



Legislative Assembly of Alberta

The 28th Legislature  
First Session

Standing Committee  
on  
Public Accounts

Service Alberta

Wednesday, February 13, 2013  
9:33 a.m.

Transcript No. 28-1-8

**Legislative Assembly of Alberta**  
**The 28th Legislature**  
**First Session**

**Standing Committee on Public Accounts**

Anderson, Rob, Airdrie (W), Chair  
Dorward, David C., Edmonton-Gold Bar (PC), Deputy Chair

Allen, Mike, Fort McMurray-Wood Buffalo (PC)  
Amery, Moe, Calgary-East (PC)  
Anglin, Joe, Rimbey-Rocky Mountain House-Sundre (W)  
Bilous, Deron, Edmonton-Beverly-Clareview (ND)  
Calahasen, Pearl, Lesser Slave Lake (PC)  
DeLong, Alana, Calgary-Bow (PC)  
Donovan, Ian, Little Bow (W)  
Fenske, Jacquie, Fort Saskatchewan-Vegreville (PC)  
Fox, Rodney M., Lacombe-Ponoka (W)\*  
Fraser, Rick, Calgary-South East (PC)  
Fritz, Yvonne, Calgary-Cross (PC)  
Hale, Jason W., Strathmore-Brooks (W)  
Hehr, Kent, Calgary-Buffalo (AL)  
Kang, Darshan S., Calgary-McCall (AL)  
Pastoor, Bridget Brennan, Lethbridge-East (PC)  
Quadri, Sohail, Edmonton-Mill Woods (PC)  
Sarich, Janice, Edmonton-Decore (PC)  
Starke, Dr. Richard, Vermilion-Lloydminster (PC)  
Stier, Pat, Livingstone-Macleod (W)  
Webber, Len, Calgary-Foothills (PC)

\* substitution for Ian Donovan

**Also in Attendance**

Sherman, Dr. Raj, Edmonton-Meadowlark (AL)

**Office of the Auditor General Participants**

|              |                           |
|--------------|---------------------------|
| Merwan Saher | Auditor General           |
| Ed Ryan      | Assistant Auditor General |

**Support Staff**

|                        |   |
|------------------------|---|
| W.J. David McNeil      | Clerk   |
| Robert H. Reynolds, QC | Law Clerk/Director of Interparliamentary Relations            |
| Shannon Dean           | Senior Parliamentary Counsel/<br>Director of House Services   |
| Philip Massolin        | Manager of Research Services                                  |
| Stephanie LeBlanc      | Legal Research Officer  |
| Nancy Zhang            | Legislative Research Officer                                  |
| Nancy Robert           | Research Officer  |
| Corinne Dacyshyn       | Committee Clerk   |
| Jody Rempel            | Committee Clerk   |
| Karen Sawchuk          | Committee Clerk   |
| Christopher Tyrell     | Committee Clerk   |
| Rhonda Sorensen        | Manager of Corporate Communications and<br>Broadcast Services |
| Jeanette Dotimas       | Communications Consultant                                     |
| Tracey Sales           | Communications Consultant                                     |
| Liz Sim                | Managing Editor of <i>Alberta Hansard</i>                     |

## **Standing Committee on Public Accounts**

### **Participants**

#### Ministry of Service Alberta

Althea Hutchinson, Senior Financial Officer and Executive Director, Strategic Planning and Financial Services

Cathryn Landreth, Assistant Deputy Minister, Information Services

Brent McEwan, Assistant Deputy Minister, Consumer Services

Dennis Mudryk, Acting Assistant Deputy Minister, Registry Services

Jay Ramotar, Deputy Minister

Kate Rozmahel, Assistant Deputy Minister/Corporate Chief Information Officer, Enterprise Services



**9:33 a.m. Wednesday, February 13, 2013**

[Mr. Anderson in the chair]

**The Chair:** All right. We're going to begin. Good morning, everyone. I'd like to call this meeting of the Public Accounts Committee to order. My name is Rob Anderson. I'm the committee chair and the MLA for Airdrie. I would like to welcome everyone in attendance today.

We'll first go round the table, so please introduce yourselves, starting on my right with our deputy chair.

**Mr. Dorward:** David Dorward, MLA for Edmonton-Gold Bar.

**Ms Fenske:** Good morning. Jacque Fenske, MLA, Fort Saskatchewan-Vegreville.

**Ms Calahasen:** Pearl Calahasen, Lesser Slave Lake.

**Mr. Allen:** Good morning. Mike Allen, Fort McMurray-Wood Buffalo.

**Mr. Stier:** Pat Stier, Livingstone-Macleod.

**Mr. Hale:** Jason Hale, Strathmore-Brooks.

**Mr. Anglin:** Joe Anglin, Rimbey-Rocky Mountain House-Sundre.

**The Chair:** Go ahead, Kate. Introduce yourself.

**Mrs. Rozmahel:** Thank you. Kate Rozmahel, assistant deputy minister, Service Alberta.

**Mr. Ramotar:** Jay Ramotar, newly appointed Deputy Minister of Service Alberta.

**Ms Hutchinson:** Althea Hutchinson, senior financial officer for Service Alberta.

**Mr. Ryan:** Good morning. I'm Ed Ryan, Assistant Auditor General.

**Mr. Saher:** Good morning. Merwan Saher, Auditor General.

**Mr. Fox:** Rod Fox, from the wonderful constituency of Lacombe-Ponoka, subbing for Ian Donovan.

**Ms Pastoor:** Bridget Pastoor, MLA, Lethbridge-East, the wonderful constituency that's adjacent to Ian Donovan's.

**Mr. Fraser:** Rick Fraser, MLA for Calgary-South East.

**Mrs. Sarich:** Good morning. Janice Sarich, MLA for Edmonton-Decore.

**Dr. Massolin:** Good morning. Philip Massolin, manager, research services.

**Mr. Tyrell:** I'm Chris Tyrell, committee clerk.

**Mr. Quadri:** Sohail Quadri, MLA, Edmonton-Mill Woods.

**The Chair:** All right. Fantastic.

We have two people on the telephone, so if you could chime in on the phone.

**Ms DeLong:** It's Alana DeLong, MLA for Calgary-Bow.

**Mrs. Fritz:** Yvonne Fritz, MLA, Calgary-Cross.

**The Chair:** Well, good to have you, Alana and Yvonne. Thanks for joining us.

We'd also like to welcome, obviously, department staff from Service Alberta, *Hansard* staff, legislative support staff, research support, et cetera, et cetera. There are lots of good people in here. Thanks for coming. And, of course, security: thank you very much for coming.

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If everyone could make sure to speak directly towards the microphones and not lean back in your chairs while speaking, that would be very much appreciated. Please do your best to keep your cellphones on vibrate or silent if possible.

First off, we've circulated the agenda previously. You should have received that a while back now. Would a member like to move approval of that agenda? Mr. Anglin. Those in favour? Any opposed? Carried.

We also circulated the minutes from our last meeting of December 5, 2012. Would a member like to move acceptance of those minutes? Mr. Quadri. All in favour? Opposed?

On the phone what we'll do is that we'll just assume that you're in favour unless you yell out at the top of your lungs, and then you'll be opposed.

**Mrs. Fritz:** Thank you.

**Ms DeLong:** Thanks, Rob.

**The Chair:** The reports to be reviewed today with our friends at Service Alberta are the 2011-12 annual report from Service Alberta; the reports of the Auditor General of Alberta from March, July, and October 2012 in particular, but of course any reports of the Auditor General are free game; and of course the 2011-12 annual report of the government of Alberta, consolidated financial statements, and the Measuring Up progress report could also be examined today. Members should all have a copy of the briefing document prepared by committee research services – very good information in there; thanks very much for that, Philip – and also the briefing document from the Auditor General.

