11% to 1.8% for 2019/20 (the lower level for 2019/20 also reflects expiring projects).

RECOMMENDATIONS

The Committee recommends to the Legislative Assembly that:

1. The appropriation for the operating expenses of the Office of the Ombudsperson be \$6,862,000 in the 2018/19 fiscal year, \$6,776,000 in the 2019/20 fiscal year, and \$6,163,000 in the 2020/21 fiscal year.
2. The appropriation for capital expenditures of the Office of the Ombudsperson be \$75,000 in each of the next three fiscal years.



Office of the Police Complaint Commissioner

The Police Complaint Commissioner is an independent officer of the Legislature under the *Police Act*, with a mandate to ensure that complaints about BC municipal police officers and departments are handled fairly and impartially. The appropriations for the operating expenses and capital expenditures of the Office of the Police Complaint Commissioner are provided under Vote 8 of the annual Estimates.

Budget Submission for 2018/19 to 2020/21

The Committee met on November 28, 2017 to review the office's budget proposal for the next three fiscal years. In attendance were: Stan Lowe, Police Complaint Commissioner; Rollie Woods, Deputy Police Complaint Commissioner; Andrea Spindler, Director of Operations and Strategic Initiatives; and Dave Van Swieten, Executive Director, Corporate Shared Services.

The Commissioner expressed appreciation for the Committee's previous decision to increase operating budget funding by \$263,000, or 8.3%, to hire two investigators to handle new responsibilities for special municipal constables and cover salary and benefit costs, commencing in 2016/17. The Committee also agreed to a \$15,000, or 60%, increase in the office's annual capital budget, commencing in 2016/17.

The Commissioner sought additional operating funding for the following areas.

- *New management compensation framework.* The Commissioner requested \$40,000 in supplementary funding for the 2017/18 fiscal year, and \$56,000 annually thereafter for inflation pressures and implementation of a new management classification system developed by the BC Public Service Agency.
- *Increased adjudicative expenses.* Supplementary funding of \$450,000, or roughly double the amount the Committee previously approved for 2017/18, was sought for adjudicative legal expenses due to rising numbers of judicial reviews of police complaint issues. Increased funding of \$350,000 annually was requested for subsequent fiscal years.

Overall, a \$490,000 supplementary funding request for 2017/18 was proposed. Operating budgets amounting to \$3,834,000 for 2018/19 and \$3,838,000 for 2019/20, 11.8% and 12.0% above 2017/18, respectively, and \$3,946,000 for 2020/21 were proposed. An unchanged annual capital budget of \$40,000 for each of the three fiscal years was submitted.

Committee Inquiry

Committee Members examined the Commissioner's approach for the reimbursement of court costs and staffing and budget trends.

Reimbursement of Court Costs

Members observed that the Commissioner was asked about the reimbursement of Court costs during the Committee's fall 2016 statutory office budget process, and requested that the Commissioner provide an update on his efforts in this regard. The Commissioner advised that his office obtained a legal opinion

which indicated that reimbursement would likely be granted by the courts in exceptional cases, and that his office had not identified a clear case where reimbursement appeared to be assured. Members noted that adjudicative expenses sought by the office were rising substantially, and a more aggressive approach on reimbursement by the office would appear to be warranted.

The Commissioner indicated that proposed supplementary funding for 2017/18 was based on cases on the judicial calendar and slippage was possible in the remainder of the fiscal year.

Staffing and Budget Trends

Members commented that the total number of cases dealt with by the office had decreased since 2012/13, and sought an explanation for significant increases in operating and capital expenses. The Commissioner indicated that staffing had increased to respond to new responsibilities for special municipal constables, and full staffing of positions had improved the ability to manage overall workloads. He also noted that some disciplinary processes can be very prolonged.

Recommendations

Committee Members acknowledged the significant contributions the Commissioner and his office have made in ensuring that complaints about BC municipal police officers and departments are handled fairly and impartially.

Committee Members agreed to the Commissioner's request for funding to cover the effects of a new BC Public Service Agency compensation framework for management staff. This amounted to \$40,000 in supplementary funding for the 2017/18 fiscal year, and an increase of \$56,000, or 1.6%, in operational funding above the 2017/18 budget approved in December 2016.

