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HOUSE OF ASSEMBLY MANAGEMENT COMMISSION

Thursday, January 15, 2015

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**HOUSE OF ASSEMBLY
MANAGEMENT COMMISSION**

Hon. Kevin Murphy (Chairman)
Hon. Michel Samson
Ms. Margaret Miller
Hon. Labi Kousoulis
Mr. Lloyd Hines
Hon. Christopher d'Entremont
Mr. Larry Harrison
Hon. Frank Corbett
Mr. Neil Ferguson, Chief Clerk of the House of Assembly
(Non-Voting Member)

In Attendance:

Speaker's Office Adviser
Ms. Deborah Lusby
Director of Administration
Speaker's Office

Ms. Annette Boucher
Assistant Clerk
House of Assembly

Mr. Gordon Hebb
Chief Legislative Counsel



House of Assembly
Nova Scotia

HALIFAX, THURSDAY, JANUARY 15, 2015

HOUSE OF ASSEMBLY MANAGEMENT COMMISSION

3:00 P.M.

CHAIRMAN
Hon. Kevin Murphy

MR. CHAIRMAN: Order, please. Ladies and gentlemen, I think we'll get started. It's a few minutes after 3:00 p.m. and we do have a message from Minister Samson that he's running a few minutes late, but I think we'll get started and just take care of some of the housekeeping items.

My name is Kevin Murphy, Speaker of the House and Chairman of the House of Assembly Management Commission - welcome. I'll open the meeting by first asking for any additions or deletions to the agenda as distributed. Mr. Corbett.

HON. FRANK CORBETT: If we could add to the agenda a discussion around MLA constituency expenses and the expenses as it relates to - and I've done this before - the moving expenses and so on of the caucus offices after the October 2013 election.

MR. CHAIRMAN: Are there any other additions? Mr. d'Entremont.

HON. CHRISTOPHER D'ENTREMONT: Could we also add a discussion of constituency budgets, especially as they pertain to those that are having trouble catching up with the rent, and especially those constituencies that had to adhere to the accessibility issue and have expensive rents, or those that are having trouble in those constituencies that became larger after the last boundary review?

MR. CORBETT: For clarification, that was my discussion so we don't have to put two items on.

MR. CHAIRMAN: We'll roll it into one. Mr. Samson.

HON. MICHEL SAMSON: The other item to be added relates to asset inventory management.

MR. CHAIRMAN: Barring no other changes to the agenda we'll move on. First of all, before we move on to Item 1, I want to acknowledge a letter received from the House Leader for the PC caucus requesting some information - an update on the security review, as well as an update on the code of conduct review. With the commission's permission I'll just provide those two very brief updates before we proceed into the agenda.

On the security side, since the events in Ottawa, we have undertaken a review process looking at all aspects of our operation and we're currently engaged with a firm on the security side of things that is consulting with all of our stakeholders here in Nova Scotia and we're expecting some information to come forth shortly from that report. I'll turn it over to Chief Clerk Ferguson to fill in the details.

MR. NEIL FERGUSON: Yes, we're taking part in a three building assessment. Presidia Security Consulting out of Ottawa was the successful proponent and we're expecting, probably within the month, their report. I'm not sure of the final date because the RFP process ran late and so the projected date has been pushed back.

Just to clarify, both of these topics - the Speaker had said we would just give you guys an update to take back to your caucuses - they are actually Assembly Matters items, not Management Commission, but the Speaker felt since we're here and since there's interest in the caucuses we'll just give you a quick update.

The other item was a sexual harassment policy coming out of events in Ottawa. A lot of people had their attention drawn to the need for that. We have previously relied on what's in place through the Public Service Commission as our guide following the House of Assembly Management Commission Act. However, Ottawa has undertaken a review to develop a parliament-oriented sexual harassment policy. They contacted all the provinces for input on what we were doing. It's my understanding that's close to being finalized.

I believe a lot of the jurisdictions are looking to it because it will be set up within the framework of a parliament, taking into account things like members, the issue of privilege, who is responsible for hearing certain complaints or dealing with things like the Whips - all these entities that don't exist in a normal corporate structure. That is supposedly going to be based on the model that was put in place in the Senate in 2009. If anybody wants an advance look at that, a peek at that, we can provide copies to your caucuses.

Right now we are waiting for the delivery of the House of Commons one as a model that others can emulate.

MR. CHAIRMAN: Are there any questions? Mr. d'Entremont.

MR. D'ENTREMONT: Two things on that. The security thing, whenever that gets done, it should get done sooner because I see the commissionaires outside in the cold because I know it is part of the new policy right now that someone has to stay outside. With the last couple of cold days that we've had, it has been really cold. I don't know if there's something we can do to make sure they are at least comfortable. Then I've got a second one on the sexual harassment.

MR. CHAIRMAN: Sure. I can answer that question. When the weather is extreme to one point or another, we have taken care of that and adjusted the approach so that the commissionaires are, in fact, inside and sheltered. As far as long-term planning goes, that was an excellent point that was raised and will be considered with whatever the plan is going forward.

MR. D'ENTREMONT: It has been nightmarishly cold out there for a few days.

The second piece is the code of conduct issue. I think it's high time that we not only look at sexual harassment in our workplace but also look at a full code of conduct. We've had a Ministerial Code of Conduct since I think 2000 or 2001 when that was put in place. I think we have some time to maybe get a good document together to guide us all. I think the sexual harassment piece is just one small piece of how we should conduct ourselves as MLAs.

MR. CHAIRMAN: Sure. Chief Clerk Ferguson.