Joining us today are representatives from Service Alberta. I would now invite them to make a brief, 10-minute opening statement. Thanks.

**Mr. Ramotar:** Thank you, Mr. Chairman. It's a pleasure to have this opportunity to appear before the Public Accounts Committee on behalf of Minister Bhullar. I have with me at the table, already introduced, Kate Rozmahel, assistant deputy minister, enterprise services, and to my right Althea Hutchinson, our senior financial officer. Sitting behind me are members of Service Alberta's executive team: Brent McEwan, assistant deputy minister for consumer services; Cathryn Landreth, assistant deputy minister for information services; and Dennis Mudryk, acting assistant deputy minister for registries.

Since being appointed Deputy Minister of Service Alberta in December 2012, I have come to realize that the ministry has a level of complexity and diversity which is not necessarily obvious when you read the annual report. The ministry has a twofold mission: first, to deliver citizen-centred services and information to the public and, secondly, to deliver shared services to its partner ministries. Service Alberta's citizen-centric programs touch the lives of every Albertan almost every day. A number of these programs are prominently displayed on the Alberta government

main website. In fact, all six topics under What Would You Like To Do? are programs delivered by the ministry.

#### 9:40

In 2011-2012 Service Alberta handled 16.8 million registry transactions directly or through the registry agent network; enhanced the veterans' licence plate program to include motorcycle plates; and received more than 8,000 applications through the residential tenancy dispute resolution services program, bringing the total number of cases handled by the program to approximately 30,000 since inception in 2006. We conducted investigations which led to 159 criminal charges against 62 individuals for identity- and other fraud-related activities. We received more than 1.3 million calls from Albertans through the call centre and, in the course of addressing their inquiries, achieved a 93 per cent client satisfaction rate for courtesy, knowledge, effort, wait times, and ease of access. These statistics represent only a few of the programs delivered by the ministry.

The second part of Service Alberta's mission, that we call shared services, not only provides foundational business, financial, and technological services which support ministries in delivering services to Alberta; it also leads initiatives to achieve efficiencies and effectiveness throughout the government. In 2011-2012 the shared services programs processed 2.2 billion payroll and accounts payable transactions, with a value of \$11.6 billion, on behalf of government departments and some agencies, boards, and commissions. We managed 183 enterprise-wide standing offers and blocked more than 320 viruses that tried to enter the GOA domain. We supported approximately 22,000 users on the GOA domain, processed 18 million pieces of government mail, and managed the printing of 46 million pages of government material, both internally and through contract printing services.

In addition to supporting government operations, Service Alberta received two Premier's awards of excellence. The first one is a gold award for the desktop and worksite service project. The second one is a bronze for reserve.albertaparks.ca. It's a website that provides online services for reservations to campgrounds.

Service Alberta also negotiated the signing of contracts with two vendors for mobile/wireless products and services, which has led to savings of 70 per cent for all government departments. We led the government in expanding the use of procurement cards, resulting in efficiencies and savings when compared to traditional methods of paying invoices, and we continue to develop, implement, promote, and support information technology policies and directives.

In his October 2012 report the Auditor General reported on actions taken by Service Alberta to address outstanding recommendations from the protecting information assets system audit. The Auditor General reported that Service Alberta had implemented eight of 11 recommendations originally made in October 2008 by implementing wireless network policies and standards, implementing security controls over the use of portable computing devices, updating network surveillance controls, ensuring sufficient redundant power supplies are connected to computer equipment in data facilities, and implementing physical security standards and environment control standards for shared data facilities.

In the same report the Auditor General recognized Service Alberta's efforts to address the other three recommendations and reported that they will no longer assess the recommendations due to changed circumstances.

I'm also pleased to report that two other audit recommendations were addressed in 2011-12. The first one is Service Alberta's role as a central processor of transactions and, secondly, the IT service level agreement between the ministry and its client organization.

Service Alberta values the work of the Auditor General and his staff, and over the years they have developed a strong working relationship.

In closing, although I have been with Service Alberta for a short period of time, I'm impressed with the talent and professionalism of the ministry's employees. Credit for the ministry's accomplishments in the midst of challenges facing the province goes to the dedication and hard work of the employees at Service Alberta.

Thank you, sir.

**The Chair:** Thank you, Mr. Ramotar.

If we could go to our Auditor General now.

**Mr. Saher:** Thank you, Mr. Chairman. I'll highlight three areas for the committee. First, on page 65 of our October 2012 public report we noted that Service Alberta implemented eight of the 11 recommendations that we originally made back in 2008 on protecting information assets but could not fully implement the remaining three recommendations. The deputy minister has just referred to those three, which we headlined as changed circumstances. Under changed circumstances, in that same report, we redirected those three remaining recommendations to Executive Council. In essence, the recommendation to Executive Council is to

- assess the risks to public information assets throughout the government
- determine if the government has adequate IT security policies, standards and controls to mitigate risks
- determine who is responsible and accountable to ensure that public information assets are adequately protected

Secondly, on page 133 of the October 2012 report we made a new recommendation to Service Alberta to "rank the significance of findings it identifies at registry agents and document its follow-up process."

Finally, we provided a clean auditor's report, a clean audit opinion, on Service Alberta's financial statements for the year ended March 31, 2012.

Thank you.

**The Chair:** Thank you very much.

All right. Well, we'll begin questioning. Just a few things on questions. Of course, we want to keep them based on the report. We don't want to go into matters of policy except as they touch on the Auditor General's report. We ask that questions be brief and succinct if possible and that answers also be brief and succinct so we can get as many questions as possible through. We're going to do it a little bit differently today because of who is here. We'll just rotate between the Official Opposition and the government, 10 minutes each. We'll start with the government members.

**Mr. Dorward:** In that regard, Mrs. Fritz or Ms DeLong, do you have any initial questions, or would you like to just speak up when you do have a question during our time?

**Mrs. Fritz:** Thank you. I just have one question that I'd like to ask at the beginning based on the presentation. I appreciate the presentation, and I appreciate the most recent findings that the Auditor has given as well related to the department. The question I have: of the hundred per cent of expenditures related to the shared services that were not recovered, what percentage of the costs need to be recovered by Service Alberta to help pay for the

infrastructure that was required to provide those shared services to all the ministries?

**Ms Hutchinson:** I'm sorry. Can you repeat that question?

**Mrs. Fritz:** I can. The question is based on what was in the presentation by the deputy minister. It's related to the expenditures, it's related to the shared services, and it's related to cost recovery. Given that a hundred per cent of the expenditures related to shared services were not recovered by Service Alberta in 2011 and '12, what percentage of the costs need to be recovered by Service Alberta to pay for the infrastructure that was required to provide the shared services?

9:50

**Ms Hutchinson:** The way that Service Alberta is structured in terms of how we manage our shared services is that we do recover a hundred per cent of the costs for our shared services for the majority. There is a portion that we do have. It's included in our financial statements. It's a schedule that we have where we talk about the costs that we incur on behalf of other ministries that we don't require them to pay, and that would be \$93 million. So \$93 million is the cost that Service Alberta has within its budget to pay for shared services, and they will recover approximately \$50 million from ministries for the services they provide.

Those services are volume-driven services, where we have very little control over the volume – the ministries have control over the volume – or it's project based, where the ministries come forward to us, and they say, "We'd like you to do this particular project," particularly in the IT area.

