



Legislative Assembly of Alberta

The 27th Legislature
Fourth Session

Standing Committee
on
Public Accounts

Office of the Auditor General

Wednesday, December 7, 2011
8:31 a.m.

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Fourth Session**

Standing Committee on Public Accounts

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Goudreau, Hector G., Dunvegan-Central Peace (PC), Deputy Chair

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Forsyth, Heather, Calgary-Fish Creek (W)
Groeneveld, George, Highwood (PC)
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Jeff Olson	Assistant Auditor General
Ed Ryan	Assistant Auditor General
Doug Wylie	Assistant Auditor General

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8:31 a.m. Wednesday, December 7, 2011

[Mr. MacDonald in the chair]

The Chair: Good morning, everyone. I would like to call this Standing Committee on Public Accounts to order, please. I would welcome on behalf of all members of the committee everyone in attendance this morning. Please note that the meeting is recorded by *Hansard* and the audio is streamed live on the Internet.

We'll quickly introduce ourselves. I'm Hugh MacDonald from Edmonton-Gold Bar, followed by . . .

Mr. Goudreau: Hector Goudreau, MLA, Dunvegan-Central Peace.

Dr. Massolin: Good morning. Philip Massolin, committee research co-ordinator, Legislative Assembly Office.

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

Mr. Chase: Harry Chase, Calgary-Varsity.

Mr. Olson: Jeff Olson, assistant auditor, Auditor General's office.

Mr. Wylie: Doug Wylie, with the office of the Auditor General.

Mr. Ryan: Ed Ryan, Assistant Auditor General.

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

Mr. Dumont: Good morning. Jeff Dumont, Assistant Auditor General.

Mr. Elniski: Doug Elniski, MLA, Edmonton-Calder.

Mr. Allred: Ken Allred, St. Albert.

Mrs. Forsyth: Hi. I'm Heather Forsyth, Calgary-Fish Creek. Welcome.

Ms Bianchi: Giovana Bianchi, committee clerk, Legislative Assembly Office.

Mr. Benito: Carl Benito, Edmonton-Mill Woods.

Mr. Groeneveld: George Groeneveld, Highwood.

The Chair: Okay. May I please have the approval of the agenda that was circulated? Moved by Harry Chase that the agenda for the December 7, 2011, meeting be approved as circulated. All in favour? Thank you very much.

Item 3, the approval of the minutes from the November 30, 2011, meeting. Moved by Mr. Allred that the minutes for the November 30, 2011, Standing Committee on Public Accounts be approved as distributed. All in favour? Thank you very much.

Of course, this comes to our meeting with the Auditor General and officials from his office this morning. We will be dealing with the Auditor General's reports from April 2011 and November 2011, the annual report of the government of Alberta, the consolidated financial statements, the Measuring Up progress report and what remains of the business plan in that. I would remind everyone that we've had briefing material prepared by the LAO research staff. Thank you again for that.

At this point I would ask Mr. Saher, please, the Auditor General, to make a brief opening statement on behalf of the office of the Auditor General. Thank you.

Mr. Saher: Good morning, everyone. Thank you, Mr. Chairman,

for providing me the time to speak briefly about the office's April and November 2011 public reports. Under the Auditor General Act I have a duty to Albertans and Members of the Legislative Assembly to examine and report on the government's management of and accountability practices for the public resources entrusted to it.

This mandate includes some 200 annual audits of financial statements and performance measures of government ministries, departments, agencies, Crown corporations, and other related entities. You'll find the most recent list of these auditees on pages 51 through 56 of the November report. Of the \$22 million spent by the office in fiscal 2011, \$18 million was needed to complete these statutorily required annual audits. That's 80 per cent of our resources. Only 20 per cent of our resources are available to do the large, stand-alone systems audits.