The Committee recognized the high cost of legal challenges and adjudicative expenses, and supported the Commissioner's stated goal of seeking to minimize judicial reviews. Members noted the office's strong track record in court cases, and the practice, as outlined in the Supreme Court of British Columbia's *Guidebook on Costs*, that Court costs are often awarded to the party who is successful at trial. Members believed that when judicial reviews are required, the Commissioner should use every effort possible in seeking the Court's reimbursement of the office's legal expenses in order to limit the impact of judicial reviews on taxpayers. In the context of overall fiscal responsibility, the Committee agreed to scale back the Commissioner's request for increased funding for adjudicative expenses for the 2017/18 fiscal year from the requested \$450,000 to \$210,000, and from the requested \$350,000 to \$100,000 for the next three fiscal years. It is expected that any unused professional services funding will be returned to the Consolidated Revenue Fund. The Committee took note of the Commissioner's statement that a request for supplementary funding to cover the impact of changes to judicial compensation, and that this could provide the Commissioner with a further opportunity to report on adjudicative expenses.

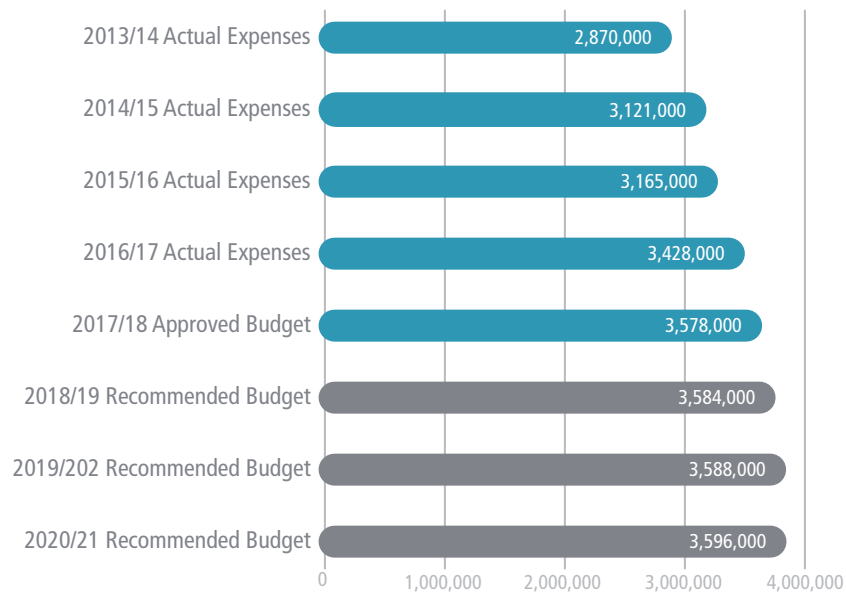
The Committee's decisions reduced the increases in the office's operating expenses above 2017/18 from the requested 11.8% to 4.6% for 2018/19, and from the requested 12.0% to 4.7% for 2019/20.

RECOMMENDATIONS

The Committee recommends to the Legislative Assembly that:

1. The Office of the Police Complaint Commissioner be granted access to supplementary funding up to \$250,000 for operating expenditures in the 2017/18 fiscal year for salaries and benefits and professional services.
2. The appropriation for the operating expenditures of the Office of the Police Complaint Commissioner be \$3,584,000 in the 2018/19 fiscal year, \$3,588,000 in the 2019/20 fiscal year, and \$3,596,000 in the 2020/21 fiscal year.
3. The appropriation for capital expenditures of the Office of the Police Complaint Commissioner be \$40,000 in each of the next three fiscal years.

OFFICE OF THE POLICE COMPLAINT COMMISSIONER
OPERATING EXPENSES (IN \$'S)



Note: the figure for 2017/18 includes \$250,000 in supplementary funding.

Office of the Representative for Children and Youth

An officer of the Legislature appointed under the *Representative for Children and Youth Act*, the Representative for Children and Youth has a mandate to: review, investigate, and report on the critical injuries and deaths of children; provide advocacy services on designated and prescribed services; and monitor, review, and audit the effectiveness of these services. The appropriations for the office's operating expenses and capital expenditures are provided under Vote 9 of the annual Estimates.

