Legislative Assembly of Alberta

The 27th Legislature
Second Session

Standing Committee
on
Public Accounts

Treasury Board

Wednesday, May 27, 2009
8:30 a.m.

Transcript No. 27-2-12

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Standing Committee on Public Accounts

MacDonald, Hugh, Edmonton-Gold Bar (AL), Chair
Quest, Dave, Strathcona (PC), Deputy Chair

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Lori Cresey	Senior Financial Officer
Heather Kennedy	Assistant Deputy Minister, Oil Sands Sustainable Development Secretariat
Doug Lynkowski	Controller, Office of the Controller
Neill McQuay	Assistant Deputy Minister, Strategic Capital Planning
Aaron Neumeyer	Assistant Deputy Minister, Spending Control and Management
Jay Ramotar	Deputy Minister
Heather Zomar	Chief Internal Auditor

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Fred Dunn	Auditor General
Merwan Saher	Assistant Auditor General
Wayne Morgan	Principal

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Transcript produced by *Alberta Hansard*

8:31 a.m. **Wednesday, May 27, 2009**

[Mr. Quest in the chair]

The Deputy Chair: We'll get started. We're just a couple of minutes behind schedule here. I'd just like to welcome everybody and members, of course, many of whom were in the House here till about four and a half hours ago, so thank you very much for being here.

You do not need to operate the microphones. That'll be taken care of by the *Hansard* staff. I would like to invite the members and everybody around the table to introduce themselves, starting with Dr. Phil.

Dr. Massolin: Thanks. Good morning. I'm Philip Massolin. I'm the committee research co-ordinator, Legislative Assembly Office.

Mr. Jacobs: Good morning. Broyce Jacobs, Cardston-Taber-Warner.

Mr. MacDonald: Hugh MacDonald, Edmonton-Gold Bar. Good morning.

Mr. Kang: Good morning, everyone. Darshan Kang, MLA, Calgary-McCall.

Mr. Neumeyer: Aaron Neumeyer, ministry of Treasury Board.

Ms Kennedy: Heather Kennedy, ministry of Treasury Board.

Ms Cresey: Good morning. Lori Cresey, senior financial officer, Treasury Board.

Mr. Ramotar: Good morning. Jay Ramotar, deputy minister of Treasury Board.

Mr. Lynkowski: Good morning. Doug Lynkowski, Controller, Alberta Treasury Board.

Mr. McQuay: Neill McQuay, Treasury Board.

Mr. Morgan: Wayne Morgan, office of the Auditor General.

Mr. Saher: Merwan Saher, office of the Auditor General.

Mr. Dunn: Fred Dunn, Auditor General.

Mr. Drysdale: Wayne Drysdale, MLA, Grande Prairie-Wapiti.

Mr. Olson: Good morning. Verlyn Olson, Wetaskiwin-Camrose.

Ms Woo-Paw: Good morning. Teresa Woo-Paw, Calgary-Mackay.

Ms Rempel: Jody Rempel, committee clerk with the Legislative Assembly Office.

The Deputy Chair: Dave Quest, MLA for Strathcona, deputy chair and acting chair this morning.

If I could get a motion, please, for approval of the agenda today, May 27. Ms Woo-Paw. All in favour? Thank you.

You should have the minutes of the May 13 meeting. If you've had a chance to look at those, if I could get a motion to approve. Mr. Drysdale. All in favour? Carried. Thank you.

I think we can go ahead with the officials from Treasury Board. Mr. Ramotar, deputy minister, you'll be making opening comments on behalf of Treasury Board?

Mr. Ramotar: Yes, sir.

The Deputy Chair: All right. If you'd like to start, that would be great.

Mr. Ramotar: Thank you, Mr. Chairman, for inviting me and my staff here this morning to discuss fiscal 2007-2008 as it relates to Treasury Board. If you are not aware, I was appointed as deputy minister of this department this past September, and the period that we are going to discuss this morning is before I arrived. I can't take credit for all the excellent work that staff did in 2007-2008 although I would like to.

Having said that, I have brought with me the individuals that should be given credit, and they're here to help with the responses to your questions. Seated with me at the table are Doug Lynkowski, Controller; Aaron Neumeyer, ADM for spending management and planning; Heather Kennedy, ADM for the Oil Sands Sustainable Development Secretariat; Neill McQuay, ADM for strategic capital planning. I should point out that Neill wasn't here at the time either. He joined us in late December 2008. I have to my left Ms Lori Cresey, our senior financial officer.

This, I believe, is the first year that Treasury Board has appeared before this committee on its own. I know you probably have many questions for us. Since we have limited time, I'll conclude my remarks here.

Thank you.

The Deputy Chair: Thank you, Mr. Ramotar.

Mr. Dunn: Mr. Saher will read in our brief opening comments.

The Deputy Chair: Very good. Thank you.

Mr. Saher: Thank you, Mr. Chairman. In the reports under consideration today we have recommendations in the October 2008 report. On page 32 we recommended that Treasury Board consider applying new private-sector compensation disclosure requirements to the Alberta public sector. The government has responded; this recommendation is under review.

Starting at page 372 of the October 2008 report, we have our comments, including three unnumbered recommendations on the annual publication entitled Report of Selected Payments to MLAs.

With respect to outstanding recommendations, please refer to our April 2009 report at pages 107 and 119. These recommendations include government credit cards, expanding the government reporting entity to include the SUCH sector, and assessing and prioritizing Alberta's infrastructure needs.

Finally, we remind members of our chapter on Alberta's consolidated financial statements, that starts on page 69 of our April 2009 report. Our goal for this chapter was to promote a better understanding of the province's financial affairs.

At the last meeting of this committee some questions were asked about line-by-line consolidation. With the Controller of the province being here today, members may wish to discuss some of the other topics such as accounting for pensions, P3s, and investments.

Thank you.

The Deputy Chair: Thank you.

All right. I'll open up the floor. We'll start with questions. Mr. Kang, do you want to go first?

Mr. Kang: Thank you, Mr. Chair. On page 32 of the 2007-08 annual report there are achievement bonuses of $701,000. I was just wondering: what are the criteria used for determining how achievement bonuses are allocated?

Mr. Ramotar: Thank you. The government has a policy for allocating bonuses to non-union employees and management. It's based on a performance contract that each one of those employees would have to sign at the beginning of the year. If they meet all of their performance marks, they can be rated from 1 to 4, 1 being marginal, 4 being outstanding. Generally, half of the staff would be rated average – in other words, at level 2 – and around 10 per cent of the staff would be rated at level 4.

The bonus pool is based on 7 per cent of the salary of those employees that are eligible for a bonus. The bonus allocation can range from zero to 16 per cent: zero if you're marginal, 16 per cent if you are at level 4, essentially walking on water.

Mr. Kang: Okay. My supplementary question. So this is literally a performance review. What happens to those, you know, who are at zero? Are they let go? Do you run them through some kind of course to beef up their performance?