**Ms DeLong:** Thank you.

**Mrs. Fritz:** Thank you.

**Mr. Dorward:** Can I get a reference on the page number? Did you reference your annual report on that?

**Ms Hutchinson:** It's page 45 of the annual report. It's schedule 7. It's near the very bottom of the page, the revenues number.

**Mr. Dorward:** Okay. Jacqueline, were you giving me the high sign there?

**Ms Fenske:** I was. Thank you. I would just like to continue to talk about shared services for a few more minutes. Noting that not all departments and not all boards and commissions utilize your service, what are you doing to encourage more use through Service Alberta, or are you trying to not encourage that?

**Ms Hutchinson:** A very good question. It depends on the type of service that we have within the ministry. We've got about four different streams. On the sort of administrative-type services – that would be, you know, your mail, your print – all ministries actually do engage in the use of our services. In terms of the financial services and payroll, again, all ministries use our services. I think where there is some anomaly is more in the IT services side, and for that, I think I'll turn it over to Kate Rozmahel to speak to.

**Mrs. Rozmahel:** Certainly. With respect to information technology over the past four or five years we've been gradually migrating ministries onto the corporate infrastructure for technology. About 80 per cent of the ministries are on and actively using the infrastructure. We still have some ministries that we're

working with to have them move their infrastructure over, and our expectation is that in the next few years we'll accomplish that.

**Ms Fenske:** Following up on that, what would you say are the stumbling blocks to meet your mandate to be able to service all of those departments?

**Mrs. Rozmahel:** Well, there are a few roadblocks. First of all, we had to have an infrastructure and a set of services that were suitable for use by the ministries, and we've been developing that over the last few years. I think we've developed and we have comparable services levels, where in the past there were some arguments that perhaps the shared service levels weren't as strong as what was being developed and delivered in the ministries. So we've been rectifying that.

Of course, there's some cost, the transition off old infrastructure onto new infrastructure, so we work through the cost as well. There's always the change management element as well. You know, people are letting go of how they've done things for a long time, and you need to convince them that doing it in a new way is both good for the organization and good for them.

**Ms Fenske:** Thank you. If I might ask one more. Because you're dealing with procurement, could you perhaps comment on sole sourcing versus a more open competition for most things?

**Ms Hutchinson:** In Service Alberta there are sort of two areas of procurement that happen. There's the goods side, and there's the services side. Our mandate deals with goods. In particular, what we have within the ministry is that we've got legislation or regulation that says that if you're going to be purchasing a good over \$10,000, that has to come through Service Alberta. The reason why that happens is because what we do as a ministry is that we ensure that the government of Alberta is adhering to all the internal trade policies and all the other procurement rules that are in place.

There are cases where we allow ministries to procure more than \$10,000, but those individuals are designated within the ministries. There's a process that they have to follow, there's education that they have to use, and the limit is actually set for up to \$50,000. That's how it works within Service Alberta.

In terms of sole sourcing there are two tiers. There are rules that allow us through AIT as well as TILMA to go out and do what we call bidding. You ask for three bids – right? – and it's up to a certain threshold; it's \$75,000. That's how we sort of take care of the fact that you don't sole source. Below that \$75,000 range you can sole source, but what we typically say is that, you know, in order for us to be transparent, in order for us to be accountable, you should be going forward and at least getting a three-bid minimum.

**Ms Fenske:** That led me to another one. Is that all right?

**Mr. Dorward:** If you're fast.

**Ms Fenske:** Okay. Could you tell me, in your experience, if we do end up going to sole sourcing – that probably has happened at some point in time – does it save money in the long run, or does it cost more in the long run?

**Ms Hutchinson:** I think it's very situational because there are cases where there is only one provider. There is only one person who delivers that service. I can think of Microsoft, for example. You're not going to get Office from anybody else. In that case you end up sole sourcing your licensing. You end up sole sourcing for

your product. Our job at Service Alberta is to negotiate the best rate that we can, you know, using our economies of scale, whatever discounts and negotiation skills that we have. So there are circumstances when you will be required to sole source. I can't really speak to whether or not ultimately it will require that every single sole source situation results in a higher cost.

**Mr. Dorward:** Thank you.

Chair, how are we doing for time there? Do you know?

**The Chair:** A couple of minutes left.

**Mr. Dorward:** Maybe I'll start a conversation. I kind of sense we might get back to this in different ways, and maybe other members of the committee will ask it in different ways. I think this will maybe kick off some of that. I'm referring to the Auditor General's report, page 65, the first column, at the bottom.

I'd like to focus on one word in that comment. This is in relation to the three recommendations that the Auditor General found it necessary to stop the work on. About five lines up it says, "Because it lacks the authority and responsibility for overseeing IT security for certain government entities." The question I have there is on the word "certain." Does this mean that you have authority for all the ones that you do interact with, or do they just work with you? In other words, when I read the words "certain government entities," are they able to opt out, did opt out, or is there an overall lack of requirement for anybody to have you oversee the IT security? Since you've been there for eight or nine years instead of days, I'm sure you can answer that.

**Mr. Ramotar:** Right now it's a bit flexible. What we try to do is to take the lead to set the standards and do the monitoring, but with some agencies and departments it's really up to them to come underneath the tent. What we want to do is to change that. For IT security, for example, we invited the internal auditors in to go back and make another round and talk to ministries to see whether they have all the controls in place that were set up by Kate's shop. She set up all the standards for them to meet. We are not quite there, but we want to get there.

**Mr. Dorward:** What's the time frame for the internal auditor review? Is that recent? Is it ongoing?

**Mr. Ramotar:** It is going to be done this coming year.

**Mr. Dorward:** Okay. Thank you.

Mr. Chair, I pass it back to you.

**The Chair:** Okay. What we will do is that we will allocate the hour that we have, and there might be a little bit of extra time. It'll be 30 for the government members, 20 for the Wildrose members, and 10 for the Liberal member.

We'll go to Mr. Fox, who is the Wildrose critic for Service Alberta. Take it away.

**Mr. Fox:** Thank you, Mr. Chair.

**The Chair:** Sorry. We'll do it in two 10-minute blocks. You have 10 minutes, then you can take a break, and then we'll come back to you later.

**Mr. Fox:** All right. I guess Mr. Dorward just asked you a question on the IT security recommendations. I have a question around the authorities. It was said in the Auditor General's report that the authorities weren't in place within the ministry to be able to fully implement those recommendations. What authorities do you need

to be able to implement that? Are there any initiatives within Service Alberta right now to advocate to the government to obtain those authorities so it can complete those recommendations?

10:00

**Mr. Ramotar:** Well, we need essentially a directive from Executive Council that says that Service Alberta has the authority to look at the whole thing and make sure it's all done properly. Like I said, we are moving towards that. We are working with the internal auditor to see whether ministries are there, and if they are not there, we will be asking for that directive.

**Mr. Fox:** All right. I guess in that as well there was a recommendation of the Auditor General to rank the significance of the findings it identified with registry agents through a document follow-up process. Have you implemented that, or will you be implementing that in the near future?

**Ms Hutchinson:** Yes. Since last year's audit finding the program area has been working diligently in order to address the recommendation. We've made a couple of changes in how we actually do our follow-up based upon the work the AG has done, and we're anticipating – I think they're actually in the office. I saw one yesterday running around, looking at what we were doing or how we had responded. I can't speak on behalf of the AG, but we're anticipating that the recommendation will be implemented or recorded as implemented this year.

**Mr. Fox:** All right. I was also reading in the report that was released yesterday that there was a finding within Human Services that an officer was found through the facial recognition software to have applied for a driver's licence under a different name. That was caught by the facial recognition software, so it seems like it's doing its job. I'm wondering how often the database is gone through. So how often are you running that facial recognition software on all of the licences within the province?

