



Legislative Assembly of Alberta

The 30th Legislature
Fourth Session

Standing Committee
on
Public Accounts

Monday, January 9, 2023
1 p.m.

Transcript No. 30-4-4

1 p.m.

Monday, January 9, 2023

[Ms Phillips in the chair]

The Chair: Okay. I'd like to call this meeting of the Standing Committee on Public Accounts to order and welcome everyone in attendance. My name is Shannon Phillips. I'm the MLA for Lethbridge-West. I am the chair of this committee.

I'll ask that members and those joining the committee – actually, there aren't any except for the LAO staff – to introduce themselves for the record, and we'll start with the deputy chair.

Mr. Turton: Good afternoon, everyone. Happy New Year. My name is Searle Turton, MLA for Spruce Grove-Stony Plain and deputy chair of this committee.

Mr. Hunter: Grant Hunter, Taber-Warner.

Mr. Schmidt: Marlin Schmidt, Edmonton-Gold Bar.

Ms Renaud: Marie Renaud, St. Albert.

Ms Pancholi: Good afternoon. Rakhi Pancholi, Edmonton-Whitemud.

Ms Robert: Good afternoon. Nancy Robert, clerk of *Journals* and committees.

Mr. Huffman: Warren Huffman, committee clerk.

The Chair: Thank you.

Now we'll go to those online. Member Singh has his camera on. Please go ahead with introducing yourself for the record.

Mr. Singh: Good afternoon, everyone. MLA Singh, Calgary-East.

The Chair: Okay. We'll go with Member Lovely.

Ms Lovely: Good afternoon, everyone. Jackie Lovely, Camrose constituency.

The Chair: Okay. Then we'll go to Member Yaseen and then Member Stephan, please. All right. Here's what we're going to do. For Member Stephan and Member Yaseen we're going to move – oh, there he is.

Mr. Stephan: Member Stephan, MLA, Red Deer-South. Thanks.

The Chair: Very good. Thank you, Member Stephan.

We'll give Member Yaseen one more chance to introduce himself for the record. If that does not happen, then as soon as he can, send a message to the clerk or somehow in another way. Message me, and we'll make sure that that happens. All right? Very good.

A few housekeeping items to address. The microphones are operated by *Hansard* staff. These proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. Those participating by videoconference are encouraged to please turn on your camera when you're speaking, mute your microphone when not speaking, and members participating virtually, as discussed, please send a message to the committee clerk and members in the room to signal to the chair or committee clerk if you wish to speak.

We'll now move on to consider the agenda. Friends, are there any changes or additions to the draft agenda that you have before you? Looking to the room and online. Seeing none. If not, will someone like to make a motion to approve the agenda. That is moved by Member Turton. Is there any discussion on this motion? Seeing

none, I'll call. All in favour? Are there any opposed? Thank you. That motion is carried.

Hon. members, we have the approval of the minutes next on the agenda. We do have the minutes in front of us from our December 20 meeting. Does anyone have any errors or omissions to note? Looking to the room. Seeing none, so I'll ask for a motion to approve the minutes of the December 20 meeting of the Standing Committee on Public Accounts. That is moved by Member Pancholi. Thank you. Is there any discussion on this motion? Seeing none, I'll look to the floor for all in favour. Any opposed? Thank you. That motion is carried.

Mr. Yaseen, I see that you have rejoined the meeting. Are you able to introduce yourself for the record?

Not quite yet. Might have some tech difficulties, but I don't think we're on the verge of quorum or anything, so I think we're okay.

I didn't hear any votes online one way or the other, so I'm going to just take that as agreement.

All right. Very good. We are on to agenda item 4, hon. members. At our last meeting with the office of the Auditor General to review the November report and the reports that had come out by June 2022, we heard about the progress of a number of ministries made in response to the Auditor General's recommendations, and as per past practice of this committee the committee often invites ministries to the committee for a meeting to discuss their progress on recommendations and follow up on the recommendations.

With budget estimates debate in March it may be a good idea to meet with some ministries prior to session beginning. So I'd like to open the floor to a discussion on this matter, on inviting some ministries to a future meeting of the committee.

I recognize Member Pancholi.

Ms Pancholi: Thank you, Madam Chair. I'd like to put forward a motion. I believe the committee clerk may already have the wording of the motion, so we'll put that up on the screen, and then I'll read it out for the record.

I move that

the Standing Committee on Public Accounts invite officials from the ministries of Skilled Trades and Professions; Jobs, Economy and Northern Development; and Treasury Board and Finance to meet with the committee on Tuesday, February 7, 2023, to respond to the November 2022 Auditor General report and that the speaking time allotment with respect to each ministry be as follows: 10 minutes for the ministry's opening remarks, 15 minutes for questions from the Official Opposition caucus, followed by 15 minutes for questions from the government caucus, and 10 minutes for questions from the Official Opposition caucus, followed by 10 minutes for questions from the government caucus.

If I may speak to the motion, Madam Chair?

The Chair: So that motion is now moved, and it requires a seconder.