Last month I reported that there were 243 outstanding recommendations to be implemented by the government. The inevitable consequence of this volume of past recommendations is the need to do a large number of follow-up audits, leaving fewer resources for new systems or value-for-money audits, but we are making considerable progress. Our goal is to bring the number of outstanding recommendations down to a more manageable load of about 150 within two years. We can do this while at the same time returning to a better balance of both new and follow-up audits.

In my opinion, it is action by the government on outstanding recommendations that is one measure of my office's effectiveness. As of today approximately 15 per cent, or 40 recommendations, are more than three years old. Half of these are ready for follow-up audits. We actively manage those that are not ready by examining action plans; that's the government's action plans. For example, with respect to mental health systems we published the output of our active management as a progress report on page 27 of our November report.

I believe the Public Accounts Committee also has a role to play. It is here that members of the Assembly can ask senior government managers about the rate of progress on outstanding recommendations. This is a forum in which ministries can be challenged. For example, on November 23 Mr. Chase questioned Alberta Sustainable Resource Development regarding outstanding recommendations to strengthen the department's ability to monitor reforestation. The response he received confirmed our knowledge of the ministry's progress. Had it not, Mr. Chairman, I would have requested your permission to comment. Working together, we can ensure that there is no misunderstanding that government managers will be held to account for implementing the Auditor General's recommendations, and I'm talking about the recommendations the government has accepted.

Let me take this opportunity to thank your research staff for their analysis of the outstanding recommendations, especially figure A, and that's in the briefing material that was presented to members of the committee for this meeting.

Now, I'd like to take a few minutes to highlight four audits reported on this year. In April 2011 we examined confined feeding operations as a follow-up to our 2004 and 2007 audits, specifically the Natural Resources Conservation Board's ability to effectively detect significant surface water risks before contamination occurs. We found the existing methodology is reactive in contrast to how risk to groundwater is now managed. We recommended that the NRCB demonstrate that its compliance approach is adequate in proactively managing surface water risks.

The following audits were reported in November 2011. We did a follow-up of our 2009 audit of the climate change and emissions management fund with regard to the use of offsets for compliance with regulations. Offsets are emissions reduced or prevented as a

result of actions beyond those required by legislation. We found that progress on our outstanding recommendation was unsatisfactory. We again recommended that Alberta Environment clarify its guidance to offset developers and users. This is necessary for Albertans to have sufficient assurance that offsets used for compliance with regulations are valid.

We conducted a follow-up audit on seniors' care in long-term care facilities and found that progress has been made. However, there is not yet a consistent province-wide program for care standards inspections. Until this is achieved, the system for monitoring standards is incomplete and the Minister of Health and Wellness cannot assure Albertans that the risk of seniors receiving substandard care is adequately managed.

8:40

In 2007 at the request of this committee we did an audit that confirmed that Albertans received fair value for certain land that was sold at Elinor Lake when that land was in fact sold to private interests. In doing that audit, we made three recommendations to improve processes when applications are received to lease or buy public land for commercial tourism or recreational activity. We have now completed the project that originated from this committee. Our recommendations have been implemented.

Finally, I'd like to confirm that all members have this morning received a handout that outlines the systems audits that are upcoming. This material was presented to the Standing Committee on Legislative Offices last month as part of the support for our budget request.

Thank you, Mr. Chairman. We'll do our best to answer the committee's questions.

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

We'll start with Mr. Kang, please, followed by Mr. Groeneveld.

Mr. Kang: Thank you, Mr. Chair. My question is on the systems audits. If the systems audits focus on major programs or initiatives, why do these audits only take 18 per cent of your resources? Can you explain why these audits are judged less important?

Mr. Saher: I'll try to answer the question. Certainly, we do not assess those audits as less important. The marching orders we have come from the Auditor General Act. The Auditor General Act makes us statutorily the auditor of all government organizations, ministries, departments, Crown agencies.