**Ms Landreth:** I'm Cathryn Landreth. I'm the assistant deputy minister of information services, and that area is in my accountability. The facial recognition software is used on a daily basis for all new applications for drivers' licences and particularly focused on those who are coming in from other jurisdictions. It's operating on a daily basis, and we have it operating in both Edmonton and Calgary.

**Mr. Fox:** Thank you. I guess we'll move on to the Shaw Court fire. It's been five months since Service Alberta developed any internal procedures on that. I'm wondering what procedures have been identified and what procedures you will be working on in the future to make sure that we don't have another service interruption in the way that the fire at Shaw Court affected the province.

**Mr. Ramotar:** That's a good question. I just want to put into the record that the incident occurred in July 2012, so it's outside the scope of what we're dealing with in terms of time frame. But with the permission of the chair, we would like to answer that question.

**The Chair:** Absolutely.

**Mrs. Rozmahel:** The fire at Shaw Court was a very unusual circumstance. Shaw Court is a centre run by our service provider, IBM, in the Calgary Shaw Building. They had a catastrophic fire that caused the building to shut down, and their data centre, which is inside the building, also had a catastrophic failure as well. The good news is that we had done a lot of preparation work – and we



do that regularly for our systems – so we were able to bring the systems back up in a relatively short period of time.

Now, there are different systems that were in that site. About 150 or so applications or systems were housed and hosted with IBM in that particular site. After we had worked through recovering all those systems, we undertook a complete review of what happened at Shaw Court and a number of recommendations have been found. We have been working through what to do going forward with not just Shaw Court but all the other data facilities that we use across government.

**Mr. Fox:** Do you have any estimates on the total cost of the fire?

**Mrs. Rozmahel:** There was no cost to government. The provider picked up all of the out-of-pocket costs for the recovery efforts. The efforts for government would have been human efforts, with staff working over the weekend to bring the systems back up.

**Mr. Fox:** Was there any data that was irreplaceable that was lost?

**Mrs. Rozmahel:** No, there was not. We did a complete review of that. All of the databases were brought back up intact, and we did a review to ensure that all the data was complete and whole.

**Mr. Fox:** All right. I guess the last question on this. There was quite an effect to the registry system on this and the providers of our registries here in the province. I'm wondering what, or if, any compensation is going to be paid to those registry owners.

**Mr. Ramotar:** No. We don't have any plans to do that.

**Mr. Fox:** I guess from here we're going to move on to the final mile rural connectivity initiative. There is a clear priority to move this through to completion. My question is: how close are we to the completion of the final mile initiative?

**Mrs. Rozmahel:** Final mile is an important initiative. Just as background, the purpose of final mile is to ensure that there's high-speed Internet available to at least 98 per cent of the province. At this point we are actually over 98 per cent served in the province, so we've met our outcome. That's not to say that we're going to stop. We are continuing to promote Internet access in rural Alberta, and there are a number of initiatives under way to continue to promote that.

**Mr. Fox:** Last January there was an announcement by the government on a \$5 million allocation to the second stage of the final mile initiative. I'm wondering how far along you are in the rollout of those services under the partnerships with the municipalities and companies that would be providing those services.

**Mrs. Rozmahel:** That's the program that we're doing in cooperation with Alberta Agriculture. I believe that's the program you're referring to. We've received at this point over 50 submissions to the program, and there is a review under way of all those submissions. I believe final decisions are due by the end of March.

**Mr. Fox:** Thank you. I'd also like to ask a question or two on FOIP. With regard to FOIP and the FOIP process province-wide, how many FOIP requests have been successfully completed?

**Ms Landreth:** I couldn't tell you the specific number, but . . .

**The Chair:** Can you just identify yourself?

**Ms Landreth:** Sorry. I apologize. Cathryn Landreth, information services, Service Alberta.

I can't tell you the specific number of FOIP requests, but 90 per cent of the FOIP requests are completed and completed within the timeline prescribed under the act.

**Mr. Fox:** Then I'm assuming that the remaining 10 per cent are rejected FOIP requests?

**Ms Landreth:** Not necessarily. They may be FOIP requests for information that would be routinely disclosed by the government, so the FOIP co-ordinators will return to the requester and ask them if they would like to reach that information through other means. Or they may simply have not been met under the timeline because of other unforeseen circumstances associated with finding the information and making it available. In some situations a requester will abandon the request, so those are included in the not completed numbers.

**Mr. Fox:** Do you know how many postrejection appeals are in the process now?

**Ms Landreth:** I'm afraid I couldn't answer that with specific numbers, but we can certainly find that information and make that available to the committee.

**Mr. Fox:** All right. My last question for you on this: how much has the government collected in fees associated with FOIP requests?

**Ms Landreth:** That's a very good question.

**Ms Hutchinson:** The way the fees are actually collected is that they're collected by each individual ministry. So if you make a request to another ministry, Service Alberta has no visibility into that. We only have visibility in terms of what we collect as a ministry for requests that come through us. We can certainly look to see if we can provide that information, but I can't guarantee that we'll be able to.

**Mr. Fox:** Thank you.

**The Chair:** That's ten minutes.

On that last question, Ms Hutchinson, if you could undertake to provide that information. That should not be difficult to get. It would require, obviously, phoning the other ministries, but since Service Alberta is in charge of the overall FOIP process, as far as my understanding is, they should be able to get that information. Could you provide that to the committee as soon as possible?

**10:10**

**Ms Hutchinson:** Yes. We will definitely do that.

**The Chair:** Thank you very much. That will be noted.

Mr. Fox, you will have about 10 minutes at the end of the meeting to ask some more questions if you'd like, so you'll have some time to prepare for that.

**Mr. Fox:** Thank you.

**The Chair:** We'll now go back to the government side.

**Mr. Dorward:** Thank you. On page 11 of the annual report, I wanted to mention a couple of things relative to the performance measures summary table and get a comment from the ministry relative to the information that's contained therein. This information I think is important. There are so many people who don't really understand when you get down to the income statement and

the balance sheet and other things, especially with government accounting. But they certainly like to see information that they can easily grasp and understand and is meaningful to them, so I think it's really important. I wanted to get a comment as to your thoughts on an overview of how the performance measures summary table looked to you, just a general comment maybe.

On page 12 at the top, the one that I kind of saw there that jumped out at me was 2.A, where the target is 80 per cent and you're achieving over the years 92 plus. Maybe that's just an anomaly. Maybe somebody didn't pay a lot of attention to that one, you know, but it seems like you wanted a decrease in the great work done by your call centre. I didn't know if that was maybe a typo or something, but could you just make a general comment about your feelings relative to the performance measures, and then we'll turn the time over to Mrs. Sarich?

**Ms Hutchinson:** Absolutely. In terms of our performance against our targets, as you can see, we're meeting the majority of our targets. Items 1.C and 1.B: those are stretch targets for us. The goal, of course, there is to continue to improve. What we do in terms of those surveys is that when we get the survey results back, we do review them as an executive committee, they are shared within the ministry, and we take some of the themes from there to see if there isn't something we can do in order to improve. That sort of answers the general comment on page 11.

The question about page 12: no, it wasn't a typo. What actually happened there is that we made a change in this particular target. We actually added in an additional service, which was the residential tenancy dispute service. Because we added that in, we didn't really know how that would impact the performance measures going forward. So because we didn't have a clear history or trending, what we did was we went with sort of a standard target of 80 per cent, you know, which is 4 out of 5. That's what that is.

