



PROVINCE OF NEWFOUNDLAND AND LABRADOR
HOUSE OF ASSEMBLY

HOUSE OF ASSEMBLY
MANAGEMENT COMMISSION

Eighty-eighth Meeting

Tuesday, January 31, 2023

HANSARD

Speaker: Honourable Derek Bennett, MHA

The Management Commission met at 1:30 p.m. in the House of Assembly.

SPEAKER (Bennett): Good afternoon everyone.

I'd like to call the meeting to order.

I'd like to start off by introducing Members of the Management Commission and our staff that are present here today with us.

First of all, the hon. John Hogan, Government House Leader; Barry Petten, Opposition House Leader; the hon. Lisa Dempster, Member for Cartwright - L'Anse au Clair; Lela Evans, Member for Torngat Mountains; Craig Pardy, Member for Bonavista; Paul Pike, Member for Burin - Grand Bank; Brian Warr, Deputy Speaker; and also our staff members here today are Kim Hawley George, Law Clerk and Acting Clerk Assistant; and Bobbi Russell, Policy and Communications Officer.

Welcome everyone.

Before we begin and get to the first agenda item for today's meeting, as required under the *House of Assembly Accountability, Integrity and Administration Act*, I wish to report decisions taken in in camera meetings. In today's briefing materials, draft minutes note the substance decisions taken at the in camera meetings on December 5, 2022, and also January 13, 2023. These meetings were in camera meetings and will be posted on the House of Assembly website following their approval this afternoon.

Our first agenda item is the approval of the minutes and they are included in your briefing materials, the draft minutes for the meetings held on November 4, 2022, December 5, 2022, and January 13, 2023.

I'll open it up if there are any questions or comments before we call for a motion. Seeing none, I ask for a mover and seconder that the Commission approve the

minutes of the meetings held on November 4, 2022, December 5, 2022, and January 13, 2023.

Moved by MHA Pardy; seconded by MHA Pike.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

SPEAKER: All those against, 'nay.'

Motion carried.

On motion, minutes adopted as circulated.

SPEAKER: Agenda item 2 is the process for rulings on allowance use as outlined in section 24 of the *House of Assembly Accountability, Integrity and Administration Act*. The act gives authority to the Speaker to make rulings when expenditures of Members have been rejected for payment, provided that the rulings are distributed to and receives concurrence from the Management Commission. Any rulings under these provisions must be reported at a public meeting.

The report detailing all such rulings since the last report of the Commission has been circulated in today's briefing package and is also posted on the House of Assembly website with the materials for today's meeting.

This item is just for reporting purposes. Before we move to the next item, do any Committee Members have any questions regarding that item?

Thank you.

Agenda item 3: The *House of Assembly Accountability, Integrity and Administration Act* requires an annual audit of the accounts of the House of Assembly and the Statutory Offices by an auditor appointed by the Commission. The act states that the Audit Committee must review with the auditor the

audited financial information, the audit report, as well as any recommendations and then recommend their approval to the Management Commission.

As a result of the audit conducted for the year ending 31 March 2022, the Auditor General informed the Audit Committee there were no significant matters identified to report. In the correspondence dated November 3, 2022, the Audit Committee reports that the Commission approve and sign the audited financial information for the House of Assembly and the Statutory Offices for the fiscal year ending March 31, 2022.

Again, I'll open up the floor to any questions or comments from the Committee Members.

MHA Parly?

C. PARDY: I'm assuming, Speaker, that the letter from the Audit Committee there, the date noting the fiscal year ended would be March 31, 2022, not 2021?

SPEAKER: It is the year ending March 2022.

C. PARDY: That's in the letter addressed to the Chair of the Management Commission? Yes.

SPEAKER: Thank you, Sir.

Committee Members, that letter dated November 3, there is a typo on it and it should be – the first paragraph should end March 31, 2022.

Any other questions or comments?