Mr. Ramotar: Well, yes. The information that we get at the end of the year is used for priority areas of training and development for staff. The intent is to get all staff to level 4, knowing full well that that would never happen. What we wanted to do is to raise the bar in all categories each year, so we have money put aside for training and development for each staff member that would like to access that pool.

8:40

Mr. Kang: Thank you.

The Deputy Chair: Thank you.

Ms Woo-Paw, followed by Mr. MacDonald.

Ms Woo-Paw: Thank you, Mr. Chair. On page 12 of your annual report it addresses the strategic capital planning that will meet the need for capital requirements, and within that strategy your department announced the creation of the 20-year capital plan to evaluate and prioritize short-, medium-, and long-term capital needs. My first question is: what measures had your department looked into when prioritizing capital needs? What criteria do you use?

Mr. Ramotar: It's a fairly complex process. In our department and for the government of Alberta we're responsible for two types of infrastructure. The first type is owned infrastructure. Those are roads, bridges, government buildings that are directly owned by the government of Alberta. Then we have the other category of government-supported infrastructure, and those are schools, postsecondary facilities, and health facilities.

For the government-owned infrastructure we have a comprehensive computerized system to track the inventory information, the condition information of each and every one of those types of infrastructure. On the maintenance allocation we use the existing system to priorize maintenance needs. On the need for new infrastructure we gather information from municipalities, key stakeholders, and also our system, based on population projection, safety requirements, et cetera, and we priorize within each envelope. For example, in Transportation they would have their own priorized projects within their envelope. That's step one.

For the supported infrastructure the information comes from boards and agencies. We get their priorities. The departments of Health and Wellness, Education, and Advanced Ed would look at that information, include Alberta Infrastructure because of their expertise on infrastructure costs and repair mechanisms, and repriorize those projects within each envelope. After that, the next step is a cross-ministry team of senior officials that would look at each envelope, and we have a numerical priorization process to come up with priority projects for the government of Alberta. So it's quite comprehensive.

Ms Woo-Paw: Thank you. I'm going to ask my second one anyway. What measures have been taken to ensure that other needs are being met and will be met? I guess the deferred maintenance is an example.

Mr. Ramotar: That's a very good question. This government under the existing Premier is very, very conscious about deferred maintenance. Two years ago the government of Alberta made a decision that they will catch up on their maintenance backlog, so we put a plan in place to address that. The government of Alberta decided two years ago that two-thirds of the unallocated surpluses will go towards infrastructure. Fifty per cent of the two-thirds will go towards maintenance and rehabilitation. Again, we have a comprehensive priorization process to allocate maintenance dollars among the different categories of infrastructure.

Ms Woo-Paw: Thank you. Do I have one more?

The Deputy Chair: No. We'll come back, and I'll get you back on.

Mr. MacDonald, followed by Mr. Jacobs, please.

Mr. MacDonald: Yes. Thank you, Mr. Chair, and good morning again. On page 32 of the 2007-08 Treasury Board annual report, corporate internal audit services, the authorized budget was $4,932,000. However, the actual amount spent was $1.2 million less. Given the fact that the provincial budget in the year in discussion was well over $40 billion, what audits were left undone that your department had anticipated when you initially set the budget at $4.9 million?

Mr. Ramotar: The department of the Treasury Board was formed in late 2006. They started with little or no staff. It took all of 2007-2008 to catch up, and even then they couldn't fill all the vacant positions. The money that is left over is not necessarily what we planned to audit and we didn't audit; it was, really, we couldn't staff up fast enough to get the work done.

Mr. MacDonald: Okay. What work was not done?

Mr. Ramotar: I'd like to invite Heather, our guru in internal audit, to answer that question if I may.

Mr. MacDonald: Sure.

Ms Zomar: Thank you, Mr. Chair. In the year in question, because we were moving to a new facility, we didn't have sufficient room for staff, and we didn't know when we'd be able to staff up to the full complement. So when we created our audit plan, we based it on the hours we had at the time. The full audit plan did get completed. We actually completed a three-year audit plan, so in the event we were able to staff up earlier, we could bring things from year 2 down to year 1 and complete those audits at that time.

Mr. MacDonald: Thank you.

The Deputy Chair: Thank you.
Mr. Jacobs, followed by Mr. Kang, please.

Mr. Jacobs: Thank you, Mr. Chairman. For my question to the officials from Treasury Board the background is on page 16. In strategy 3.3 you indicate that you "contribute to a governance review that provides recommendations on how the government can improve the transparency, accountability and governance of its agencies, boards and commissions." Could you provide us with a specific example of a development that resulted from that review?

Mr. Lynkowski: Mr. Chairman, if I might. The input provided by Treasury Board was more in terms of defining the agencies, boards, and commissions that are part of the greater government reporting entity. The Financial Administration Act defines agencies, boards, commissions, provincial agencies, et cetera, so the input provided and referenced on that page simply was assisting the governance framework task force with understanding the entities, boards, and commissions and how they relate to the government and how they relate to the ministry and government financial statements. So, per se, the recommendations with respect to strategies, et cetera, were coming out of the task force and not particularly out of Treasury Board. It was more providing an understanding of the various entities involved.

Mr. Jacobs: Basically, then, you're saying that it had very little effect on the goal. Was there any effect on the cost? Your cost increases that resulted in your budget that year: did that have any effect on the increase in expenses?

Mr. Lynkowski: Mr. Chairman, I'd say no.

The Deputy Chair: Thank you.
Mr. Kang, please, followed by Mr. Olson.

Mr. Kang: Thank you, Mr. Chair. Coming back to the achievement bonuses again, the deputy minister said that there is some money set aside to improve the performance, to bring it from zero to 4. How much money is set aside there so they could qualify for bonuses?

Mr. Ramotar: As a rule of thumb we try to put aside $1,000 per employee for training and development. But not all employees will capitalize on it. I think the uptake is around 60 per cent.

8:50

Mr. Kang: Okay. The second question is: don't you think the onus should be on the employee to improve their performance, not the government, when they're hired? Will the department provide a breakdown to the Public Accounts Committee on who received achievement bonuses and what amount they received?

Mr. Ramotar: We have that information available on who received what.

With regard to the comment about employees being responsible for their development, that's absolutely true. What we try to do is to hire employees with the proper qualifications coming out of university or from the private sector. However, you need continuous improvement in any professional career. The department is not trying to fund 100 per cent of the development for each employee. We just create an environment for them to improve in. Some employees may decide that they want to work on their master's degree part-time, and they would fund all or part of that. Some may want to go to the States for additional courses or diploma programs, and they fund all or part of that. The amount of money that we put aside is very minimal. You don't get much for less than $1,000 these days if you include travel.

Mr. Kang: Thank you.

The Deputy Chair: Thank you.
Mr. Olson, please, followed by Mr. MacDonald.