Budget Submission for 2018/19 to 2020/21

On November 21, 2017, the Committee met to review the office's budget proposal for the next three fiscal years. Appearing on behalf of the office were: Bernard Richard, Representative; Dawn Thomas-Wightman, Deputy Representative; Alan Markwart, Chief Operating Officer; and Diane Buljat, Chief Financial Officer.

The Representative noted a January 2016 Committee decision to provide additional annual operating budget funding of \$656,000 to fund five new positions to undertake reviews and investigations. This had enabled his office to manage a rising number of requests. The Representative also outlined actions taken within his office to flatten the organization, manage costs and secure internal savings to fund program responsibilities.

The Representative proposed additional operating funding for the following areas.

- *Enhanced youth engagement.* An expansion of the office's youth engagement work was requested, involving \$404,000 in the 2018/19 fiscal year for three new positions, and \$670,000 in the 2019/20 and 2020/21 fiscal years for five new positions.
- *Auditing process for children in care plans.* The Representative submitted a proposal to implement recommendation 45 in the November 2016 report to government by Grand Chief Ed John titled, *Indigenous Resilience, Connectedness and Reunification*. The report recommended that the Representative be provided with a mandate and resources to review each Indigenous child under a Continuing Custody Order. To respond to the recommendation, the Representative set out an auditing process which was developed in consultation with the Ministry of Children and Family Development to provide oversight of the effectiveness of Continuing Custody Orders. The Representative stated that the audit process was being put forward as a time-limited, three year initiative. The audit process would involve three new positions and increased funding of \$407,000 in each of the next three fiscal years.

Overall, the Representative proposed operating budgets of \$9,791,000 for 2018/19, or 9% above 2017/18, \$10,063,000 for 2019/20, or 12.2% above 2017/18, and \$10,063,000 for 2020/21. An unchanged annual capital budget of \$50,000 for each of the three fiscal years was submitted.

Committee Inquiry

Committee Members considered the initiative to expand youth engagement programming, the proposed audit process for Continuing Custody Orders and office staffing levels.

Youth engagement programming

Members requested details on the practical impact of the proposal to increase youth engagement activities through the addition of more positions in the office. The Representative and his staff explained that new positions would organize additional workshops and retreats for children and youth with special needs as well as Indigenous children and youth.

Audit process for Continuing Custody Orders

Members inquired about the Representative's proposal to implement the recommendation of Grand Chief Ed John for an enhanced role for the Representative in assessing Continuing Custody Orders. The Representative indicated that in keeping with the oversight mandate for his office he had developed with the Ministry of Children and Family Development an audit process to meet the recommendation's goal of better assessments of Continuing Custody Orders. This would provide increased assurance at a lower cost than assessments for all Continuing Custody Orders, or a model based on judicial reviews, or using a separate tribunal or agency.

Office staffing levels

In response to questions, the Representative and his staff advised that the office had addressed staffing turnover and attrition by recruiting at levels above 100% based on ongoing attrition rates. This approach had improved staffing levels while maintaining overall expenses within established budgets.

Recommendations

Committee Members commended the new Representative and his team for their important work in serving the province's children and youth. Members also acknowledged the Representative's efforts at improving management and seeking internal savings within his office.

The Committee appreciated the Representative's collaborative approach in working with the Ministry of Children and Family Development to enhance the oversight of Continuing Custody Orders, and supported his proposal for a new audit process in this area. Members recognized the value of youth engagement activities for children and youth, and the work by other stakeholders in organizing workshops and retreats for children and youth across the province. In the context of overall fiscal responsibility, Members believed that should this be an emerging priority for the office, the office could secure funding through internal reallocations.