Hearing none, I would like for someone to move and second that the Commission approves the audited financial information for the April 1, 2021, to March 31, 2022, for the House of Assembly and the statutory offices as recommended by the Audit Committee.

Moved by Minister Dempster; seconded by MHA Petten.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

SPEAKER: All those against, 'nay.'

Motion carried.

I'm going to ask the Government House Leader or MHA Pike as Chair, would you come down also to sign off on the report.

(Signing of report.)

SPEAKER: Agenda item 4, the audited financial information for the Office of the Auditor General year ending March 31, 2022.

Under section 36 of the *Auditor General Act, 2021*, the Management Commission is required to appoint a qualified auditor annually to audit the Office of Auditor General. Subsection 36(3) of the act also approves that the auditor appointed submit a report to the Commission and the Speaker must table a copy of report in the House of Assembly. Again, this is for information purposes. I don't know if any Members have any questions as it relates to this particular item.

Seeing none, we'll move on to agenda item 5. This item relates to the appointment of the auditor for the House of Assembly and the statutory offices. Pursuant to subsection 43(2) of the *House of Assembly Accountability, Integrity and Administration Act*, the Management Commission must appoint an auditor of the accounts of the House of Assembly and the statutory offices before the end of each fiscal year.

Upon the recommendations of the Audit Committee, if the Commission does not appoint an auditor by March 31 the act do stipulate that the audit will automatically be performed by the Auditor General. In the

correspondence dated January 12, 2023, the Audit Committee recommends that the Auditor General be appointed as auditor pursuant to paragraph 27(7)(b) of the act.

Are there any questions before I call for a motion? If not, I ask for a mover that the Commission directs pursuant to subsection 43(2) of the *House of Assembly Accountability, Integrity and Administration Act*, that the Auditor General of Newfoundland and Labrador be appointed to audit the accounts of the House of Assembly and the statutory offices for fiscal year ending March 31, 2023.

Can I have a mover to that motion?

Moved by MHA Pardy; seconded by MHA Petten.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

SPEAKER: All those against, 'nay.'

Motion carried.

The next agenda item is related to a transfer of funds, as required, to the government Members' caucus; Grants and Subsidies in accordance with the Transfer of Funds Policy and the caucus funding provisions.

On September 12, 2022, the government Members' caucus increased to 22 Members; therefore, a transfer of funds is required to the Grants and Subsidies main objective for the caucus to provide operational funding for the period of September 12, 2022, to March 31, 2023, for one additional Member. Again, the information and the details are included in your briefing package.

Any questions? If not, I'll call for a motion that the Commission approve the following transfer of funds from subdivision 1.1.04.10 Members' Resources – Grants and Subsidies for the amount of \$900 to

subdivision 1.1.06.10 Government Members' Caucus – Grants and Subsidies, \$900.

Can I have a mover to the motion?

Moved by Minister Hogan; seconded by MHA Pardy.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

SPEAKER: All those against, 'nay.'

Motion carried.

The next agenda item relates to a number of recommendations of the Audit Committee, which is outstanding for the Commission's consideration and direction. The recommendations were outlined and corresponds to the Speaker dated May 2020, and again November 2021, both of which are included in your briefing package.

The recommendations are a result of various audits conducted by the House of Assembly. The outstanding recommendations, as well as analysis of each of the options for the Commission respecting implementation, are outlined in a table in the briefing package. Should the Commission concur with the Audit Committee's recommendations, the implementation actions requiring directive and/or policy amendments will be brought back to the Committee for future meetings.

Before I open up for questions or comments, I don't know if the Chair of the Audit Committee or a Committee Member would want to comment on that?

P. PIKE: Can you tell me exactly where you're to now?

SPEAKER: We're on tab 7.

P. PIKE: Okay, we're on our phones.

SPEAKER: Oh, you're on your phones. That would be briefing –

B. RUSSELL: Briefing note 2023-007, right on the top corner. Recommendations of the House of Assembly Audit Committee is the title.