Mr. Olson: Thank you. I'm interested in a little bit more information on the Oil Sands Sustainable Development Secretariat. I'm referring to page 19 of the 2007-2008 annual report. Strategy 5.2 talks about an intention to "facilitate a common approach to address the social, environmental and economic impacts." If I get the chance, I'd like to ask you some more questions about things along this line a little bit later. But I'm just wondering, you know, given the increase in funding in this initiative: do you feel that you were able to develop a sustainable framework for cross-ministry collaboration?

Mr. Ramotar: Yes. We are comfortable with the funding that we have for this very, very complex initiative. This is an initiative that includes several departments. Some of the key departments are Environment, Energy, Transportation, Infrastructure, Sustainable Resource Development, and then there are a whole bunch of secondary departments. The key achievement is really the oil sands strategy plan that was published earlier this year. The work is not done. We are moving into the implementation phase. But I can tell you that the collaboration that we got from across the government and with key stakeholders is second to none. We don't pay for them to come to meetings. Their department would pick up any cost.

Mr. Olson: Thank you. Actually, maybe I'll go in a bit of a different direction than I originally planned and stick with the whole idea of cross-ministry collaboration, not relating necessarily to this particular oil sands project but just generally. I know, reading through some of the documentation in the annual report in the introductory comments and so on, that's something that you're mandated to do.

Some of the experience I've had in my relatively short time here is that there is this bewildering myriad of programs that government offers through many different departments, touching, often, the same or similar issues. It just strikes me that it would be very beneficial to have some sort of a clearing house so that not only the people who use the services and the programs but also people in government understand what's there and what's being offered. I think that certainly appears to be when I read the message from the President of the Treasury Board and the operational overview. It talks about consulting with other ministries regarding all new programs and initiatives and so on. How well developed is that process now? Is that a work in progress? It seems to me that there could be some great benefit in developing that.

Mr. Ramotar: Absolutely. I think it's a great observation. We started on cross-ministry initiatives since I was deputy minister eight or nine years ago, and we are still working on it. Today we are taking a more focused approach in line, you know, with exactly what you were saying. One example is the social services program. We have four ministries delivering social services programs to Albertans. What we are doing is what we call re-engineering of the entire business process that is delivering social services to Albertans. It is, again, a complex undertaking. We are starting with a clean sheet of paper, using what we are doing now as a reference and building a brand new system supported by updated IT technology. So an individual in Alberta, for example, can follow his file from birth to death, and you don't need department employees to touch the paper file at each step of the way.

We have five of those projects going on right now. They're all cross-ministry projects. They are very comprehensive. They're going to yield dramatic improvements in the way that this government delivers services to the public.

Mr. Olson: Thank you.

The Deputy Chair: Thank you.

Mr. MacDonald, please, followed by Ms Woo-Paw.

Mr. MacDonald: Yes. Thank you. I have more questions on the internal audit services from page 32. My first question would be, I believe, to the deputy minister. How can the Internal Audit Committee be independent and objective in its viewpoint when it's auditing the same department or various other departments or the government? Essentially, you're auditing yourself. How can you be independent and objective?

Mr. Ramotar: Well, we have, as you know, two levels of audit. We have the Auditor General, that can audit anything within government. The Auditor General looks at the internal audit report and the work plan, looking ahead at least one year if not three years, and can fill in any gaps there are within the internal audit plan.

Internal audit has to reside somewhere. Internal audit provides services to all departments, including the department of the Treasury Board. Most of the projects if not, I would say, 90 per cent or more of the projects are projects in other departments. So if there are one or two projects that are being done for Treasury Board, there's a good chance that those projects are more corporate projects that include other ministries.

Mr. Dunn: Maybe I can help out here. First of all, just for background clarification, we've had internal audit in the government prior to the existence of Treasury Board. Internal audit has been around for a number of years. At the time of the reformation of internal audit approximately five years ago, I believe it was reformatted, I sat down with the then Executive Council as to what form of structure would provide for the best independence and objectivity of an internal audit group, recognizing it always will be part of staff of some department.

We followed a model very similar to the province of British Columbia. What was set up was an oversight committee comprised primarily, I think, of six senior deputy ministers – I think I've got the right number now – together with two external individuals that came on board to which the head of internal audit will report their plan and their results of that.

The idea behind that was to stop any sort of pressure coming from any one department deputy minister saying: not in my backyard; go audit somebody else. Thus the plan, which is formulated through the head of internal audit, does get presented to this panel, which is able, then, to ensure that there is some degree – you're right, Mr. MacDonald – of independence, objectivity within the plan that they plan to present.

9:00

However, back to what the deputy minister said, the role of the Auditor General is not to fill in the gaps of internal audit. Internal audit is to look across the government as to where controls, that by way of design or implementation may be insufficient, may not be providing the assurance that the department head, the deputy minister, needs.

The role of the Auditor General – we're the external auditor – under our legislation is to look at the financial reporting and those areas which we can spend some time in around systems and procedures. You've all heard from me about how we do our external auditing and our section 19 systems auditing, but we are not there to fill in the gaps. Internal audit is to have a broad-based three-year plan to cover the higher risk areas of the province of Alberta, and what we would do is look at their plan to see where work that has been done would provide us with the sufficient assurance that we would not have to do as much external auditing around the financial reporting.

Thank you.

The Deputy Chair: Thank you, Mr. Dunn.

Mr. MacDonald, a supplemental.

Mr. MacDonald: Yes, thank you. How many investigations into any matters within its scope of responsibility did the Internal Audit Committee conduct in 2007-08?

Mr. Ramotar: I'll ask Heather to answer that question again, but I want to explain the term "gap." Maybe it's not the right word. What I was trying to get at there is that the Auditor General has access to the internal audit plan. If there are things that he sees that should be audited – and he has a right – that are not being audited by internal audit, he can come in and he does come in to audit those areas.

Ms Zomar: With respect to this particular year I can't say with certainty, but I can say that generally we perform maybe one to two special investigations a year.

Mr. MacDonald: I wasn't talking about special investigations. I was just talking about investigations, but I appreciate the answer on special investigations because there certainly is a difference. So you did two special investigations?

Ms Zomar: We do one to two a year generally.

Mr. MacDonald: Thanks.

The Deputy Chair: Very good. Thank you.

Ms Woo-Paw, please, followed by Mr. Kang.

Ms Woo-Paw: Thank you, Mr. Chair. I'll finish off my first set of questions. I'd like to know if the deferred maintenance projects and the new infrastructure projects are budgeted and managed separately? Do they compete for allocations separately?

Mr. Ramotar: Well, yes, but there is a front-end piece that we have to look at. Before we decide to build a new project, we look regionally to see whether there are existing facilities that can be modified or upgraded to provide that service. That's where the link is. Then a decision is made whether you build new, whether you add a new wing, or whether you continue to maintain that facility. Once that decision is made, appropriate funds are allocated to the project, whether it's maintenance or construct new.

Ms Woo-Paw: But they are managed separately?

Mr. Ramotar: Once the funds are allocated, they are managed separately. There may be from time to time minor modification, but the funds don't cross programs.

Ms Woo-Paw: My supplementary.

The Deputy Chair: Go ahead.

