

8:30 a.m.

Wednesday, November 2, 1994

[Chairman: Mrs. Abdurahman]

MADAM CHAIRMAN: I'd like to call the Standing Committee on Public Accounts to order.

Could I have approval of the agenda, please? Moved by Carol. All in favour? Any nays? It's carried unanimously.

Approval of the minutes of the October 26, 1994, committee meeting. Are there any errors or omissions? If not, could I have a motion to accept the minutes as circulated? Moved by Alice. All in favour, say aye. Any nays? Carried unanimously.

Once again I have the pleasure of welcoming Mr. Andrew Wingate, the Acting Auditor General, and also Nick Shandro, who is the Assistant Auditor General, and welcome to Ken Hoffman, who is senior director. At this time I would like Mr. Wingate to introduce the new document with opening remarks, please.

MR. WINGATE: Thank you, Madam Chairman. I'd like to make a few opening remarks concerning the office's document on government accountability. Just as soon as I've finished this introduction, I will ask Corinne to distribute the document. The main reason we developed this booklet was for the benefit of the staff of the office. We needed a consistent understanding of accountability issues. Having developed the document, we decided there would be benefit from sharing it with our clients in order to open a dialogue on the subject of accountability. In this way we hoped to advance the thinking on this important subject. As clients provide us with feedback and as our knowledge and experience of the subject improves, this document will be revised. In other words, as and when better ideas are developed, they will be incorporated.

The booklet represents our opening contribution to the development of an Alberta accountability framework. Since the Public Accounts Committee is the office's most important client, I would welcome your views and advice on the document. I'd like to stress that in our view accountability is all about improving the economy and effectiveness of government operations. It's about measuring performance in pragmatic times. As I said last week, in most situations a few key performance measures can tell you a great deal about the economy and effectiveness of a government program.

With your permission, Madam Chairman, I'd like to ask Ken Hoffman to say a few words about the booklet. Ken was the tool-push on this project.

MADAM CHAIRMAN: Thank you.
Ken.

MR. HOFFMAN: Madam Chairman, people with responsibility ask others to assist them. They delegate authority. Those carrying out the work should be held accountable for their performance. If people who delegate authority don't assess performance, they're abdicating their responsibilities. In short, the difference between delegation and abdication is accountability.

In chapter 1 we discuss this concept. We also stress that accountability is about the relationships between people. I believe that since we often speak about systems, reports, data, and plans when we discuss accountability, we lose sight of this simple truth. In chapter 2 we elaborate on the guidelines which were reproduced in the latest Auditor General's annual report. For example, we explain what we mean when we say all forms of accountability reporting should present information on outputs.

There are some key points in the guidelines that I want to draw to your attention. Accountability information must be useful to the members of the Legislative Assembly and the public. For this reason it must be concise and focused. Financial reports should include supplementary performance information. Ministers should table consolidated accountability reports which include all the entities that report to the minister, and an organization's internal and external accountability information should be provided by the same system. In this way, the performance objectives of the public servants will be compatible with the goals of the government. In our view there are five basic steps to an accountability process. These steps are: set measurable goals and assign responsibilities, plan what needs to be done to achieve the goals, do the work and monitor progress, report on results, and evaluate and provide feedback. These steps are illustrated in a diagram on page 13. There are also 13 guidelines, so I hope nobody's superstitious.

Finally, chapter 4 provides a glossary of terms. Common sense should not be confused by the development of new terms for old meanings. In preparing this booklet we looked for the common meanings for terms and listed them. We hope this will assist in clarifying the language.

Madam Chairman, that concludes my overview of the document. Andrew has a final comment.

MADAM CHAIRMAN: Thank you very much.
Andrew.

MR. WINGATE: Madam Chairman, accountability isn't about moral rectitude and ethics commissioners, accountability isn't a sophisticated scheme designed by auditors who want to build empires and intrude into policy matters, and accountability isn't an expensive way to make question period agonizingly difficult. Accountability boils down to improved information for better decisions. The North American car industry started to turn around when it got serious about measuring and comparing the cost and effectiveness of its products. Likewise, to reduce the cost and improve the effectiveness of government programs you need information that measures performance and enables comparison with other governments and the private sector.

Thank you, Madam Chairman.

MADAM CHAIRMAN: Thank you very much for those opening comments. I am superstitious, but it so happens 13 is my lucky number.

I would like to open it up for questions. I will remind you that we now have two documents. We have the annual report of the Auditor General, that we dealt with last week and we'll continue to deal with this week, plus the one that Corinne is circulating on accountability.

I need some direction. Gary, do you wish to start questioning, or Carol?

MR. FRIEDEL: It doesn't matter. Did she have her hand up first? We're democratic here.

MADAM CHAIRMAN: Yes, she did.
Carol.

MS HALEY: Thank you, Madam Chairman. As I haven't seen the other book, my question is based on the first one we received. On page 77 of the report you state that the main thrust of your recommendations for the Department of Health was that "health programs need to be defined in a way that is useful to measuring

performance.” Do you see the restructuring to date of the health care system having any positive impact on the reporting and measuring of the performance of the system?

MR. WINGATE: I think that obviously when operating within a region the region is in a much better position to assess the health care needs of the region, and therefore the outputs that are required are perhaps easier to define than they would be if you were working on a central system, but part of our concern is that the concentration on the regionalization of health care in some way could detract from this question of relating costs to outputs and effects. In other words, we feel that relating costs to outputs in health care is desperately important, and that should be progressing at the same time that the regionalization of health care is going ahead.

Nick, do you want to supplement my answer?

MR. SHANDRO: Right. My observation from the past has been that defining outputs is quite a difficult task, and it needs a great deal of thought. I know that in previous endeavours when the department tried to define outputs in conjunction with hospitals – hospitals were requested to define outputs – there was a great deal of difference in terms of how they described what their outputs were. In many cases their outputs looked more like inputs than outputs. So it’s not an easy task to deal with. I think the regions will have to work together to reach definitions of what outputs are, because some of the procedures in medicine and so on don’t vary because of a region; they’re the same region. Some regions may need more of a particular output than other regions, but when you were talking about the same thing, it ought to be defined consistently across regions.

8:40

MS HALEY: Well, as you originally said, the regions would be in a better position to measure the needs of that particular area, and as we have 17 regions – and I don’t actually agree with you that all their needs would be the same – the next problem that enters into it from my point of view is that we have 17 regions defining output measurements. How do we deal with that?