MR. FERGUSON: Just to add to that, the non-sexual harassment portion of most codes of conduct is what was intended to be captured in the Conflict of Interest Act. That applies to all the members. I'm not sure what other middle ground you're interested in but if you want to talk about it, we can certainly talk about it.

MR. D'ENTREMONT: Great, thank you.

MR. CHAIRMAN: Are there any other comments?

Okay, we'll move on to Item 1, the approval of the July 10, 2014 minutes. Chief Clerk Ferguson.

MR. FERGUSON: Mr. Chairman, the minutes were circulated last week to all the members and I have read them. I haven't seen any errors or omissions so if nobody else has, then we're open to a motion to approve the minutes as circulated.

MR. CHAIRMAN: I have a motion from Mr. Hines, seconded by Mr. Kousoulis.

Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

We'll move on to Item 2, waiving House of Assembly Management Commission Regulation 52(1) as of April 1, 2014, which provides for the fixed amounts in the regulations to be increased on April 1st of each year by the lower of the federal or provincial consumer price index. Chief Clerk Ferguson.

MR. FERGUSON: Mr. Chairman, in the past this has been waived. The increases are relatively small under CPI on the individual expense allotments but they amount to a significant increase overall on the budget. As I said, they've been waived in the past and the idea - we have two parts to this. First is to move that they be waived for this year, and we noted that even though it was intended that they be waived for last year, there was not actually a change to the regulations.

The second is that we've run into this over a number of years and we get behind the curve. Given our meeting schedule, it's often months after the beginning of the fiscal year that we actually get to address it so we're also proposing that the rule which says that they're increased by CPI would make it subject to the authority of the commission. In other words, we wouldn't assume it's going to be increased unless the commission says okay, we're in a good financial position this year, let's raise it by CPI.

There have been two things circulated - not yet? Okay, well we're going to circulate them. The first one is simply to change the existing regulations to say: Subject to the approval of the commission that the increase will take place. The second is to say (Interruption) There are two alternatives here but actually I think it should be - the Chief Legislative Counsel says that what we're looking at is the - there were two alternatives.

The first one is the one with two provisions, so first of all you'd be saying: Subject to the approval of the commission the amount will be increased. Second, we'll be going back to fix the omission in 2013-14 saying: Notwithstanding the first subsection, those amounts are not increased for fiscal year 2013-14. So that's the explanation. If anyone needs any more of an explanation, I'd be happy to take another swing.

MR. CHAIRMAN: Can you give it to us in plain English?

MR. FERGUSON: In plain English, the regulations provide for minimal increases in expense amounts year over year, based on CPI. In the past, decisions have been made to not do that given fiscal restraints in place in the province, but it means we have to go in and make an amendment every year to do that. What is suggested is that we simply say that in the future if the finances are good, then the commission can decide to implement it rather than revisiting it over and over year over year.

MR. CHAIRMAN: Mr. Samson.

MR. SAMSON: Unless the Chief Clerk is in a position to provide us with what those changes would be based on what's anticipated to be the CPI changes this year and what that would mean and with a list of what impact it would have on that, it makes it very

difficult for us to be able to assess as to whether such increases would be appropriate or not appropriate. I'm just wondering, is that available for us to review?

MR. FERGUSON: If you keep in mind all the expenses you currently get, it would be this year a 2 per cent increase. It doesn't apply to mileage, which is one of the largest expenses that MLAs have. Your constituency expense would be increased by 2 per cent. Deborah would probably be in a better position to mention some of the other . . .

MS. DEBORAH LUSBY: With all the fixed amounts in the regulations so it would be the living allowance as well. It costs about \$80,000 to do a 2 per cent increase overall in the budget.

MR. SAMSON: Without having had the opportunity to speak to the Minister of Finance and Treasury Board on this matter or recognize the implications, just knowing now that it's an \$80,000 increase - unless commission members have a different view - I would move that this item be stood until further information can be provided to the commission and that discussions can be had with the Minister of Finance and Treasury Board.

MR. CORBETT: I second that - if that's a motion.

MR. SAMSON: I would make that motion, yes.

MR. CHAIRMAN: If there is no further comment, the motion is made by Mr. Samson and seconded by Mr. Corbett. Mr. Corbett.

MR. CORBETT: A few short words on the motion where I agree because there are two sides to this. There's the issue of where the province is in its ability to pay these, and it's also every year that members do not have these adjusted, they fall further behind also. So I think it's something that deserves a bit more discussion and, believe me, if it's the position - and I have no issue with it - but if the province is not in a position to pay it then I say don't pay it. If you fall behind 2 per cent this year, all those issues are rolling back and there will be a come-to-a-head moment again. So I support Mr. Samson's motion and that's why I seconded it. I think to have further discussion, one would hope, with the Minister of Finance and I suppose at the same time have a discussion with the Chairman of the Treasury Board.

MR. CHAIRMAN: So these two proposed changes here are not necessarily aimed at taking that option away - and anybody correct me if I'm wrong here - they're just aimed at alleviating some of the housekeeping associated with the annual approach to this?

MR. FERGUSON: I'm sorry, the Chief Legislative Counsel was talking; I didn't hear the end of your question.

MR. CHAIRMAN: The two options presented here - my understanding is, unless I'm incorrect in this - are just aimed at alleviating some of the housekeeping chores

associated with making the decision every year? This is not deciding one way or another from here - or it is?

MR. FERGUSON: It would be deciding on the two years that have just gone by. But the second one relates to a time period in the past when it was intended that it be waived but there was no . . .