Ms Woo-Paw: I'm really glad to hear the commitment and the focus on addressing deferred maintenance. On page 19 of the Auditor General's report are some of the outstanding recommendations from the Auditor General's office to the Treasury Board. I think you've addressed a couple of them to me in regard to assessing and priorizing Alberta's infrastructure needs, but it also speaks to the need to consider life-cycle costs. What has your ministry done to address this?

Mr. Ramotar: We have a process in place. Life-cycle costing is not a new concept for any infrastructure manager. Whether it's a new project or whether it's a different delivery mechanism of a new project or whether you decide whether you will maintain a project, a building for example, or tear it down and build new, life-cycle benefit-cost analysis is always part of that. We have a process in place within the government of Alberta for doing that.

Ms Woo-Paw: Okay. So we will not see all these outstanding recommendations next year?

Mr. Ramotar: No.

Ms Woo-Paw: Thank you.

The Deputy Chair: Mr. Kang, please, followed by Mr. Drysdale.

Mr. Kang: Thank you, Mr. Chair. I thought Ms Woo-Paw would keep going on this.

My question is: what measures are used to evaluate cost-effectiveness or feasibility of P3 financing compared to public financing?

Mr. McQuay: Can you repeat the question?

Mr. Kang: What measures are used to evaluate cost-effectiveness and feasibility of P3 financing compared with public financing?

Mr. McQuay: You're probably looking at the public-sector comparator. The public-sector comparator is the traditional way of doing the work. That includes the construction work and the operation and maintenance work. Then that's compared back to the final bid of the design-build-finance-operate submission. In that case we are looking for the value for money so that it is better for the taxpayers, so of course the bid should come in under the PSC.

Mr. Kang: Okay. Are there any examples you can provide the committee, through the clerk maybe, you know, showing where we're saving money on P3s compared to public financing?

Mr. McQuay: I think we actually provide, when we announce the winner of the work, the PSC value and the three bid submissions. Of course, in the last Transportation project, the northwest Anthony Henday, I believe the PSC was $1.6 billion, and the bid was $1.4 billion. Those are the published numbers that we released.

Mr. Kang: I'm talking about the schools, you know, the new schools that we're building with P3s.

Mr. McQuay: Those numbers were also released with the school boards for ASAP 1.

Mr. Kang: My understanding is, you know, that that information is confidential. So far it hasn't been let out.

Mr. Lynkowski: If I might, Mr. Chairman. I think there was a public news release that talked about – and I'll look to the auditors because we were just discussing the treatment on the ASAP 1 projects. I think the advantage of going with the P3 versus the public-sector comparison was in the order of $150 million.

Mr. McQuay: It was $112 million.

Mr. Lynkowski: So $112 million.

Mr. Saher: Maybe I could supplement. Sorry. Not to throw out another number, but the one in my head is that the government asserted that the advantage of going with the P3 method of building those schools I believe was $116 million.

I just want to remind the committee that at this time we have a systems audit under way to look at the systems that the government used in putting together its decisions to deal with that particular school construction using a P3 approach. We're scheduled to report our conclusions on that in October of this year. Essentially, that audit project is designed to see whether the government systems, in point of fact, did generate value for money for Albertans.

Mr. Kang: Thank you, Mr. Chair.

The Deputy Chair: Mr. Drysdale, followed by Mr. MacDonald, please.

Mr. Drysdale: Thank you, Mr. Chair. According to page 19 of the Treasury Board 2007-2008 annual report, the Oil Sands Sustainable Development Secretariat co-ordinates the implementation of the government's response to the Oil Sands Ministerial Strategy Committee report. In this section it is noted that all the recommendations of the report have been completed or are well under way. So how did the completion of these short-term needs reduce any provisions set aside for longer term gains?

9:10

Ms Kennedy: Just in answer to the question about the oil sands ministerial report – I think it's more commonly known as the Radke report – the government has actually concluded that we have met all of the expectations of that report through some immediate funding priorities and some policy work, particularly the oil sands strategy and the land-use framework as well as some community development planning work, so a great deal of effort went into concluding that. It was done mostly in this financial year, with some prior and some post, of course. So that is complete.

In terms of short-term versus long-term most of the funding for the capital projects through that report was done through surpluses, so it didn't detract from the long-term capital planning. In the long term, the 20-year capital strategic plan, there are specific references to the oil sands regions, particularly the Wood Buffalo region, and the need to ensure that as energy production grows, the infrastructure needs are met there. So I think it's well entertained and captured in the strategic plan and the capital planning initiatives through Transportation and Infrastructure and the other social assets ministries that are working, you know, through the three- to five-year budget cycle as well.

Mr. Drysdale: Okay. On page 10 of the report it shows an increase of over $1.2 billion in funding. How will this enable your ability to manage spending for short-, medium-, and long-term goals?

Ms Kennedy: Excuse me. If I could clarify the question. Are you referring to the $1.2 million that was the oil sands secretariat budget?

Mr. Drysdale: Well, the Oil Sands Sustainable Development Secretariat: it shows an increase there of $1.2 million.

Ms Kennedy: Okay. The increase is primarily due to the fact that as a division we were created in August of 2007 so had no budget requirements prior to that other than $17,000 for recruiting an ADM, actually, but for recruitment. We started our work in this fiscal year, and that was the budget that was deemed appropriate for the work that we had to complete with the recommendations from the Radke and the multistakeholder and the aboriginal consultation reports to create the strategic plan.

The Deputy Chair: Thank you.

Mr. MacDonald, followed by Mr. Jacobs, please.

Mr. MacDonald: Thank you. I have some more questions. I find this internal auditing process quite interesting. The document I'm referring to is on the Treasury Board website. The Internal Audit Committee may invite the Auditor General to attend meetings. In 2007-2008 was the Auditor General invited to attend any of the meetings? I understand you have to have at least four annually.

Ms Zomar: No, I would say that the Auditor General was not invited.

Mr. MacDonald: Okay. That surprises me. Can you provide to the committee through the clerk the minutes of the meetings of the Internal Audit Committee that happened in 2007-2008?

Ms Zomar: Certainly.

Mr. MacDonald: I'd appreciate that.

The Deputy Chair: All right. Mr. Jacobs, followed by Mr. Kang, please.

Mr. Jacobs: Thank you, Mr. Chairman. I'm going to refer to a question that I asked of the Auditor General two weeks ago which deals with Alberta's consolidated financial statements. The background for my question comes on page 70 of the Auditor General's 2009 report. I'm just going to quote one paragraph from that report. It's referring to schedule 8, which provides an explanation of the buildup and change in the reported equity.

> The deadline for the final phase of transition is the year ending March 31, 2010. In the 2010 consolidated financial statements, Albertans will see what is called a "line-by-line" consolidation of the SUCH sector. Instead of showing the province's involvement as a one-line investment, the financial statements will include the SUCH sector's revenues, expenses, assets and liabilities together with the rest of the province's revenues, expenses, assets and liabilities.