MR. WINGATE: In suggesting, of course, that there’s a requirement to co-ordinate the definition of outputs between regions – and I think that’s so – I hope we didn’t create the impression that the health needs within the regions were the same. It’s just that there will be procedures which will be the same to deal with certain health care treatments, and I think that’s what Nick was referring to.

MR. SHANDRO: If I created the impression that needs were the same, then I apologize for that. What I meant to suggest was that if a particular diagnosis leads to a particular treatment plan, it’s likely the treatment plan necessary will be driven by the need of the particular situation which shouldn’t be defined differently in a different region. If it is the same thing, it ought to be defined the same way so you report on it in the same manner.

MR. WINGATE: As far as this definition of outputs is concerned, it seems to me logical that the department would have a co-ordinating role there. It seems to me they would be in the best position to provide that co-ordination, but I guess we’ll have to see how things progress.

MADAM CHAIRMAN: Supplementary, Carol.

MS HALEY: Thank you. You mention that “Members of the Legislative Assembly and the public need performance information which relates costs, health outputs and effects.” Do you have specific suggestions as to how outputs and effects can be measured and ways we can determine if the funds provided to the system are being used wisely?

MR. WINGATE: We certainly haven’t got a package solution for this. I think the whole of health care in North America is wrestling with this problem. I think solutions are emerging. There’s a great deal of activity in this area, particularly in the States, and every week that goes by lessons as to how best to relate costs to outputs and effects are being learned. I don’t want to create the impression that we’ve got a package solution and all we need to do is implement that package solution, because I think we’re a very long way from that. At this stage, if we could get agreement on the concept that this is a desirable thing to do and it is possible and over time achievable, then that will be progress. Putting in solid work to define what outputs are, how they should be measured, and how they should be costed: all those processes need to be defined.

We’ve got an interesting piece in University hospitals where we talk about the fact that at the moment costs are associated with a diagnosed condition for the patient. Now, the trouble with doing that is that the treatments you provide for a condition are not the same; they vary depending on other factors such as whether the patient has got diabetes, for instance, or has a heart condition which is complicating the whole thing. In those instances, one of the things we’re suggesting is that in addition to the information they’re already capturing, if they captured information on the treatment and the effect of that treatment so they costed the treatment and measured the effect of the treatment, then you wouldn’t get this enormous variation in the costs of treating a condition because you would be concentrating on the treatments that were provided to treat the condition. Sorry, is that confusing?

MS HALEY: There at the end a little, but I think I understand what you’re saying.

MADAM CHAIRMAN: We couldn’t hear what you were saying, Carol, but I don’t want us to get an exchange.

Is there anything further, Mr. Wingate?

MR. WINGATE: No, I just wanted to stress that this is quite a complicated business and it will take time to come up with answers.

MADAM CHAIRMAN: Mike Percy.

DR. PERCY: Thank you, Madam Chairman. Gentlemen, my questions relate to the Auditor General’s report, 1993-94, pages 110, 111, Department of Transportation and Utilities. Those two pages are pretty – well, I won’t use the word “damning,” but they certainly suggest significant administrative lapses within the department. I’d like to just address some of the issues you raise on these two pages. Could you tell me exactly how a department could in a sense omit funding commitments of \$45 million for a district’s transportation needs? Exactly what is the process by which \$45 million in terms of the paperwork gets lost in the system?

MADAM CHAIRMAN: Andrew.

MR. WINGATE: Yes. The first comment I'd like to make is that you'll notice these are not highlighted recommendations, either the one on commitments or on capital assets, so as far as we're concerned they're not of the highest priority as far as recommendations are concerned.

The question of commitments is an interesting one because systems are best at recognizing liabilities, and a commitment isn't a liability, it is a future spending intention. Systems quite often are not designed appropriately to capture all future spending intentions, and I think what we're seeing here is a system that obviously needs tuning up to be able to quantify future spending intentions in the form of commitments.

To get back to answering your question directly, if a purchase order is made out for future delivery of a product, then the value of the purchase order is a commitment because the organization is saying: if you can deliver this on this date, then we're prepared to pay you this amount of money for that product. Therefore, it should be summed and included in the commitment total on the balance sheet. But there again, the commitment total on the balance sheet is a note. It doesn't form part of the balance sheet or the income statement.

DR. PERCY: Why wouldn't you have this as a highlighted priority since we're dealing with \$106 million in commitments? In order to budget, you would think the ability to track your commitments would be a first order of importance.

MR. WINGATE: Our primary concern is that the financial statements are correctly prepared and fairly presented. What we are dealing with here is something that won't affect either the assets or liabilities of the organization or the revenue and expenditure. It's just a question of advising the reader of the financial statements via the notes that the organization has significant future contractual commitments. That's the purpose of the note. So it is of lesser importance because it doesn't affect the bottom line or the assets and liabilities.

DR. PERCY: Turning then to the issue of assets and liabilities, I note at the bottom of page 110 and the top of page 111 there were significant errors and omissions in terms of detailing the capital assets of the department. If the issue is a fair representation of the balance sheet, would you not think that would be worthy of being highlighted?

MR. WINGATE: I don't think there's any question that if we were capitalizing and amortizing capital assets in the financial statements, this would be an important recommendation, but the fact of the matter is that we're not currently doing that. We're building to it, and until they are recognized, this isn't of the highest priority.

What's happening here, I think, is that as people muscle up to the problems associated with capturing and valuing all their capital assets, these sorts of things are going to emerge. These sorts of mistakes are going to be made. I think it's a transitional problem and is to be expected when you're dealing with an organization as massive as the government of Alberta.

DR. PERCY: Thank you.

MADAM CHAIRMAN: Gary.

MR. FRIEDEL: Yes, thank you. It's interesting that you distributed the book on accountability, because the questions I had were in reference to page 10 of the report on accountability

information. In the second-last point under guidelines for developing accountability information, you state that the

accountability processes within a Provincial organization should be consistent with, and support, accountability to the minister and the Legislative Assembly.

Now, I'm just wondering: could you tell us how it would be possible, for example, that accountability processes would not support the minister or the Legislative Assembly, and if that were possible, what can we do to ensure that that sort of thing wouldn't happen?

8:50

MR. WINGATE: Yes, I think it is entirely possible that the managers or civil servants will come to the conclusion that what they want to measure and what they consider is important is at odds or different in some way from what the minister thinks is important or the Legislature thinks is important. What we're saying is that you should have a common system capable of providing information to serve the accountability needs both within the organization and outside the organization to the Legislature and MLAs and the minister. In fact, that's quite difficult to achieve, because a number of organizations have set up information systems which are generating information for internal consumption and there's no suggestion that that information should ever be made public, and there's no suggestion that these are necessarily congruent with the objectives of the minister and the Legislature. They are the manager's view of what is important. So we're stressing right from the start that what you need is a common system that will supply the accountability needs of external and internal recipients of that information.

