

Select Standing Committee on Finance and Government Services

# ANNUAL REVIEW OF THE BUDGETS OF STATUTORY OFFICES



LEGISLATIVE ASSEMBLY  
*of* BRITISH COLUMBIA

**DECEMBER 2018**  
THIRD SESSION  
OF THE 41<sup>ST</sup> PARLIAMENT





December 19, 2018

To the Honourable  
Legislative Assembly of the  
Province of British Columbia

Honourable Members:

I have the honour to present herewith the Second Report of the Select Standing Committee on Finance and Government Services for the Third Session of the 41st Parliament entitled *Annual Review of the Budgets of Statutory Offices*. This Report covers the work of the Committee in regard to the review of 2019 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 <i>(to September 5, 2018)</i>		Surrey-Fleetwood
Stephanie Cadieux, MLA		Surrey South
Mitzi Dean, MLA		Esquimalt-Metchosin
Sonia Furstenau, MLA <i>(from July 26, 2018)</i>		Cowichan Valley
Ronna-Rae Leonard, MLA		Courtenay-Comox
Peter Milobar, MLA		Kamloops-North Thompson
Tracy Redies, MLA		Surrey-White Rock
Nicholas Simons, MLA <i>(from September 5, 2018)</i>		Powell River-Sunshine Coast
Dr. Andrew Weaver, MLA <i>(to July 26, 2018)</i>		Oak Bay-Gordon Head

## Committee Staff

Kate Ryan-Lloyd, Acting Clerk of the Legislative Assembly

Susan Sourial, Clerk Assistant, Committees and Interparliamentary Relations

Karan Riarh, Committee Research Analyst

Ron Wall, Manager, Committee Research Services

# Terms of Reference

On February 26, 2018, and as amended on November 26, 2018 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*, S.B.C. 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
  - ix. Human Rights Commissioner; 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*, S.B.C. 2003, c. 2 and that the performance report in section 22 of the *Auditor General Act*, S.B.C. 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

Statutory officers report to the Legislative Assembly through the Speaker, supporting the work of Members of the Assembly and playing an important independent role in accountability and governance. Since 2001, the Legislative Assembly has assigned the work of reviewing the budgets of statutory offices to the all-party Select Standing Committee on Finance and Government Services (the “Committee”). The Committee meets with each office in the fall to review budgetary proposals, three-year service plans and annual reports, and considers supplementary funding requests on an as-needed basis throughout the year. Since 2015, the Committee has also met with statutory officers in the spring to provide an opportunity for updates on the functioning of their independent offices, share progress on key initiatives, and facilitate a regular exchange of information.

The current statutory officer positions are: the Auditor General, the Chief Electoral Officer, the Conflict of Interest Commissioner, the Information and Privacy Commissioner and Registrar of Lobbyists, the Merit Commissioner, the Ombudsperson, the Police Complaint Commissioner, and the Representative for Children and Youth. The *Human Rights Code Amendment Act, 2018*, which received Royal Assent on November 27, 2018, establishes the Human Rights Commissioner as a new, ninth statutory officer.

## Fall 2018 Review

### Responsible and Prudent Budgeting

In their fall 2018 review of statutory office budgets, Committee Members continued a responsible and fiscally prudent approach. After deliberations, the Committee supported an overall increase in the operating budget for established offices of 3.2 percent for 2019/20 to manage greater statutory responsibilities and non-discretionary pressures, as well as an initial budget to launch the work of the new Office of the Human Rights Commissioner.

The Committee appreciated the efforts of statutory offices to pursue opportunities for savings and efficiencies through initiatives such as shared administrative services, and to take on new responsibilities while ensuring the careful stewardship of public funds. Committee Members encouraged individual offices to continue to seek new ways to manage expenditures in carrying out their work on behalf of British Columbians.

### Legislative and Mandate Changes

Recent legislative and mandate changes have expanded the responsibilities of many statutory officers. This includes: the Chief Electoral Officer, as a result of changes to electoral laws; the Information and Privacy Commissioner and Registrar of Lobbyists, due to amendments to provisions respecting lobbyists; the Merit Commissioner, reflecting new responsibilities under the *Public Service Amendment Act, 2018* for the review of eligible dismissals in the provincial public service; the Ombudsperson, in carrying out new responsibilities under the *Public Interest Disclosure Act*; and the Police Complaint Commissioner, reflecting a 50 percent increase in the number of special municipal constables. As noted, legislative amendments were also adopted establishing the position of Human Rights Commissioner.

These changes accounted for a significant proportion of requested budget increases in the fall 2018 review. Committee Members took note of the careful rollout of proposed expenditures to fulfill new responsibilities and agreed to support increases to independent office budgets to meet these obligations.

### **Building Occupancy and Rental Costs**

Committee Members reiterated concerns expressed during last year's review of statutory office budgets regarding building occupancy and rental costs. In the fall 2018 review, several offices were facing significant pressures in this area. The Committee acknowledged that in a number of instances added space was required for new staff. They also took note of shared office arrangements and the intent of the Office of the Representative for Children and Youth to review options for the Burnaby office in view of rising costs. Overall, Committee Members encouraged all statutory officers to continue to closely examine office arrangements to ensure efficiency and value. The Committee asked statutory offices to provide further updates at future meetings regarding efforts to ensure prudent office costs.

### **Officer and Staff Remuneration**

The Committee recognized that most statutory offices face non-discretionary salary changes. Statutory offices mirror general employee and management compensation to changes in the provincial public service compensation rates. The Committee acknowledged this approach as a good practice for promoting recruitment and retention.

The remuneration of six full-time statutory officers is linked to the salary of the Chief Judge of the Provincial Court, resulting in a further non-discretionary pressure, while that of the remaining three officers is set by the Lieutenant Governor in Council. On October 25, 2017, the Legislative Assembly adopted a motion changing remuneration for provincial judges. At the time of the fall 2017 statutory office budget review process, the implementation of changes to judicial compensation had not been finalized, and as such, budget submissions and the Committee's recommendations did not incorporate the new levels. Remuneration adjustments were subsequently incorporated for the 2018/19 fiscal year in Budget 2018 and the fall 2018 statutory budget submissions included remuneration levels for those statutory officers based receiving compensation linked to judicial compensation.

### **Meetings Schedule**

The Committee's review of supplementary budget requests, financial and operational updates, and budget submissions for the 2019/20 to 2021/22 fiscal years took place during the following meetings:

#### **Second Session, 41<sup>st</sup> Parliament**

December 21, 2017	Supplementary Funding Request: Elections BC
February 6, 2018	Supplementary Funding Requests: Elections BC and Office of the Police Complaint Commissioner

## Third Session, 41<sup>st</sup> Parliament

February 28, 2018	Organizational Meeting
April 26, 2018	Financial and Operational Updates: Office of the Information and Privacy Commissioner
May 8, 2018	Financial and Operational Updates: Office of the Representative for Children and Youth, and Office of the Auditor General
May 10, 2018	Financial and Operational Updates: Elections BC and Office of the Merit Commissioner
May 15, 2018	Financial and Operational Updates: Office of the Ombudsperson
May 29, 2018	Appointment of an Auditor to Audit the Auditor General Supplementary Funding Requests: Office of the Ombudsperson and Elections BC
July 13, 2018	Supplementary Funding Request: Elections BC
November 20, 2018	2019/20 Budget Submissions: Office of the Auditor General and Office of the Conflict of Interest Commissioner Deliberations
November 21, 2018	2019/20 Budget Submissions: Office of the Merit Commissioner, Office of the Information and Privacy Commissioner and Registrar of Lobbyists, and Office of the Police Complaint Commissioner Deliberations
November 22, 2018	2019/20 Budget Submissions: Office of the Ombudsperson and Elections BC
November 27, 2018	2019/20 Budget Submissions: Office of the Representative for Children and Youth and Ministry of Attorney General for the Office of the Human Rights Commissioner Deliberations
November 28, 2019	Deliberations
December 18, 2018	Adoption of Report

## Recommendations

The Committee concluded its deliberations on statutory office budget submissions by recommending operating and capital budgets for the nine statutory offices. The report outlines these recommendations and also provides a summary of the Committee's decisions on a number of supplementary funding requests since its last report in December 2017.

Further information on the work of the Committee is available at: <https://www.leg.bc.ca/cmt/finance>

# Office of the Auditor General

The *Auditor General Act* establishes the position of Auditor General as an officer of the Legislature and provides a statutory mandate to undertake audits of the financial statements of the government reporting entity. This includes ministries, Crown Corporations, universities and colleges, schools districts, health authorities and other public sector organizations that are controlled by, or accountable to, the provincial government. The Auditor General is also authorized to undertake performance audits on the efficiency, economy and effectiveness of government programs, services and resources. The office's audit reports are tabled in the Legislative Assembly and referred to the Select Standing Committee on Public Accounts. Vote 2 of the annual provincial *Estimates* provides for the office's operating expenses and capital expenditures.

In its fall 2017 review, the Committee affirmed the importance of the effective auditing of BC Hydro's financial statements and supported the Auditor General's plan for an enhanced role in that audit. To facilitate the implementation of this plan, the Committee recommended a budget that provided for a flexible human resources approach within the Office of the Auditor General combined with the targeted use of private sector expertise for technical aspects of the BC Hydro audit, particularly BC Hydro's Powerex subsidiary and pension plan.

At her spring update presentation on May 8, 2018, the Auditor General indicated that detailed planning for the BC Hydro audit was under-way and work was expected to begin in April 2019 with the review of BC Hydro's quarterly reports. The Auditor General explained that her office's enhanced role on the BC Hydro audit would not result in an additional net cost for government as a whole, since BC Hydro had been paying external accounting firms to audit its financial statements and these firms would be replaced by her office. In undertaking this role, the practice of her office would be to bill BC Hydro for fees which had been paid to external firms. To maintain its independence, her office returns such fees to the Consolidated Revenue Fund, which then pays the office an equivalent amount for operating expenses.

She also reported on her office's progress in managing staff turnover and recruitment. In recent years, the office has been experiencing significant turnover as staff obtain professional accounting designations and leave for career opportunities in the broader public sector. As well, cost of living was cited as a factor in prospective employees declining offers of employment. The Auditor General described new staff recruitment and retention initiatives her office was pursuing to make it an attractive place to work, including professional development opportunities and flexible work options. With these recruitment and retention efforts, the Auditor General expected that the office would underspend its total operating appropriation for 2017/18 by approximately \$0.9 million, down from \$1.3 million in 2016/17.

She also noted that the office hired an Indigenous youth intern in their performance audit area and created an Indigenous relations strategy consistent with government's obligations under the Truth and Reconciliation Commission. The Auditor General further shared updates regarding access to documents for audits, freedom of information requests and software upgrade costs.

## Independent Audit of the Office of the Auditor General

Section 23(2) of the *Auditor General Act* specifies that during the First Session of each Parliament, a parliamentary committee must appoint an independent auditor to audit the financial statements of the Auditor General for each of the fiscal years to be completed during the term of the Parliament; the auditor may also audit the appropriateness and reliability of the performance information contained in the annual report of the Office of the Auditor General. The Legislative Assembly assigned this responsibility to the Committee in its Terms of Reference adopted on February 26, 2018.

At their February 28, 2018 meeting, the Committee tasked the Chair and Deputy Chair to develop and implement a proposal for the selection of an independent auditor. The Request for Proposals was developed and posted on the BC Bid website on April 10, 2018 with an initial deadline of May 1, 2018 and local small to mid-size accounting organizations were notified of the opportunity.

