



PROVINCE OF NEWFOUNDLAND AND LABRADOR  
HOUSE OF ASSEMBLY

HOUSE OF ASSEMBLY  
MANAGEMENT COMMISSION

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Forty-Second Meeting

Wednesday, September 18, 2013

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**HANSARD**

Speaker: Honourable Ross Wiseman, MHA

The Management Commission met at approximately 9:00 a.m. in the House of Assembly Chamber.

**MR. SPEAKER (Wiseman):** Good morning, everyone.

Welcome to the House of Assembly Management Commission meeting. My name is Ross Wiseman. I am the Chair of the Commission and Speaker of the House of Assembly.

For the benefit of the Broadcast Centre, we will go around the table and introduce ourselves, starting with Mr. Verge, to my left.

**MR. VERGE:** Wade Verge, Deputy Speaker, MHA for Lewistown district.

**MR. GRANTER:** Vaughn Granter, MHA, Humber West.

**MR. KING:** Darin King, MHA, Grand Bank district and Government House Leader.

**MS SHEA:** Joan Shea, MHA, St. George's – Stephenville East.

**MR. A. PARSONS:** Andrew Parsons, Opposition House Leader and MHA, Burgeo – La Poile.

**MS MICHAEL:** Lorraine Michael, MHA, Signal Hill – Quidi Vidi.

**MS KEEFE:** Marie Keefe, Clerk's Office.

**CLERK:** Sandra Barnes, Clerk.

**MR. SPEAKER:** Thank you, and welcome everyone.

Everybody has a copy of the agenda for today, together with their binders with all of the appropriate briefing notes. There are two items that have been inserted this morning and before we start, I just want to bring it to your attention.

They will be inserted under Tab 6, and they are two additional letters of appeal dealing with

MHA claims. There was not a great deal of preparation necessary for them. They are routine in nature, so I have taken the liberty of having them inserted in your binders this morning. With everybody's concurrence, we will deal with those when we deal with that Tab 6.

Everybody has had a chance to have a look at the information that was circulated earlier. We will deal with Tab 1 first, which is the minutes of the May 15 and July 16 meetings. You have had an opportunity to review them. I will entertain a motion to adopt them as circulated.

**MS MICHAEL:** So moved.

**MR. SPEAKER:** Ms Michael.

Seconded?

Mr. Granter.

Are there any comments or discussion?

By way of information, at the May 15 meeting there was a question posed with respect to the financial statements that were provided at that time with respect to the MCRC budget. The statement at the time under the areas of Professional Services there was a deficit of \$15,000. There was a question around how much we actually spent and kind of an explanation of why that overrun in that particular expense category.

You might recall the way the budget is broken down is there are a number of expense categories so costs are charged out to a particular expense category. Overall, the budget for that review that was done by Judge Brazil and her group, as a Commission we had budgeted \$100,000 even for that, and the total cost was \$105,855.

That particular one expense item of Professional Services, we had budgeted \$80,000 and the actual cost was \$95,000. That related directly the reimbursement of the Department of Justice for Judge Brazil's salary for the portion of her time that she spent doing that review. We had

budgeted \$80,000 and it became \$95,000. It is what it was; we had to reimburse Justice for the salary cost for that period. We did not spend as much on other salaries that we had budgeted, nor did we spend as much on transportation and communications. So, the net effect was that we spent \$5,855 more for that review than we actually had budgeted for last year.

So that is an explanation I said I would bring back to the Commission when I had got the additional detail. Any questions with respect to that, though?

Okay, there being none, all those in favour of adopting the minutes – oh, I am sorry. Ms Michael.

**MS MICHAEL:** Maybe just one.

**MR. SPEAKER:** Yes.

**MS MICHAEL:** That \$15,000 for the judge, how did that compare to what the money would have been if we had paid somebody outside, like we had done in the past?

**MR. SPEAKER:** Well, when we drafted our budget, we had talked about having \$5,000 in salaries in that expense category and \$80,000 for Professional Services. So we had envisaged \$85,000 in total for compensation related to the review.