Mr. Huffman: No.

The Chair: No, it does not. Okay. Thank you for that. Learned something new.

I will entertain the speakers list now. Okay. I've got one. I've got Pancholi on the speakers list. Please.

Ms Pancholi: All right. I just want to take a moment to speak to the motion that I put forward. Just a few weeks ago, at the end of 2022, this committee heard from the Auditor General about serious issues with the delivery and verification of the small and medium enterprise relaunch grant, also known as SMERG, which was overseen by the ministry of jobs, economy, and innovation at the

time, and the emergency isolation payments, which were overseen by the ministry of labour at the time. We all understand – I think we expressed this at our last meeting – that these payments were made to Albertans during an emergency, the initial stages of the pandemic and moving forward into the following waves of the pandemic, and there were bound to be some issues with those payments. We learned, however, that these programs were designed essentially to be pay first and verify later, so funds were distributed and verification of eligibility for those funds was determined later.

However, what we heard from the Auditor General was that when the government went to verify eligibility, the results were not good. For example, with respect to SMERG the spot audit found that 52 per cent of firms that were paid were actually ineligible for that program or for that grant. As of the fall of last year the government had reported – at least this is what we heard from the Auditor General – that they did not know how or if they would recoup that money.

The revelations made by the Auditor General generated significant media attention around how those programs were administered and why there was no sort of verification of how those funds were distributed after the fact. Reasonably, the public has questions, the Official Opposition has questions, and even some comments from the government side indicated that the government members also have questions about how these funds were distributed and what has been learned in terms of lessons. We are putting forward this motion, the motion that you have before you, to call three ministries, the three ministries named in the motion, for shorter than normal meetings just to simply ask some questions about the verification process, what lessons have been learned as we go forward.

We are mindful that these two programs were actually application-based programs and that verification was challenging, but as Albertans know, just announced today and confirmed today, the government's \$100 affordability payments will also require an application and will require verification. Reasonably, given that the government plans on spending hundreds of millions of dollars, if not over a billion dollars, actually, in terms of these affordability payments, we believe that the Committee on Public Accounts must understand what lessons were learned from these emergency payments so that we ensure that those same problems don't happen again. That is why we are proposing to bring these ministries before this committee to ask those questions.

The Chair: All right.

I see Member Turton.

Mr. Turton: Yes. Thank you very much, Madam Chair, and thank you very much to the hon. member for the motion put forth regarding the schedule. I also have many questions that I want to be able to ask the respective ministries. I think that it's important for the public to know. However, I do have a couple of concerns, two concerns specifically. Number one has to do with the actual timing in terms of providing adequate notice to the relevant ministries so that they can prepare and we can make sure that our next Public Accounts meeting is fruitful with the information available for our questions.

Number two, the second question I have really has to do with a concern regarding TBF coming before the committee in February. A budget is coming down the tubes here at the end of February, and many members of that ministry are going to be very much tied up with making sure that that work is done, so what I would actually like to do is propose an amendment to the motion. I can read it here, or you might have it up already. All right. I'll read that in: that the

Standing Committee on Public Accounts invite officials from the ministry – oh, sorry; that's the motion. I'll do the one below. That'd be awesome, actually, if we did that. That would be quite humorous.

Anyway, my amendment is that

the motion be amended by striking out "ministries of Skilled Trades and Professions; Jobs, Economy and Northern Development; and Treasury Board and Finance to meet with the committee on Tuesday, February 7, 2023" and substituting "ministries of Skilled Trades and Professions and Jobs, Economy and Northern Development to meet with the committee on Tuesday, February 14, 2023."

I guess, just to speak to that – sorry – real briefly as well, I find that by putting in the amendment, it provides adequate notice to the ministries to prepare for the Public Accounts meeting. It gives them, actually, a little bit more than the required amount of time yet really focuses on the areas that I know that the opposition as well as our government caucus members have an intense number of questions about, so I'm urging everyone on the committee to accept the amendment.

Thank you.

1:10

The Chair: Yes.

Ms Pancholi: Thank you, Madam Chair. I'd just like to respond to the member's amendment. Only in Public Accounts would accidentally reading the wrong motion out be humorous, but I suppose it is a little humorous for this crowd. I will note that, you know, it is pretty standard to give four weeks' notice to ministries before they appear. We've done that in the past; we like to give that. We believe that February 7 would allow for that four weeks. I would be expecting that these ministries – particularly Skilled Trades and Professions and Jobs, Economy and Northern Development – should be well prepared to speak to the issues of the SMERG program as well as the emergency isolation payment program. They clearly just went through a review by the Auditor General. I see no reason why they would need more time to prepare to publicly discuss what they have done to address the issues outlined by the Auditor General. I believe that that should be enough time, and while I do appreciate that the Ministry of Treasury Board and Finance is busy with developing Budget 2023, their key responsibility ultimately is controlling public funds. This is what this committee meeting is intended to do: to look at the expenditure of public funds and provide that transparency and accountability to Albertans – it's why the office of the Controller is located in TBF – and to provide that central oversight. At issue is perhaps hundreds of millions of dollars that were sent to ineligible Albertans and why it has not been recouped.