On April 30, 2018, the Chair and Deputy Chair agreed to extend the deadline by two weeks to May 15, 2018 as no proposals had been received. By the new deadline, the Committee received three proposals. The Chair and Deputy Chair evaluated the bids on behalf of the Committee and presented their recommendation to the Committee, which was adopted on May 29, 2018.

### Summary of Previous Committee Decision

May 29, 2018: Pursuant to section 23(2) of the *Auditor General Act*, the Committee appointed BDO Canada, LLP as the independent auditor of the accounts of the Auditor General of British Columbia for the fiscal year ending March 31, 2019, and for each of the fiscal years to be completed during the term of the 41<sup>st</sup> Parliament.

## Budget Submission for 2019/20 to 2021/22

The Committee reviewed the Office of the Auditor General's budget proposal for 2019/20 to 2021/22 on November 20, 2018. In attendance were: Carol Bellringer, Auditor General; Russ Jones, Deputy Auditor General; and Stephen Kearsy, Senior Manager of Human Resources.

The Auditor General shared that the office has undertaken a comprehensive planning exercise since she was appointed in 2014. The office issues two three-year coverage plans: a financial statement audit coverage plan, as required by statute, and a performance audit coverage plan. Together, the plans allow the office to manage the delivery of effective auditing coverage across the government reporting entity.

The *Financial Statement Audit Coverage Plan – For financial statement fiscal years ending in 2020, 2021 and 2022* was presented to the Select Standing Committee on Public Accounts on November 5, 2018, pursuant to the *Auditor General Act*. In addition to the full financial statement audit of the public accounts, the plan describes the office's role as the direct auditor of 18 organizations and oversight activities for 24 organizations to be audited by external accounting firms. The Auditor General noted that the plan continues with the previous year's recommendation for the direct audit of BC Hydro and the University of British Columbia (UBC).

The Auditor General shared that the current performance audit coverage plan extends to the end of her term in 2022, and as such, will be the last plan she prepares. It lists 50 new audits planned to begin during this

period in addition to the 19 performance audits currently underway. Performance audits are selected based on an intensive planning process with consideration given to areas of greatest risk and significance.

In December 2017, the Committee recommended a 1.4 percent increase to the office's operating budget for 2018/19, and subsequent increases in 2019/20 and 2020/21, primarily for the office's enhanced auditing role for BC Hydro. The Auditor General proposed an operating budget that incorporated this decision and sought additional funding for 2019/20 to address increased operating expenses related to professional services, occupancy costs, travel and information technology.

The Auditor General requested an additional \$50,000 for professional services, which include fees paid to private sector auditors working on behalf of the office. As noted in the financial statement coverage plan, the audit of the Liquor Distribution Branch is conducted by a private sector auditor. Their fee has increased to cover additional audit work as a result of the legalization of cannabis.

The office's rental agreement provides that occupancy costs increase annually based on the City of Victoria's Consumer Price Index (CPI). The change in CPI (2.1 percent) equates to a \$35,000 increase in building occupancy costs.

In addition to the \$70,000 increase recommended last year for 2019/20, the Auditor General requested another \$55,000 to cover travel for out-of-town audits. These include BC Hydro, UBC, the Columbia Basin Trust and the Financial Institutions Commission. The Auditor General stated that historically 66 percent of their financial audits have been out-of-town, and this is expected to increase to 75 percent.

The Auditor General outlined a one-time increase of \$130,000 to replace essential software and hardware, and \$45,000 for recurring expenses for software subscriptions. She noted that increases in operating expenses for information technology are offset by a decrease in the capital budget as information technology related needs were deemed to be operating rather than capital expenses.

Overall, the Auditor General requested \$18.216 million in operating funding for 2019/20, 3.1 percent above 2018/19, and an additional two percent increase in the operating budget for all line items except information technology in the two subsequent fiscal years for a total of \$18.578 million in 2020/21 and \$18.947 million in 2021/22. With respect to capital funding, the Auditor General sought \$185,000 for each of the next three fiscal years, a reduction of 26 percent from 2018/19.

## Committee Inquiry

Committee Members inquired about staffing and recruitment, travel costs, and the BC Hydro audit.

### Staffing and Recruitment

The Committee followed up with respect to staffing and recruitment issues, and the impact on the office's budget. The Auditor General shared that staffing remains a critical area for her office. Improvements have been made with regard to filling vacancies over the past two years as a result of initiatives to hire in anticipation of continued turnover, keeping competitions open and hiring individuals as they become available, and hiring staff who will be allowed to live in Vancouver, which will also help to limit anticipated travel to the Lower Mainland for the BC Hydro and UBC audits.

In response to questions from Committee Members about the office's work to be an employer of choice and to reach a higher retention level, the Senior Manager of Human Resources indicated that the office conducts



exit interviews and has learned that the primary reason for staff leaving is for promotional opportunities within government. To offset restricted career advancement opportunities within a small office, temporary assignments, secondments and other arrangements are used to highlight career opportunities with the organization. As noted, the Auditor General expects fully utilize the office's 2018/19 fiscal year, compared with significant underspending in previous years.

## Travel Costs

Committee Members asked for more details with respect to the increase in the travel budget and sought clarification regarding whether the budget request for travel would have been higher if some staff were not working out of Vancouver. The Deputy Auditor General confirmed that this would have been the case. He further noted that a number of audits had been done in Victoria in recent years and now the office performs more audits in other areas of the province. He also explained that the office oversees school district audits, for which they attend audit committee meetings once or twice a year.

The Committee followed up on spring discussions about a possible satellite office in Vancouver and how this may help address travel costs. The Auditor General stated that such an office would address travel costs to a degree. She explained that her office is examining whether a satellite office is necessary, noting that travel is required to many parts of the province and that there would not be enough staff in any one place to change the travel dynamic. The Deputy Auditor General added that setting up a satellite office would increase operating expenses such as rent and building expenses. Committee Members learned that the office has inquired with the Office of the Auditor General of Canada about using their space in Vancouver. The Auditor General further described opportunities for cost savings through greater use of electronic communication.

## BC Hydro Audit

In response to the Committee's request for an update on the BC Hydro audit, the Auditor General advised that her office has provided a transitional plan to BC Hydro. An external director, who previously worked at KPMG and worked on the audit for FortisBC, has been hired, and internal staff are in place with plans to bring in external support for specialty areas such as hedging transactions. She reminded Committee Members that her office is auditing BC Hydro only; BC Hydro will continue to appoint an external auditor for its subsidiary, Powerex, and for the pension plan.

## Recommendations

Committee Members expressed their appreciation to the Auditor General for the work of her office and offered their condolences for the loss of their comptroller, Katrina Hall, earlier this year.

The Committee took note of the Auditor General's expectation of a balanced budget by the end of 2018/19 as a result of initiatives to strengthen recruitment and retention. They also acknowledged that the Auditor General's 2019/20 budget incorporated the Committee's fall 2017 decision for an enhanced BC Hydro audit as well as modest increases for travel, professional services, information technology and building occupancy costs tied to inflation. After removing the shift of software subscriptions from capital to operating, it was noted that the net increase in operating expenditures for 2019/20 would be \$235,000 or 1.3 percent above the 2018/19 level.

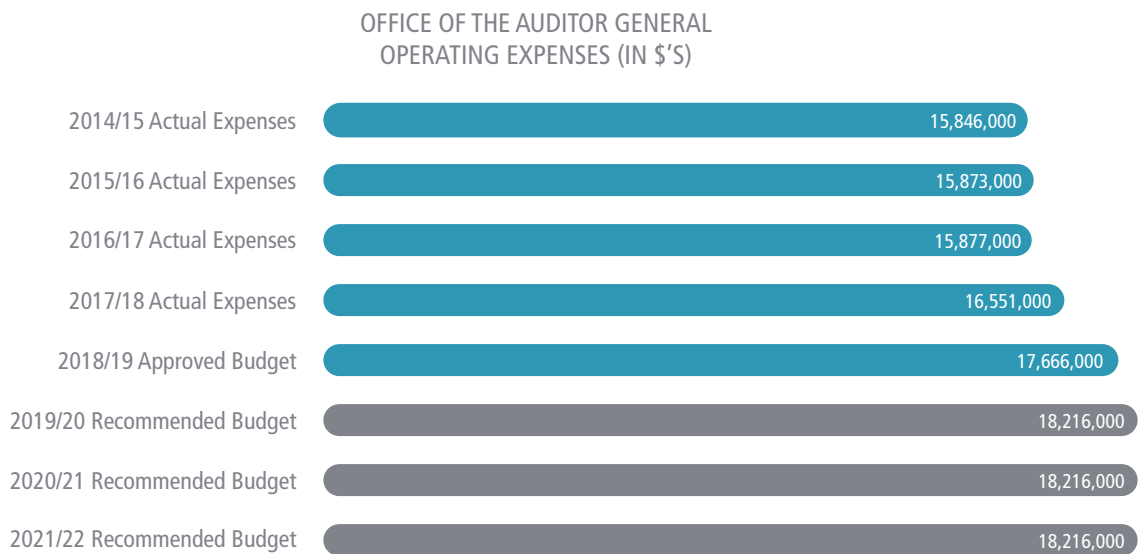
Accordingly, Committee Members agreed to recommend the Auditor General's proposal for an operating budget of \$18.216 million in 2019/20, and supported retaining the operating budget at the 2019/20 level

for the two subsequent fiscal years pending further updates on underspending levels related to staffing. The Committee also agreed to recommend the Auditor General’s proposal for a capital budget of \$185,000 for each of the next three 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 \$18,216,000 in each of the next three fiscal years;
2. The appropriation for the capital expenditures of the Office of the Auditor General be \$185,000 in each of the next three fiscal years.



# Office of the Conflict of Interest Commissioner

The *Members' Conflict of Interest Act* provides a statutory framework with respect to standards of conduct, financial interest disclosures and conflicts of interest for Members of the Legislative Assembly. The Conflict of Interest Commissioner is an independent officer of the Legislative Assembly responsible for ensuring that Members fulfill their obligations under the Act. The Commissioner performs three key roles: advising Members on their obligations; meeting with each Member at least annually to review disclosure statements and general obligations under the Act; and providing opinions respecting compliance or alleged contraventions of the Act. The office's operating expenses and capital expenditures are provided for in Vote 3 of the annual provincial *Estimates*.

## Budget Submission for 2019/20 to 2021/22

On November 20, 2018, the Committee met with Paul Fraser, Q.C., Conflict of Interest Commissioner, and Carol Hoyer, Executive Coordinator, to review the Office of the Conflict of Interest Commissioner's budget proposal for 2019/20 to 2021/22.

The Office of the Conflict of Interest Commissioner has the smallest budget of all the statutory offices, with one full-time and two part-time staff members in addition to the Commissioner. The Commissioner indicated that the total budget request this year was the same as the prior year with a movement of \$5,000 from benefits to salaries. He noted that it assumes a 1.5 percent cost-of-living increase for the three staff members, as well as an additional two percent increase for two staff members as a retention payment. The Commissioner explained that the nature of the work of his office is highly confidential, and as such, stability and continuity in staffing are important.