**MS MICHAEL:** Right.

**MR. SPEAKER:** At the end of the day, we spent \$95,000.

**MS MICHAEL:** Okay.

**MR. SPEAKER:** So that was the difference in what we had envisaged versus what had actually occurred as a result of that decision to go that route. You recall, the Budget figure we used was based on the actual experience of the previous –

**MS MICHAEL:** That is what I was wondering, yes.

**MR. SPEAKER:** – review that we had completed after the last general election before that.

**MS MICHAEL:** Right.

Thank you.

**MR. SPEAKER:** Okay.

Is everybody in favour of the minutes?

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Thank you.

On motion, minutes adopted as circulated.

**MR. SPEAKER:** Under Tab 1 as well, a couple of routine things that we have a responsibility to report back to the Commission with. One is with respect to the delegated authority that goes to the Clerk to make certain decisions under section 25(1) of the act. We are advising the Commission that there was a decision to spend \$255 for furniture for the office of the MHA for Bonavista South. The information is provided for you here.

In addition to that, under the delegated authority to the Speaker in consultation with the other parties, we had asked the Department of Finance for a warrant to come up with the money to fund the by-election in Cartwright – L'Anse au Clair. You might recall, as part of our annual budgetary process we had not made any provision for any by-elections and had not envisaged it. So when it happened, we were not in a position to fund it.

There is a special warrant that has been issued to cover off the cost of that. As I understand, the process now in terms of getting that back to the House, the Minister of Finance, or someone on behalf of government will table that special warrant, issuing of that special warrant in the House when it next sits, so the House will be aware of it as a whole House.

Under Tab 2, we have the Financial Reports, and there are two periods that these reports cover.

The first part covers the financial period of April 1, 2013 to June 30, 2013. That is the first quarter. These statements reflect the operating performance of all the budgetary areas for the House of Assembly itself, together with all of the individual members and their expenditures to run their constituency offices during that same period of time. We will deal with one of them at a time.

Are there any questions or issues with respect to this particular set of statements?

The next set of statements under that – I am sorry, Ms Michael.

**MS MICHAEL:** Mr. Speaker, it is a general question. There are a number of places, for example, Hansard and the Broadcast Centre, Office of the Chief Electoral Officer, part of that we understand, but a few other places, too, Office of Child and Youth Advocate, where there are overruns in the salary area, and I fully understand the reason for the overruns. The explanations are clear but just a general question.

With the tight budget that we have, is there any fear about covering these overruns in the salary lines, because there are a number of places where we have them?

**MR. SPEAKER:** Yes. It is a fair question, actually, because we recognize this is the first quarter and in salaries, generally, it evens out because the salaries are twelve months. They are a recurring expense every pay period. When you see salaries that sink a little bit, it is a fair question to pose.

As I understand it, we are comfortable with the salary targets. For example, the Child Advocate, that one is over because there is a person who finished up last year, taking their severance and being paid out on a biweekly basis. Therefore, there is a salary being paid out of that budget that really was not budgeted for as a part of their core staffing, but there is a mechanism that that money will get recovered. The House of Assembly will recover that money from a

severance pot held in the Department of Finance.

**MS MICHAEL:** Okay.

**MR. SPEAKER:** When severances are paid out by departments - and the House of Assembly is included in that budgetary exercise - if you do not have enough money to cover the shortfall of severance payouts it is then picked up from a separate fund within Treasury Board.

**MS MICHAEL:** Great.

**MR. SPEAKER:** I think it is Treasury Board, but it is housed within Finance or Treasury Board, and that is what is happening here. At the end of the year there will be reconciliation.

**MS MICHAEL:** Okay.

**MR. SPEAKER:** If that budget category has a shortfall of the equivalent of that salary payout, it will be recovered from that fund.

**MS MICHAEL:** I got it.

Thank you.

**MR. SPEAKER:** There is one other area, and I think the officials in Corporate Services have had some discussions with respect to salary areas in your caucus, I believe –

**MS MICHAEL:** That is right, yes.

**MR. SPEAKER:** - to make the adjustment to ensure we are on target as well.

**MS MICHAEL:** Thank you.

**MR. SPEAKER:** Are there any further questions on this particular one?

The next set of statements deal with the period ending March 31, 2013. Are there any questions with respect to the statements that you see here?