For example, all of the entities within the advanced education sector – all of the colleges, technical institutes, universities – under the Auditor General Act we are the auditor of all of these organizations and are required by statute to do annual financial audits. There are approximately 200 of these entities. We took the opportunity in our latest public report to list them all together to show members of the Assembly and the public the volume of statutory financial auditing that we have to do. In order to meet professional obligations to carry out a financial audit and issue an auditor's report that the financial statements are fairly presented, that work takes 80 per cent of the resources of the office.

In my introductory comments I made the point that that leaves 20 per cent available to us to devote to another important part of the mandate clearly set out in the Auditor General Act: our requirement to examine government systems to see whether those management control systems are working properly – are they designed to ensure economy and efficiency? – and then, most importantly, the section that says that we are to look in at the government systems for measuring their effectiveness. We're not mandated to make direct assessments of government effectiveness. The act is quite clear that we're to look at the

government's systems for informing themselves and Albertans as to their effectiveness.

In summary, it's certainly not a question of us viewing the large systems audits as less important. It's just simply a question of resource allocation.

Mr. Kang: Thank you, sir. My supplemental is to shed more light on this. What exact framework do you use to determine what systems to audit and when to do follow-up audits?

Mr. Saher: Certainly. At the very highest level we have a sort of framework which says that as we gather intelligence through – actually, in doing all of those financial audits, it's a really good opportunity for us to understand the business affairs of all of those entities. As we do financial audits, we certainly look to see whether there are business systems that would warrant the office taking the time to look at because we think we could help the government improve them.

We have a large inventory of potential audits. As we look in at that inventory, we think about the notions of the safety and welfare of Albertans. We think about governance processes, systems designed to ensure that government managers behave ethically. Also, we look in at systems that are designed to manage – I mean, we take a view of which of these audits would contribute to us spending time looking at how the government manages resources that are entrusted to the government and are there to be managed so that they're sustained into the future.

That's the general framework we use. We have inventories within the office, and we spend time as a senior management group. You have almost the whole senior management group in front of you this morning. We exercise our judgment as to which audits we believe would be the most useful for us to use that 20 per cent of our resources on. That's the general framework. We could go into much more detail if you require us to.

The Chair: No. We're going to move on, I'm afraid. We have long list of members interested in asking questions.

Mr. Groeneveld, please.

Mr. Groeneveld: Thank you, Chair, and thank you, Mr. Saher, and your people for appearing here this morning. It's kind of interesting to have the Auditor General sitting here rather than across the way. I think we all just take the Auditor General for granted, so thank you for coming and explaining some of the work, which we probably will never understand a hundred per cent. It's great to have you here.

On page 141 of your November 2011 report you talk about the outstanding recommendations categories. You called attention to 243 outstanding recommendations, 29 of which are key, of course, 108 of which are numbered, and 106 of which are unnumbered. What is the difference between the numbered and unnumbered recommendations, and why do you feel that they would not require a response, or why would they be listed as such?

Mr. Saher: The process that we have is that at the completion of an audit we issue what in the auditing business is called a management letter to the entity that we've audited. In that management letter we will either confirm that the financial statements of the entity are, in fact, proper or that there's an issue. We'll also draw attention to all of the systems that we looked at as part of the financial audit where we have identified opportunities for improvement. In making all of those recommendations to an entity, clearly, they are important to the individual entity.

Then when we come to public reporting, we just use our professional judgment as to which of that suite of recommenda-

tions represents the most important in terms of what we would like this committee, if it chooses to ask appearing ministries and appearing agencies questions, to focus on, which ones we think would be the most important for this committee and which ones we think the government should formally as a government respond to publicly. Those are the ones that are numbered.

By default the others are simply the unnumbered. They are important to the individual entities but, I would maintain, are less important in terms of consuming the time of this committee and others who are generally interested in government behaviour.

Mr. Groeneveld: Okay. I guess maybe you pretty much answered this question: where do you draw the line in there? Would it be different for whatever category you were dealing with? Would it not be specific?