So had the province supplied line-by-line consolidation in the year March 31, 2008, net assets would have increased by $12 billion and the surplus by $2 billion. As we go forward, it seems to me this will have considerable impact on the financial statements.

I guess my question is, and perhaps the Auditor General will want to supplement: how are you going to deal with what would have been a substantial increase in 2008? As we go forward, how do you deal with this line-by-line consolidation?

Mr. Dunn, if you'd like to add, I'd certainly appreciate that.

Mr. Lynkowski: The quote, I guess, that you've read from the Auditor General's report applies to the public accounts or the consolidated financial statements of the province. I did read the *Hansard* for that day, and I was aware of the Auditor General's response and quite a good, detailed, thorough response. The committee understands that the $2 billion in additional surplus that was referenced results from: under our current budget model we provide capital grants to the SUCH sector for them to construct their infrastructure and their facilities. On the government's books those capital grants are treated as an expense.

Under modified equity, the one-line equity consolidation method that we use currently, we pick up the net impact or effect of the annual results of the SUCH sector and report that on a one-line basis in our financial statements for the government. The money that we had granted and expensed is used by the SUCH sector to construct buildings, et cetera, and that will show up as a tangible capital asset on the books of those entities. If the money has been granted and expensed by government but has not yet been used by the SUCH sector, it'll show up in their cash balance.

When we moved to line-by-line consolidation, the timing is correct; under the standard-setter's rules we need to apply line-by-line consolidation for the 2009-2010 fiscal year. What happens is that for that capital grant expense that is paid to the SUCH sector and that they use to construct assets, really, our expense on our books and, ultimately, revenue on their books is eliminated on consolidation because what we're doing is we're going to bring all of their revenues, all of their expenses, all of their assets, all of their liabilities into our books.

So what was previously an expense is now, in essence, a government asset, either an infrastructure asset or a cash asset. The $2 billion results from capital grants that we had expensed under the one-line modified equity basis now being, in essence, a tangible capital asset or a cash balance in the SUCH sector entity. But because we bring all of those expenses, revenues, assets, and liabilities in, in essence it's a government asset. The $2 billion represents capital grants that we expense and provide to the SUCH sector that is now an asset, no longer an expense. So reducing expenses increases the surplus position.

On an ongoing basis the amount of capital grants that we provide to the SUCH sector will on consolidation for the financial statement purposes result in reducing the expenses of government. For '07-08 that was $2 billion.

But I do want to make one very important point. When the government prepares its budget and prepares its quarterly updates and quarterly forecasts, that does not include the SUCH sector. When we provide our quarterly updates and our budget, we will be showing capital grant expenses to the SUCH sector and will continue to show capital grant expenses to the SUCH sector. So when we are looking at the budget that is presented, when we are looking at quarterly forecasts and updates that we provide, the capital grants that we provide to the SUCH sector will still be expensed because on the budget we don't apply line-by-line consolidation. From a financial statement, public accounts perspective we do have that difference, but on our budget and our quarterly updates it'll basically continue as it has over the previous number of years.

The $12 billion that was referenced, in essence, is the tangible capital assets that have been constructed by the SUCH sector in the past with capital grant dollars provided by government that on line-by-line consolidation we will now be bringing onto the government's books, increasing our net asset position by roughly $12 billion.

I don't know if that has clarified.

9:20

Mr. Jacobs: Thank you very much. No supplementary unless Mr. Dunn has a supplementary.

The Deputy Chair: Mr. Dunn, do you have anything to add to that?

Mr. Dunn: No. I believe that what the Controller is trying to explain is that the government is not yet prepared to change its budgeting process. The budgeting process is driving the response there. But from the accounting, the cumulative effect of the accounting, as the Controller has just described, will be reported in the year in which the full consolidation takes place, the amount of the change within the surplus in the year.

Very simply, in plain language, what they do, because of the way in which it's being treated, is that you're writing off your long-term assets in one year. Lots of long-term assets are being written off in one year. They have, obviously, a 40- or 50-year life cycle, and then when you bring those entities containing those assets onto the books, clearly you bring the cumulative impact, which is the undepreciated amount of $12 billion, back onto the books.

Mr. Jacobs: Thank you.

The Deputy Chair: Very good. Thank you.

Just before we continue, I'd like to welcome Mr. Dallas to the meeting.

Mr. Kang, please, followed by Ms Woo-Paw.

Mr. Kang: Thank you, Mr. Chair. I'm talking about the infrastructure deficit here in the province. What was it in 2007-08?

Mr. Ramotar: Are you talking about the maintenance backlog?

Mr. Kang: We'll just go for the total infrastructure deficit.

Mr. Ramotar: Well, it's difficult to talk about the capital piece because you don't know what a deficit is. The requirements for new infrastructure change depending on the economy and other factors. The only thing that you can focus on with clarity, or some clarity, anyways, is the maintenance backlog.

Mr. Kang: Between 2007 and 2008. Sorry.

Mr. Ramotar: In 2007 the maintenance backlog was estimated at $6.1 billion for all infrastructure, including university buildings and schools.

Mr. Kang: Okay. And what was the estimated bill for deferred maintenance in Alberta in 2007-08? How much did we pay?

Mr. Ramotar: How much did we pay? We have a budget for maintenance. We don't pay for infrastructure deficit per se. We have a system that says that if you have enough funds, you need to address X number of dollars, in this case $6.1 billion worth of deficit.

Well, the government of Alberta budgets maintenance funds in two ways. One of them is the base funding for maintenance of the different categories of infrastructure. For example, on highway projects you will have X number of dollars for highway maintenance for a year. When the government came up with the new policy a couple of years ago to allocate one-third of the unallocated surpluses to maintenance, that's another layer that was added to the top. In 2007 it was a little over $700 million of extra maintenance dollars that were added to the programs for all infrastructure. So the total for that year was a little over a billion dollars.

The Deputy Chair: Thank you.

Ms Woo-Paw, please, followed by Mr. MacDonald.

Ms Woo-Paw: Thank you, Mr. Chair. Pardon my ignorance. What is the rationale behind situating the Oil Sands Sustainable Development Secretariat within the Ministry of Treasury Board?

Mr. Ramotar: Well, like I said before, the oil sands touch several departments, several core departments; it's Environment, Energy, Transportation, Infrastructure, Sustainable Resource Development, and a whole bunch of secondary departments. The government thought that if it's located outside one of those departments in a central agency like Treasury Board, then there would be better co-ordination and there would not be vested interests in skewing the plan. For example, if it's in Transportation and they have most of the capital demands, you would find a plan that is focused mostly on Transportation and ignores Energy, Environment, and some of the other departments. So Treasury Board is viewed as a central agency, no different than locating internal audit in the Department of Treasury Board or spending management in Treasury Board or the capital planning process or management of P3s within the Treasury Board department.

Ms Woo-Paw: Okay. Thank you.

Your ministry has conducted consultations, a very necessary practice. Are the results of these consultations communicated and incorporated into your ministry's plans?