**Mr. Dorward:** Excellent. Thank you.

**Ms Hutchinson:** You're welcome.

**Mrs. Sarich:** Well, thank you very much for the presentation thus far. I'd like to redirect some attention back to some of the comments made by the Auditor General, taking us back to the October 2008 report and framing the context of some of the presentation points that were made thus far.

I'm just wondering, first of all – there is an IT control framework. We have an awareness about that. Some comment was made in the opening statements about kind of a snapshot of where you are today. But since the time of 2008 to where we are, I'm curious why it would take seven years to implement an IT governance and control framework. If you could comment about the progress. I think there were some points given this morning, but maybe there's something to be added to that.

Also, looking to your mandate and in that mandate the authority and ability, could you make some comments about the level of authority or ability that you believe you have today to monitor and enforce IT security throughout the four zones of that model?

I'll stop there and listen very carefully to what you have to say.

**Mrs. Rozmahel:** Okay. I'll start with the control framework if that's all right. Just in terms of what is a control framework and how we've adopted it in the government of Alberta, a control framework is really a collection of policies, processes, protocols – it can be reporting documentation – that you organize into logical groupings, and they enable the organization to manage and operate information technology. We have through the CIO

Council – and the CIO Council is made up of myself as chair and all of the CIOs from each of the ministries – adopted a control framework for the government of Alberta, and that was put in place in 2009. It's based on industry best practices as the backbone of that particular framework. What we do with the framework is that it allows us to structure policy development – that's the key to it – and also to develop practices that can be commonly put in place across not just the enterprise at the corporate level but into the ministries as well.

Since the original recommendation, in addition to developing the framework, we have also populated the framework with a number of directives, including the security directives that were referenced earlier and a number of other guidelines around the area of project management, change management, problem management, incident management. We've also gone and certified a number of standards for infrastructure: hardware, software, and mobile devices, for example.

The entire framework is available to all ministries up on a dashboard available through the CIOs of the ministries. It is populated and massaged, and it grows organically through the use of a subject matter expert group that comes from across ministries. We believe it's useful. It has been evolving and growing, and we're looking forward to the auditors coming back in in the near future and looking at it again and seeing if we've progressed sufficiently to meet what their expectations were in that particular requirement.

**Mrs. Sarich:** Thank you for that. I'm going to come back to – maybe I'll reframe this question. Does Service Alberta have the authority or ability to monitor and enforce IT security throughout the four zones of that IT model?

**Mrs. Rozmahel:** We have the ability to monitor and enforce anybody who is on the corporate infrastructure because we have direct access into what is traversing that network and traversing the systems that are hosted on the corporate infrastructure. Service Alberta does have authority and accountability for what is on the GOA domain. We do not have at this point authority or responsibility for what is in ministries that are not part of the GOA domain but, in a larger question, the rest of the public sector. Referring back to the recommendations from October 2012, it's really a question of governance for the whole public sector, not just the GOA domain, the GOA ministries.

**Mrs. Sarich:** Have you ever reported economies of scale by the government departments coming in to utilize what is provided through your mandate? Have there been any questions raised around the economies of scale to show cost and benefit for the other departments that have not come onboard as of yet?

**Mrs. Rozmahel:** Yes. That's a great question. Over the course of the last five years we have gone out and we have negotiated a number of corporate ICT outsourcing contracts, for example, and ministries on the domain receive the benefit of the economies of scale through those contracts. We know that we have saved at least 6 and a half million dollars to \$10 million through the use of those contracts over that time period. The key question that often comes up is not so much "is it the cheapest?" but "what's the price performance that we're getting through economies of scale on the infrastructure?" We are competitive. We benchmark regularly with market to ensure that our services are competitive. That's what we do. Certainly, we share that information regularly with

ministries and also with any other ministries that we're trying to entice to come onto the infrastructure as well.

**Mrs. Sarich:** I'll put some focus now on the registry agencies and the issue of compliance. I'd really like to get a better appreciation because there are approximately 200 registry agencies across the province that fall under your area. I'd like you to share with us this morning the actions and maybe what procedures you take when there's noncompliance. Do you believe that you have enough structures and systems within your particular area to address noncompliance and ensure and assure that the standards are being met?

10:20

**Ms Hutchinson:** In terms of the compliance for the registry agents there are two units within Service Alberta. One is called compliance and accountability. Another one is called agent support. What we do there: it's sort of a two-pronged approach that we have. Agent support is there to assist agents to understand what their responsibilities are, to provide training in terms of, you know, what our expectations are. Compliance and accountability: their role is that they go into the agent's office and say, "How compliant are you with the standards that we have set out for running your registry agent office?" On a three-year cycle every single registry agency is visited.

**Mrs. Sarich:** Is that based on a standardized metric that you're using, or is that just personal observation?

**Ms Hutchinson:** There is a system that we have. It's called CARS, and there are quite a few components that are in there that determine which registry agent is up next. It looks at it in terms of: what was your last compliance report like? That's one of the matrices in there. It looks at: have we had any issues in the past, consumer complaints or customer complaints? It looks at what your ranking was in terms of the volume of work that comes through. There's quite a lot that's in there. All that information gets fed into the database, and then we use that to determine what sort of risk we are at or a particular agent is at in terms of: should we be going out there and doing a compliance review? When the compliance team goes out there, they have quite a long checklist of items that they're supposed to be looking at. They cover a range, a gamut.

With this particular recommendation, what happened there is that in terms of the questions that were being asked when you went to do compliance, we didn't say that this particular question is more risky versus the other question, that if you fail on this particular one, it puts us at greater risk. So the recommendation was: you should be doing that. We've actually done that. We've taken a look at the questionnaire, and we've grouped them sort of logically into: "If you fail on this, you're more at risk. You need more monitoring. We need to ensure that you're more compliant." That's been our response in terms of what the AG has done.

**Mrs. Sarich:** Thank you.

**Mr. Dorward:** Back to you.

**The Chair:** All right. Well, we'll go to Dr. Sherman now. Dr. Sherman, we're not looking for policy questions here. We're looking at the last several Auditor General reports as well as the annual report from Service Alberta from last year. If you can keep to those, that would be great. Go ahead.

**Dr. Sherman:** Ten minutes?

**The Chair:** Ten minutes. You bet.

**Dr. Sherman:** Great. Thank you. First of all, I'd like to thank the ministry for a lot of good work. You have tremendous responsibility since data and information are the avenue to the future, and management of IT systems is absolutely essential. I just have a few questions. Pages 65 to 69 of the Auditor General's report of October 2012 follow up on previous recommendations made to Service Alberta about protecting information assets. The report found that while

Service Alberta had implemented eight of the original 11 IT security recommendations . . . [it] cannot fully implement the three remaining recommendations because it lacks the authority and responsibility for overseeing IT security.

What are the major government entities that Service Alberta doesn't oversee IT security for, and what are the reasons for that?

**Mrs. Rozmahel:** Service Alberta works with all ministries inside government on security. We have directives which cover all ministries in government, and we, as mentioned earlier, are doing a compliance review to see how all ministries are performing against those directives. We also have at least about 80 per cent of the ministries on our shared infrastructure. That gives us an extra ability to also monitor and protect assets that are hosted and managed by us. That's sort of the jurisdiction that we live in. We work in co-operation with other public-sector entities, and we share best practices, but we certainly don't have jurisdiction over Alberta Health or Alberta Liquor and Gaming or any of the ABCs or extended stakeholders that would be part of the public sector proper.

**Dr. Sherman:** Will you be having authority over those areas?

**Mr. Ramotar:** Right now there is no plan, but through the RBB process, the results-based budgeting process, we will be pushing towards that.