MR. FRIEDEL: I appreciate that, and unfortunately not having had an opportunity to read this, some of the information I'm looking for might be in the booklet you just distributed.

MR. WINGATE: It's a way of saving money. I think that's the biggest point we'd like to make. We don't want to measure things that are not important, and that's happening.

MR. FRIEDEL: My second question – and all these are referenced on page 10. The third last point is that “published performance information should be audited.” I was quickly scanning the enlarged explanation you had in the booklet. Would you feel that an audit of this kind of information would be part of an annual audit? Would it be an expansion of what is happening now, and would legislation possibly need to be changed to enlarge the scope of this kind of mandate?

MR. WINGATE: Right. That's an interesting question. I think so long as the performance information is in the annual report as opposed to the financial statements, we would merely ensure that what was being reported in the annual report was not inconsistent with the financial statements and that would be the end of our responsibility, but the moment the performance information is moved into the financial statements it would be audited. I'm not sure that it would lead to an increase in audit time – possibly, but hopefully not significant, because we're talking about key performance measures which are at the heart and soul of the organization rather than masses of data; we're talking about key staff – so I wouldn't necessarily see an increase in audit costs.

As far as auditing information in the financial statements is concerned, I don't think we need to change the mandate. I think under our existing mandate we'd have the authority to do that. Now, if the Legislature wanted us to go one stage further, which

is to express an opinion on performance information in annual reports, that would be a different matter. I think then the legislation might have to be changed and, indeed, we might have an increased cost of audit activity.

MADAM CHAIRMAN: Final supplementary, Gary?

MR. FRIEDEL: Yes. I don't know why I keep working backwards here, but one of the points in the second guideline talks about comparability. I certainly agree with that, because I think the average public understands if we compare it to something perhaps in the private sector, and you have made references to government accountability being somewhat comparable to what industry and the private sector does. A number of government programs of course don't have a private-sector equivalent, and I know you also indicated somewhere in the report that some of these changes are new even compared to other governments. Certainly this would be a short-term problem, but what can we do in the meantime to compare this kind of accountability information to the private sector or other governments that we might be aware are dabbling in the same new frontiers?

MR. WINGATE: Right. If you take our office as an example, you can't compare all of our performance with the private sector, but some elements of our performance you can. I think where you can, it's important that that be done and it be talked about, but I freely admit that in a number of instances with government programs there isn't a private-sector equivalent. Mind you, if you report on the cost of the activity and the effects and results of that activity, I think the private sector might come to you and say, "We think we can do that more cheaply," because you're revealing to them how much you're spending on that sort of activity. So you might encourage the private sector to approach you to say, "Look, we think we can do that job more effectively and cheaply." So that perhaps would encourage comparison.

The comparability we're talking about here has two dimensions. Comparability between years is also important. In other words, we're not dealing with shifting ground. This statistic is strictly comparable with the statistic last year and the year before that. We haven't moved the ground rules for assessing performance in the meantime and confused people by having a performance measure here which is not comparable with a previous performance measure. But I think over time comparability is important within similar organizations such as colleges, universities, hospitals, between regions. If in Alberta we decide that these are appropriate performance measures, then I think it would be wise to insist that like organizations have similar performance measures so that comparisons could be made. So it's not just to the private sector, and I freely admit that comparisons to the private sector are not always possible.

MADAM CHAIRMAN: Debby Carlson.

MS CARLSON: Thank you, Madam Chairman. Good morning, gentlemen. My questions come from the annual report, page 62, with regard to the Alberta Special Waste Management Corporation. In light of your recommendation 15, which talks about the identification and recording of the province's environmental liabilities, can you give us some idea of what the costs are of the environmental liabilities at Swan Hills?

MR. WINGATE: I think in a note to the financial statements we indicate that management is aware of an environmental liability, but as yet it hasn't been quantified. Now, our approach at the

moment is to request management to quantify that liability, and we've made recommendations to that effect and indeed that's this recommendation here as well, that management should quantify that liability. In note 14 we say:

The joint venture agreement as amended, stipulates that the Corporation is fully responsible for all site remediation that may be required upon closure of the Alberta Special Waste Treatment Centre. In this event, an agreement with the Province of Alberta requires that the Corporation restore the property to stated reclaimed standards, the cost of which has not been determined.

We're pressing that that loss be determined so that a rational scheme for providing for that loss be established and charged to the financial statements, because we feel that that reclamation work is in fact a significant operating cost and should be reflected in the day-to-day operating costs of the treatment plant.

MADAM CHAIRMAN: A supplementary, Debby?

MS CARLSON: Yes. What would you use, and did you give any recommendations with regard to that, as benchmarks for establishing these costs?

MR. WINGATE: I don't think we did provide them with benchmarks. We just said that this is likely to be a significant liability and urged them to come to grips with valuing that liability.

MADAM CHAIRMAN: Final supplementary, Debby?

MS CARLSON: Yes. Can you tell me if in a joint venture it's standard practice that one member bear all the costs, in this case the government?

MR. WINGATE: No. I don't think I could comment intelligently on that. I'm not an expert on these agreements. No, I don't think I can comment on that.

MADAM CHAIRMAN: Moving to Barry.

9:00

MR. McFARLAND: Thank you, Madam Chairman. Good morning, Mr. Wingate. In your introductory comments earlier, you mentioned accountability and policy comments by yourself. I would like to make an observation that it seems there's a fine line between auditing systems and commenting on policy. In comparison to previous years at least, I see that the comments being made today in public accounts might be similar to those you would have made to various ministries in the way of a management letter. Could you maybe clarify for us: what is the line between auditing systems and commenting on policy on your part?

MR. WINGATE: I think a predominant theme in the report is that the cost, the economics of a proposal should influence the decision-making relating to that proposal. In other words, when a policy decision is being made concerning some future course of action, we're saying we think it's important that cost considerations be factored into that decision. Now, I don't think you can argue that doing that influences policy. It seems to me it's just common sense that you would factor in cost considerations when making policy decisions. I mean, we touched on this last week. It was suggested that with the special-needs education program, by talking about what was achieved and the number of students serviced by that expenditure, this was in some way influencing policy. I think economics should always influence policy. We're encouraging that it influence policy to a greater extent than

perhaps it has in the past. That I think is where the border is. I think it quite appropriate for accountants and auditors to comment on the importance of factoring in the economics and costs of a particular course of action.