MR. GORDON HEBB: The second one deals with the year that has gone by and the coming one.

MR. FERGUSON: I was talking about this one.

MR. HEBB: This one only deals with the past . . .

MR. FERGUSON: That's what I was talking about. The second one on the first page deals with the fiscal year that went by a year ago. At that point it was intended that it be waived. So that fiscal year is over and it wasn't increased. So I'm suggesting that that could be dealt with on a stand-alone basis. At the time that was the intent that was discussed, it just never made it onto the paper.

I think that since you're talking about a fiscal year that was gone a year ago, that that one merits being dealt with. (Interruption) No, because it technically says that it should be increased by that for all of those things. We would have to go back in time to find every single expense and go through all of them claimed by every member and increase it by whatever it was, 1 per cent or 2 per cent for the previous year, which would operationally be a massive task to provide a relatively small amount of money to the members.

MS. LUSBY: Can I add any history to that?

MR. CHAIRMAN: Ms. Lusby.

MS. LUSBY: In 2010 the new rates were set after the House of Assembly Management Commission came into play in the new regulations. In 2011 the CPI increase was waived. In 2012 there was an increase put into place, and then in 2013 and 2014 there were no increases, as of April 1, 2013 and 2014.

MR. CHAIRMAN: Mr. Hines.

MR. LLOYD HINES: Thank you very much, Mr. Chairman. That answers my first question: how long has this technique been employed?

I guess I'd be interested in knowing, is there a recapture on under-expenditure versus budget in this category annually? In other words, if the budget isn't expended, is there a recapture back to the surplus or to the unexpended portion, retained portion, of the budget and is that less or more than \$80,000?

MS. LUSBY: We return more than \$80,000 to the province - much more.

MR. HINES: Okay, so increasing this at 2 per cent would probably not have a material impact on the budget because it's within the expenditures that were authorized.

MS. LUSBY: Well the budget is set based on the allowances. So the members traditionally underspend what their allowances are.

MR. HINES: Yes, so that's the point, thank you, Mr. Chairman.

MR. CHAIRMAN: So where does that leave us?

MR. FERGUSON: I guess the point is that if the member allowances are increased, then the budget will increase as well. So we would have to go to Treasury Board seeking more money to cover the statutory expenses. We would have to increase the budget because those are fixed amounts set by Statute or by regulation, so there would be an increase in the cost by that percentage. We have to budget for those because they are set by law. We can't say we're not going to budget for amounts that the members are entitled to.

MR. CHAIRMAN: So essentially we're looking for a motion to waive the increase from last fiscal year. (Interruptions)

MR. HINES: On a point of order, we have a motion on the floor and I'll call for the question on the motion.

MR. CHAIRMAN: Can you reread your motion, Mr. Samson?

MR. SAMSON: The motion is that Item 2 be stood until such time as discussions can be had and further information provided as to the financial impact and discussions with the Minister of Finance and Treasury Board regarding the proposed changes as presented.

MR. CHAIRMAN: Do we have a seconder for the motion? Seconded by Mr. Corbett. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Item 3, Barrier free compliance forms - assess items considered to be "technical in nature." Please visit the website to review MLA compliance plans prior to the meeting. Ms. Lusby.

MS. LUSBY: This document was circulated around. It's with your agenda. It just summarizes the six MLAs who submitted compliance forms. In most cases they were submitted because their building has an audible alarm but doesn't have a visible alarm as well. We consulted with TIR as the regulations tell us we should, and they agreed that these

non-compliances could be considered technical in nature and that the commission could waive them.

MR. CHAIRMAN: Do we have a motion? Moved by Margaret Miller, seconded by Lloyd Hines. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Now on to Item 4, the House of Assembly Management Commission Annual Report for 2014. Chief Clerk Ferguson.

MR. FERGUSON: We have several reports here. They've all been circulated more than a week ago to the members. I'm not going to get into great detail in them, other than to point out a couple of highlights on each for the people who are visiting. The first is the House of Assembly Management Commission - the one we're dealing with right now. It is in the standard form that it has been in the past number of years.

A couple of highlights are things that the members will already know. One is that the Auditor General agreed with the Audit Committee's recommendation to do away with the practice of having financial statement audits that were incredibly expensive and did not benefit us so we're auditing for controls from now on; this is a significant financial saving to the House and the legislation was amended to fix the problem.

Another point of interest in this is that the two members of the Audit Committee appointed by the Chief Justice of Nova Scotia were reappointed for a second four-year term ending in August 2018. Apart from that, the rest of the items in here are more or less a consolidation of decisions in the minutes that all members will have seen before. So I guess it would be in order for someone to approve the draft, approve it as the 2014 Annual Report.

MR. CHAIRMAN: Do we have a motion? Moved by Mr. d'Entremont, seconded by Mr. Corbett. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

We'll move on to Item 5, House of Assembly Management Commission Audit Committee Annual Report for 2014. Chief Clerk Ferguson.

MR. FERGUSON: Again, this one was circulated. The key points that arise in it are actually the next couple of things we're going to be dealing with on the agenda - mostly the House of Assembly risk assessment. It again is a summary of the duties of the Audit Committee, its activities, and an overview of what was done at each of its meetings. So if there aren't any questions or problems that people have had arising out of their reading of

it then I guess it would be in order for us to have a motion to accept the report of the Audit Committee - we don't need to approve it.

MR. CHAIRMAN: Moved by Mr. d'Entremont, seconded by Mr. Samson. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

We'll now move on to Item 6, the House of Assembly Comprehensive Risk Assessment - review report and status of action on recommendations. Chief Clerk Ferguson and Deborah Lusby.