Mr. Ramotar: Yes, absolutely. It forms part of the overall plan for government, not only our business plan. We ensure that all participating departments – and there are over 17 of them – build some of these implementation actions within their business plan moving forward.

Ms Woo-Paw: Thank you very much.

The Deputy Chair: Thank you.

Mr. MacDonald, please, followed by Mr. Olson.

Mr. MacDonald: Yes. I'm going to continue with my questions on the Internal Audit Committee. I'm looking at the Internal Audit Committee charter. It indicates that the internal audit relationship with the Auditor General is outlined, of course, in 6.3 of the charter, and it reads:

> The [Internal Audit Committee] will verify that CIAS coordinates its audit work with the Office of the Auditor General by confirming that the CIAS:
>
> (a) Provides the AG with a copy of the annual and three-year audit plans and quarterly updates on the progress of the current audit plan.

I'm surprised to learn that the AG has not been at any of your meetings, and my question is: can the Public Accounts Committee have a copy of the quarterly, the annual, and the three-year audit plan that the Internal Audit Committee has and you referenced earlier?

Mr. Ramotar: I don't see any reason why you couldn't get a copy.

Mr. MacDonald: I would appreciate it if we could have that provided.

The Deputy Chair: Provide that, please, through the clerk.

Mr. MacDonald: Yes. For the record, please – I'm not being disrespectful; I'm being forgetful – you are Heather Zomar, the Chief Internal Auditor?

Ms Zomar: Chief Internal Auditor. That's correct.

Mr. MacDonald: Thank you.

Ms Zomar: Yes. And just to be clear, we don't have a quarterly audit plan. What we have is an annual audit plan and a three-year audit plan.

Mr. MacDonald: Three-year. Okay.

Mr. Saher: Mr. Chairman.

The Deputy Chair: Please.

Mr. Saher: A quick supplement. I'd just like to go on the record that the internal CIAS does in fact meet directly with the Auditor General's office, at which meetings those plans are shared. We inform CIAS of what our plans are. The object of the exercise is to minimize duplication. So just for the record the fact that the Auditor General did not meet in person with the committee that you're referring to should not be construed as that we are not knowledgeable of the activities of CIAS.

9:30

Mr. MacDonald: Okay. I appreciate that. In 2007-08 did the Internal Audit Committee conduct an audit in each and every government department?

Ms Zomar: Probably not. When we're developing our audit plan, what we look at are the government priorities. Because our audit plan is a risk-based plan based on high-risk government objectives, we look at those government priorities, and we select our audits based on those priorities. So it may or may not touch every department. We do cross-government audits, and those do touch on every department. In that particular year I don't recall whether we touched on every department or not.

The Deputy Chair: Thank you.
Mr. Olson, please, followed by Mr. Kang.

Mr. Olson: Thanks. I'd just like to ask a couple of questions about your process of program reviews. Goal 1 is a co-ordinated and disciplined approach to government spending. I know it's early days in terms of kind of evaluating your performance measures for the program spending review. I see that your 2007-10 business plan didn't have performance measures identified, but in '08-11 they were kind of in progress. I'm just wondering if you can give us an update on the status of those performance measures being identified and talk maybe a little bit about whether you are developing a framework, so, you know, rather than a series of one-offs, there's a framework in place to sustain the efficiencies that you're looking for.

Mr. Neumeyer: The program review process has been evolving over the last three years. In 2007-08 we did conduct a review of a number of programs in government. A government MLA caucus review of programs was held in the fall of 2007. That did evolve into what was referred to in 2008-09 as value reviews. Every ministry in government was required to conduct at least one value review of one program area. What a value review is intended to do is to look at opportunities to streamline operations, improve efficiency and effectiveness of the programs, reduce regulation where opportunities permit.

That has now further evolved, if you will. Now, in 2008-09, generally speaking, the intent was that if there were any savings identified, those would be retained by the ministries. In '09-10 now the process is evolving in that we've set a specific savings target of $250 million out of the '09-10 operating expense budget. These are to be achieved through these value reviews conducted by each individual ministry. A related aspect of the efficiencies and effectiveness of government is, as Mr. Ramotar referred to earlier, the process re-engineering in selected areas of government that is being conducted this year.

Mr. Olson: Thank you. How are we doing, then? What savings have been achieved?

Mr. Neumeyer: For this year we'll be reporting quarterly on our progress, quarter 1 in August and quarter 2 before the end of November. Our expectation is that by quarter 2 we will report that we have achieved the full $250 million in savings for this year.

Mr. Olson: Thank you.

The Deputy Chair: Thank you.
Mr. Kang, please, followed by Mr. Dallas.

Mr. Kang: Thank you, Mr. Chair. Referencing page 18 of the 2007-08 annual report, can the minister provide details on the risk module of audit software that is in the process of being developed?

Mr. Ramotar: Heather?

Ms Zomar: I'm sorry. Could you please repeat the question?

Mr. Kang: On page 18 of the 2007-08 annual report can the minister provide details on the risk module of audit software that is in the process of being developed?

Ms Zomar: Certainly. We have audit software that has a number of modules that we've been using for a few years. In that year we developed a risk module which allows us to populate – when we do our research to develop our audit plan, we're looking at business plans of all departments. We do research into audits conducted in other jurisdictions, for example, by Auditors General, and we do research into the risks that take place in departments. We also meet with department officials to get their understanding of the risks. We look at their risk management plans. We can populate all that into our risk module, which allows us to then create a risk map, if you will, for each department that we can then share with the departments to see whether they agree with it or not. From that we select our audits. That software module was part of an upgrade in the version of the software that we're using.

Mr. Kang: Thank you. What are the projected costs of implementing this new software?

Ms Zomar: It was a licence. We have a licence for this software that we've had for quite a while. I don't recall the additional cost of that, but the Auditor General's office has the same software. They upgraded the year before we did. I don't know if Mr. Dunn, perhaps, has an idea of the cost. I haven't.

Mr. Dunn: No. I believe you should supply that information in writing through the clerk.

The Deputy Chair: If you would, please.

Ms Zomar: Okay.

The Deputy Chair: Thank you.
Mr. Dallas, followed by Mr. Kang.

Mr. Dallas: Thank you, Mr. Chair. Good morning, ladies and gentlemen. I'm looking at page 13 of the annual report. Down towards the bottom of the page there's a reference to strategy 2.3 that speaks to actions that the department was taking with respect to inflationary pressure on capital purchases. While there are a couple of sentences there that describe the idea that there were strategies in place, I wonder if you could elaborate on, specifically, a couple of examples of that strategy and if we, in fact, have any measurement of how effective that was given that, I think, some of the expenditures were actually driving inflation pressure at the same time.

Mr. Ramotar: Thank you. As you know, in 2006, 2007, and part of 2008 is when we had the highest costs for infrastructure construction and maintenance. The government of Alberta always has a three-year and a five-year capital plan. Those plans contain projects with cash flow to the end of construction, so when the inflation hit, the government of Alberta went back to reassess each one of those projects to make sure that we don't have a significant shortfall for funding those projects.