MADAM CHAIRMAN: Barry, a supplementary.

MR. McFARLAND: Thank you. I wouldn't disagree with that. I am just happy that you've mentioned two words, common sense and the cost considerations. Because last week we talked about a number of issues, and Edmonton-Whitemud raised one in regard to transportation. The common sense part of the equation that I see was in relation to nine projects you referenced in your report. One of those was in the riding I represent, but the project itself was a final link between an area to the north and an area to the south, not in the riding at all. . . .

MADAM CHAIRMAN: Barry, could you get to the question?

MR. McFARLAND: Yes, I'd like to, but it takes a little explanation.

Does it not make common sense to protect the investment you've already put into a project in initial construction and design by final paving? If people in general read your report, they would think there was something terrible about the fact that those projects went ahead. This one, I feel, protected an investment for all Albertans. All highways are traveled by all Albertans.

MR. WINGATE: Well, I think what you're saying is that to realize the full benefit from a pre-existing sunk cost additional expenditure had to be made, and it was that additional expenditure which realized the benefit from the whole project. That certainly has economic appeal, I think.

MADAM CHAIRMAN: Supplementary, Barry?

MR. McFARLAND: Thank you. The performance measures, I believe, have a really valid place in the accounting procedure. I know we can always learn from other examples, as in the case of private sectors where they use them. Do you see that your comments in regard to identifying further cost savings and tying it to performance measures – that we can, in fact, identify some advantages to privatizing other services that government presently offers?

MR. WINGATE: I'm not sure I want to comment about privatizing services, but I think this whole question of costing and assessing the effect of outputs will bring with it better ways of doing business, cheaper ways of doing business. In other words, I think it entirely possible to produce a better product at less cost, because we're focusing in on: what is the effect of this expenditure, how can we improve the effect of this expenditure, and how can we reduce the expenditure to achieve the same or a better effect? It's by concentrating on those issues that you can make some very large, very significant savings.

The point is that in government operations this has not traditionally been done. It just has not been done. I think the opening gambit of the average public servant is: this is not the profit sector, you know; this is government; things are different here. Indeed they are different in many respects, but one of the things they shouldn't be different about is getting good value for money. I mean, there should never be a difference on getting good value for money between the private sector and the government sector, but I think traditionally people have looked at government

operations and said, "They're different; this is not the private sector." I think that's regrettable.

MR. McFARLAND: Thank you.

MADAM CHAIRMAN: Thank you.
Peter Sekulic.

MR. SEKULIC: Thank you, Madam Chairman. Good morning, gentlemen. My questions pertain to page 21 of the annual report, and what I'll be looking for is further comment or clarification. In particular, under the guidance on specific transactions you've commented that

certain transactions, such as awarding contracts for the purchase of goods or services, recruitment of staff and consultants, and those which relate to regulatory matters are more likely to create a conflict of interest.

What I'm looking for here is: are there examples which led to your comments there?

MR. SHANDRO: The reason we're making this recommendation is that we were asked to take a look at certain transactions in the department of transportation. We didn't notice that they had any problems with observing the conflict of interest guidelines, and they were working with them quite satisfactorily, but when we did look at the conflict of interest guidelines, we noticed there could be more guidance provided to employees who, I think, are trying to do their very best to observe the conflict of interest guidelines. We're particularly concerned about not becoming overly bureaucratic in the number of rules that exist but being helpful. Some of the contracting procedures are complicated. I think you need to have some discussion on this matter, and that is the reason we wanted to identify those transactions that would need some further discussion and have commentary in the code of conduct and ethics for the public service.

9:10

MR. SEKULIC: I would agree with comments made earlier by one of my colleagues that common sense is a good criterion, assuming of course that common sense is common. So we do need broader criteria.

My next question pertains to the disclosure of information. You've cited that consideration should be given to requiring disclosure of related parties and business interests. What was the initiative for that?

MR. SHANDRO: Well, the code of conduct and ethics doesn't provide any guidance in that area, and what is being done is that the department, when they feel it appropriate, asks for this additional guidance. I think it ought to be made clear that not only should the department be thinking about the disclosure requirement but so should the employees who are obligated to be familiar with the code of conduct and ethics. That's the reason we want that sort of material published, so that employees understand their obligation to provide appropriate disclosure.

MADAM CHAIRMAN: Final supplementary, Peter.

MR. SEKULIC: Thank you. Now, in receiving this document this morning, Government Accountability, I quite appreciate the information it contains. But I was a little concerned with the fact that you had covered the issue of disclosure, the issue of conflict of interest in the annual report, yet in my initial review of the document Government Accountability it's absent, in particular as

it pertains to government delegating authority to health authorities, school boards, provincial corporations. In your other comment on page 21 you've suggested that the conflict of interest guidance to entities that are not covered currently should be included. My question is: why wouldn't you include it in this document? If they are delegating authority, wouldn't it be reasonable to expect that there's a conflict of interest and an accountability that goes along with it?

MR. HOFFMAN: What we're dealing with in this booklet are some broad concepts of accountability, and those are some specific issues. I think that's why they're not included expressly in here. They come within the kinds of standards that should be set when you're looking at accountability information, and we haven't specified standards here; that's still evolving. So that's why they're not here. It's at a different level. This is a fairly high level, and those are some fairly specific things which would be part of the specific accountability framework.

MADAM CHAIRMAN: Thank you, Ken.
Pearl.

MS CALAHASEN: Thank you very much, Madam Chairman. I'm going to follow on the same lines the Member for Three Hills-Airdrie was looking at in Alberta Health. On page 79, recommendation 20, you made a suggestion that
any payments by regions to existing health boards for net assets acquired take into account government grants previously provided for these assets.

Can you explain the factors that need to be considered in transferring and disposing of assets in our new regional health system so that assets previously funded through government grants are not paid for again with public funds provided to the regions?

MR. SHANDRO: A large number of facilities have received capital grants for equipment and buildings and the like. If the health care system is being made more efficient, some of these assets may no longer be needed; others may be needed. As the system becomes consolidated through the regions, the regions are going to pick up some of the assets which are needed from the existing boards, and they may be required to pay for these assets as they're being transferred. What needs to be considered here is the nature of the funding that was previously provided to these organizations which are not government entities and whether or not there were any conditions in the grants that were previously provided as to the funds that remain after the asset has been disposed of, what needs to be done with that money which was provided from the general revenue fund.