MR. FERGUSON: As the members of the committee know, the Auditor General recommended in one of his reports that the House of Assembly have a comprehensive risk assessment of the operations of the House carried out. This was done, the Internal Audit Centre of the Department of Finance - it's a risk assessment division - undertook the assessment. The report sets out all the items that they reviewed, all the different people they interviewed and the methods they carried out.

In the final analysis this was considered to be a good-news item in a number of ways by the Audit Committee because it showed that risk of financial abuse or mismanagement has been controlled. We have very rigorous controls in place. It is not a high risk for the House any longer.

The three top risks identified by the risk assessment - the highest: the need for succession planning, particularly for the position of the Chief Clerk but also for the Chief Legislative Counsel and the Director of Administration. Deborah is going to highlight in a minute the plan and what is being done.

The second highest risk was low staffing levels within Legislative Services and the third was the need for a business continuity management plan, which we were already aware of and working on, but Deborah can speak to where each of these now stands. There is a table setting them out also there for your convenience.

MS. LUSBY: So at the end of that report there's a table that looks like this. As Neil suggested, the first risk was lack of succession planning. Good news, we have a posting that's ready to go up for an additional Assistant Clerk, before the end of January I would hope. It's in the hands of HR and then we will focus on the Chief Legislative Counsel position next and we'll reassess this point and the others by the end of March of this year.

The No. 2 risk, which focused on the lack of sufficient staffing within Legislative Services, it was recommended that we do workplace assessments and we decided to call those division brainstorming sessions and got every division together to talk about what are their top three core objectives or priorities, what are the pressures or bottlenecks or challenges in meeting those priorities, and what solutions they might have to offer. The

solution could be that they may need additional staff but there also could be process improvements that need to be done.

All divisions met by December 22, 2014. I am composing a summary of the key challenges and the proposed solutions which should be ready by the end of February of this year, for distribution.

The third risk, as Neil mentioned, is there wasn't a formal business continuity plan. We have put together a team of the senior management group within Legislative Services. We've been meeting regularly with Emad Aziz from EMO and we have started that process. It's a little slower than we had hoped, due to the rigorous Fall session, but we will continue this winter and reassess by the end of March.

The good news is that we started later than other government departments. They started over a year ago in this process and we have caught up with where the other government departments are - we're close.

The fourth risk identified is that the structure and composition and the public nature of the House of Assembly Management Commission could create a disincentive for members of the committee to have open and frank discussions. The Audit Committee has discussed this point already and we will be continuing to discuss it. It's on the agenda for the next Audit Committee meeting. Also, the Chief Clerk is gathering information on how other House of Assembly Management Commissions are being handled across the country.

On the opposite page, the fifth risk was central and corporate IT and HR support is not adequately meeting the needs of the House of Assembly. We tunneled into this through the division brainstorming that we were doing in No. 2 and so recommendations on these matters will be included in that summary report. That's it.

MR. CHAIRMAN: Thank you. Do we need a motion to accept that report? Just table it?

MR. FERGUSON: Yes.

MR. CHAIRMAN: Thank you for the work on that. We'll now move on to Item 7, the 2013-14 Auditor General audit update. Chief Clerk Ferguson.

MR. FERGUSON: There's good news on this. The auditors who have come in have not been finding problems with expenses and things like that. They're actually now reaching into our regulations and finding things that I would consider as more theoretical problems.

There are two recommendations; the first deals with the franking and travel amounts and that is an annual sum that's available to be drawn down through a year by an MLA for franking and travel. They were concerned that there's no control. Their example

was that you could have a member who could spend it all in the first four months of the year and then resign, or there's an election and then you would have to budget more money to cover the remainder of the year for whoever comes in behind them.

The Audit Committee discussed this and the response was that, unlike constituency expenses which are month over month, traditionally franking and travel has been very much within the realm of how an individual MLA wants to interact with their constituents, whether they have a rural riding and want to travel about or whether they have an urban riding and want to do householders. For instance, a lot of the travel that would be done by a member would be concentrated in the summer when all the festivals and so on were taking place in their constituency. If you limit them to only a small amount of - let's say a monthly portion of their franking and travel - that would inhibit their ability to do that.

Similarly, if someone usually does a large householder at Christmas, they couldn't realize economies of scale. So this is the response that was sent back to the Auditor General that we'll consider further review to coming up with risk abatement if it seems necessary, but in the 40 years of corporate memory going back, it has never been an issue. There has never been a problem with it, it hasn't happened, so the risk is considered extremely low and we'll look at it again but it's not considered something important. That's how we responded to the Auditor General.

The second relates to the rule that prohibits members renting their offices from associated persons. What they wanted the commission to do was amend the annual disclosure statement to have members certify that they're not doing that. The response that I drafted for the chairman to that was, well, it's not our form, it's not the commission's business. The contents of the annual disclosure statement are set out in the Conflict of Interest Act in Statute. We don't have the ability to amend that.

There's another problem that we saw, that was that we have the regulations that say you cannot do it. We saw a theoretical problem with starting to require members to certify that they're not doing something that they're not supposed to be doing. Do we do this for every regulation? Do we have to have every member certifying that they're not breaking regulations? So there was a theoretical problem with that and the Audit Committee also asked if there was any indication of any kind of problem, what made them think of this.

So again, is this just theoretical thinking out loud about weaknesses or are there real problems that are making you go this route? Nonetheless, this commission doesn't have the authority to amend the form in question. So those were the two responses.