**Dr. Sherman:** Okay. Thank you.

Page 6 of the Service Alberta annual report references one of the significant achievements of the consumer services division as strengthening "payment card industry standards compliance to further safeguard clients' credit card information." That's a very good thing. Now, let's juxtapose that with page 149 of the Auditor General's report of October 2012, which states that ATB Financial is unable to demonstrate that it complies with the payment card industry's 12 data security standards. So the question: given that Service Alberta is responsible for co-ordinating IT and leading crossministry initiatives in bringing all government representatives together to promote a one-enterprise technology approach, how is it that we can have this difference between the Auditor General and the Service Alberta reports?

**Ms Hutchinson:** You said that ATB was in terms of – I don't have that documentation in front of me because I didn't brief myself on ATB's outstanding recommendations. Is it the PCI, the procurement card industry, standards?

**Dr. Sherman:** Perhaps the Auditor General can enlighten us.

**Mr. Saher:** Yes. The finding at ATB is simply that ATB cannot demonstrate it is in compliance with PCI requirements.

**Ms Hutchinson:** PCI requirements: I'll use an example to kind of explain it. When you go to Winners, for example, and you hand over your credit card and they take it and they process your information, you always get your little slip back, and all the

information has been masked out in terms of what you see. What you don't know is where that credit card information has been stored. Is it being stored in their server? Is it being stored maybe with their banking institution? PCI compliance is actually a standard that's coming down that's being driven by Visa, MasterCard, Diners Club, and American Express that basically says that anybody who's going to be taking credit card information has to ensure that that credit card information is absolutely secure.

That is completely different in terms of what Service Alberta does. We don't actually have any dealings with that in terms of our IT infrastructure, so I can't really speak to that just because they are two fundamentally different subjects. It just happens to be, you know, that you've got your information sitting on a server. It's very different.

**Dr. Sherman:** Thank you.

I'd like to go to page 4 of the Service Alberta 2011-12 annual report. It references that the ministry "signed standardized contracts with two vendors for mobile wireless products and services, with significant expected savings," possibly a 70 per cent cost reduction for the government of Alberta. I support that. I think that's a very good thing. The question: who are the vendors, and what are the values and terms of the contracts? Are you able to share that information?

**Ms Hutchinson:** Yeah. It's public, so I can. The two vendors were Telus and Bell. In terms of the savings the way the contract is structured is that it's a three-year contract. It's got some renewal periods on it. I think it's four two-year renewals. We went with two vendors just to create some competition in the market. We didn't want to be stuck with one and then eventually – I think earlier somebody asked a question about sole sourcing. This is a way that we get around it, by having two vendors in.

In terms of the pricing that information is available. I can send the committee a link. You can actually go in and see the pricing. What I do know is that it was an amazing price because at the end of the day with Telus, which actually came in at a lower bid than Bell – literally one penny per minute is what it worked out to. There are caps as well. Your data plan I think is capped at \$10. No matter how much data you have in there, on a monthly basis the most that you can charge is \$10. It's a phenomenal deal. We estimated that the cost savings for government once it's completely rolled out would be anywhere from \$6 million to \$8 million annually.

**Dr. Sherman:** Now, are those savings as compared to what you were previously spending?

**Ms Hutchinson:** Previously spending.

**Dr. Sherman:** Thank you. I think that's a great deal.

**Ms Hutchinson:** We think so, too.

**Dr. Sherman:** Now, page 39 of the Service Alberta 2011-12 annual report: if I could maybe just have you turn to that. It describes a residential tenancy dispute resolution service as offering landlords and tenants an alternative means of resolving disputes outside the courts. Again, that's a very laudable goal. You know, when you go to the courts, true justice sometimes isn't done. It's through compromise when true justice is done.

10:30

Given Service Alberta's consumer protection mandate has there been any discussion of extending this type of service to owners of

new homes and condos? British Columbia offers this type of service through its homeowner protection office. While mandatory warranties for new homes and condos are a significant improvement, there are many other disputes that arise from the construction industry and new-home purchases.

**Mr. McEwan:** Hi. It's Brent McEwan. I'm assistant deputy minister of consumer services. RTDRS has been quite successful over the years. We hear about 7,500 hearings a year through the service. We're looking at expanding the service to the south, so we're doing a business case right now to look at that. As part of that business case we're also going to look at how we handle condo disputes. We haven't touched on the new-home warranties, but that's certainly something that we could probably take a look at. I can add it to the list. We are looking at those things to add to the RTDRS mandate at the point in time and see what the business case is for taking more disputes out of the court system and how much savings we can add to that.

**Dr. Sherman:** Thank you.

How much time do I have, Mr. Chair?

**The Chair:** About three minutes.

**Dr. Sherman:** Okay. Thank you.

Let's go back to page 4 of the Service Alberta report. In the message from the minister the annual report references that the ministry "completed expansion of Alberta Health Care Insurance Plan Registration Services through the registry agent network, enabling Albertans to access Alberta Health Care Enrolment at 106 registry agent sites across" the province. My question: is this service provided free of charge to registrants, or is there a fee applied? My understanding is that there's no fee applied if you apply by mail.

**Mr. Mudryk:** We'll have to get back to you on that one because I'm not sure exactly what that fee structure is at this point in time.

**Dr. Sherman:** Okay. Thank you.

Second question: are there any plans to eventually expand this service to all 208 independent registry offices across Alberta, and if so, when might that occur?

**Mr. Ramotar:** Well, you know, I'm new to this ministry, and one of the things I want to do is to review most of the programs from scratch, starting with a clean slate approach. One of the things that we're going to be doing when we look at registries is to look at the service that they are providing and how the services are being provided. I think we have a tremendous opportunity to look at online services. I think we also have a tremendous opportunity to look at services that are provided in other departments that could be done through a service centre, meaning things like the registries. The short answer to your question is yes. Do we have a timeline for it? Not at this time, but I'm hoping that within 18 months we can get there.

**The Chair:** All right.

Thanks very much, Dr. Sherman. Great questions.

**Dr. Sherman:** Thank you.

**The Chair:** We'll go back to the government side.

**Mr. Dorward:** Thank you.

Ms DeLong, I'm not able to make eye contact with you through the phone system. Do you or Mrs. Fritz have any questions?

**Ms DeLong:** Actually, I've got a very short and direct question. There's been quite a bit of talk already about using a single IT governance and control framework for computer systems. My interest in this is that the government be able to work as a single entity, to be able to essentially do things like change the composition of departments. Without a single system it becomes very difficult. I've heard a lot of dancing around and talking about it, but could you give us the specifics as to where the holdouts are, where the problems are in terms of moving forward with a single system?

**Mrs. Rozmahel:** As mentioned, we've made a lot of progress over the last few years. There are still a few ministries that are working through what it would mean to them to come onto the single systems or the consolidated infrastructure. I don't have at this time a specific timeline as to when we will be doing that. It is a topic of review at results-based budgeting, which is under way right now. We are assessing the entire organization from an infrastructure perspective.

I think you will see again a push through those recommendations through RBB to push it along, and then it will be basically a negotiation with those remaining ministries and entities to get them on.

**Ms DeLong:** I was really hoping that I could find out which ministries are the holdouts. Is that at all possible?

**Mr. Dorward:** That's pretty close to policy. I don't know.

**The Chair:** That's a very reasonable question. Jay, could you please answer it?

**Mr. Ramotar:** Well, you know, it's a fine line, in my opinion. I can tell you that there are four departments. We are working through the results-based budgeting process and trying to move towards consolidation and standardization and bring those people from an independent domain to the government domain. If I name them, I'm not sure whether it's going to help in my negotiations with them, though. I can provide the chair with the names.