MADAM CHAIRMAN: Supplementary, Pearl.

MS CALAHASEN: Thank you. But then on page 82 of your report you also discuss the review of the question of conflict of interest. I think that sort of ties into the whole business of accountability. That involves a hospital in this province. Will the creation, then, of a regional health system with greater localized control and direction of the system also create increased potential for more conflict of interest matters involving such things as hiring practices or the awarding of contracts to arise in the future?

MR. SHANDRO: I don't know that it will create the potential for any more conflict of interest. I hope not. It wasn't in our minds when we were writing this that it's going to create more potential for conflict of interest as such. What we're concerned about is

that the rules of the code of conduct and ethics policy be well established, that the people when they're setting up the system understand there ought to be a code of conduct and ethics policy that deals with the major parts such a policy should have, and that's the basis for our recommendation.

MADAM CHAIRMAN: Final supplementary, Pearl.

MS CALAHASEN: Last supplementary, Madam Chairman. You were asked to review the legislation creating the regional health authorities, and you also made some recommendations to the Health department on how accountability requirements could be improved in the legislation. Are there any further changes you can see that should be made to improve the accountability of the newly established regional authorities?

MR. SHANDRO: Yes. We're making a recommendation. In fact it's recommendation 19.

MADAM CHAIRMAN: Page 78, Pearl.

MR. SHANDRO: That was one of the issues that arose from our review of Bill 19: that there should be some form of reporting to the Legislature in terms of the outputs resulting from government expenditures. That was one of them, and the other area we would like to see is the requirement for value-for-money type assessments in the regional health authorities.

MS CALAHASEN: Thank you.

MADAM CHAIRMAN: Alice Hanson.

MS HANSON: Good morning, gentlemen. I'm on page 68 and recommendation 17, Mr. Wingate. It's in regard to people on SFI who are on transitional supports. From your comments there appear to be no clear criteria for decision-making as to who should be on transitional supports and who would be on the more permanent supports for independence. I find that just amazing considering that we've had AISH in place since the late '70s and there's a sort of crossover between the transitional supports and AISH. I wonder if you can tell me what the criteria are for decision-making as to where to place people on this grid.

MR. WINGATE: Obviously in mounting a test of the sample items we selected, we were using our understanding of the criteria that the department were employing. You'll notice in the third paragraph of the point, the last sentence: "Of the clients whose files were examined, 9% should never have been categorized as transitional." In other words, using their own criteria, we came to the conclusion they shouldn't be classified as transitional. The other thing is that these clients should be transitional, yet we found the average length of time the client in the sample had been receiving support for temporary medical reasons was two years, which is hardly temporary, and one client had been receiving it for 18 years, which is definitely not temporary. So we came to the conclusion that although there might be criteria, they weren't being applied consistently, and that led to our conclusion in the last paragraph that a review of client categorization as transitional was definitely warranted. I think they need to reappraise their classification of transitional and the criteria to be used in assessing whether someone should be classified as transitional and then sit back and go through all people who are currently coded as transitional and see whether they belong in that category.

9:20

MADAM CHAIRMAN: Supplementary, Alice.

MS HANSON: Thank you. Are you able to tell me whether or not part of the process they use – there must be some sort of general process – includes intermittent face-to-face contact with these clients either by social workers or medical professionals or whatever is appropriate?

MR. WINGATE: I think perhaps that's intended to happen, but we have evidence that, for instance, some clients would continue to receive transitional support after the date their physician had indicated they would be able to return to work. Now, if that occurs, it strikes me that the caseworker should immediately follow up on that, because something that should have occurred clearly hasn't occurred. So I think we might be in the situation where there were adequate written procedures but what was happening was in variance with the written procedures. I think that's probably the most likely explanation for what was happening.

MS HANSON: Thank you.

In regard to finances, I assume the cost for transitional assistance is shared by CAP as other social assistance is, and if so, were they able to claim the CAP? There was the problem with child welfare where they left \$5 million on the table, and I was just wondering if they claimed everything in this section.

MR. WINGATE: Look, to be honest, I don't think I can answer that question. It seems logical that it would be part of the CAP claim, but I'm not aware of whether they were able to fully reclaim the costs. I can't answer the question.

MS HANSON: Okay. If they're going to upgrade their computer system as you suggest, that might be part of it?

MR. WINGATE: Yes.

MS HANSON: Thank you.

MADAM CHAIRMAN: Harry.

MR. SOHAL: Sir, on page 79 of the annual report of the Auditor General you have recommended

that the Department of Health encourage healthcare institutions to budget for the generation and use of non-grant funds.

Are the non-grant revenues generated by hospitals a substantial amount?

MR. WINGATE: Yes, it is. In aggregate it is material, which is why we commented on it.

Could you just give me the page reference again, please?

MR. SOHAL: Certainly. Page 79.

MR. WINGATE: Yes. For instance, the parking revenue on parkades which are very often built with provincial money is significant. Gift store revenue is significant, and of course the interest on operating grants to the extent that they're not immediately used is also significant. But these funds are not budgeted and maximized in the same way other sources of revenue are. I mean, a great deal of effort goes into budgeting and maximizing other sources of revenue, but this is treated as something almost discretionary, something slightly different. We're just saying that we think this revenue could also be maximized, could be increased,

if closer attention was given to budgeting it and looking at how it was expended.

MADAM CHAIRMAN: Supplementary, Harry.

MR. SOHAL: Thank you. The recent debate on the restructuring of our healthcare system has largely involved reductions in funding provided by the provincial government to hospitals and the effects of this on the system. The possibility of hospitals generating more revenue on their own has received little attention. Are non-grant revenues currently an underutilized source of revenue for hospitals?

MR. WINGATE: By suggesting that the revenue could be improved – I think, yes, we are saying that. We believe better use could be made of the funds, and we believe more revenue can be raised.

Nick, do you want to supplement that?

MR. SHANDRO: Yes. The point we're making here is that there seems to be more attention paid to government provided revenue and from the management practices of funds. We feel that revenue derived from use of capital assets such as parking lots or even from government grants and so on – I think management has the responsibility to plan for a maximization of these revenues and also for the appropriate use of these revenues. That's typically done through an annual plan or budget, and we don't see any reason for looking at these funds as something that doesn't need management attention. It's discretionary. It can be used in a different manner than the grant funds.

MADAM CHAIRMAN: Final supplementary, Harry?