MR. CHAIRMAN: Are there any questions or comments? We have a motion to accept the 2013 Auditor General update. Moved by Mr. Kousoulis, seconded by Mr. d'Entremont. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

We'll move on to Item 8, the 2013 Internal Control Review update. Ms. Lusby.

MS. LUSBY: Last year the Auditor General suggested that after several years of an external firm performing our internal control reviews, that we could follow their templates and do the work ourselves in-house. So for 2013-14 we did just that, with support from the Internal Audit Centre. This is the report and it outlines the various areas tested - so purchases and payables, capital assets, human resources and payroll, and financial reporting. The results were positive in that no relevant exceptions were noted in the control tests. However, a few minor opportunities for improvement were flagged. That's in the chart at the back of that report.

That chart also includes our corrective actions that we have taken. The minor observations include ensuring that we select samples from an entire year; ensure that we complete performance reviews annually; and ensure that we add the date as well as signature when approving payments.

There's one other one there in the middle about SAP access, but that had since been found to be incorrect and that will be removed from the report when the Internal Audit Centre does its follow-up. So it was a positive report.

MR. CHAIRMAN: Are there any questions or comments? We have a motion to accept the internal control review update. Moved by Mr. d'Entremont, seconded by Ms. Miller. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

We'll now move on to Item 9, the 2014-15 first and second quarter financials. Deborah Lusby.

MS. LUSBY: I've also added the third quarter financials, which ended December 31st. These are the big, long, detailed sheets in front of you. If we go to the third quarter report, there are a couple of areas that are over 75 per cent, which is where the spending should be as of December 31st. Most of those relate to the vigorous hours that the House kept during the Fall - so it would be related to Hansard, Legislative TV and House of Assembly operations - otherwise we're all within budget.

MR. CHAIRMAN: Are there any questions or comments? Do you want a minute or two to review? (Interruption) Okay.

Do we have a motion to accept the first, second and third quarter financials? Moved by Mr. Corbett, seconded by Mr. Samson. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Moving on to Item 10 - suggested changes to the House of Assembly Management Commission Regulations, some amendments will be distributed momentarily. Chief Clerk Ferguson and Assistant Clerk Annette Boucher.

MR. FERGUSON: I can start speaking to them while they're circulated. They're both quite straightforward. I don't know if Deborah will have anything to add on the first one, which deals with our tagging of inventory and keeping track of it. This has come up as a problem and we've talked with the auditors about it.

Essentially we are stuck putting inventory tags on things of minimal value and then wasting the time tracking them. Examples that have been given are a several-dollar plastic salad spinner or a \$4 thumb drive. So after talking with the auditors, it's my understanding that they don't have a problem with us attaching a level of what they would call materiality to it. So if it's a minor thing, a small, inexpensive asset and the need is not there to track it - it's not something like a large-screen TV or a printer - what we've suggested is that if something is of a value of under \$50, that there's not really any merit in wasting the time and effort to tag it and process it.

One of the things that we do is we select random inventory items and we contact the members and say we'd like a picture of this showing its inventory tag and its place in your office. That makes sense with a photocopier, it makes sense with a printer, but it does not make sense with a \$4 thumb drive, and there's difficulty in finding space on a \$4 thumb drive to put the inventory tag.

So what we're just suggesting, and I believe Deborah can confirm that the auditors are okay with this level - \$50 - so that we end the craziness of wasting everybody's time on minor items. That's the reason for the amendment that you see in front of you.

Also, under Item 2(c) we had a note when the original regulations and directive were put out: For discussion, project screen or LCD panel. I guess decisions were made in the past that we're not going to do that so we think that note should come out because it just confuses people. Is there anything to add? (Interruption) This one? This is the one I've sent. (Interruption) Okay, sorry, there's a more detailed one than I had.

MS. LUSBY: It's the same as you said.

MR. FERGUSON: It is what I said then, okay, fine.

MR. CHAIRMAN: Are there any questions or comments? Do we have a motion to accept this amendment?

Moved by Mr. Samson and seconded by Mr. Kousoulis. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

MR. HINES: Is this retroactive? No, okay.

MR. CHAIRMAN: Okay, we'll now move on to our additional items, Item 11, MLA constituency expenses - oh. (Interruption)

MR. FERGUSON: Sorry, there were two sets of amendments; one was to the Management Commission directive, which we just discussed, but related to that is a change to the regulations to also capture the \$50 limit. That is the one that looks like this, which you would have. No? (Interruption)

Yes, I was about to deal with that, that was my next thing but what about that? Okay, fine, this is the one I was about to deal with, yes.

Currently the regulations have a somewhat confusing and ambiguous provision that says, "Where through inadvertence or otherwise a claim made by a member is paid from public funds and it is discovered that the claim should not have been paid or honoured because it was in excess of the maximum allowed for that category of expenditure, the member is liable for repayment of that amount . . ." and so on.

Most of the error payments are simply because somebody has put something in that they might have already received money for or some other error is made in the processing that doesn't relate to it being in excess of the amount, the maximum amount for that category. So this provision doesn't provide for the recapture of monies that have been paid out because of an error.

What is being suggested in the amendment you have in front of you is to break it into two parts so that it says, "Where through inadvertence or otherwise a claim made by a member is paid from public funds and it is discovered . . ." (a) - and this is what it currently says - ". . . that the claim should not have been paid or honoured because it was in excess of the maximum allowed for that category of expenditure . . ." adding, (b) or the claim was paid in error. Then it continues on, ". . . the member is liable for repayment of that amount to the extent of the excess and must, upon request, immediately pay that excess amount to Her Majesty in right of the Province."