Just as a general comment, because this reflects the last fiscal year's performance. If you look at the tab that talks about – at the end, a summary

of all of the expenditures under the House of Assembly's budget, with the exception of the Office of the Auditor General. That particular summary of all those collective budgets, last year we had a surplus of \$1.7 million, but you might recall we made some significant adjustments in last year's budget.

We have taken this year's budget and made it more accurately reflect what last year's actuals were. So we should not find ourselves with that kind of surplus at the end of this year because we have kind of right sized the budget to reflect our actual experiences in recent years.

That information under Tab 2 is for information purposes. We do not need an acceptance by the Commission.

Under Tab 3, these are the reports of the various caucus funding grants. Each caucus would get a monthly allocation based on the number of people sitting in their caucus.

Each of the caucuses has a responsibility to file an annual report outlining their expenditures, the revenue they have gotten, and the expenditures by various expense categories.

What you are seeing here is the various caucuses living up to their responsibility to report to the Commission how they used those funds that were allocated in the budget process.

You will note, there was a readjustment made in the allocation for the person sitting as an Independent Member for a period of time, but as of the reporting period here, there had not been any expenditures made from that allocation. So there is no summary here, obviously. Again, this is for information purposes but if there are some questions or comments, please feel free to make them.

**MS MICHAEL:** (Inaudible) with regard to the Independent MHA, we know that position is gone now, but are you expecting that there were any expenditures during that period of time and it just has not come in?

**MR. SPEAKER:** No, there were no expenditures over that period at all.

**MS MICHAEL:** There were not any at all.

**MR. SPEAKER:** This would reflect any expenditure incurred and charged during that period. I have no way of knowing, between the period of April 1 and up until recently, whether there were any expenditures or not.

**MS MICHAEL:** Okay.

**MR. SPEAKER:** There would be no obligation to report on those until the end of the next fiscal year. The next fiscal year, when we do this exercise, we will have a similar report for the period of April 1 up to the time of that change from that individual who sat independently.

**MS MICHAEL:** Okay.

Thank you.

**MR. SPEAKER:** The allocation for that individual now gets, obviously, rolled over into that of the Official Opposition.

Tab 4, again, is for information purposes. This is the audit of the Auditor General. The Auditor General does – which we will deal with in a moment – the annual audit for the House of Assembly, but the Office of the Auditor General is subject to an audit as well. What we have here is the audited report from Grant Thornton on the Auditor General's Office. As you can see from the report and the letter attached, they are providing a passing grade and a clean bill of health. The accounting practices of the AG are all in order and everything is fine.

Tab 5 is a report from the Audit Committee; the Chair of that is Mr. Granter. The Audit Committee has made a recommendation to the Commission that we would appoint the Auditor General to do the audit of the House of Assembly for the year ending March 31, 2014.

I would entertain a motion from the Commission that we would follow the recommendations of the Audit Committee and appointment the

Auditor General to do the House of Assembly audit for the fiscal year ending March 31, 2014.

Moved by Mr. King; seconded by Mr. Parsons.

Tab 6, I had indicated earlier that we have added a couple of other appeal letters. These are in areas where the MHAs involved had submitted a claim for reimbursement that exceeded the sixty-day submission deadline. Before the Corporate Services department can actually process these claims, they need the permission and approval from the Commission.

What I will do is we will deal with them individually. The first one comes from the Member for Terra Nova and the amount of these expenses are \$2,526.12. These are expenses that have deemed to be eligible for reimbursement and had they been submitted within the timelines, they would have been paid automatically.

Because of the authority that the Corporate Services department has, they do not have the authority to pay it once it has exceeded the deadline. So, I would be asking the Commission if they would approve and direct Corporate Services to pay the amounts of these claims. We will do it by way of a motion for each of them.

The hon. the Member for the District of Terra Nova.

Ms Michael; seconded by Mr. Parsons.

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Motion carried.

The next one we have comes from the District of Trinity – Bay de Verde. A similar circumstance – the explanation provided on the first one applies to this one as well; the amount in this case here is \$306.

I entertain a motion.

Mr. Granter; seconded by Mr. King.