While the overall budget request is unchanged from last year, the Commissioner stated that his office is responsible for a complaint driven process. There may be circumstances with respect to a request for an opinion or investigation that require the assistance of outside counsel. The Commissioner may therefore return to the Committee to request additional funding. In the absence of such circumstances, he expects the office will be able to manage responsibilities within the requested budget.

## Committee Inquiry

The Committee's inquiry focused on salaries and benefits. They requested more information as to why salaries increased while benefits decreased. The Commissioner explained that his position's compensation is set by the Lieutenant Governor in Council. The benefits line item includes the Commissioner's benefit package which was changed as part of the terms and conditions for his appointment to a third term earlier this year. The new terms and conditions provide for a life insurance benefit for the term of the appointment equal to the Commissioner's annual salary; previously, payments were made to an insurer on the Commissioner's behalf. With respect to salaries, the Commissioner shared that the office has had a larger salary commitment in the past year as a result of having more senior staff.

The Committee also asked about arrangements regarding payments in lieu of a pension. The Commissioner informed Committee Members that under the new terms and conditions, there is no provision for an alternative arrangement in lieu of a pension. He also noted that his salary is fixed at the same level for the next five years, which is in part why the budget proposal remains unchanged from last year.

## Recommendations

The Committee congratulated the Commissioner on his reappointment to a third term for the 2018-2023 period. They acknowledged his budget proposal as a status quo request, and agreed to recommend the proposed \$718,000 in operating expenditures and \$25,000 in capital expenditures for each of the next three fiscal years.

### 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 \$718,000 in each of the next three fiscal years;
2. The appropriation for the 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

The Chief Electoral Officer is an officer of the Legislature responsible for the administration of electoral events under the *Election Act*, the *Recall and Initiative Act* and the *Referendum Act*, as well as campaign financing and advertising rules under the *Local Elections Campaign Financing Act*. The Chief Electoral Officer heads Elections BC, an independent, non-partisan office which administers provincial general elections, by-elections, referendums, recall initiatives, initiative petitions, and oversees local election campaign financing and advertising requirements. Vote 4 of the annual provincial *Estimates* provides for Elections BC's operating and capital expenditures.

## Supplementary Funding Requests

### Annual Allowance for Political Parties (December 21, 2017)

The then Chief Electoral Officer, Dr. Keith Archer, appeared before the Committee with a supplementary funding request for 2017/18 following the adoption of the *Election Amendment Act, 2017* by the Legislative Assembly. The amendments provide for an annual allowance to political parties that received at least two percent of valid votes in all electoral districts or five percent of valid votes in the electoral districts in which the party endorsed candidates. The allowance is to be provided in two payments: 50 percent on January 1 and 50 percent on July 1. Elections BC requested \$2,405,331 for operating expenditures in the 2017/18 fiscal year to provide the first instalment of this allowance on January 1, 2018. Although not unanimous, the Committee agreed to recommend that Elections BC be granted the requested supplementary funding.

### Kelowna West By-Election and New Statutory Responsibilities (February 6, 2018)

The Committee met with Elections BC to consider supplementary funding requests with respect to the administration of a by-election in Kelowna West and new statutory responsibilities. The by-election arose in Kelowna West following the resignation of Christy Clark. A writ of election was issued on January 17, 2018 with voting taking place on February 14, 2018.

In 2017, the Legislative Assembly adopted the *Election Amendment Act, 2017* and the *Local Elections Campaign Financing Act, 2017*. The legislation outlined new political finance rules, including new reporting requirements, election expense reimbursement and third-party advertising rules. The Chief Electoral Officer requested operating and capital funding to administer these new requirements, as well as funding for the next two instalments of the allowance for political parties.

The Committee was again divided on whether to support the supplementary funding requests. A majority of Members agreed to recommend that Elections BC be granted up to: \$658,000 for operating expenditures in 2017/18; \$5,981,000 for operating expenditures in 2018/19; and \$555,000 for capital expenditures in 2018/19.

## Interim Funding for Referendum on Electoral Reform and Initiative Petition (May 10, 2018)

At their spring update, Elections BC discussed the Chief Electoral Officer's recommendations for legislative change following the provincial general election, including pre-registration of 16 and 17 year-old British Columbians, more access to personal information, the use of more technology and adjustments to the campaign period. The Chief Electoral Officer also outlined two supplementary funding requests for 2018/19: interim operating expenditures for the 2018 referendum on electoral reform; and operating expenditures related to an initiative petition application.

The *Electoral Reform Referendum 2018 Act*, which received Royal Assent on November 30, 2017, requires Elections BC to conduct a vote-by-mail provincial referendum on electoral reform. While awaiting regulations detailing how the referendum was to be administered, the Chief Electoral Officer requested \$770,000 as an interim measure to purchase ballot paper and envelope stock for the mail-in voting packages given the quantity of stock and lead-time required.

With respect to the initiative petition, Elections BC administers this process pursuant to the *Recall and Initiative Act*. In May, the Chief Electoral Officer approved in principle "An initiative to cancel the Site C Dam project," and requested \$19,000 to administer the petition and an additional \$782,000 to administer the full verification process should the petition be returned with a sufficient number of signatures.

The Committee agreed to the supplementary funding requests and recommended that Elections BC be granted access to the specified funding in 2018/19.

## Election Expense Reimbursement (May 29, 2018)

The Committee met with Elections BC to consider a supplementary funding request to cover legislated election expense reimbursement payments for the Kelowna West by-election. The Committee agreed to recommend that Elections BC be granted access to supplementary funding up to \$73,000 for operating expenditures in 2018/19 for this purpose.

## Referendum on Electoral Reform (July 13, 2018)

Following the deposit of the referendum regulation, the new Chief Electoral Officer, Anton Boegman, who was appointed effective June 1, 2018, appeared before the Committee to request the additional funding for the administration of the vote-by-mail referendum. He requested supplementary funding in 2018/19 of \$13.741 million for operating expenditures. Combined with the \$770,000 interim funding recommended in May, the total event budget for the referendum in the current fiscal year is \$14.511 million. This covers: proponent/opponent public funding and campaign finance; public education and voter communication; issuing voting packages; the receipt and screening of ballot packages, and their preparation for counting; and ballot counting. The Committee considered the request and although not unanimous in their decision, agreed to recommend that Elections BC be granted access to this supplementary funding.

### Summary of Previous Committee Decisions

December 21, 2018: The Committee recommended that Elections BC be granted access to supplementary funding up to \$2,405,331 for operating expenditures in the 2017/18 fiscal year.

February 6, 2018: The Committee recommended that Elections BC be granted access to: supplementary funding up to \$658,000 for operating expenditures in the 2017/18 fiscal year;

supplementary funding up to \$5,981,000 for operating expenditures in the 2018/19 fiscal year; and supplementary funding up to \$555,000 for capital expenditures in the 2018/19 fiscal year.

May 10, 2018: The Committee recommended that Elections BC be granted access to: supplementary funding up to \$770,000 for operating expenditures in 2018/19 for the administration of the vote-by-mail provincial referendum on electoral reform; supplementary funding up to \$19,000 for operating expenditures in 2018/19 to administer an initiative petition process related to “An Initiative to cancel the Site C Dam project”; and additional funds in the amount of \$782,000 to administer the full verification process should the petition be returned with an adequate number of signatures.

May 29, 2018: The Committee recommended that Elections BC be granted access to supplementary funding up to \$73,000 for operating expenditures in 2018/19 for legislated election expense reimbursement for the Kelowna West by-election held on February 14, 2018.

July 13, 2018: The Committee recommended that Elections BC be granted access to supplementary funding up to \$13,741,000 for operating expenditures in 2018/19 for the administration of the vote-by-mail provincial referendum on electoral reform.

## Budget Submission for 2019/20 to 2021/22

The Committee reviewed Elections BC’s budget proposal for 2019/20 to 2021/22 on November 22, 2018. In attendance were: Anton Boegman, Chief Electoral Officer; Nola Western, Deputy Chief Electoral Officer, Funding and Disclosure; and Charles Porter, Deputy Chief Electoral Officer, Electoral Operations.

The Chief Electoral Officer began by describing the work of Elections BC in the current fiscal year. In addition to close-out activities for the 41<sup>st</sup> provincial general election, they administered campaign finance requirements for local elections and are currently in the middle of administering the vote-by-mail referendum on electoral reform. Elections BC has had to update and make adjustments to many processes, forms, guides, and tracking and reporting systems in order to implement legislative changes. With a minority government setting, the organization is also maintaining readiness for an on-demand provincial general election, including ongoing engagement with district electoral officers. With respect to their budget submission, the Chief Electoral Officer explained that their requests are outlined as four separate budget items: core operating expenditures; capital expenditures; event spending requirements; and the annual allowance for political parties.

### Core Operating Expenditures

The ongoing, core operating budget funds the day-to-day operational work of Elections BC for which the primary components are permanent staff salaries, building occupancy, corporate information systems and amortization of capital projects. For 2019/20, the Chief Electoral Officer sought \$11.106 million, a decrease of \$714,000 from the previous fiscal year. The Deputy Chief Electoral Officer, Funding and Disclosure informed the Committee that the primary variations are related to: an increase in salaries and benefits from the negotiated wage increase; a decrease in information technology costs as the previous year included one-time costs for the implementation of new election financing rules; and a decrease in political entity reporting as financial reports in non-general election years tend to be less complex and require less time for review.

## Capital Expenditures

The Chief Electoral Officer indicated that many of their capital projects have multi-year timelines and require sustained funding over successive years. Elections BC bases their plan on both cost estimates from technology partners as well as the organization's capacity to complete these projects. For 2019/20, this amounts to a request of \$855,000 for information technology to enable the completion of system improvements and the implementation of key initiatives, including an integrated employee management system, changes to campaign finance rules and a client portal project.

## Event Spending Requirements

Elections BC provides event funding requirements for one fiscal year and only includes known and scheduled events, with each event budget developed and based on the exact requirements for that event. For their 2019/20 budget submission this includes: \$50,000 to cover potential investigations and legal services for the 2018 referendum on electoral reform; \$772,000 to conduct disclosure statement compliance reviews for the 2018 general local elections; and \$2.132 million for ongoing readiness costs for an on-demand provincial general election. The Chief Electoral Officer noted that per usual practice, Elections BC will prepare additional, supplementary funding requests for other events as they are called (e.g. funding to administer a future Nanaimo by-election).

## Annual Allowance for Political Parties

In accordance with section 215.02 of the *Election Act*, the Chief Electoral Officer must pay an annual allowance to registered political parties who meet certain thresholds. The Chief Electoral Officer requested \$4.091 million in 2019/20 and \$3.610 million in 2020/21 for this purpose based on a funding allocation of \$2.25 per vote for the July 1, 2019 payment and \$2.00 per vote for the January 1, 2020 payment.

## Referendum on Electoral Reform

Elections BC also provided an update on the referendum on electoral reform. Referendum voting began on October 22, 2018 and at the time of the meeting, was planned to end on November 30, 2018. The Deputy Chief Electoral Officer, Electoral Operations indicated that Elections BC was closely monitoring the Canada Post labour dispute and believed that delivery times and voter behaviour had been affected. He noted that the Chief Electoral Officer has the authority to extend the deadline and that Elections BC was actively considering this and other options. The Deputy Chief Electoral Officer, Electoral Operations also spoke to the systems and processes in place to ensure only eligible voters vote and only vote once. Each voting package is personalized and addressed to a specific voter; voters must sign a declaration and provide their date of birth. He informed the Committee that to date, 98.2 percent of packages received by Elections BC have met all required criteria. For those with a deficiency, Elections BC has procedures in place to provide correction opportunities. On November 23, 2018, Elections BC announced that the voting period for the referendum was extended until December 7, 2018.