We reassessed each one of those projects. We came up with a shortfall of three and a half billion dollars on an average of $20 billion projects. Some of that money was allocated to those projects. Some of the money was held back. Today over $2.5 million were allocated to projects because they were either under construction or construction just got started. The money that is in reserve will not be applied to the projects because we are seeing the costs coming down. As a matter of fact, we are reviewing each one of the new projects that are being tendered to see how many dollars we could save, and we'll take that money, put it in a separate pot, and allocate it to new projects that would move into the five-year plan.

Mr. Dallas: Sure. Thank you. With respect to future tendering with projects, is there specific work with ministries that you could identify that there's a change in practice in terms of how we're approaching those tenders, or is there one uniform policy that we're applying across all ministries that are engaging in capital projects or trying to access capital funds for projects related to their ministry?

Mr. Ramotar: What we do have is a committee that includes external contractors that help us to project five years down the road in terms of cost escalation or de-escalation. That work is done every six months, and we provide that information to the departments that are responsible for estimating their projects, so that's one of the things that we have done.

9:40

In terms of tendering we have what we call different tools in the tool box. One size does not fit all. We have a P3 model that can only be applied to certain projects, certain sizes of projects. We have conventional delivery that would apply to over 90 per cent of our projects. We have a design-build model that applies to a handful of projects as well. The last one we used design-build on was the Stony Plain Road, for example. That saved us about $100 million. It came in over 30 per cent below estimate. We have a construction management model that we apply to buildings, for example. It's important to have all of these tools and, more importantly, to apply them to the right projects at the right time. So we provide a little bit of guidance from Treasury Board to these departments.

The Deputy Chair: Thank you.
We'll go to Mr. MacDonald, please, followed by Mr. Drysdale.

Mr. MacDonald: Yes. Thank you. On page 33 of the 2007-08 Treasury Board annual report is the salary and benefits disclosure. Footnote 8 at the bottom, regarding the assistant deputy minister of the Oil Sands Sustainable Development Secretariat: why is that position not included with the rest of the ADMs, the Controller, and the senior management staff?

Mr. Ramotar: I believe that was part of the contract, an agreement with the source firm. We are reviewing that at this time, and we'll be working with the Auditor General to determine how we handle that going forward.

Mr. Saher: Yes. Just to make the connection with our work, it's on page 371 of our October 2008 report. We made the following recommendation:

> We recommend that the Ministry of Treasury Board, through the Salaries and Benefits Disclosure Directive, clarify what form of disclosure, under what circumstances, is required of the salary and benefits of an individual in an organization's senior decision making/management group who is compensated directly by a third party.

We made the recommendation, and as the deputy has just informed you, they are addressing it. We've not done further audit work, so I can't give you any updated view other than that we felt that there should be clear direction to ministries as to how they should handle that issue in their salary report.

Mr. MacDonald: Thank you.
My second question would be – I don't want to go on a long ramble here, Mr. Chairman, but I would like to commend the department for your disclosure on a quarterly basis now of the public accounts, the blue books. I enjoy going to your website and scrolling through there, both in grants and in contracts, supplies, and services. I think it's a really good step towards more openness and transparency as a government. I commend you and I commend the minister for it. The minister is going to come to our Public Accounts conference in September and explain how all this works to the rest of the country with this online or Internet reporting, and I think it's a real good first step.

But if I was to look on there, where would I look to find the details on a quarterly basis of this contract?

Mr. Lynkowski: Currently the blue book does not report salaries and manpower. I believe that for this particular contract – and I'll have to check with the expert sitting behind me if I'm correct – the company and the vendor name for the contract would be reported. If there were other business with that particular contract or company, that would be reported as well.

Mr. MacDonald: Thank you.

The Deputy Chair: Thank you.
Mr. Drysdale, followed by Mr. Kang, please.

Mr. Drysdale: Thank you. The oil sands secretariat was developed to move forward the Alberta government's plan to sustainably develop the province's natural resources. How has your department collaborated with other jurisdictions to co-ordinate and communicate the government's environmental strategy both nationally and internationally?

Mr. Ramotar: Heather.

Ms Kennedy: Thank you. In, I think, a couple of ways that I would speak to this morning. The first is that the Treasury Board collaborates quite closely with IIR, International and Intergovernmental Relations, to lead Alberta's international strategy on oil sands. The gist of the strategy is around both reputation management and addressing a number of the U.S. policies in particular around climate change and low-carbon fuel standards and how the oil sands can find ourselves not caught in the new legislation that the United States is considering. Certainly, we work very closely on that because, as I'm sure most of you will know, our primary market for sale of oil sands bitumen or synthetic crude is, of course, the United States, so we do have to ensure from a government perspective that their policies aren't particularly punitive for us. That is our primary international work.

Of course, internationally as well the Premier has just come back from Europe. The European market is really around reputation management. We work quite closely with International and Intergovernmental Relations on that as well and with Europe for a couple of reasons. One is that some of the major oil sands investing companies are from Europe, and as well the majority of shareholders of some of the so-called Canadian companies are actually from Europe, so it's a very important market for us to capture properly and get our information out there.

In terms of Canada itself I would say that there are two particular fronts. The first is the regulatory front. While oil sands are an Alberta resource, there are a number of common fronts where we have to regulate as well with the federal government; for example, navigable waters. Certainly, the federal government has a great deal of jurisdiction on First Nations and reserve land and traditional-use lands, that type of thing. As well, climate change is obviously going to be a federal piece of legislation and work through CEPA, the Canadian Environmental Protection Act. Part of the oil sands strategy refers specifically to developing the right relationships with the federal government so that Alberta ends up in the right place, in our minds, with regard to climate change and the five or six other areas that we need to work closely with the federal government on. We are developing a strategy, in particular, around climate change but also to deal with the other aspects of oil sands that we have to work closely with the federal government on.

We also as a government have an MOU with Saskatchewan around air quality, and we are part of a water strategy with the Northwest Territories, who have a great deal of concern about the Athabasca, which, of course, flows into their territory.

There are a number of agreements in place with other jurisdictions and a great deal of work to come, but I would say that in the last, you know, two to five years we've progressed quite a bit through that and have a pretty clear understanding of all the pieces that are required. Some are in place. As you know, climate change is an internationally evolving file. With good plans in place, they'll evolve as the world and Copenhagen evolve.

Mr. Drysdale: Okay. As you stated, we've been criticized for our environmental strategy. On page 10 it shows that there's actual excess dollars in the department over spending and budgeted. Did the department consider putting more funding towards co-ordinating Alberta's plan with other jurisdictions as far as our environmental strategy? You know, I think we're starting to see it now, but the money was there. Did you consider getting the word out better?

9:50

Ms Kennedy: You know, I would say that in terms of funding I think we spent our money as best we could considering that we were staffing up and just ramping up in 2007-08. I'm not sure we could have spent that residual funding. But I would also answer that working with jurisdictions and on managing reputation is also about time spent with stakeholders, getting the word out and getting the word out in the right form so there's not too much information for people to try to absorb and not too little so that they don't misunderstand it.