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Motion carried.

The next one we have is the Member for Mount Pearl South. This one is a similar circumstance, only this time we are involved in an invoice and an expense that occurred in the last fiscal year, so this will be charged to this year's budget and not to last year's budget. The principle of meeting the approval of the Commission remains the same, so the amount of \$56.50 for the District of Mount Pearl South.

A motion to that effect.

Mr. Parsons; seconded by Mr. King.

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Motion carried.

Then we have the one we walked in this morning, the Member for Conception Bay East – Bell Island. It is the same circumstance and this time the amount is \$100.

I entertain a motion.

Mr. Granter; seconded by Mr. King.

All those in favour, 'aye'.

**SOME HON. MEMBERS:** Aye.

**MR. SPEAKER:** Motion carried.

The final one is the appeal from the Member for St. George's – Stephenville East and two amounts: one in the amount of \$36.75; and the second amount is \$56.

So I will entertain a motion for the payment of those for the Member of St. George's – Stephenville East.

Mr. Granter; seconded by Mr. Parsons.

All those in favour, 'aye'.

**MS MICHAEL:** I do not have a copy of that one.

**MR. SPEAKER:** I am sorry, Ms Michael.

**MS MICHAEL:** I do not have a copy of that one. I think I have Mr. Brazil's (inaudible).

**MR. SPEAKER:** Okay. They are there, are they, Ms Michael?

**MS MICHAEL:** Yes.

**MR. SPEAKER:** Okay, perfect.

The last tab in your binder, the information pertaining to that one was sent out to you by way of an e-mail from the Clerk on August 15. A couple of other members mentioned earlier this morning as well that they had not received the e-mail. The e-mail, like I suggested, was dated on August 15 at 10:32 a.m. It was from the Clerk. It was sent to all the members of the Committee. There was a PDF report attached.

The PDF report attached to that was the report of the Office of the Commissioner for Legislative Standards, the report to the Commission dated August 9 with respect to an investigation that was conducted as the result of a complaint that was registered by the previous Member for the District of Cartwright – L'Anse au Clair with respect to the Member for Conception Bay East – Bell Island.

It was distributed to you and on today's agenda for information purposes. I just want to share with you the process that will happen with a report such as this. There are two pieces of legislation that guides this process after the commissioner has finished the piece of work he has done. Firstly, it is embedded in the House of Assembly Act. I will just cite it for you.

Section 44.(1) says, "Where the request for an opinion is made under subsection 42(1) or (3), or where the commissioner conducts an inquiry under subsection 42(2), the commissioner shall report his or her opinion to the Speaker of the

Assembly who shall present the report to the House of Assembly within 15 sitting days of receiving it if it is in session or, if not, within 15 sitting days of the beginning of the next session." That is the House of Assembly Act, and it gives direction to me as the Speaker.

The second piece of legislation that guides us in dealing with this report comes from the House of Assembly Accountability, Integrity and Administration Act, and section 36.(1) or (3) would apply. It says, "Where a request for an opinion is made under subsection 36(1) or (3), or where the commissioner conducts an inquiry under subsection 36(2), he or she shall report his or her opinion to the commission which shall present the report to the House of Assembly within 15 sitting days of receiving it if it is in session or, if not, within 15 sitting days of the beginning of the next session."

So, the Speaker and the Commission, in both cases, dictated by two different pieces of legislation really functions as a conduit for this report to the House of Assembly. As a Commission, or myself as a Speaker, have no authority to deal with it and dispose of it. We have an obligation to bring it to the House, and the House itself as a whole will deal with the report.

In my capacity as Speaker, and jointly then in my capacity as Chair of the Commission on behalf of you, I will present this to the House of Assembly when it sits again this fall, and the House will dispose of that report. I have it on the agenda to share it with you for information purposes so we know where it goes.

That concludes the agenda as we had distributed it. I will entertain a motion for adjournment.

**MS MICHAEL:** So moved.

**MR. SPEAKER:** Ms Michael.

Thank you very much, folks. We will attempt to convene another meeting of the Commission I suspect some time in early November.

Thank you very much, and enjoy the rest of your fall.

On motion, meeting adjourned.