## Committee Inquiry

The Committee had several questions with respect to the referendum on electoral reform, the budget for ongoing readiness for a provincial general election, professional services, local election campaign financing, and building occupancy costs.



## Referendum on Electoral Reform

Committee Members asked whether Elections BC could require additional funding in the event of an extension for the referendum. The Deputy Chief Electoral Officer, Electoral Operations indicated that Elections BC would be able to deliver the services required within the existing budget.

Clarification was also requested with respect to confusion about the referendum and the Canada Post labour dispute. The Deputy Chief Electoral Officer, Electoral Operations informed the Committee that their call centre has heard from British Columbians about conflicting stories on social media and in the media, and whether they should hold on to their ballots or whether there will be an extension. He noted that Elections BC always advises voters to get their package in the mail as soon as possible.

The Committee further inquired when the results of the referendum will be known. Elections BC indicated that the results will be available in a matter of weeks following the close of voting.

## Ongoing Readiness for Provincial General Election

The Committee sought additional detail on the proposal to maintain funding for ongoing readiness for an on-demand provincial general election, noting that the request is an increase from \$1.720 million to \$2.132 million. The Deputy Chief Electoral Officer, Electoral Operations shared that the increase reflects preparation for an on-demand election and preparations for the next scheduled provincial general election in October 2021.

Committee Members also inquired whether this funding would translate into an ongoing cost for Elections BC should proportional representation be implemented. The Chief Electoral Officer explained that the figures are based on the current system of first-past-the-post and the activities required to maintain a state of readiness. Elections BC is unable to make any comments on how this would translate under a new system as it would depend on legislation and the model Elections BC puts in place to administer an election under a new system.

## Professional Services

The Committee asked for additional information regarding professional services costs which increase in 2019/20 from the original 2018/19 budget, and then decrease in the two subsequent fiscal years. The Chief Electoral Officer and the Deputy Chief Electoral Officer, Funding and Disclosure, explained that the increases are related to the event budget and any potential audits or investigations. They noted that the event budget is only provided for the 2019/20 fiscal year.

## Local Election Campaign Disclosure

In response to questions regarding the budget for local election campaign disclosure compliance reviews, the Deputy Chief Electoral Officer, Electoral Operations, explained that 3,500 candidates and parties are expected to file campaign disclosure statements. The funding covers reviewing and following up on these statements as well as the cost of any investigations.

The Committee also asked about consequences with respect to rules on campaign financing, including any outstanding debts. The Deputy Chief Electoral Officer, Funding and Disclosure explained that no consequences are outlined in the *Local Elections Campaign Financing Act* except that unpaid debts become contributions. She noted that candidates can collect new contributions in relation to the 2018 election beginning January 1, 2019.

## Building Occupancy Costs

The Committee requested more information about the variation in building occupancy costs year over year. The Deputy Chief Electoral Officer, Funding and Disclosure informed Committee Members that Elections BC has two warehouse bases and their office. They have a fixed lease with scheduled increases to cover insurance, property taxes and maintenance.

## Recommendations

The Committee thanked Dr. Archer for his service to the province and congratulated Mr. Boegman on his appointment. Committee Members appreciated the work of Elections BC over the last year with the conclusion of the 41<sup>st</sup> provincial general election, a number of on-demand electoral events, changes to campaign and political party financing, and the referendum on electoral reform.

Committee Members acknowledged the challenge of maintaining a state of readiness in a minority government setting. In reviewing the requested increase from 2018/19 to 2019/20 with respect to funding for election readiness, they considered whether, in future, an alternative approach of providing less funding, and encouraging supplementary funding requests should additional funding be needed, would be appropriate. The Committee concluded that they will continue to review this particular item closely and requested that Elections BC keep the Committee updated on election readiness work and costs.

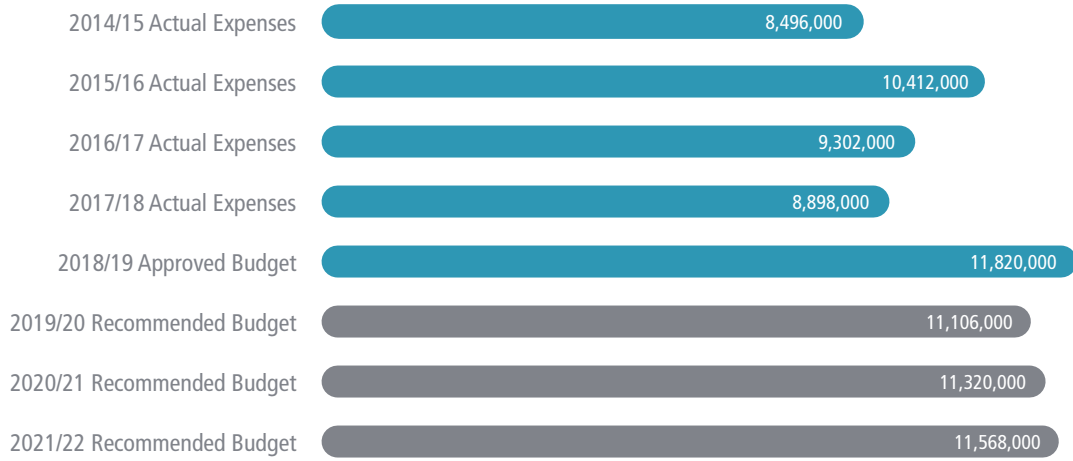
In reviewing the budgetary proposal, Committee Members agreed to recommend the requested amounts for operating expenditures, event-related operating expenditures, the annual allowance for political parties and capital expenditures.

### RECOMMENDATIONS

The Committee recommends to the Legislative Assembly that:

1. The appropriation for the operating expenditures of Elections BC be \$11,106,000 in 2019/20; \$11,320,000 in 2020/21; and \$11,568,000 in 2021/22;
2. The appropriation for event-related operating expenditures for Elections BC be \$2,954,000 in 2019/20;
3. Elections BC be granted \$4,091,000 in 2019/20; and \$3,610,000 in 2020/21 to fund the annual allowances for political parties;
4. The appropriation for the capital expenditures of Elections BC be \$855,000 in 2019/20; \$835,000 in 2020/21; and \$850,000 in 2021/22.

ELECTIONS BC  
OPERATING EXPENSES (IN \$'S) \*



\*Core operating expenses only; event-related expenses and the allowance for political parties are not included.

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

The Information and Privacy Commissioner is an officer of the Legislature responsible for monitoring and enforcing compliance with the *Freedom of Information and Protection of Privacy Act*, and the *Personal Information Protection Act*. The Commissioner is also designated as the Registrar of Lobbyists and is responsible for enforcing the *Lobbyists Registration Act*. Vote 5 of the annual provincial *Estimates* provides for the operating and capital expenditures of the Office of the Information and Privacy Commissioner and Registrar of Lobbyists.

The new Information and Privacy Commissioner, Michael McEvoy, appointed effective April 1, 2018, provided his spring update to the Committee on April 26, 2018. He shared that his office remains focused on a continuous improvement project to enhance efficiencies and enable the office to close complaint files more quickly, as well as increasing the number of public and private sector organizations that implement effective privacy management systems. In regard to the Office of the Registrar of Lobbyists, he noted the implementation of recent amendments to the *Lobbyists Registration Act* and advised Committee Members that further amendments to the Act are anticipated which may require supplementary funding.

The Commissioner described new initiatives underway, including examining the collection of personal information by political parties. He also shared the results of his report on the collection of personal information by landlords; the issue highlighted a broader need for awareness of privacy obligations for private bodies. Additional areas of discussion included the breach of personal information by Facebook, the role of trade in the flow of data, and global cooperation on information and privacy matters.

## Budget Submission for 2019/20 to 2021/22

On November 21, 2018, the Committee considered the budget proposal for 2019/20 to 2021/22 for the Office of the Information and Privacy Commissioner and Registrar of Lobbyists. Present at the meeting were: Michael McEvoy, Information and Privacy Commissioner and Registrar of Lobbyists; oline Twiss, Deputy Commissioner; and Dave Van Swieten, Executive Director of Shared Corporate Services.

In his presentation, the Information and Privacy Commissioner highlighted recent accomplishments in both offices. These include: the implementation of the *Lobbyists Registration Amendment Act, 2017* which introduced a two-year cooling off period for former public office holders; a continued focus on reducing the backlog of investigation adjudication cases; and the launch of privacy awareness lesson plans for teachers of grade six to 12. The Commissioner also issued guidance to businesses subject to the *Personal Information Protection Act* who may now be subject to the new European general data protection regulation, and published information on protecting personal information during cannabis transactions.

With respect to his budget submission, the Commissioner requested a total increase of \$450,000 for operating expenditures for 2019/20, an increase of 7.2 percent from 2018/19, and further increases in the two subsequent fiscal years. The additional funding addresses cost increases for salaries, corporate shared services and building occupancy, as well as the implementation of Bill 54, the *Lobbyists Registration Amendment Act, 2018*. An increase of \$200,000 in the capital budget for 2019/20 and 2020/21 to rebuild the Lobbyists Registry was also sought.

The Commissioner noted that Bill 54 proposes significant changes to increase lobbying transparency and accountability, including new reporting mechanisms and registration requirements, and that his office requires additional resources to ensure proper implementation. In addition to rebuilding the Registry, the requested funding would support the provision of education on new requirements, oversight activities, and a review of and adjustments to internal processes to incorporate changes. Specifically, it will fund FTEs to implement the requirements of the legislation.

The office's budget proposal also included \$50,000 per year for the next three fiscal years for secretariat activities with the Asia Pacific Privacy Authorities (APPA). The Commissioner explained that the APPA is a principle forum for privacy and data protection authorities in the Asia-Pacific region and serves as a platform for a range of issues, including cooperation on enforcement actions. Some recent topics of discussion included artificial intelligence, approaches to data-breach notifications and multinational corporations such as Google and Apple. BC's three-year term as secretariat is up for renewal in June 2019 and the office has been encouraged to seek a second term.

## Committee Inquiry

Committee Members inquired about the changes between the 2018/19 and 2019/20 budget, professional services, and the office's work as secretariat for the APPA.

## Year over Year Changes

The Committee sought additional information with respect to changes in the budget between 2018/19 and 2019/20. The Commissioner started by emphasizing the integration of the two offices under his mandate in order to make effective use of resources. He informed the Committee that technical services related to the Registry have been shifted from professional services to information systems. There is also an increase in building occupancy costs due to rental costs and the addition of space to accommodate new staff, as well as an increase in costs for corporate shared services. In a follow-up to questions about the increase in rent and building occupancy, the Commissioner informed the Committee that the overall cost of building occupancy is increasing by 15 percent: 0.51 percent for the rent rate increase, 4.5 percent for the cost related to an increase in square footage of dedicated and shared space, and 10 percent for one-time tenant improvement projects.

The Committee sought confirmation that in the absence of legislative amendments, the total increase in costs from 2018/19 to 2019/20 would have been \$163,000 or approximately two percent. The Commissioner stated that this was correct.