So it's to capture the reality that most of these issues arise from an error, rather than an excess of a category. It just cleans up the regulations. (Interruption)

Oh, there's also a change - there's a place where we have to change the reference from Economic and Rural Development and Tourism to the new Internal Services Department.

MR. CHAIRMAN: Are there any questions or comments? We'll take a motion to accept this particular set of amendments. Moved by Mr. Corbett, seconded by Mr. d'Entremont. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Now we'll move on to Item 11, MLA constituency expenses. Mr. Corbett.

MR. CORBETT: Thank you, Mr. Chairman. This is a subject that I brought forward when last we met and again it parallels what Mr. d'Entremont explained much better than I did earlier on. Since the last election there have been constituency boundary changes, and there have also been changes to accessibility requirements for constituencies, which has really changed the focus in some areas. Mr. Kousoulis could probably speak on that one much better than I could and I think maybe Mr. d'Entremont could speak about the size of the constituency and its need for maybe - instead of one office - two offices or a sub office, however you want to talk about it.

What we're looking at today is I think a real economic hardship placed on MLAs and how they service their constituents and the idea that we have a large rent that certainly takes away a large portion of our expenses, if it's held straight up with that. On the other side is if you've seen your constituency expand considerably then there's one of being able to keep in touch and service your constituents and be visible in the communities.

I'd ask the commission, or through the commission through a motion, we'd ask staff to look at this. One of the issues - not issues but really one of the resolves I thought may be available to us would be to make the travel and franking bill incorporated into our universal budget. That would then allow that sum to grow and I put this out by way of maybe opening discussion and seeing if there's agreement or if there are pitfalls or if people deem it irrelevant and don't want to go down that line.

It's the way of not adding anything extra to the pot, it's not putting any more strain. There's already a budgeted amount there anyway, so if you want me to I'll put forward a motion that we would look - my motion would be that the franking and travel costs would then come under the umbrella of one budget for the entire constituency expenses and not be separate from those expenses, effective April 1st.

MR. CHAIRMAN: Are there any questions or comments? Mr. Ferguson.

MR. FERGUSON: I think we need to be careful in how we implement it through the regulations. There's just one quick example that comes to mind, that when a member ceases to be a member, they get three months of their constituency expenses to close their office. However, because they're no longer travelling and no longer mailing things because they are no longer actually a member, franking and travel ends.

The other aspect of this is that the franking and travel is larger for larger constituencies. So you would be left with a situation where the members would be continuing to get the greater amount for that three-month period, including what was normally previously franking and travel, and you would have a situation where for those three months, for example the people with the larger constituencies would be getting more

than everybody else to close up their offices, even though the franking and travel would no longer be being done.

Just hearing this now, I think there are some structural issues there that you need to be careful about.

MR. CORBETT: May I respond to that, as the mover? I hear a caution around it, Mr. Ferguson, but the reality is that if you extrapolate the franking money out of that budget, they still have a larger budget some ways anyhow for the larger constituencies. So, you know, it's a matter of percentage.

I'm not offended by the fact that people may even want to use some of that money. I think it even goes a little bit further to say, well, maybe at that point they may want to, as their farewell to their constituents, kind of send out, look, I'm leaving after so many years in office, I want to thank everybody, and do a mail-out like that. That then would afford them to be able to do that. If, as you say, in that 90-day frame, they couldn't do that because that franking would stop, so I think this helps it in that way too.

To everything there's a downside. There are no 100 per cent solutions in a lot of these issues. I'm presenting this as a possibility. This doesn't take much, if better minds than mine have other ideas, I'm open to them. I think we've been stalled at that now. Before the last election we agreed to the changes in accessibility, which were the right things to do and knowing that there would be costs to that, which you now are down to what you need, the landlord has you in a more advantageous position for themselves than if it was broader.

Then after the election, with the fewer members in larger constituencies, we've never really looked at that. From time to time we would normally do that. So I think again we talked about it, that more urban members tend to travel less - I think you even said that yourself, Mr. Ferguson - and to do it more by way of mail-out and maybe vice versa for the more rural members.

Is it perfect? Probably not but I think it's a step forward.

MR. CHAIRMAN: Mr. Ferguson.

MR. FERGUSON: I have just one question; if this is going forward, for the purpose of staff who will be drafting, is it the suggestion that what is now the annual franking and travel amount for a particular constituency be divided into 12 and added on to the amount for constituency expenses as a monthly amount, which can be carried forward if it's not used?

MR. CORBETT: Similar. Well I guess the best way, like Mr. Hines - if I may use yours - has one of the largest constituencies in the province. Whatever his franking and

travel budget is will be rolled into 12 allotments and would become part of what I would call his universal budget.

MR. FERGUSON: Thanks, I just wanted to make sure that we were talking about the same thing.

MR. CHAIRMAN: Mr. d'Entremont.

MR. D'ENTREMONT: I'm glad this one is here today because we've talked about it a couple of times but we've never really come up with a number of options that will bring these things to fruition. I can only use my example and maybe the example of Clare-Digby because they are the two that I probably know a little more about. Specifically, especially because of that boundary change, we've got two centres. In Clare-Digby's standpoint, Clare and Digby are two separate entities, they were always represented differently and required two offices.

Mr. Wilson is picking up two rents and the expenses that go along with those two rents and all those things, so it does put an extra run on his.