MR. SOHAL: No, I don't have one.

MADAM CHAIRMAN: We'll move on, then, to David.

MR. COUTTS: Thank you, Madam Chairman. Sir, on page 29 where you talk about Athabasca University, you mention that that particular institution needs to improve the way it manages systems. You go on to point out that they developed a system that met only one of the four stated goals for the program. Could Athabasca University benefit from consultation with other universities or colleges about similar or existing systems in order to reduce their costs and improve their own system development?

MR. WINGATE: Yes. I think if I were part of management at Athabasca University that's one of the first things I'd do: find out what developments were occurring in other universities and whether I could benefit from those developments. I mean, I personally feel you don't need to reinvent a wage system every time you have a fresh payroll. That tends to be the case. Rather than having a payroll system that's perfectly serviceable and all the organizations within a group such as colleges employ that system, very often you get the situation where each entity will develop its own payroll system, and I think that can lead to a waste of money.

MR. SHANDRO: My experience with hospitals, where the same sort of problem occurred, has been that each hospital has their own unique needs and so on which always drive them to develop their own system and not share someone else's system. I think it's true; they do have unique needs. But under normal circumstances we've got to become better at being able to extract not everything but the maximum out of what is there and save that money. The

additional features sometimes are not really worth the extra cost of developing your own. I think right now we're not very good in universities, colleges, hospitals, or any other entities at understanding how you can extract not everything you need from a system but taking advantage of it and then getting that extra in some other manner.

MR. COUTTS: Thank you, sir. That somewhat brings me to my next question. I guess what we're saying is that universities and colleges along with other institutions aren't really sharing enough information or maybe even putting themselves in a position where they could, if this is fair to say, sell information on systems to maximize that effort. I wonder: is there any place in there for the private sector? Did you analyze that at all?

MR. SHANDRO: Well, the private sector can be used to develop a system for Athabasca University, and in many cases a lot of institutions in fact use the private sector for developing of systems. That doesn't necessarily encourage lower costs as such because they build the system from the ground up; in each case, they draw up the specifications and so on and so forth. Now, I guess maybe there may be some advantage in that if you select a contractor who's built a system somewhere else and comes over to another institution, there may be some savings that way, but at the moment I couldn't tell you where that has happened.

9:30

MR. COUTTS: My final supplemental, then, is again on page 29. You recommend that Athabasca University amortize its capital assets. Furthermore, you mentioned that other Alberta universities and the Banff Centre began this in 1994. Do small colleges such as Fairview or Olds amortize their assets, and I guess, if not, why not, given this clear importance that amortization has in the costing of programs?

MR. SHANDRO: In the period that this report covers, the colleges had not amortized their assets for the year ended June 30, 1994, which is not yet complete in terms of the financial statement audits. I believe that one college will be amortizing their assets and maybe another one, but as a whole I don't believe they're going to be amortizing assets.

MADAM CHAIRMAN: Thank you, David.
Mike Percy.

DR. PERCY: Thank you, Madam Chairman. My questions are related to the document that was just distributed. With regards to the issue of accountability – and my question is to the Acting Auditor General – when government hives off an entity and privatizes it, say corporate registries or the like, you take an entity that formerly was subject to audit by the Auditor General that's now out in the private sector. There may be audited accounts. Do you feel, then, that the issue of ministerial accountability in terms of audit information is satisfied if there in fact is not an independent audit by those directly responsible to the Legislature and to the minister?

MR. WINGATE: It's an interesting question. There are advantages with our office being involved. On the other hand, some people would say there are disadvantages with our office being involved. I mean, I think the general view is that perhaps we're a little more expensive than the private sector with some of these audits, and that I guess would be the principal disadvantage. I think it's up to us to prove that we're just as effective and

economic as the private sector. I think the jury is out on this frankly. I think that until a compelling need for our involvement is demonstrated or until we can demonstrate that real benefit is added by our involvement, that's probably appropriate.

I mean, the debate came up, for instance, as to whether we should audit the regional health authorities. My own personal opinion is that it would be useful if we audited one or two because the expenditure occurs at the health authority level. That's the sharp end. That's where the money is spent. As auditors I think we can be more useful to the system all the way back to the department and from the department more useful to the Legislature if we have some working knowledge of what is happening in a regional health authority, but that's not to say that I think we should do them all. We didn't do all the hospitals before. We only audited the provincially owned hospitals.

The other concept that perhaps could be explored is for us to be regarded as a sort of parent company auditor. In other words, our job is to make sure the needs of this committee are served well and that public accounts are correctly and fairly presented. Therefore, we're the auditor of the parent organization, being the government, and there should be some relationship developed between auditors of subsidiaries, such as the organizations you mentioned, and ourselves. I think that's worth exploring; in other words, if there were a reporting relationship built into the system whereby private sector auditors had some responsibility to us in our capacity as auditors of the parent board, sort of thing.

MADAM CHAIRMAN: Supplementary.

DR. PERCY: Yes. Thank you. When I look at recommendation 11, for example, "published performance information should be audited," that is clearly a tack that the Auditor General's department has moved on that generally private sector auditors don't. Since the rationale that has been given for privatizing is in fact better performance, it's not at all clear we're going to see any measure of that better performance, and that's my concern. How do you get a measure of performance, then, of these subsidiaries at arm's length, as it would be through your office?

MR. WINGATE: There are two ways of doing this. I mean, if we can persuade the Institute of Chartered Accountants that performance measures in not-for-profit and government-sector financial statements are appropriate, then the private-sector auditor will be required to audit those performance measures if they appear in the financial statements. So that objective could be accomplished by the private sector, but it would need some standard setting from CICA.

Now, in the case of us as legislative auditors, of course, we I think can probably perceive to some extent the standard-setting process. So we can act as the catalyst, the driving force behind getting this sort of information introduced to financial statements, and that's what we're proposing to do. If there were this relationship between us as auditors of the parent company and the private-sector auditors of subsidiary companies, as it were, then we could influence what they audit, and that's another way we could exert influence.

The whole thing turns on whether it's beneficial. I think that if it's clear that performance measures in financial statements are beneficial – and of course that's our belief, but it's yet to be proven. If there is that belief, I don't think we've got a problem, because it's going to come. I mean, members of Public Accounts are going to say, "This is necessary." MLAs generally are going to say: "This is a better way of doing business. This has to happen." Then it's a simple matter of persuading these other

auditors that they should be expressing opinions on it. If there's the will, I don't think there's anything technically difficult in persuading auditors to express opinions.