One thing that the secretariat can bring with the funding that we have along with, you know, the other departments that we collaborate with is the ability to get out and spend time and talk to stakeholders and clarify some of the myths and the odd pieces of information that NGOs and others are able to put out as well. It almost isn't a funding matter; it's a time matter. With the secretariat in place and with its position in Treasury Board as a sort of central agency we're able to do a lot of that work and do spend a lot of time with stakeholders.

The Deputy Chair: Thank you.
All right. We have three members left with questions and about eight minutes, so I'm going to ask the remaining three to read them into the record, please, and if you could respond to those in writing through the clerk, that would be good.

Mr. Kang: On page 29 of the 2007-08 annual report can the minister provide a breakdown of the $1.1 million in contractual obligations for service contracts and long-term leases?

The second one is referencing page 34. Can the minister provide a breakdown of the $1.6 million under expenses incurred by others in accommodation, legal, and other services?

Thank you.

The Deputy Chair: Very good.
Mr. Dallas, please.

Mr. Dallas: Thank you, Mr. Chair. On page 14 of the department's annual report strategy 2.6 speaks about developing guidelines for public-private partnerships. My question is: what performance measures had the ministry developed to determine the success of those P3 projects?

A supplementary to that. At the bottom of page 14 there's a discussion that suggests that performance measures for goal 2 have not been identified. I'm confused by that, so some clarification in terms of the work that had been done regarding developing those performance measures and the work that's ongoing relative to communicating the success of those public-private partnerships.

The Deputy Chair: Very good.
Mr. MacDonald, please.

Mr. MacDonald: Thank you. On page 372 of the October 2008 report of the Auditor General of Alberta the Auditor, regarding the report of select payments to MLAs, asks the question: "Is the Report accurate, complete, timely and does it comply with legislation?" There is a list of what needs to be done by the Treasury Board. In light of what has happened in the House of Commons in Britain, I think it's a very, very important matter, and I would appreciate it if this could be looked into. If you could respond in writing on what actions you are taking to satisfy the Auditor General in his report, I would be very grateful. It would ensure that the public remains confident in all Members of the Legislative Assembly.

Thank you.

The Deputy Chair: Great. Thank you.

Mr. Dunn.

Mr. Dunn: May I just supplement? He raised something which is currently, obviously, in another jurisdiction, but we've had it in Canada and in Newfoundland. Just to let all members know, our office is the auditor of the Legislative Assembly Office. We have been auditing disbursements, payments, settlements, and entitlements to cabinet ministers and MLAs for approximately the last five years, and we do report our findings, as just referenced here, through to the Legislative Assembly Office, which also then goes to the Speaker of the House.

The Deputy Chair: Thank you, Mr. Dunn.

With that, Mr. Ramotar, thank you to you and all of your officials for being with us this morning. I'd just wish you well with everything you're working on, and I again thank you. We all very much appreciate your being here this morning.

Mr. Ramotar: Thank you for the opportunity, Mr. Chairman.

The Deputy Chair: All right. On to other business. Attendance at the joint Canadian Council of Legislative Auditors and Canadian Council of Public Accounts Committees conference. That's a mouthful. Just to remind the committee members, the special registration form was distributed about two weeks ago. If you haven't already sent this in, it would be appreciated if you could fill it out and return it to the committee clerk before the end of today if possible. Please do this even if you're unable to participate in any of the events just so we know who is coming for what for the conference. Has everybody got the form? Very good.

Out-of-session meetings. There are some potential dates for the fall. I'm just kind of wondering if you'd like to talk about that now or if we could poll later. We have some tentatives for fall caucus meeting dates, but they're not firmed up yet. Would we be better off to wait until we've got some firm dates? Mr. MacDonald.

Mr. MacDonald: Yes. Thank you, Mr. Chair. I am concerned. I know there's a long list of bills on the Order Paper, and hopefully there will be a meeting next Wednesday to settle this matter, but if there's not, I don't know what we would do. I think that we should settle this issue today just in case. Past practice, of course, is that whenever the session ends, so do the Wednesday morning Public Accounts meetings. We may not have another opportunity to decide whether we want to have meetings outside session and who we are to invite.

The Deputy Chair: I believe we were agreed as a group that we would have meetings outside of session, just looking around the room. So we're good on that.

Mr. Dallas.

Mr. Dallas: Thank you, Mr. Chair. Just to weigh in on this, I agree that the best case would be that we could establish some dates for fall meetings. My concern is those that we would invite to attend the meeting have substantial preparation work and planning to do relative to the dates that we might offer up. I think we would find ourselves in a very awkward position if we advance dates and then found need to change those. I think we've discussed previously how awkward it would be to create a travel situation solely for the purpose of conducting a Public Accounts meeting if we fix dates today.

I agree with the hon. member that the timing would be great to fix those dates, but I don't know how we could reliably do that given the circumstances that we're now trying to plan dates three months and more out and requiring some further information. So I don't know if there would be a way that we could advance some dates and have a two-week window or something to that effect, where we could see if we could agree to the dates. If through the chair and vice-chair we've already selected the groups or ministries that you'd like to attend those meetings, I think it would boil down to a case of finding dates. Perhaps we would be better served to poll those dates, you know, perhaps out two weeks from today.

The Deputy Chair: Mr. MacDonald.

Mr. MacDonald: Yes, Mr. Chair. It was your suggestion a couple of weeks ago that the subcommittee could work on a lot of these matters. If session ends before next Wednesday – I have no idea – then that work could be done by the subcommittee. If the committee agrees, we can work that way if the situation arises that session ends before we meet next Wednesday with the entire committee.

Mr. Dallas: If it would be helpful, Mr. Chair, I'd be prepared to make a motion that

> the task of determining out-of-session meeting dates for the Public Accounts Committee be delegated to the subcommittee for consideration.

The Deputy Chair: Very good. A seconder on that? Mr. Kang, are you seconding or asking a question?

Mr. Kang: I just have one comment. Other committees are meeting, too, most likely the Alberta Heritage Savings Trust Fund Committee. Can we have the meeting the same day as other committees are meeting? Can we take that into consideration? That will save us.

Mr. MacDonald: We can even do it by phone, by dial up.

Mr. Kang: I'm not a fan of phoning in. I'd rather be here physically. I don't like dialing up.

The Deputy Chair: Well, I think, you know, the subcommittee, if that's where we're going, would take that into consideration. So do we have a seconder for the motion? Mr. Drysdale. All in favour? All right. Well, we're unanimous on that, so we'll defer that to the subcommittee, then.

All right. Our next meeting at this point is Wednesday, June 3, with Advanced Education and Technology. If we are still sitting, then that will be a go. If we are not, then it will be postponed.

A motion to adjourn? Mr. Olson. All in favour? Thank you.

[The committee adjourned at 10 a.m.]

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of the Legislative Assembly of Alberta