In my particular case, because I've got Barrington to go with Argyle, Barrington was always served by its own constituency office and Tusket always had the other one. Not only did I have to get two offices but I also have to have two support staff in that particular case. So not only am I pressured on the rents that go along with it but I'm also pressured by how to pay for the staff in order to keep those open at least half the time. Right now both of those offices are open half-time and I'd really like to be able to open up a little more than that. But because of the way the pressures are, it's tough to pay all those things and then try to pay a phone bill or the Internet bill and everything else that goes along with it.

I don't know whether we'd just ask staff to come back with a couple of options and come back to a meeting in a few weeks - because I do worry a little bit that we need to put a couple of controls in around this rather than just saying - that's just my worry here, that the committee is here to make sure that we have the best controls possible on expenses. To just open it up and dump that on there, some constituencies will benefit from it and some won't. So that's just trying to be fair to all the MLAs in the House of Assembly.

So just more of a question, I don't know what the answer is and I don't know how quickly we could draft up a couple of options as to how this can be done.

I do like Frank's suggestion because that way we don't have to ask for any more money, it's still all within our amounts but it's just how we're able to access that fund that some of us don't. I rarely access my franking and travel. Quite honestly, I don't access the franking except for the regular stamps. I don't do mail-outs because I can't afford to print because I don't have any money in the regular budget to be able to print the things, so those are the balances that we're having right now - just my two cents on this.

MR. CHAIRMAN: Mr. Kousoulis.

HON. LABI KOUSOULIS: One way we could look at this, and this would cover Neil's issue, is leave the franking separate but as your constituency budget goes over, you can move into franking. Franking is still tracked separately but if you do find yourself in the last quarter you are coming through and over your budget, then you have funds in the franking, then you can move into that pot and it just allows the flexibility of - instead of fully merging the two budgets, you keep them separate and you allow one budget to be able to move into the other. Then that way, when the member ceases to be a member, the franking does not have to be allocated into the budget because it hasn't been put in and people who use franking for travel still have the flexibility to have that lump sum at the beginning of the new fiscal year on April 1st.

MR. CHAIRMAN: Mr. Samson.

MR. SAMSON: We would be supportive of the motion made by Mr. Corbett in light of the fact that it does provide more flexibility to the members while at the same time remaining within the budget envelope and there's no additional cost to the Speaker's Office or to our budget.

I would be concerned with putting a limit of instalments per month because anyone who has done a mail-out would know there's a significant expense up front that would far exceed any monthly amount that would be made available, so I think that flexibility needs to be provided there.

Mr. Corbett's motion does indicate a start date of April 1st. I believe if there are any concerns that Mr. d'Entremont may have raised or that staff may have, they can bring that to the attention of the members of the commission. Barring those, I would suggest that I'd certainly be happy to second Mr. Corbett's motion that the franking and travel be rolled into the main budget, it does not go into 12 instalments and that if there are any concerns by the staff they can certainly convey those to the Speaker, who can convey those to the House Leaders on behalf of the members of the commission prior to April 1st.

MR. CHAIRMAN: Mr. Hines.

MR. HINES: Mr. Chairman, I'm in full agreement with what I've heard here today. I would like to just make a comment on Frank's opening preamble there where he talked about the hardship this might impose on MLAs. Well I think most MLAs who are sitting around the table volunteered vigorously to get to this position.

A significant problem with this in a riding such as mine, at 5,266.66 square kilometres - and the Province of P.E.I. is 5,500 square kilometers - and it has been a concern to me, is that it impairs the ability of the MLA to service the ratepayers and the citizens and the constituents. Those are the losers in this situation when you're impaired by that kind of a situation.

We like to look at the democratic process as providing equity in terms of population, a strict mathematical formula. How about the fact that Guysborough-Eastern Shore-Tracadie, prior to the election, had one MLA for 9,000 people and after the election had one MLA for 11,000. So the value was decreased - and that is one eleven-thousandth of me that they have, as it happens, and before it was one nine-thousandth.

I think that supporting the additional geographical challenge that is apparent in Nova Scotia - it's where we are, we know what our population consolidations are in the province - might help address that inequity, which is one that I hear every day in the 180 distinct communities that I have in my riding.

MR. CHAIRMAN: Are there any further comments or questions? Chief Clerk Ferguson.

MR. FERGUSON: Again, just for the purposes of drafting, I want to clarify what the motion is because originally Mr. Corbett said we were going to divide into 12 and add it into the existing constituency allowance. What I heard Mr. Samson saying was that it wasn't going to be put in as part of a monthly amount. So that Legislative Counsel can have a framework to draft, I just want to clarify that.

MR. CHAIRMAN: Mr. Corbett.

MR. CORBETT: Mr. Chairman, I'll take the friendly amendment from my wise companion from Cape Breton-Richmond and go with it as a universal, not in 12 monthly sums or by 12s.

MR. FERGUSON: So there would be a global budget then equivalent to what's now franking and travel. You'd still have your normal monthly constituency expenses but you could then just spend money out of what was the franking/travel pool, is that correct? Okay.

MR. KOUSOULIS: If you're under-utilizing one pool you can spend it out of the other and it could actually work both ways. I don't know if that would mess up your purposes of tracking. The budget envelope would stay the same, the tracking would stay the same, it's just when you look at the overall global number.

MR. FERGUSON: I just wanted to make sure we have it clarified, that's all.

MR. CHAIRMAN: Deborah.

MS. LUSBY: So following up on what Labi said then, it sounds like it could be that instead of putting them on top, the overflow would still come out of the franking and travel allowance. So when a member expects to go over, we could actually adjust those budgets on those summary sheets that we send out, so you're still tracking on a total budget

together. Constituency would be a separate amount, franking and travel a separate amount, but you can spend the overflow out of franking and travel. Okay.