## Professional Services

Regarding the professional services component, Committee Members inquired why the actual costs for 2017/18 were \$209,000 less than budgeted. The Commissioner explained that a key factor in professional services costs is the number of judicial reviews which can vary from year to year. He also indicated that additional technical contracted services may be required in future for complicated investigations, such as the one involving AggregateIQ. The Executive Director of Corporate Services further noted that the actual results reflect the change in accounting for professional services and information systems expenditures.

## Asia Pacific Privacy Authorities (APPA)

Committee Members asked what would happen if funding for secretariat activities for the APPA was not provided and whether funding is available from other partners. The Commissioner stated that another country would presumably put forward their name and take on that responsibility, while highlighting that his office's participation in this forum has enhanced BC's stature in the Asia-Pacific region. With respect to funding, the Commissioner shared that authorities are charged based on the size of their jurisdiction and when Australia served as secretariat, they similarly underwrote some of the cost.

## Recommendations

The Committee recognized the work of the Information and Privacy Commissioner to manage assigned responsibilities prudently, and appreciated the efficiencies gained between the two offices under his mandate.

Committee Members agreed to his request for additional operating funding for two FTEs and for additional capital funding for a rebuild of the Registry to support the implementation of the *Lobbyists Registration Amendment Act, 2018*. While noting concerns about building occupancy and corporate shared services, the Committee also supported the requested increases to cover operational pressures.

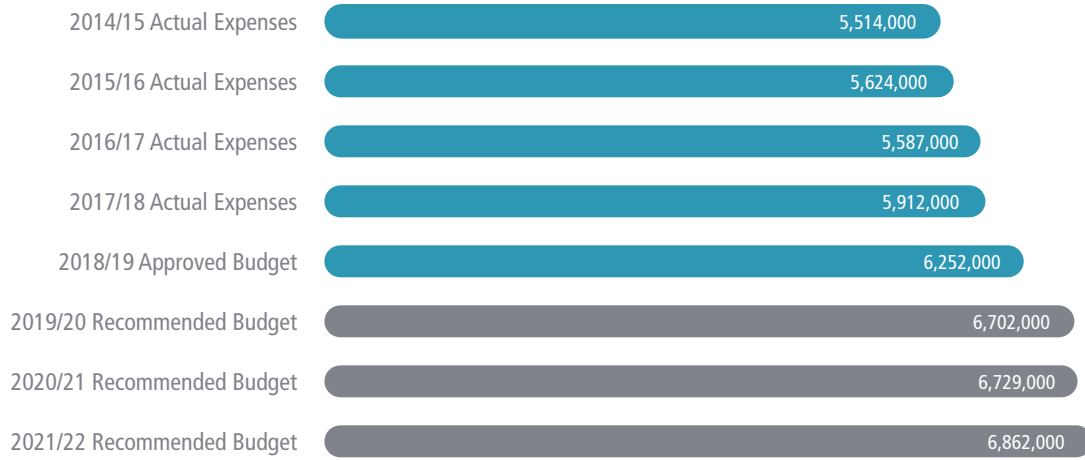
Committee Members further supported the office's participation as the secretariat for the APPA. They were of the view that supporting collaboration and cooperation across jurisdictions was important, particularly in terms of placing BC at the forefront of issues related to cyber security, artificial intelligence and privacy – all issues that transcend borders. They also acknowledged the Commissioner's leadership and experience on many of these issues.

## 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 the Registrar of Lobbyists be \$6,702,000 in 2019/20; \$6,729,000 in 2020/21; and \$6,862,000 in 2021/22;
2. The appropriation for the capital expenditures of the Office of the Information and Privacy Commissioner and the Registrar of Lobbyists be \$249,000 in 2019/20; \$224,000 in 2020/21; and \$42,000 in 2021/22.

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



# Office of the Merit Commissioner

The *Public Service Act* establishes the Merit Commissioner as an officer of the Legislature. The Commissioner is responsible for providing independent oversight and insight into merit-based hiring in the BC public service. This includes auditing appointments to, and from within, the BC public service, and acting as the final level of review of certain appointment decisions upon the request of an unsuccessful employee. With the adoption of the *Public Service Amendment Act, 2018* in May 2018, the Commissioner is also now responsible for monitoring and conducting reviews on the application of government practices, policies and standards to eligible dismissals. The office's operating expenses and capital expenditures are provided for in Vote 6 of the annual *Estimates*.

At her spring update on May 10, 2018, the Merit Commissioner discussed the results of the merit performance audit for 2016/17, in which her office examined 257 randomly selected appointments. Overall, the Commissioner found the state of merit-based hiring to be sound with any identified issues generally fixable through training, education, change of practice or procedure, and care and attention to detail. She also informed the Committee that her office saw the highest level of requests for reviews of appointment decisions in 2016/17.

The Commissioner briefly spoke to new responsibilities with respect to dismissals, which flowed from a recommendation by the Ombudsperson in his report titled *Misfire: The 2012 Ministry of Health Employment Terminations and Related Matters*. She shared that her office has been planning for this new mandate, including examining systems and processes, and engaging staff and professionals. The Commissioner indicated that it was too early in the planning stage to provide a rough estimate of costs regarding this change to her mandate and that further details would be available in the fall.

## Budget Submission for 2019/20 to 2021/22

On November 21, 2018, the Committee met with Fiona Spencer, Merit Commissioner, and Dave Van Swieten, Executive Director of Corporate Shared Services, to review the Office of the Merit Commissioner's budget proposal for 2019/20 to 2021/22.

The Commissioner shared that her small office is comprised of four full-time and two part-time staff who are supported by five auditors working on a contract basis; she serves as a part-time appointee. She outlined her office's activities for the current fiscal year, including the conclusion of the merit performance audit for 2017/18. Her findings with respect to appointment processes for this audit were consistent with past years. The office once again saw the highest number of requests for appointment decision reviews in 2017/18. She indicated that it is difficult to anticipate the number of these requests and that her office has been unable to identify a link to any particular event or circumstance. The Commissioner also discussed work with respect to implementation of recent changes to her mandate, and requested supplementary funding of \$75,000 for the current fiscal year for incremental spending in this regard.

In terms of the office's budget submission for 2019/20 to 2021/22, the Merit Commissioner requested increases in funding to \$1.365 million in 2019/20, \$1.378 million in 2020/21, and \$1.390 million in 2021/22.



For 2019/20, this amounts to a \$224,000 or a 12.3 percent increase over 2018/19. The increase covers \$41,000 for salary, building occupancy and corporate shared services, and \$183,000 for the implementation and operations for the new mandate, including the addition of one FTE and one-time renovation costs. On the capital side, the Merit Commissioner requested \$32,000 for 2019/20 to update information systems, and \$8,000 in each of the subsequent two fiscal years.

## Committee Inquiry

The Committee had questions with respect to the supplementary funding request for 2018/19, year over year changes from 2018/19 to 2019/20, renovation costs, and appointment reviews.

## Supplementary Funding Request

The Committee sought more detail with respect to the supplementary funding request for the current fiscal year. The Commissioner explained that the office has incurred costs in preparing for new responsibilities regarding dismissals. These include: hiring contract staff to assist with an environmental scan of other jurisdictions; drafting internal administrative procedures and processes; hiring legal advice to finalize methodologies for reviewing processes and procedures; hiring a communications consultant to help with rebranding the mandate and website; developing information materials for ministries; and setting up and testing processes for transferring secure data.

## Year over Year Changes

Committee Members requested a line by line summary of changes from 2018/19 to 2019/20. For salaries and benefits, the Commissioner indicated that with the added mandate of dismissal reviews, responsibilities have been reallocated within the office, resulting in a change to some salary levels. The office is also looking at adding another FTE, although the office is not anticipating hiring someone until October. The increase in professional services costs is based on an estimate for legal advice and for hiring an individual with a labour law background to conduct reviews of dismissal processes, as well as communications advice. With respect to advertising and publications, additional funding is needed for the development of another report specific to dismissal review processes. Remaining increases with respect to building occupancy and corporate shared services reflect inflation, one-time construction costs for staff offices and the addition of another FTE.

## Renovation Costs

In response to the Committee's inquiries about renovation costs, the Commissioner confirmed that they sought a range of quotes. She further noted that the office is not expanding space, but rather reconfiguring and converting existing space. In a follow-up letter to the Committee, the Commissioner indicated that the overall cost of building occupancy is increasing by approximately two percent from the previous fiscal year – 0.51 percent for a rent rate increase, and 1.30 percent for increased square footage of dedicated and shared space.

## Appointment Reviews

Another area of interest to Committee Members was the significant increase in the number of appointment reviews from 2016/17 to 2017/18, and whether there were any trends that could inform this number year to year. The Commissioner explained that her office has not found any connection or pattern in requests for

appointment reviews, and has therefore not been able to predict this number from year to year. She informed the Committee that the office is on track to receive the same number of requests this year as last year.

The Committee also asked about appointment decisions with errors, and the range and seriousness of those errors. The Commissioner explained that her office draws a distinction between errors that have an impact on the outcome of a competition, such as the wrong person being appointed or someone being eliminated from the competition that should not have, and those that do not have an impact. She noted that the overall error rate is going down. She further noted that her office provides individual audit reports to Deputy Ministers as well as an overall report to the Deputy Minister of the Public Service Agency.

## Recommendations

The Committee appreciated the Merit Commissioner's work in responsibly managing her budget. In their deliberations, they considered her new mandate for monitoring and conducting reviews with respect to eligible dismissals, and the proposal for additional resources to manage this new responsibility.

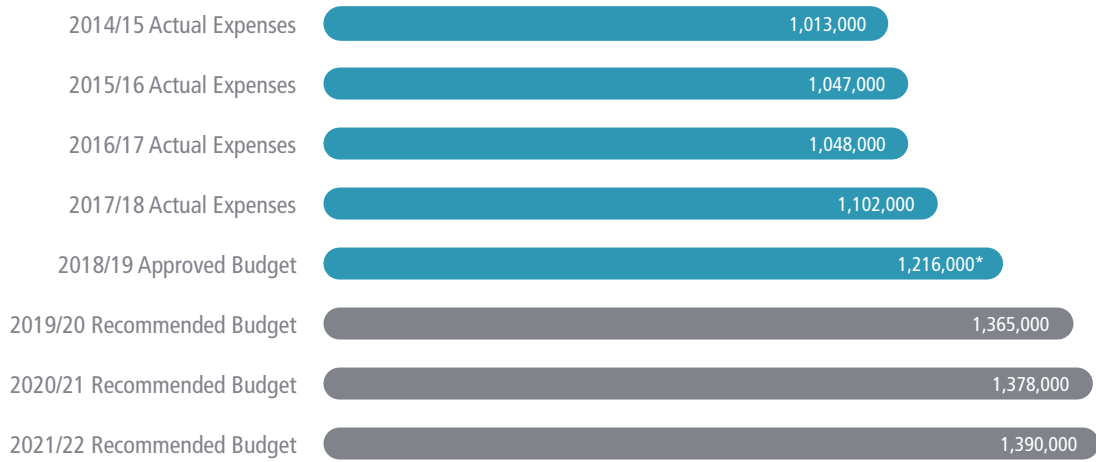
Committee Members reviewed the details of the supplementary funding request for 2018/19 and the proposal for operating and capital expenditures in subsequent fiscal years, and agreed to recommend the requested budgets.