**The Chair:** This is a public body, and we understand that you have to negotiate with them and all that, but we need to know that to do our job, to be able to follow up with those departments to make sure that they're complying with requests that will make them more accountable, transparent, and spend our money wisely. If you could provide those names, that would be good.

**Mr. Ramotar:** I'll be providing the information through you.

**Ms DeLong:** Okay. Thank you very much.

**Mr. Anglin:** Are we going to make that a matter of public record? I mean, where I sit, you can imagine, I'm not agreeing with the vice-chair. I think that should be a matter of public record, who these other ministries are. Is that going to be a part of the public record?

**The Chair:** Yeah.

**Mr. Anglin:** Okay.

**The Chair:** I mean, I would assume that if Mr. Ramotar knows the names now, he could provide them. If he'd like to provide them in written form, that's fine as well.

**Mr. Saher:** If it would help, I'm prepared to let you know which the departments are. It's quite factual information.

**The Chair:** Thank you very much. I appreciate that.

**Mr. Saher:** It'll be an incomplete answer. I can give you three of the four. Three are the Department of Energy, the Department of Education, the Department of Enterprise and Advanced Education. I'm sorry; at this moment I don't know which the fourth is.

**The Chair:** Mr. Ramotar, could you supply the fourth?

**Mr. Ramotar:** Go ahead, Kate.

**Mrs. Rozmahel:** The fourth department is the Department of Human Services.

**The Chair:** Thank you very much for that. I'm sure that we'll make sure to follow up as we go forward.

Any other questions from the government side?

**Mr. Dorward:** Yes. Mr. Quadri has a quick question.

**Mr. Quadri:** You know, I think our ministry uses the network of 227 agents or agencies. Based on the population growing in Alberta, do you think that we need more agencies or agents to serve the communities?

**Mr. Mudryk:** Yeah. Currently in operation we have 227 registry agents across the province. What we do on an annual basis is review demand in certain parts of the province where there is no agent close or the proximity is starting to be far to drive to. We do have an expansion policy that we are updating with the two associations, and we're close to finalizing that policy. We're probably looking at about two or three parts of the province that may need additional agents. We're always looking at that, and we have an ongoing process that we look at that, where new agents' offices that need to be located.

Thank you.

**Mr. Dorward:** Ms Pastoor.

**Ms Pastoor:** Thank you very much. It's a bit of a follow-up on the questions that were previous to this. What are the thoughts around the IT system being actually a true stand-alone entity? It would be for the government, at which point everyone would be under that, but it's a true stand-alone entity doing our own storage.

My other question would be: how long are these files kept before whatever it is that you do to them when they're in cyberspace or in the clouds or wherever they are? I like them on the ground.

10:40

**Mrs. Rozmahel:** Yeah. Me too.

To answer your first question, as part of the results-based budgeting we are looking at all of our options for how we'll provide technology services. You know, right now we're focused on ministries, but we need to take a look at how extensible that infrastructure and our services are to the broader public sector. That will be a conversation that happens through the RBB process. The final result of that will be something that is derived through that process.

With respect to your question on files and how long we store them, every application has different archiving requirements. Some applications will archive their records for a long, long time, particularly if they are records that need to be looked at into the future. I'll give you an example, which would be records around children who are in foster care or in some sort of need for services. We keep those records for up to 99 years because that's

how long someone could be alive, and they need to pull the records. Other records are purged more regularly, and we do that because we don't want to have extraneous records and archives around that we don't need and because we try to manage our costs for storage.

**Ms Pastoor:** So the conversation is possibly taking it out of a ministry and actually being a stand-alone entity for the government.

**Mrs. Rozmahel:** There are many options and models that are used for how you deliver technology services. Right now we are running the service through a federated model, so we have a central agency, which is Service Alberta, which, essentially, sets standards and policies. It also runs most of the common infrastructure that is shared on a utility basis. Applications which are closer to the line of business are managed by the ministries, and that's appropriate because the applications need to be agile and sensitive to what's happening in the business areas.

**Ms Pastoor:** Thank you.

**Mr. Dorward:** Just a real quick question by Mr. Allen.

**Mr. Allen:** Thank you, Mr. Deputy Chair. Just very quickly, you talked about the other agencies that haven't yet joined. It's the other 20 per cent, I guess. Can you identify what known or perceived disadvantages there may be for them to join in with the Service Alberta network that would cause them, I guess, to be hesitant or reluctant to make that change?

**Mrs. Rozmahel:** Oh, certainly. I think there are a couple that are important to know. Moving a ministry from their current infrastructure to the corporate infrastructure can be disruptive. Any time you do any kind of a major technology change, there's change in the environment. There's a need for users to test and to change the way they operate. So there's a disruption factor that needs to be considered.

I think you may hear rumblings at perhaps the service level that the corporate level isn't as strong or as customized as you would find at a ministry-specific level. That's in dispute, but that would certainly be what you might hear.

And, of course, there's cost. Do you direct cost to doing a technology change, or do you direct cost into doing programs and services in the ministry?

**Mr. Allen:** So then, obviously, if they already have a fairly good, strong network in place, you're essentially throwing away one system to join the other, or is that infrastructure transferable?

**Mrs. Rozmahel:** No, it's not. The issue is duplication. Again, it's a question of, you know, how many e-mail systems do you need? How many duplicate networks do you need?

The question was well spoken earlier. When you're on the same infrastructure, there's a level of agility and flexibility that you don't have when you're on different infrastructure. When you rearrange government and people move around different ministries, it's much easier if they're all on the same network and on the same infrastructure versus having to move people from one infrastructure to the other. As we restructure government or change government, that's certainly a cost and a level of effort that's often underestimated.

**The Chair:** All right. Thanks for that.

That in total is 32 minutes for the government, so that's very good.

We'll end up with Mr. Fox. You'll have about nine and a half minutes.

**Mr. Fox:** Thank you, Mr. Chair. I'm going to take the first five and then let my colleagues over there take the rest. Mr. Sherman brought up an interesting question on the Alberta health care insurance plan through the registry agents.

I know of a registry agent in southern Alberta whose community is requesting that he continue to offer this. Now, when it was rolled out, there was no cost associated with it, but now the Alberta Health ministry is charging a fee to that registry agent of about \$16,000 a year. Because of that charge they can no longer offer that service at a profit to the company. It's actually costing them to offer that service. I'm wondering if there's any work within the ministry to work with Alberta Health to get rid of that cost so it can be shared across the 106 sites in Alberta.

**Mr. Mudryk:** Yes. There is a particular agent in the province; that situation has been brought to our attention. We have been working with our colleagues in Alberta Health to see what we can do, look for solutions to that situation. So that is work in progress. We're definitely aware of that.

If I can address the committee on the previous question, registry agents do not charge for health care registrations. Just to verify that.

**Mr. Fox:** Thank you.

In the province of Alberta the population is growing quite significantly, so I'm wondering what procedures, what processes are under way within the ministry right now to extend that registry network.

**Mr. Mudryk:** Could you repeat the question, please?

**Mr. Fox:** The province of Alberta is growing. The population is growing. The number of registry offices in the province is static right now. What is the plan of action within the ministry to extend that network?

**Mr. Mudryk:** We have been working with both the Association of Registry Agents and the AMA over the last few months on an expansion policy because they both provide those services across the province. We have, basically, two policies that have been developed, and we're just aligning those policies right now. As a result, new areas have been identified. We right now probably have three identified in the province that do need new agents. We are now going through the business case to look at those, and once that business casework is finalized, we'll proceed to recruit an agent in those areas.