MR. CHAIRMAN: Mr. d'Entremont.

MR. D'ENTREMONT: I'm going to ask a procedural issue here; we're asking staff to go draft something for our regulations in order to encompass this, does it automatically get approved because of this or should we get back together to approve the changes to the regulation that are going to be drafted for us? From a procedural standpoint, we should be getting back together to approve that. I apologize for that but procedurally I think that's what we need to do.

MR. CHAIRMAN: Mr. Samson.

MR. SAMSON: Unless it's deemed necessary advice provided to the Speaker, we'll leave it to the Speaker to advise whether there's a need for another meeting on this matter.

MR. FERGUSON: We pass regulations normally on Thursday . . .

MS. ANNETTE BOUCHER: Well, the Registrar of Regulations requires . . .

MR. CHAIRMAN: Isn't that what we just did? (Interruption)

Ms. Boucher.

MS. BOUCHER: Mr. Chairman, just from a procedural point of view, under our regulations and under our Act our regulations have to be registered with the Registrar of Regulations, that's a requirement in the Act. One of the requirements for the Registrar of Regulations is when the regulation - the text - was passed by the authority-making body, so procedurally in order to give effect to the actual words on the paper, there would have to be a motion adopted by the Management Commission. Otherwise, we're not complying with the statutory requirements under the Act.

MR. FERGUSON: Well we could have a meeting just for that purpose.

MR. CHAIRMAN: Are there any questions or comments? Mr. Corbett.

MR. CORBETT: So we will pass this motion and it will be drafted and brought back to us. Do we have to vote on that motion today, or will the committee or staff take direction and then bring it back to us?

MR. FERGUSON: The Chief Legislative Counsel is advising that we can take instructions today, without the need for a motion, but as Ms. Boucher said, to comply with the regulations we would need to have a meeting. It could be just a short meeting for the

purpose of passing the text, but the actual text has to be known to the body making the law and they have to vote on that text.

MR. CORBETT: Then I would say that we vote on the motion and then bring it so that you will have some context in which to work. Then if it's a short meeting before April 1st, so be it. Question.

MR. CHAIRMAN: Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

We'll now move on to Item 12, the caucus office moving expenses. Mr. Corbett.

MR. CORBETT: Thank you again, Mr. Chairman. This is another issue that I brought previously, usually referred to as transitional funding. After every election caucuses change the dynamic, the numbers change, so in many cases there would actually be physical moves made, others would be just a rejigging of space. Nonetheless, caucuses always incur costs and it was always that these were deemed extraordinary costs and will be paid separate and apart from the usual caucus expenses. Caucus expenses were to do your usual work and for supplies and all that stuff.

This was the first time since 1998 that this hasn't happened, that there was no transitional funding made available to caucuses; from our perspective, the New Democratic caucus, where we went to a smaller caucus and therefore went into another rental space and there was the cost of moving and so on.

The governing Liberals have expanded theirs and I'm sure there's an expense incurred there and I'm sure there were some expenses incurred by the Progressive Conservative Party. So roughly if the question was asked what our costs were in round numbers, it was in the vicinity of \$22,000 that we incurred in our costs. We've tried to work within, not knowing where that was coming from, we held back in doing certain other things around our caucus office commonly referred to as TI, or tenant improvements, to try to meld together not having those monies.

It has caused us some issues and, therefore, I would like to put on the table that I believe that since it has historically been done, that Parties were given transitional funding for moving and those associated costs, that those costs be paid for this time around also.

MR. CHAIRMAN: Chief Clerk Ferguson.

MR. FERGUSON: It's my understanding that in the past it was the fact that the Internal Economy Board obtained additional funding from the Treasury Board to do that after an election. It was not part of the regular budgeting.

That would have to be the source of the money because the Speaker's Office has already paid all those bills, we don't have that money anymore to give. I think it was Minister Samson who adverted to it coming from general revenue or Treasury Board, at the last meeting. So if that's what people want to do then we need to get the money from Treasury Board and pass it on, might put it into the budget as available. It's not money that we currently have.

MR. CHAIRMAN: Mr. Samson.

MR. SAMSON: It's my understanding that there's slippage every year from the Office of the Speaker and so on. I'm at a loss why that could not be used. We are supportive of this request and I would move that the House of Assembly Management Commission support the request by the NDP caucus for actual relocation expenses of \$22,185.03.

MR. CHAIRMAN: Is there any further discussion? The motion was put forth by Mr. Corbett, seconded by Mr. Hines. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Item 14, asset inventory management. Mr. Samson.

MR. SAMSON: Mr. Chairman, some questions have been raised about the current requirement that framing be included with asset management. As you know from your office, Mr. Chairman, certificates are provided to members recognizing their election to the House of Assembly. Unfortunately the size and nature of them do not fit traditional framing and, as a result, require specialized framing. The size of those documents and the pictures provided of the MLAs elected in a certain year have changed over time. The question has been raised as to how these custom frames could possibly even be used by the Province of Nova Scotia in the future.

As a result of that, I would suggest that all existing framing on the asset management system and going forward be no longer included as part of the asset management inventory system.

MR. CHAIRMAN: Are there any comments or questions?

The motion seconded by Mr. Corbett. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

That concludes the agenda. Are there any other items?

MR. FERGUSON: We're going to go in camera.

MR. CHAIRMAN: We're going to move on to the in camera session so we'll ask our visitors and the media to please exit the room.

[The public session adjourned at 4:15 p.m.]