### RECOMMENDATIONS

The Committee recommends to the Legislative Assembly that:

1. The Office of the Merit Commissioner be granted access to supplementary funding up to \$75,000 for operating expenditures in the 2018/19 fiscal year;
2. The appropriation for the operating expenditures of the Office of the Merit Commissioner be \$1,365,000 in 2019/20; \$1,378,000 in 2020/21; and \$1,390,000 in 2021/22;
3. The appropriation for the capital expenditures of the Office of the Merit Commissioner be \$32,000 in 2019/20; \$8,000 in 2020/21; and \$8,000 in 2021/22.

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



\*Includes recommended supplementary funding.

# Office of the Ombudsperson

The *Ombudsperson Act* establishes the Ombudsperson as an independent officer of the Legislature. The Ombudsperson is responsible for responding to individual concerns and complaints with respect to BC's provincial and local public authorities, and for providing general oversight of their administrative actions. With the adoption of the *Public Interest Disclosure Act* (PIDA) in May 2018, the Ombudsperson has additional statutory duties with respect to disclosure, including oversight, providing advice, and investigating disclosures and allegations of reprisals. Vote 7 of the annual provincial *Estimates* provides for the office's operating expenses and capital expenditures.

At the Committee's spring update meeting on May 15, 2018, the Ombudsperson provided an overview of recent investigations and reports, as well as the status of government's implementation of recommendations from the *Misfire: The 2012 Ministry of Health Employment Terminations and Related Matters* report. He informed the Committee that his office has experienced a five percent increase in complaints and inquiries in the past year. While not all items are referred for investigation, they assist everyone that contacts the office. The Ombudsperson also indicated progress on reducing the number of cases waiting assignment, and that the office is developing strategies to improve public awareness and education about the work and role of the office, particularly among underserved populations.

## Supplementary Funding Request

### New Statutory Responsibilities (May 29, 2018)

The Ombudsperson met with the Committee to request supplementary funding of \$744,000 in operating expenditures and \$75,000 in capital expenditures to fulfill new statutory responsibilities under PIDA. The Ombudsperson informed the Committee that the Act is being brought into force in phases. The first phase, which includes all provincial government ministries, statutory offices and 20 other provincial public bodies, comes into force early in the 2019/20 fiscal year. The supplementary funding would go toward a five-person transition team to carry out key implementation tasks such as the development of an operational model and workload estimates, best practice research, communication and outreach, and the development of policy and procedure. The Committee considered the proposal and agreed to recommend that the Office of the Ombudsperson be granted access to the requested supplementary funding.

### Summary of Previous Committee Decision

May 29, 2018: The Committee recommended that the Office of the Ombudsperson be granted access to supplementary funding up to \$744,000 for operating expenditures and \$75,000 in capital expenditures in 2018/19 for implementation of new statutory responsibilities pursuant to the *Public Interest Disclosure Act*.

## Budget Submission for 2019/20 to 2021/22

Committee Members considered the Ombudsperson's budget proposal for 2019/20 to 2021/22 on November 22, 2018. Present at the meeting were: Jay Chalke, Ombudsperson; John Greschner, Deputy Ombudsperson; and Dave Van Swieten, Executive Director of Corporate Shared Services.

The Ombudsperson began his presentation by providing a summary of activities since the spring update. He noted the number of complaints received reached a ten year high in the previous year and that they continue to monitor the volume. The office has various prevention initiatives, including in-person workshops and webinars; the office is also developing an online administrative fairness class that will be launched in early 2019. He shared that his office is working with federal and provincial bodies to develop tools for public bodies to self-assess their own policy and program structures to ensure they comply with fairness standards.

With respect to the budget submission, the Ombudsperson indicated that the main requests for increased funding relate to the continued implementation of PIDA. This includes: supplementary funding of \$120,000 for capital expenditures in 2018/19 for renovations to accommodate new staff and realign existing space; and an increase of \$1.062 million in operating expenditures for 2019/20 for the addition of six FTEs for an investigation team and related travel, professional services, office expenses, advertising and publications. He explained that his office looked at several factors in determining volume estimates and a potential staffing complement to support statutory responsibilities under PIDA. These included a cross-jurisdictional analysis, the specific features of BC's legislation, awareness of public interest disclosure, and related reporting pathways. The Ombudsperson noted that estimates are partly complicated by the fact that PIDA permits retroactive disclosures.

An additional \$174,000 in operating expenditures for 2019/20 was also sought to cover inflationary costs for salaries, building occupancy, and corporate shared services. The Ombudsperson also briefly discussed corporate shared services which is part of his office; the total cost for 2019/20 is \$1.646 million of which \$896,000 is recovered from the other three independent offices.

In total, the Ombudsperson requested \$8.873 million in operating expenditures for 2019/20, \$8.902 million for 2020/21 and \$9.203 million for 2021/22, and capital expenditures of \$138,000 in 2019/20 and \$43,000 in the subsequent two fiscal years.

## Committee Inquiry

The Committee's inquiry focused primarily on the budgetary implications of PIDA. Committee Members were also interested in corporate shared services and the complaints process for public bodies.

### *Public Interest Disclosure Act (PIDA)*

The Committee asked for more information on FTEs and costs associated with the implementation of PIDA and how jurisdictional comparisons influenced these numbers. The Ombudsperson explained that their primary focus in consulting other jurisdictions was to assess workload volumes and best practices for implementation, and how that would look in terms of staffing. Costs were then based on that determination.

Committee Members inquired about the breakdown between new positions and inflationary increases. The Ombudsperson indicated that inflation represents a 2.28 percent increase. He acknowledged that the lift for more staff is significant and includes a total of 11 staff – five staff the Committee supported in the

supplementary funding request in May and an additional six staff for the next year. The Ombudsperson was also asked about potential efficiencies from sharing resources and staff that currently perform work related to responsibilities under the *Ombudsperson Act*. The Ombudsperson noted that this was considered, however the office does not have any additional flexibility or capacity to take on the new responsibilities within existing resources.

The Committee asked if the office will be incorporating prevention and education as part of the new public interest disclosure work. The Ombudsperson confirmed that this will be part of their activities and informed Committee Members that the five-person transition team will be shifting toward supporting public bodies to help them understand the legislation and support culture change.

### Corporate Shared Services

A key area of interest to the Committee was the increase and variation in costs for corporate shared services for all four independent offices. In a written follow-up, the Ombudsperson explained that funding for corporate shared services is made up of two components. The first component is operational pressures which is shared equitably among the four offices based on the number of FTEs. The second component is a fixed cost for growth based on incremental FTEs. He also advised the Committee that this fiscal year is different in that the offices had significant changes to their mandates adding to the workload of corporate shared services. The Committee also asked about building occupancy costs, noting an increase of approximately ten percent and learned that this is related to an increase in space for new staff.

### Complaints about Public Bodies

Committee Members had additional questions regarding individuals being afraid to report or pursue complaints about public bodies to Members or the Ombudsperson for fear of being personally targeted. The Ombudsperson indicated that this is not something his office encounters often and that they remind public bodies and British Columbians of every citizen's right to come to his office or Members. Further to that, the Committee asked whether his office reviews internal complaints and appeal processes in ministries. The Ombudsperson confirmed this is the case with reviews sometimes completed on an individual case basis and sometimes on a systemic basis.

### Recommendations

The Committee acknowledged the work of the Office of the Ombudsperson in prudently rolling out the implementation of PIDA. While the budget proposal for 2019/20 amounts to a 16.2 percent increase over 2018/19, the Committee recognized that the increase is largely a result of this new responsibility and agreed that sufficient resources are required to ensure the office is able to fulfill the new mandate.

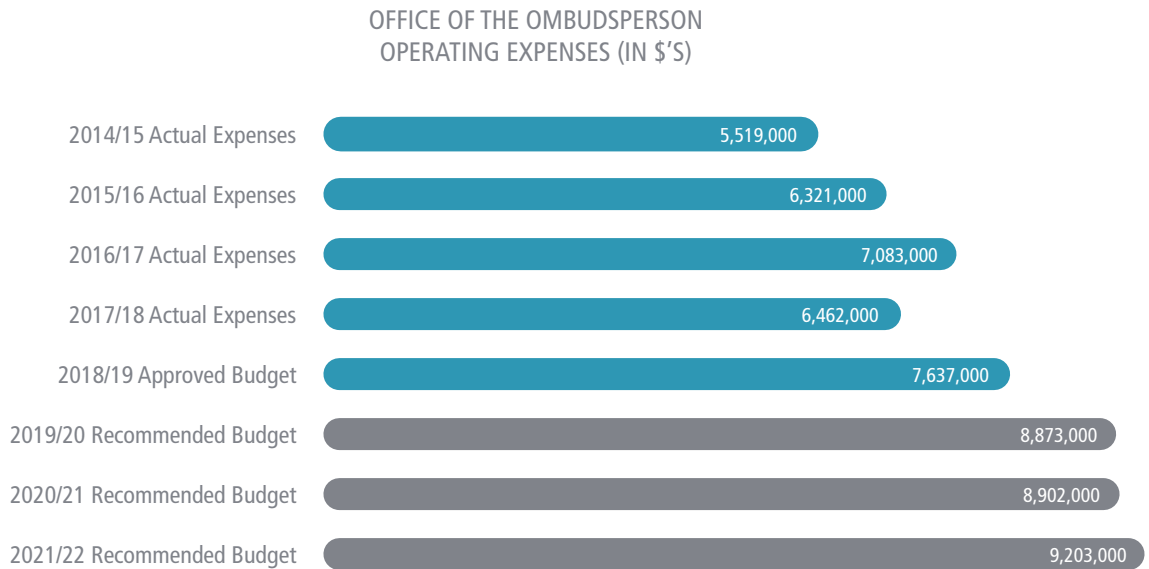
Committee Members appreciated the additional information about corporate shared services and the funding formula that determines each office's share. While expressing some concerns about the increase in these costs, they acknowledged the effect of legislative changes on corporate shared services. They agreed to support increased funding to cover operational pressures related to corporate shared services as well as salary adjustments.

As a result, the Committee supported the Ombudsperson's supplementary funding request for capital expenditures in 2018/19, and the budgetary proposal as presented for 2019/20 to 2021/22.

## RECOMMENDATIONS

The Committee recommends to the Legislative Assembly that:

1. The Office of the Ombudsperson be granted access to supplementary funding up to \$120,000 for capital expenditures in the 2018/19 fiscal year;
2. The appropriation for the operating expenditures of the Office of the Ombudsperson be \$8,873,000 in 2019/20; \$8,902,000 in 2020/21; and \$9,203,000 in 2021/22;
3. The appropriation for the capital expenditures of the Office of the Ombudsperson be \$138,000 in 2019/20; \$43,000 in 2020/21; and \$43,000 in 2021/22.



# Office of the Police Complaint Commissioner

The *Police Act* establishes the Police Complaint Commissioner as an officer of the Legislature. The Commissioner oversees and monitors complaints and investigations involving municipal police in British Columbia, providing civilian oversight and administering discipline and proceedings under the *Police Act*. The office's operating expenses and capital expenditures are provided for in Vote 8 of the annual provincial *Estimates*.

In an interim report to the Committee in May, the Commissioner provided a general financial and operational update. He drew attention to the increase in legal expenditures due to the number of judicial reviews in 2017/18. The Commissioner also discussed key priority areas for his office, including promoting and encouraging alternative dispute resolution of police complaints and preparation for an upcoming audit of the police complaints process, pursuant to section 51.2 of the *Police Act*.