It's only reasonable that Treasury Board and Finance could spare one hour and join this committee, I believe, on February 7, but if the government is certain and the government members are certain – and, of course, we will happily take them at their word for this – that it is practically impossible for TBF to come, then, although we think transparency is important sooner rather than later, we do support some transparency. I think that's all, I guess, we can ask for at this point as opposition members. If that is the case, that for TBF it is practically impossible to appear before this committee on February 7 but TBF is available on February 14, I can say that I believe we can grudgingly accept this amendment.

The Chair: All right. Thank you, Member Pancholi.

I'm just going to revert back to the folks online and ask if Members Yaseen, Toor, and Panda would like to introduce themselves for the record.

Mr. Toor: Hello. Good afternoon. MLA Devinder Toor, Calgary-Falconridge.

The Chair: Thank you.
Yes, go ahead.

Mr. Yaseen: Finally. MLA Yaseen, Calgary-North.

The Chair: Thank you.

Mr. Panda: Madam Chair, Happy New Year. MLA Prasad Panda, Calgary-Edgemont.

The Chair: Thank you to the hon. members. We have an amendment on the floor. Just to be really clear about what the amendment says and what the outcome is, if there's any confusion, it is that the motion be amended by striking out the ministries of Skilled Trades and Professions; Jobs, Economy and Northern Development; and TBF and substituting ministries of Skilled Trades and Professions and Jobs, Economy and Northern Development to meet with the committee on Tuesday, February 14, and striking out TBF entirely. That is the amendment, so thank you for that.

I will look to the floor for any other speakers to this amendment. We are on the amendment. Looking to the floor.

Seeing none, I will now call for the vote on the amendment first. Looking to the floor, all in favour of the amendment? Thank you. Any opposed? Thank you.

That amendment is passed.

Now we'll go to the motion as amended and look to the floor for all in favour. Are there any opposed? Okay. Good.

That motion is carried.

Seeing none, we will now move on to number 5, the spring 2023 committee meeting schedule. We do need to make a new meeting schedule because the substance of the motion that we passed at some point last year, in 2022, only took us to the end of the calendar year of 2022.

A document was posted on the committee's internal website outlining the '21-22 annual reports that the committee has not yet reviewed. The document also indicates the last time the ministry met with the committee and their number of outstanding recommendations.

At this time I will open the floor to any comments, questions, or motions in relation to the spring '23 committee meeting schedule. Seeing Member Schmidt. Please.

Mr. Schmidt: Thank you, Madam Chair. I have a motion that I'd like to put forward that I believe the committee clerk has: that the Standing Committee on Public Accounts invite officials from the ministries responsible for the following annual reports to meet with the committee to discuss that annual report and any outstanding recommendations from the Auditor General: Justice and Solicitor General 2021-22 annual report on Tuesday,

February 14, 2023, and labour and immigration 2021-22 annual report on February 21, 2023.

The Chair: Okay. We have a motion that has been moved, and it is up on the screens for everyone to review. Is there any discussion on this motion?

Mr. Schmidt: I want to thank the committee for the opportunity to move this motion. We expect a spring election, and we also expect a budget to be tabled very soon, which means that there is not a lot of time left in this committee to do the work that we are tasked to do, but I do believe that we should do all that we reasonably can with the time remaining, and that's why I am putting forward this motion.

It was discussed at the subcommittee on scheduling and therefore shared well in advance with government members. We proposed two meetings to discuss the annual reports of the ministries in the motion. These are two ministries who have not attended for the longest period of time as per the custom and tradition of this committee, and I hope that all members will support this motion.

The Chair: I'm just looking to the floor and online if there's any further discussion on this motion. All right.

Seeing none, then, we will now call for the vote. I will look to the floor. All in favour? And I'll look online. All in favour? All right. Are there any opposed? And I'll call online. Are there any opposed? Seeing none,

that motion is carried.

Thank you.

Now we will move to the other business portion, agenda item 6. Are there any other items for discussion at this time?

I will note for the record that the committee received a written response from Advanced Ed to the questions raised at our December 6, 2022, meeting. As per usual those will be made publicly available on the Assembly website.

The date of our next meeting will be February 14, and I think what we can do, then, is that the subcommittee will put our heads together to see if there is a time of day. If we are not in session, we don't necessarily need to meet at 8 a.m. Look at that magnanimity.

Mr. Turton: What? Like 7 a.m.?

The Chair: 7 a.m. is better; 7 is a better scheduling time.

We will notify the committee participants and ensure that the departments are given the adequate notice as well if we are, indeed, out of session.

I will now look to the floor for a motion to adjourn. I see Member Pancholi has moved that the meeting be adjourned. All in favour? Any online? Very good. Thank you. Are there any opposed to the motion to adjourn?

All right. Seeing none, the committee is now adjourned. Thank you.

[The committee adjourned at 1:20 p.m.]