MADAM CHAIRMAN: Final supplementary, Mike.

DR. PERCY: Thank you. My final question relates to the issue – and again it's in the context of this document because I see it as an omission – that right now governments are earmarking funds. Gasoline taxes, for example, will accrue to the Department of Transportation and Utilities. With earmarking, then, you have a sort of a flypaper effect that those funds stick within a department. One would think that in terms of accountability perhaps a competing argument is that they should be allocated on the basis of highest need, which may not be in the department that they're generated in. Do you have any views on that in the context of accountability?

MR. WINGATE: Not at the moment.

MADAM CHAIRMAN: I think that's a fair comment, Mr. Wingate.

Thank you, Mike.
Barry.

MR. McFARLAND: Thank you. Mr. Wingate, on page 53 of your report under the Department of Energy you talk about the Alberta Oil Sands Technology and Research Authority, and the recommendation that you made I believe is quite serious. It reads:

It is recommended that the Alberta Oil Sands Technology and Research Authority discontinue the practice of amending terms of agreements [in order] to manipulate financial results.

I agree totally with the statement on the top of page 54, and my question to you is this: why didn't you highlight this one? It's fairly serious.

MADAM CHAIRMAN: Andrew.

MR. WINGATE: Yes. Obviously it's a judgment call as to whether you highlight a recommendation or you don't. Our view here is that this is not going to happen again. Everyone has made it abundantly clear that this is not going to happen again. Therefore, we didn't feel that it was necessary to make a big fuss about it and ask for the government to reply officially to it. It's not appropriate, I think everyone recognizes it's not appropriate, and it's not going to happen again.

9:40

MR. McFARLAND: Has AOSTRA provided other justification to you for what happened in these amendments or indicated what exactly it is that they'll do to solve this? Other than the government saying it won't happen again, what have they indicated?

MR. WINGATE: What they were originally attempting to do was to match their expenditure to their revenue. In other words, spend all the revenue they had. If they threatened to come up with a surplus, then they accelerated payments by changing legal agreements. What they've agreed to do is not change legal agreements to achieve that end and let the chips fall where they may. I mean, if they underexpend, they underexpend. Maybe the best way of funding a lot of these projects is to pay for the expenditure when it's incurred. That seems to me to be a logical thing to do. Rather than have a payment transfer date which might not be related to the recipient's expenditure, just simply say, "We

will fund this project as and when you spend funds." I think perhaps that would be preferable.

MR. McFARLAND: Thank you. My final supplementary is part comment and part question. I want to give them credit if in fact they were trying to achieve definitive and innovative ways of spending the money. My feeling is that in any department there should be an incentive to spend the money as wisely as possible but be rewarded if you come up with a new approach that actually results in underexpenditure. Maybe they're ahead of their time. But have you, in your recommendations, determined that AOSTRA was simply handing out money, or were they in fact doing what I think I've tried to portray to you?

MR. WINGATE: My understanding is that they were merely trying to spend all the money that was available to them. In other words, it wasn't a device to save money. I mean, one of the things that perhaps you could do is pay money ahead of schedule, and you could pay less money as a result of paying it earlier, but that sort of thing wasn't done. I think the objective here was merely to distribute the funds that were available. That's my understanding, at any rate.

Going back to your comments that people should be encouraged to save, absolutely. You know, I think that's a theme throughout our report.

MADAM CHAIRMAN: Thank you, Mr. Wingate.
Debby.

MS CARLSON: My questions are from the annual report on page 45 with regard to the Alberta Research Council. In guidelines for accountability, guideline 4 says, "Expected results need to be clearly expressed and must be measurable." This certainly could apply to the Alberta Research Council. So my first question is: why is there no recommendation here requesting the ARC to identify expected results that are measurable on an on-going basis on all their research projects?

MR. WINGATE: I'm very sorry. I don't think I quite understand the question yet.

MADAM CHAIRMAN: Could you repeat how you tied it back to, I believe, page 10?

MS CARLSON: Right. Guideline 4 states, "Expected results need to be clearly expressed and must be measurable," and I'm believing that that guideline could clearly be tied to the Alberta Research Council. My question there was why there was no recommendation here requesting that the ARC do this.

MR. WINGATE: Okay. One element of that is clearly there; that is, that the assessment criteria used should be the net present value to the Alberta economy. In other words, the Research Council is there to spur technological developments which aid Alberta's economy. So what we're saying in the recommendation is that the net present value of a project to the Alberta economy should be the factor for making the decision. With a project which probably spans a number of years, you have a series of expenditures and then you have anticipated increase in economic activity as a result of developing that technology.

What we're saying is that if at the point of deciding which project should go ahead you discount the future positive cash flows and the future negative cash flows back to today's present value, you end up with a number which represents the net benefit to the

Alberta economy. We're saying that that should be the basis, wherever possible, for assessing which projects should go ahead.

So I think in spirit we have done what is being suggested in the accountability booklet.

MADAM CHAIRMAN: Supplementary?

MS CARLSON: Yes. Net present value is one benchmark. Why would that be the only one that's been recommended here?

MR. WINGATE: It's because net present value is very important to accountants. We think, with our consistent thrust throughout, that economic factors are not considered sufficiently, that if we can get net present value, we're ahead of the game. Now, there might well be others, but this is a pretty good measure, you know, because you're trying to benefit Alberta's economy economically, and therefore this is a straight economic decision. So you anticipate the improvement to the Alberta economy as a result of this research in the future, you quantify the expenditure necessary to achieve that improvement, and then you net present value it. It's just a very logical way. It's an accountant's way, but it's a very logical way of assessing competing priorities.

MS CARLSON: While I appreciate your comments about net present value and certainly I understand that concept, when you're talking about research projects, things like what the competition is doing and the risk of the project are also very important. I would think that they would require some due consideration as well.

MR. WINGATE: Absolutely, and later on in the piece we talk about the fact that risk is variously dealt with, but that can be accommodated – I'm sorry to say this again – under the net present value method because risk can be associated with the discounting factor. I mean, the higher the risk, the higher the interest rate that you use to discount. So there again we're suggesting that risk could be dealt with in a consistent manner by using appropriate discounting rates.

MR. FRIEDEL: On page 18 you have a recommendation relating to the Workers' Compensation Board, suggesting that it improve its procedures to prevent and properly record overpayments to claimants and noting that in 1993 the board wrote off \$12.4 million in recorded overpayments. You also note that "A new system implemented by the Board in 1992 to help prevent and detect overpayments is not working properly." In these days of computers and electronic technology this seems somewhat surprising. Is this a mechanical problem, or is it a process problem that's not working?