## Supplementary Funding Request

### Adjudicative and Judicial Reviews (February 6, 2018)

The Police Complaint Commissioner met with the Committee to request supplementary funding with respect to adjudicative and judicial reviews for the 2017/18 fiscal year. The Commissioner indicated that the number of active judicial reviews and legal challenges had increased and his office required supplementary funding in this area. He noted that funding for adjudicative and judicial reviews is dedicated and any unused funds must be returned to the treasury. The Committee considered this request and agreed to recommend that the Office of the Police Complaint Commissioner be provided \$200,000 in supplementary funding for operating expenditures for the 2017/18 fiscal year.

### Summary of Previous Committee Decision

February 6, 2018: The Committee recommended that the Office of the Police Complaint Commissioner be granted access to supplementary funding up to \$200,000 for operating expenditures in the 2017/18 fiscal year.

## Budget Submission for 2019/20 to 2021/22

The Committee reviewed the Police Complaint Commissioner's budget proposal for 2019/20 to 2021/22 on November 21, 2018. In attendance were: Stan T. Lowe, Police Complaint Commissioner; Rollie Woods, Deputy Police Complaint Commissioner; Andrea Spindler, Director of Operations and Strategic Initiatives; and Dave Van Swieten, Executive Director of Corporate Shared Services.

The Commissioner noted that this would be his last appearance before the Committee as his term ends in February 2019. He outlined his office's collective accomplishments, particularly with respect to the use of alternative dispute resolution which is now being employed 40 percent of time, up from seven percent at



the beginning of his tenure. He also provided a brief overview of the history of his office, potential legislative changes for improving oversight and the state of public confidence in police oversight.

In terms of his budget proposal, the Commissioner had three requests. The first relates to adjudicative funding: the Commissioner requested supplementary funding of \$350,000 in operating expenditures for the 2018/19 fiscal year and a lift of \$300,000 for each of the following three fiscal years. He explained that costs associated with responding to judicial reviews of his administrative decisions and adjudicative reviews of decisions by discipline authorities continues to increase, and reminded Committee Members of the dedicated nature of this funding.

The second request was \$119,000 for 2019/20 onwards to fund an additional FTE to cover workload related to special municipal constables. The Commissioner shared that in August 2016 all special municipal constables came under the jurisdiction of his office. He noted that the use of these constables has mostly been dedicated to roles which directly interact with the public in an environment that is conducive to public complaints, and further, that training for this position is variable across municipal police departments. Since special municipal constables came under the jurisdiction of the Police Complaint Commissioner, there have been 34 investigations into 95 allegations of misconduct, including allegations of excessive force as well as sexual assault and sexual harassment.

The third request was funding for an inflationary increase of \$88,000 in operating expenditures in 2019/20 for salaries, building occupancy costs and corporate shared services.

## Committee Inquiry

The Committee probed into the Police Complaint Commissioner's submission regarding non-discretionary activities, judicial reviews, and adjudicative expenses. Committee Members also asked about the potential implications of the City of Surrey's announcement to move to a municipal police force.

## Non-Discretionary Activities

In response to the Committee's request for additional information on non-discretionary activities and the associated increased costs, the Commissioner confirmed that the request for additional funds is related to non-discretionary actions that are placing upward pressure on his budget, such as adjudicative and judicial reviews as well as oversight of special municipal constables. Following questions about the supplementary funding for the current fiscal year, the Commissioner shared that there are scheduled judicial reviews with court dates that his office expects to take place before the end of the fiscal year.

## Judicial Reviews and Adjudicative Expenses

Committee Members inquired about recoverability given the Commissioner's success with judicial reviews. The Commissioner informed the Committee that his office decided not to explore this option based on legal advice they received. He noted that pursuing recoverability could also mean costs to the office should they lose court cases, and furthermore that it may be counterproductive to getting guidance from the courts on the authority of the office. The Commissioner also indicated that part of the reason for some of these cases is a lack of clarity in legislation.

The Committee also asked about how potential legislative changes could affect the number of judicial reviews. The Commissioner commented that legislative change could help clarify procedures and define the

oversight powers of his office. He explained that he would propose a separate entity for adjudications so that his office could focus on investigations and alternative dispute resolution.

Committee Members sought clarity with respect to the \$300,000 lift for adjudicative expenses from 2019/20 to 2021/22 given that outside of 2017/18 and the added costs associated with the case of former Victoria Police Chief Constable Frank Elsner, the office has managed with substantially less in previous years. The Commissioner explained that his office tries to anticipate costs in this area and asked for an increase to ensure the office has an appropriate allocation in each fiscal year. He acknowledged the Committee's proposal for returning with a demonstrated need should additional funding be required rather than providing the full allocation up front as workable and reasonable.

### City of Surrey

The Committee also discussed the City of Surrey's intention to move from RCMP to a municipal police force. The Commissioner stated that should this be implemented, all of Surrey's policing institutions would automatically fall under his jurisdiction.

### Recommendations

With his term concluding in February 2019, the Committee thanked the Commissioner for his dedicated service to the province over the past ten years.

In reviewing his budgetary proposal, the Committee supported \$119,000 for an additional FTE to cover the increased workload related to special municipal constables, as well as \$88,000 for operational pressures. Committee Members appreciated the challenges for his office with respect to judicial and adjudicative reviews. They noted that recent increases in costs were largely related to one case; expenditures in this regard have otherwise been relatively consistent year-to-year. As such, the Committee preferred the approach of reviewing demonstrated need, and agreed to recommend the supplementary funding request of \$350,000 for operating expenditures in the current fiscal year and did not support the requested \$300,000 lift in subsequent fiscal years. In keeping with usual practice, the Committee would consider supplementary funding requests for such costs if required.

In reflecting on the costs for adjudicative expenses, Committee Members recognized the Commissioner's goals of minimizing judicial reviews. They were also interested in how legislative changes could address some of the associated challenges and costs.

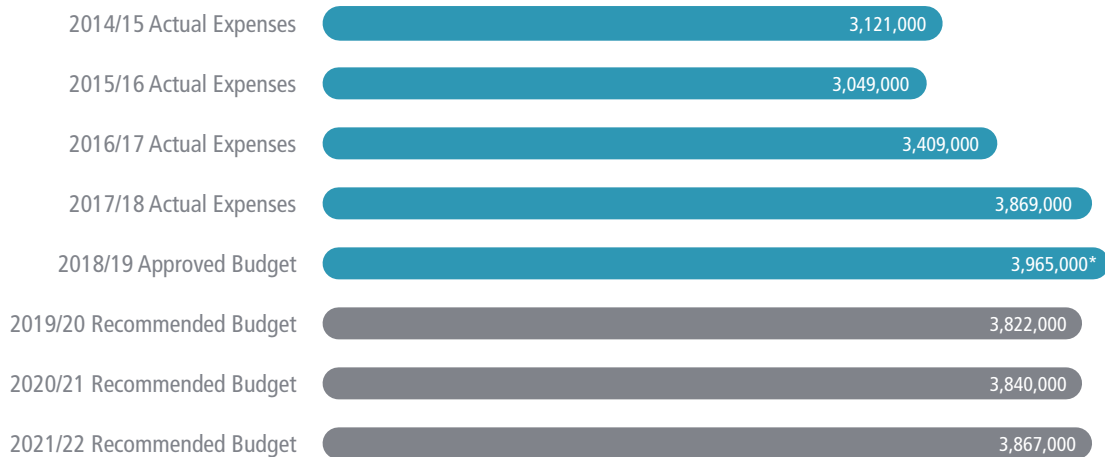
In addition to the supplementary funding request, the Committee therefore agreed to recommend that the office be provided \$3.822 million, \$3.840 million and \$3.867 million in operating expenditures in each of the next three fiscal years respectively. They also supported the Commissioner's proposed budget for capital expenditures.

## 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 \$350,000 for operating expenditures in the 2018/19 fiscal year;
2. The appropriation for the operating expenditures of the Office of the Police Complaint Commissioner be \$3,822,000 in 2019/20; \$3,840,000 in 2020/21; and \$3,867,000 in 2021/22;
3. The appropriation for the capital expenditures of the Office of the Police Complaint Commissioner be \$22,000 in 2019/20; \$24,000 in 2020/21; and \$37,000 in 2021/22.

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



\*Includes recommended supplementary funding.

# Office of the Representative for Children and Youth

The Representative for Children and Youth is an officer of the Legislature appointed under the *Representative for Children and Youth Act*. The Representative is responsible for providing advocacy services on behalf of children, youth and young adults, and reviewing, investigating and reporting on the critical injuries and deaths of children. The Representative is also responsible for monitoring, reviewing and auditing the effectiveness of designated services. Vote 9 of the annual provincial *Estimates* provides for the office's operating expenses and capital expenditures.

On May 8, 2018 as part of the spring updates, outgoing Representative Bernard Richard provided the Committee with an overview of the office's activities, including the results of three reports on Delegated Aboriginal Agencies, education outcomes for children in care, and adoption and permanency options. He also discussed an investigative report titled *Missing Pieces: Joshua's Story* about the death of a 17-year-old Lower Mainland youth, which identified significant gaps in the youth mental health system. The Representative further acknowledged funding the Committee supported for his office to undertake work in assessing the quality of care plans for children in care, with a particular emphasis on Indigenous children in care, and noted that work is underway in this regard.

## Budget Submission for 2019/20 to 2021/22

Committee Members considered the Office of the Representative for Children and Youth's budget proposal for 2019/20 to 2021/22 on November 27, 2018. In attendance were: Dr. Jennifer Charlesworth, the new Representative for Children and Youth; Alan Markwart, Deputy Representative; and Dianne Buljat, Chief Financial Officer.

The Representative outlined key activities since her appointment as acting Representative on August 31, 2018 and permanent Representative on October 1, 2018, including the release of a report on youth substance use. She indicated that two additional reports are expected to be released in the coming weeks – one on an investigation into critical injuries experienced by a child with special needs and one providing an update on government's adoption and permanency efforts. The Representative shared that Indigenous child welfare remains the office's main area of focus. The Representative also informed the Committee that the office is undergoing some restructuring and has moved to a two deputy model – one for operations and one for Indigenous strategies and partnerships – in alignment with the model suggested by Hon. Ted Hughes.

With respect to their budget submission, the Representative requested a net increase in operational funding of \$332,000 or 3.5 percent above 2018/19. She explained that this proposal is a status quo budget with an additional \$254,000 requested to cover scheduled increases for salaries and benefits, as well as a realignment of compensation for research officers. A further \$78,000 was requested to cover additional operating costs due to an increase of \$91,000 in lease costs at their Victoria and Burnaby offices. The Representative noted that the additional funding is recurring, with scheduled compensation increases in future fiscal years. No increase in the capital budget was requested. In total, the Representative sought \$9.750 million in operating expenditures for 2019/20, \$9.787 million for 2020/21 and \$9.819 million in 2021/22, and \$50,000 in capital expenditures for each of the next three fiscal years.

The Representative noted that the budget proposal does not include additional funding for potential legislative amendments recommended by the Select Standing Committee on Children and Youth in their 2018 review of the *Representative for Children and Youth Act*. Should there be any amendments, her office may return to the Committee with a supplementary funding proposal.

## Committee Inquiry

The Committee had several questions with respect to the rent increase, strategic changes, gender-based analysis, and cultural shifts and learning.