SPEAKER: There were eight recommendations forwarded by the Audit Committee.

P. PIKE: Okay, the first one there, monthly reconciliations, that was something that we had talked about and we would ask – I think it's the Caucus Operational Grants, right? That's what we're talking about? We'd like to be able to do that on a monthly basis and get that so – there are some issues at times of not getting this in on time, so we'd like to have them done on a monthly basis. Would that be okay with everyone? No one has any issues with that?

The other is to individuals being reimbursed for caucus expenses paid personally to ensure that proof of this personal payment is attached to the request. Given the overlap, the Commission's concurrence is that recommendation could mitigate the issues resulting from the recommendation.

Any issues?

SPEAKER: Any comments or questions on it?

P. PIKE: The next one is the Commission's direction: the Caucus Operational Grants Policy. Consider whether the policy should be amended to address specifically the eligibility of alcohol as an expense item. That was something that got a lot of discussion around the table at the time.

Our action for implementation there is to, like I said, go back to the Commission's direction on this one, whether to amend the Caucus Operational Grants Policy to provide clarity. Because I think there is

some confusion around whether or not a Member can purchase alcohol and claim it.

Anybody?

SPEAKER: Again, these – go ahead, Kim.

CLERK (Hawley George): Thank you, Speaker.

Just for the information of Members of the Commission, these are results of some audits that have been done in the past, compliance audits for the 48th and 49th General Assembly. They're brought to you today for approval to proceed.

Basically, this is what the audits have found; this is the information. If you agree, then what we will do is take it away and bring it back to you with a further, say, briefing note, if it's necessary, and for further action. There will be confirmation of a decision required at a later date. We're just asking you is it okay to proceed at this point.

B. RUSSELL: To concur in the recommendations.

CLERK: To concur in those recommendations.

P. PIKE: The next one, really, is to consider whether Caucus Operational Funding Grants should be amended to address the eligibility of inventory assets related to control. Basically, what people are ordering for their offices and so on in their districts, I understand is what came around and caucus as well.

CLERK: This is specific to caucuses.

P. PIKE: Okay.

CLERK: There's a package of materials that you're allowed for your offices, but this is specific to the caucuses. So, I think, Speaker, if I may, what I understand from the audits is that with the funding that was granted, it's granted as a pot, for example.

So if a caucus was purchasing an item of equipment, like, I don't know, a camera, AV equipment or something like that, it didn't necessarily have the inventory control that would normally happen. So this is what has been discovered in the audit. It was simply a matter of tracking that equipment. So that's the question there.

P. PIKE: Okay.

The next one is requiring the caucus – this is under the Caucus Operational Funding Grants Policy – to require monthly bank reconciliations and supporting documentations for expenditures to be submitted to the Audit Committee on a quarterly basis. We'd like the Commission's direction there, too, right?

SPEAKER: Basically, right now, I guess, the caucuses are obligated to provide their financials monthly and then we don't look at it quarterly.

P. PIKE: Yes.

Review the Caucus Operational Funding Grants to determine whether clarification or revision is required respecting the purchase of alcohol. We just did that, didn't we? That's another one.

CLERK: Yes, that's overlap there.

B. RUSSELL: Two separate audits.

P. PIKE: Again, we're looking for the Commission's direction on this one, whether we're going to amend the Operational Grants Funding Policy.

Is there anything you want to add to that? We had a lot of discussion around that.

CLERK: Yes. So this is further to findings in both compliance audits for the 48th and 49th General Assembly. The Auditor General has pointed out that there is not – it's not clearly stated either way what the coverage for alcohol would be and so the

question is, basically, should there be a clarification provided?

So we'll take that away, do a policy analysis to develop options for you and bring it back to the Commission.

P. PIKE: Okay.

I just assumed – I think everybody here assumed – that you couldn't buy, you know – alcohol was out of the question.