**Mr. Fox:** Is there any timeline on that?

**Mr. Mudryk:** I would anticipate probably in this upcoming calendar year.

**Mr. Fox:** Thank you.

In the performance measures that were set out in the report that was given to us, I'm curious to know if significant outliers like Quebec were taken out of the information when doing the calculation of where Alberta sits within its own performance measures. Like, right now Quebec is almost double the rest of the provinces. So when we're talking about the fees associated with drivers' licences, where do we actually fall? Were those outliers taken out?

**Ms Hutchinson:** No. We did not take out the outliers. Our performance measure is against the average across Canada, so the province of Quebec was included in our calculations.

**Mr. Fox:** My last question is on the renewal of the veterans' licence plates. They were raised to \$75. Is there a reason for that?

**Ms Hutchinson:** You're referring to the fee increase that happened, I think, in April 2011. Basically, what happened there is that as we've been talking about costs and IT costs, our IT costs escalated over the last couple of years prior to doing the fee increases. By increasing the fees, all we were doing was sort of keeping abreast in terms of what the cost is to provide that service.

**Mr. Fox:** One last question, then. There was a KPMG report done by the registry offices in the province. Their costs for delivery have increased, yet they have not seen a rise in fees or a rise in payments associated with it back to them. Is there any work within the ministry to address this?

**The Chair:** Mr. Fox, that is a fantastic question for question period. It is absolutely asinine that they haven't been allowed to get that fee increase. However, it is a policy question.

**Mr. Fox:** Thank you.

**The Chair:** All right. Mr. Anglin.

**Mr. Anglin:** Just a follow-up, actually, to a question that I think you're going to get back to us on. You may be able to answer it here. It has to do with the fees on FOIP that are actually used with other departments or other ministries. You're going to get back to us with the total fees, but are there mechanisms in place to ensure that there is consistency on how the act is applied? I've had the opportunity to actually work within the guidelines of the act through various ministries. What I would really like to know is: is there any mechanism in place to ensure that there is consistency? Are there reviews that are undertaken, or are there any performance measures that are always tracked to make sure that each ministry is actually doing what it's supposed to do with regard to this program?

**10:50**

**Ms Landreth:** With reference to specific oversight for consistency the FOIP co-ordinators across government and the public entities who are accountable under FOIP meet together regularly to establish as clearly as they can an understanding of the application of the act. Having said that, though, I think you identify something that we're already aware of, which is why we will be undertaking a review of the FOIP Act in the coming year in order to address some of the discretionary interpretation that seems to be applied.

I don't really think I should get further into it. We're right at the very beginning of that process, but this issue that you've identified is understood, and we're going to try and find a way of refreshing that element of measurement and consistency.

**The Chair:** Go ahead, Mr. Anglin. Tread carefully.

**Mr. Anglin:** I'm done.

**The Chair:** Okay. Any other questions from Wildrose members?

**Mr. Dorward:** Can I squeeze one in?

**The Chair:** You bet.

**Mr. Dorward:** All right. Just before the clock ticks, let's go to page 34 of the financial statements. In the tangible capital assets, note 7, for 2012, SuperNet had no additions there. Is there a comment you can make? When I see no additions for something like SuperNet, does that tell me something, that there's been no money allocated to that? Is that an issue?

**Ms Hutchinson:** No, it's not an issue. What you're seeing in the financial statements is the actual cost of the asset. We do incur operating costs in terms of running SuperNet and ensuring that the departments and ministries that use SuperNet do incur those costs. Where that's showing up is actually in the statement of operations, under the program called network services.

**Mr. Dorward:** Thank you. On page 41 \$400,000 was added to the budget for registries. What was that? I don't think there's a reference there. Is it possible to dig that up? We're talking about page 41.

**Ms Hutchinson:** What that is is that during the course of the year Service Alberta went to Treasury Board and got approval for \$400,000 to assist us in terms of planning a refresh for the land titles system. That's what that money was used for.

**Mr. Dorward:** Thank you.

**The Chair:** All right. If there are any others that have questions they'd like to read into the record, now would be the time. Are there any? Yes, Ms Calahasen.

**Ms Calahasen:** Thank you very much. On page 35 of the annual report there is something like \$348 million in contractual obligations. What is the nature of these contracts? I see "delivery of technology and network services." What is that comprised of?

**The Chair:** Okay. That's one. Any other questions you'd like to read in to get a written response?

**Ms Calahasen:** Yeah, I would, actually.

**The Chair:** Go ahead.

**Ms Calahasen:** On page 38 there are revenues generated from fees and licences, and those increased by almost \$78 million over 2010-11. Could you tell me what the factors are that contributed to this increase?

Thank you.

**The Chair:** Thank you.  
Any others? Mrs. Sarich.

**Mrs. Sarich:** Thank you very much, Mr. Chair. Does Service Alberta have the authority to require that ministries utilize the shared services it offers? If not, where does that authority lie?

Does Service Alberta believe that they have all of the structures and systems to deliver what is expected to have that authority, which is tied to your mandate?

Thank you.

**The Chair:** Any others? Fantastic.

So there were three questions there. I think one got answered, but there are two questions left. Mr. Ramotar, could you provide a written response for those when you have a chance?

**Mr. Ramotar:** Sure.

**The Chair:** Thank you very much. We'll post those to the committee website as soon as we have them.

I'd like to thank the department for coming today – very, very good discussion – and also the Auditor General and his staff.

Before we wrap up for the day, I'd like to mention to committee members that Alberta Enterprise and Advanced Education did get back to our committee clerk with responses to the follow-up questions asked by members back on December 5. They have been posted to the internal committee website if you'd like to go through them.

Over the break the office of the Auditor General submitted a response to a question asked by Dr. Sherman back on November 7, 2012. A response was also submitted from the office regarding a question asked during the premeeting briefing in regard to the jurisdiction of the Auditor General. Both responses have been posted to the internal website. Take a look if you'd like.

As a final point, all future follow-up responses from government departments will be uploaded under the Follow-up Responses section, which can be found on the left-hand side of the Public Accounts internal committee website. All responses received so far have already been moved there. So that's where you go from now on.

Is there any other business that committee members wish to raise at this time? Yes, Ms Calahasen?

**Ms Calahasen:** Actually, I just wanted to say thank you for all the information that has been provided and the responses that have been posted. I really appreciate that because I think it's important for us to be able to get that information. Thank you very, very

much to the departments and to yourself as chair and our vice-chair and, of course, our clerk.

**The Chair:** Thanks, Ms Calahasen. A compliment from you is enough to make any man blush.

**Ms Calahasen:** There's lots of love.

**The Chair:** That's right. There is lots of love.

Our next meeting will be on Wednesday, February 27, 2013. We will be seeing the Ministry of Environment and SRD. The prebriefing will again be at 9 a.m. in committee room B, with the main meeting starting at 9:30 a.m. in committee room A. Following the meeting, we will go back to our regular 8 o'clock briefing and 8:30 main meeting time slot every Wednesday morning during session.

The vice-chair, myself, Dr. Sherman – perhaps you on behalf of your colleagues; I don't know if we have a representative from the fourth party – and our Auditor General have a meeting right after this, just to remind you, on the working group meeting for who we're going to invite going forward.

If a member would like to move that the meeting be adjourned, we will go there.

**Ms Fenske:** Yes.

**The Chair:** Ms Fenske, with an enthusiastic motion. All in favour? Any opposed? Carried.

Thank you very much, everyone.

[The committee adjourned at 10:58 a.m.]