### Building Occupancy and Rental Costs

In response to the concerns of Committee Members regarding the 62 percent rent increase at the Burnaby office, the Representative explained that their rent was previously at a below market rate and that the increase reflects the current market rate. At the time the lease was first negotiated, the space had been vacant for a considerable period of time.

### Strategic Changes

Committee Members sought more detail about broader strategic changes, particularly with respect to Indigenous youth, and how this will impact the office moving forward. The Representative shared that this involves a number of areas, including raising awareness about the office's advocacy role and services. It also includes taking a strategic lens to examining the history of the child welfare system, missing and murdered Indigenous women, and Jordan's principle. She indicated that while her office continues to do reports on single cases, there may be opportunities to reduce catastrophic cases by identifying practices and improvements that are leading to better outcomes.

### Gender-Based Analysis

Another area of interest to the Committee was the application of gender-based analysis plus and Indigenous gender-based analysis plus. The Representative informed the Committee that her office has an exemption under the Human Rights Tribunal to have Indigenous-only hires. The intended purpose is to create a workforce that reflects the issues and challenges of Indigenous children and youth. In terms of the client population, there is a disproportionate number of female critical incidents. The Representative highlighted this as an example of where an aggregate review may assist with better understanding the gender and situational lens.

### Cultural Shift and Learning

Committee Members commented on the potential positives and success of a cultural and paradigm shift for the office. The Representative added that the office is trying to create a culture that is also an exemplar of cultural safety, and receptive and responsive to Indigenous children, youth, families and communities.

The Committee also asked about tracking and learning from positive examples and practices. The Representative agreed that it is important to examine both successes and failures, and that her office is discussing incorporating practice observations in reports to highlight improvements and positive examples of things that have worked. She shared Hon. Hughes view of the role of the Representative as enhancing learning and enhancing capacity of the system to be a better version of itself.

## Recommendations

Committee Members thanked former Representative Bernard Richard for his service to the province and congratulated Dr. Charlesworth on her appointment as the Representative. They appreciated her approach and plans for cultural change with respect to her role and the work of the office, and looked forward to hearing about progress in the future.

The Committee acknowledged that the requested 3.5 percent increase to the office's budget for 2019/20 is non-discretionary. They also appreciated the Representative's plan to re-examine the Burnaby office location given the substantive increase in rent. Committee Members therefore decided to recommend the operating and capital budget as proposed.

### RECOMMENDATIONS

The Committee recommends to the Legislative Assembly that:

1. The appropriation for the operating expenditures of the Office of the Representative for Children and Youth be \$9,750,000 in 2019/20; \$9,787,000 in 2020/21; and \$9,819,000 in 2021/22;
2. The appropriation for the 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)



# Office of the Human Rights Commissioner

On November 27, 2018, Bill 50, the *Human Rights Code Amendment Act, 2018* received Royal Assent. The amending legislation established the Human Rights Commissioner as an independent officer of the Legislature responsible for protecting and promoting human rights through education, research, and enquiry. A Commissioner is expected to be appointed by the Legislative Assembly following a recruitment process and a unanimous recommendation by a special committee of the Legislative Assembly.

## Budget Submission for 2019/20 to 2021/22

On November 27, 2018, the Committee met with a transition team from the Ministry of Attorney General to consider a start-up budget for the Office of the Human Rights Commissioner. In attendance were: Richard Fyfe, Q.C., Deputy Attorney General; Dr. Carmen Zabarauckas, Executive Director, Tribunal Transformation; and Renee Mulligan, Legal Counsel, Policy and Legislation Division.

Ministry staff began by clarifying that the Human Rights Tribunal retains its adjudicative function for individual complaints of discrimination after alleged discrimination has occurred. The role of the Human Rights Commissioner will be proactive with a focus on education, and reducing and eliminating discrimination. While the Commissioner will not screen or investigate individual complaints, they will have the power to call an inquiry into broader human rights issues or systemic discrimination.

The team also noted that the budget request is based on an estimate of resources for the first year and that the specific needs of the office will be determined once a Commissioner is in place. The Ministry transition team based the request on the legislation and the mandate of the office, recommendations in the Kahlon report, *A Human Rights Commission for the 21<sup>st</sup> Century: British Columbians Talk About Human Rights*, and anticipated needs and functions. A jurisdictional scan of other human rights commissions in Canada as well as independent offices in BC was also conducted to inform their proposal.

The Executive Director, Tribunal Transformation shared with the Committee that the launch of the office will begin in the current fiscal year with a team of six staff funded by the Ministry of Attorney General. This staff will prepare the office in anticipation of the Commissioner's appointment and help facilitate focused and informed choices regarding the office's operation. The Commissioner is expected to be in place in 2019/20 and an estimated nine more staff will join the office. The Ministry of Attorney General estimates that the office could require a complement of 31 staff to be fully operational.

In total, they recommended \$2.960 million in operating expenditures and \$1.660 million in capital expenditures for 2019/20. This covers: salaries and benefits for six FTEs for a full year and nine FTEs for a portion of the year; the Commissioner's salary which is estimated to align with the salary provision for the Conflict of Interest Commissioner; travel for outreach, consultation and engagement; professional services for legal, education, accounting and other services; hardware and software costs, and website development; and furniture, office set-up and building occupancy costs.

For information purposes, the proposal estimates that the office will require just over \$5 million in operating expenditures in subsequent future years when fully operational.

## Committee Inquiry

The Committee sought additional detail about the budget request including corporate services, tenant improvements, professional services, office location and the proposed organizational structure, and had a specific question with respect to the examination of issues related to foreign credentials.

### Corporate Services

Committee Members inquired about any discussions with the Office of the Ombudsperson in regard to opportunities through corporate shared services. The Executive Director indicated that they have had discussions regarding corporate shared services and that the Commissioner will essentially have three options: becoming a voluntary client with government shared services; joining the corporate shared services of the four independent offices; or having their own corporate services.

### Tenant Improvements and Professional Services

The Committee asked for clarification with respect to tenant improvements and whether those could be amortized into a lease. The Executive Director stated that they connected with the Real Property Division to determine the tenant improvement amounts. She noted that the numbers are high as it incorporates a 20 to 25 percent contingency. Committee Members also asked about the decrease in professional services after the first year and learned that it assumes that legal counsel would be hired in year two and external legal services would therefore not be required.

### Office Location

The Committee probed into the location of a potential office and the criteria that will be applied. The Executive Director indicated that many different options were examined and that this decision will be the Commissioner's. She noted that her team considered different communities, and the potential style and function of an office, particularly since the Commissioner will not be dealing with individual complainants.

### Proposed Organizational Structure

In response to a request for more detail about the consultations engaged in by the transition team, and how the proposed structure and number of FTEs were determined, the Executive Director shared that staff met with a number of other commissioners at a conference in June to learn about their structures and operations. The transition team based their work on the Ontario model while considering the legislated mandate and the Kahlon report's recommendations to determine the skills required to undertake the work. In a follow-up, the Committee questioned the need for a Chief Operating Officer for an organization with a small staff complement. The Executive Director indicated that this was a recommendation from a number of independent offices. The role of this position will be to run the business of the office given the Commissioner is expected to be occupied with stakeholder engagement, communications, and other activities.

### Foreign Credentials

The Committee inquired about a recommendation in the Kahlon report with respect to foreign credentials. The Executive Director stated that as soon as practicably possible, the Commissioner is expected to examine this and other issues and how this will function is up to the Commissioner. In response to a specific example, the Executive Director clarified that individual cases of discrimination are considered by the Human



Rights Tribunal, however if a number of similar cases are coming through the Tribunal, the Human Rights Commissioner may decide to intervene and undertake work on preventative measures.

## Recommendations

The Committee commended the Ministry of Attorney General for developing a proposed budget for the Office of the Human Rights Commissioner. They particularly acknowledged the challenge of having to develop this proposal in advance of the appointment of a Commissioner in order to facilitate that start-up of the new office. While recognizing that initial funding to support the start-up of the new office was necessary, they were of the view that the new Commissioner should take the lead on the structure and operations of the office.

As such, Committee Members undertook a cautious approach, determining that the office should be provided with a smaller than requested allocation for both operating and capital expenditures. The Commissioner, once appointed, would be able to come to the Committee to provide an update on their vision and proposed structure for the office and to request additional funding, as required.

The Committee therefore recommended that the Office of the Human Rights Commissioner be provided transitional funding of \$2 million in operating expenditures and \$1 million in capital expenditures in 2019/20. No decisions were made with respect to subsequent fiscal years as the budgetary proposal provided those figures for informational purposes only and a fulsome proposal is expected once a Commissioner is appointed.

### RECOMMENDATIONS

The Committee recommends to the Legislative Assembly that:

1. The appropriation for the operating expenditures of the Office of the Human Rights Commissioner be \$2,000,000 in 2019/20;
2. The appropriation for the capital expenditures of the Office of the Human Rights Commissioner be \$1,000,000 in 2019/20.

# Documents Submitted – Fall 2018

## Review of Statutory Office

### Office of the Auditor General

*2019/20 Estimate of Resources*

*Financial Statements 2017/18*

*Annual Report 2017/18*

*Service Plan 2018/19 – 2020/21*

*Budget Submission Supplementary Tables*

### Office of the Conflict of Interest Commissioner

*Budget Proposal, Fiscal Years 2019/20 – 2021/22*

*2017 Annual Report*

*Budget Submission Supplementary Tables*

### Elections BC

*Budget Proposal 2019/20-2021/22*

*Annual Report 2017/18 and Service Plan 2018/19-2020/21*

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

*Budget Submission, Fiscal Years 2019/20-2021/22*

Office of the Information and Privacy Commissioner for British Columbia, *Annual Report 2017-2018*

Office of the Information and Privacy Commissioner for British Columbia and Office of the Registrar of Lobbyists, *Service Plan, Fiscal Years 2018/19-2020/21*

Office of the Registrar of Lobbyists, *Annual Report 2017-18*

*Cover Memo to Summarize Annual Incremental or Supplementary Funding Requests*

*Budget Submission Supplementary Tables*

### Office of the Merit Commissioner

*Budget Submission, Fiscal Years 2019/20 - 2021/22*

*2017-2018 Annual Report*

*Service Plan, Fiscal Years 2019/20 - 2021/22*

*Cover Memo to Summarize Annual Incremental or Supplementary Funding Requests*

*Budget Submission Supplementary Tables*

## **Office of the Ombudsperson**

*2019/20-2021/22 Budget Submission*

*2017-2018 Annual Report*

*2019/20-2021/22 Service Plan*

*Cover Memo to Summarize Annual Incremental or Supplementary Funding Requests*

*Budget Submission Supplementary Tables*

## **Office of the Police Complaint Commissioner**

*Budget Submission, 2019/20 to 2021/2022*

*Service Plan 2019/20 to 2021/22*

*Cover Memo to Summarize Annual Incremental or Supplementary Funding Requests*

*Budget Submission Supplementary Tables*

## **Office of the Representative for Children and Youth**

*Cover Memo to Summarize Annual Incremental or Supplementary Funding Requests*

*Annual Report 2017/18 and Service Plan 2018/19 to 2019/20*

*Financial Statements 2017/18*

*Budget Submission Supplementary Tables*

## **Ministry of Attorney General for the Office of the Human Rights Commissioner**

*Budget Submission*