MR. WINGATE: I think it's a bit of both actually. To get to the root cause of the problem, you need to go through those apparent overpayments and get a precise understanding of why the computer coded it as an overpayment. Now, some of them will be genuine, and therefore something should be done about them, and some of them are spurious because the computer concluded that it was an overpayment when in fact it wasn't. But you need to go through the process of analyzing those apparent overpayments to establish exactly the reason for the computer categorizing this as an overpayment.

Now, WCB tell us that they're going to deal with this; it's a very high priority in the current year. They have to get to grips with this because it's been going on for quite a long time. We've reported on this previously, and the numbers are large. Unfortunately, I can't tell you how much of the \$12.4 million is a genuine

overpayment, but it could well be significant. It could be that a significant portion of that \$12.4 is in fact an overpayment, reflecting either processing procedural problems or computer errors, but most likely processing procedural errors.

9:50

MADAM CHAIRMAN: Gary, supplementary?

MR. FRIEDEL: Yeah. You just commented on it again now. You say here: "In addition, not all overpayments which are identified by the system are true overpayments." I don't quite understand. What would make them not an overpayment? How would you identify that? An example I guess is what I'm looking for.

MR. WINGATE: Yes. I don't think I can give you a specific example. My understanding is that the computer is assessing a payment and coming to the conclusion that a portion of it was overpaid. It's a mechanical process. It's looking at a claim payment and saying, "Given these criteria, is this right?" and it's come to the conclusion, "No, this isn't right; it's an overpayment." Now, the problem we face is the computer isn't always right; it isn't an overpayment at all. The program isn't sufficiently sophisticated to distinguish between true overpayments and apparent overpayments which aren't overpayments. It would be helpful if I could quote you an example, but I haven't got one off the top of my head. But that's my understanding of the problem.

MADAM CHAIRMAN: Final supplemental, Gary.

MR. FRIEDEL: Is their computer system an advanced enough or large enough system to handle what you are suggesting? Or are they possibly having to look at a substantial outlay in capital to upgrade their system?

MR. WINGATE: I don't think that the capacity of the equipment is the problem. I think the quality of their processes and procedures is the problem, and it's not an equipment problem.

MADAM CHAIRMAN: Thank you.

Peter.

MR. SEKULIC: Thank you, Madam Chairman. Mr. Wingate, my questions pertain to the introductory comments of the annual report, specifically the first one, on page 2, where you state:

Currently, there are large areas of government activity where the cost and effect of services is not usefully measured. Correcting this deficiency has the potential to produce significant savings.

My question. We see a massive restructuring and changing within government in programs and services without this knowledge. Now, I'd like you to comment on the potential costs as a result of acting prior to having this information.

MR. WINGATE: This is always a conundrum. When you haven't got the information as to how you could save money but have an urgent requirement to save money, what on earth do you do? I think the only sensible thing to do is to impose cuts and give the problem to the person who's going to receive less money to do the same thing. When you don't possess the information as to how money can be saved through the process of costing and assessing the effective outputs, then you have little alternative but to say: well, you're just going to have to manage with less. I think that's what has happened.

I think what we're talking about now is that we can progress to the second level, which is to as rapidly as possible insert the systems and processes that will give us the information to manage

more elegantly. I hasten to add that that won't necessarily be at an increased cost. I mean, I think some of our existing accountability systems are very expensive and they're not producing appropriate information, and if we rationalized the information and concentrated and focused it on what is really needed, we could indeed save money in the accounting system as necessary.

MADAM CHAIRMAN: Supplementary, Peter?

MR. SEKULIC: Okay. My second question, once again asking for comments, is on page 3, the final two sentences. After four months in the Legislature, last September I was asked to vote on an interim supply budget of \$8 billion. Being new to the process, I assumed that there'd be criteria and outcome and performance indicators. There was none of that, and here you're stating that these are required to vote on budgets. I guess it's just a comment: how can budgets be voted upon by legislators without that information? What are we really voting upon?

MR. WINGATE: Well, I think I agree with you. It's very important: a better understanding of what the money's going to be used for, what results are expected, and a closing of the loop eventually where someone says that this is what we did with your money. I mean, you as MLAs approved it in the first place. Someone should be coming back to you and saying, "This is what we did with the money, this is what we achieved, and this is the over or underexpenditure," but all of that quantified in terms of outputs and effects.

MADAM CHAIRMAN: Final question.

MR. SEKULIC: Yes. This question pertains to comments on page 6, and I'd like some comments or further clarification. Currently the government has delegated the responsibility of performance onto managers, yet maintains the control of the reward, the salaries. I see this as a significant contradiction if we are to achieve the outcomes we desire or stated by the government that they desire. Could you comment on those?

MR. WINGATE: Well, I think you've summarized our point, that management has been delegated but central control is retained over each individual salary in the public service. We feel that one of the benefits of having salary disclosure, which is a new thing this year, is that you have the information to assess whether salaries and wages, payrolls, are getting out of control. I mean, it's there is public accounts. So you have the information now to assess whether the rewards being provided to the individuals in the organization are appropriate and in line with the performance of the organization. I believe that management within that organization should have the flexibility to reward outstanding performance. They can't get out of kilter, because the total budget for that organization for salaries and wages is controlled centrally. Furthermore, you have this accountability information which indicates salary levels across the board within the organization. So the control risk – there is no control risk because of the accountability that's being provided.

MADAM CHAIRMAN: Thank you, Mr. Wingate.

Because of the hour I'd like to move on to Other Business and at this time get some direction from you, Mr. Wingate. Has the document covering accountability been tabled in the Legislature?

MR. WINGATE: I don't believe so.

MADAM CHAIRMAN: So that would have to be attended to then.

MR. WINGATE: Would it?

MADAM CHAIRMAN: My understanding is that documents need to be tabled, but we can get some direction from the Provincial Treasurer.

MR. WINGATE: Okay. My objective was merely to provide a copy of it to the Public Accounts Committee, because I felt that they would be the people most interested in it.

MADAM CHAIRMAN: Is it an addendum, then, to your report?

MR. WINGATE: It's a report from our office which you might find useful.

MADAM CHAIRMAN: Thank you.

Date of next meeting is November 9 at 8:30 a.m. with the Minister of Health. If there's no further business, we'll stand adjourned.

Thank you.

[The committee adjourned at 9:59 a.m.]