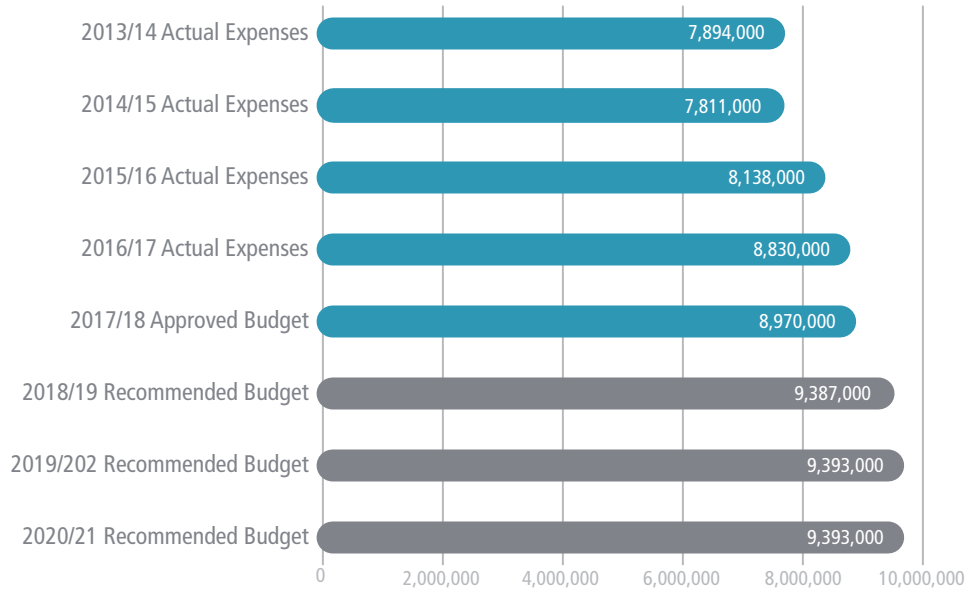
The Committee's decisions reduced the increases in the office's operating expenses above 2017/18 from the requested 9% to 4.5% for 2018/19, and from the requested 12.2% to 4.5% for 2019/20. The request for an unchanged capital budget was approved.

RECOMMENDATIONS

The Committee recommends to the Legislative Assembly that:

1. The appropriation for the operating expenses of the Office of the Representative for Children and Youth be \$9,387,000 in the 2018/19 fiscal year, \$9,393,000 in the 2019/20 fiscal year, and \$9,393,000 in the 2020/21 fiscal year.
2. The appropriation for capital expenditures of the Office of the Representative for Children and Youth be \$50,000 in each of the next three fiscal years.

OFFICE OF THE REPRESENTATIVE FOR CHILDREN AND YOUTH
OPERATING EXPENSES (IN \$'S)



Documents Submitted – Fall 2017 Review of Statutory Office Budgets

Office of the Auditor General

2018/19 Estimate of Resources

Financial Statements 2016/17

Annual Report 2016/17

Service Plan 2017/18 – 2019/20

Performance Audit Coverage Plan 2016/17 – 2018/19

Budget Template Information for 2018/19 budget proposal

November 28, 2018 correspondence on 2018/19 budget proposal

Office of the Conflict of Interest Commissioner

Budget Proposal Fiscal Years 2018/19 – 2020/21

Annual Report 2016

Budget Template Information for 2018/19 budget proposal

Elections BC

Budget Proposal 2018/19 – 2020/21 (including Budget Template Information for 2018/19 budget proposal)

Annual Report 2016/17 and Service Plan 2017/18 – 2019/20

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

Budget Submission Fiscal Years 2018/19 - 2020/21

2016 – 2017 Annual Report

Service Plan Fiscal Years 2018/19 - 2020/21

Budget Template Information for 2018/19 budget proposal

Office of the Merit Commissioner

Budget Submission Fiscal Years 2018/19-2020/21

Annual Report 2016/17

Service Plan Fiscal Years 2018/19 – 2020/21

Budget Template Information for 2018/19 budget proposal

Office of the Ombudsperson

Presentation, Budget Submission 2018/2019-2020/2021

Budget Submission 2018/19 – 2020/21

2016-2017 Annual Report

Service Plan 2018/2019 – 2020/2021

Budget Template Information for 2018/19 budget proposal

November 14, 2017 correspondence: Overall Costing of Referral Report No. 1: Misfire

Office of the Police Complaint Commissioner

Budget Submission 2018/2019 to 2020/2021

Service Plan 2018/19 to 2020/21

Budget Template Information for 2018/19 budget proposal

Office of the Representative for Children and Youth

Budget Submission Fiscal 2018/19 – 2020/21

2016/17 Annual Report and 2017/18 to 2018/19 Service Plan

Financial Statements 2016/17

Budget Template Information for 2018/19 budget proposal