CLERK: The question is it comes out of the caucus funds, not the individual Member's funds.

B. RUSSELL: The Members' Resources it is. It's not an (inaudible) expense.

CLERK: That's separate.

B. RUSSELL: Yeah, that's separate.

P. PIKE: Yes.

But we did think that alcohol, or I did anyway, was exclusive of –

CLERK: It is on an individual basis.

P. PIKE: But I thought it was caucuses.

CLERK: That's why the clarification actually; that's why the AG pointed it out.

P. PIKE: I mean prior to our meeting.

Next, remind Members of the importance of timely approval of invoices. This is something that we've heard from you guys a few times, getting those invoices in on time and so on, it's very important. But the Commission could direct the Speaker to send a memo to all Members and constituency assistants on its behalf.

So, basically, I think that's something that comes up fairly – well, it's come up before at the Audit Committee meetings that people aren't submitting the invoices and so

on, on time so we're hoping to solve that in some way, shape or fashion soon because it is a problem for staff.

CLERK: Yes, it would lead to some operational efficiencies there, absolutely.

P. PIKE: And the other one, the last one is consider issuing a directive substantially along the lines of the following: That where outstanding invoices are not approved by Members within 30 days of first notification of required approval, any further purchase orders for those Members shall be withheld until outstanding invoices past 30 days are approved in the financial system.

Again, Commission's decision is required on this, but I think that's very reasonable.

SPEAKER: Again, it's the same thing, it's –

P. PIKE: Yes, it's taking our staff a long time to –

SPEAKER: – putting extra work on staff. They have to go back and re-enter things. Not only that, then Members may get complaints from the purchasers or suppliers in their districts and that, so it's a good practice.

L. DEMPSTER: (Inaudible) waiting for months, right? It gets missed.

CLERK: Exactly.

SPEAKER: MHA Pardy.

C. PARDY: Would this be a frequent occurrence? Because we do get prompted when there's an outstanding invoice that we need to certify. We may receive every week another prompt to know that there is an outstanding to our email service. So I wouldn't say the frequency is too great.

SPEAKER: Typically, it's sent out actually when the invoice is entered and then at times it may not come out before the month has expired. The month expires, then staff

have to go back and re-enter it all again and send it out again.

Like I say, it's not a daunting process for the Members to approve these invoices. This is just a matter of going into the system and approving them.

CLERK: Just to add, if I may, Speaker.

SPEAKER: Yes.

CLERK: We understand that it actually is very common. It is requiring a lot of extra work by staff, so they would appreciate that assistance, I think.

SPEAKER: Go ahead.

C. PARDY: I didn't know that it had to be re-entered and I didn't know the significance of doing it.

B. RUSSELL: After 30 days.

C. PARDY: Yes, so it might be just an awareness of the importance of making sure that it's submitted before the month end.

SPEAKER: I agree with the –

C. PARDY: Yes.

SPEAKER: – recommendation that if it's not submitted, then we'll hold back other POs until it's entered.

P. PIKE: (Inaudible) get it done for sure, right?

CLERK: Yeah.

P. PIKE: Once that part starts (inaudible).

CLERK: Yes, it can lead to frustrated vendors, too, where the payments are not in place.

C. PARDY: One hundred per cent.

SPEAKER: Are we in agreement with the recommendations and allow staff to go back and do some further analysis and put forward some briefing notes with some more additional information on it?

Do we need a motion on that?

B. RUSSELL: Yeah, you could just do a motion to concur in the recommendations.

SPEAKER: Moved by Minister Dempster that we concur with the recommendations.

A seconder? MHA Petten.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

SPEAKER: All those against, 'nay.'

Motion carried.

I guess this concludes the televised portion of our Management Commission meeting. We will take a short recess and then we will move to the in camera session up in the Committee Room.

The Speaker recessed the meeting to transition to an in camera session.