Mr. Saher: No. It's simply a judgment on our part. Many of the organizations are governed by boards, and we're saying to ourselves: here's a recommendation that the board should know about. In other words, by us putting it in the management letter, it is put in front of the oversight committee, or board, of the organization. They should have knowledge of it because they should inquire of management: "Is this issue now being dealt with? Are you in agreement with the Auditor, or do you disagree with the Auditor?" That's the sort of base framework.

We then look in at that and move it up to a level for, if you will, public discourse. We are making the recommendations public by placing them in the report, and simply by numbering some, I think we're signalling to the world at large that these are the ones that we believe are more important from a public inquiry perspective.

8:50

Mr. Groeneveld: If I may, Mr. Chair.

The Chair: Yes.

Mr. Groeneveld: So you would have that discussion with the individuals or the company, whatever, and then still determine after you've had some discussion with them, I take it?

Mr. Saher: Well, we discuss them all with the entity. The decision as to which we number is our prerogative. We do not discuss and debate with individual organizations what their view is as to us numbering. That is simply our prerogative, our decision.

Mr. Groeneveld: Thank you, Chair.

The Chair: Mr. Chase, please, followed by Mr. Allred.

Mr. Chase: Thank you, Mr. Chair. I would like to put a comment on the record, and if it seems that I should forgo my first set of questions as a result, I'll accept that penalty. In my highly subjective personal opinion I believe a number of factors contributed to former Auditor General Fred Dunn retiring early. These included, I believe, a frustration that while repeated recommendations made were accepted, far too frequently they were not implemented by ministries – ministries refused or stalled in providing information requested; a case in point is the Alberta Securities Commission – and his budget was cut so that important audits were either severely delayed or not carried out. To his credit, like recently retired Privacy Commissioner Frank Work, Fred challenged this government to be more transparent and accountable, which attests to the importance of the departments being at arm's length, without one arm tied behind the back by either interference or withholding of funds.

If I need to give up my first set, I'll gladly do so.

The Chair: Mr. Chase, this is not, as you know, a private member's statement. Regardless, it's unfair to the rest of the members, who wait patiently to ask questions, even if Mr. Groeneveld had three swings at the ball.

Mr. Chase: That's understood.

The Chair: Could you ask a question, please?

Mr. Chase: Yes, by all means. Referencing performance measures, page 9, measure 2(a), you state that the government has accepted 100 per cent of your recommendations. It's easy for the government to accept these recommendations, but if they're not implementing them, what's the point? Seeing how there is a 60 per cent increase in outstanding recommendations, why aren't these recommendations, like with former federal Auditor Sheila Fraser, prescriptive to hold the government to account?

Mr. Saher: Well, I think the process that we have, which involves this Public Accounts Committee, is, in fact, a good process for holding the government to account. You know, our public reports chronicle in meticulous detail every outstanding recommendation, so there is a public record of what is outstanding.

I was asked recently for my comments on why the government wasn't progressing faster. My response is that I have no ability, no mandate to directly cause the government to progress with its implementation faster. Simply, the tools at our disposal are to publicly chronicle what is outstanding, to take our own views on what we believe has been outstanding too long.

For example, we believe that the mental health recommendations were critically important, and we were not prepared to just, if you will, sit and wait to hear from the government that they were now ready for us to do a follow-up audit, which is, in fact, the process. So we did what we called a progress report. It certainly wasn't an audit, but in our view it was part of the process of holding government accountable by setting out to look critically. Do they have an action plan to deal with our recommendations? Will the actions that they're taking deal with the points that we were making, the risks that we highlighted? Most importantly, even though there is a plan, are they actually acting on it? In all three of those questions our conclusion was yes. So we believe that's part of the process of holding government accountable.

In summary, I don't believe the audit office dictates the rate of progress, but certainly the rate of progress that is actually being achieved is in the public arena. The government can be asked about that rate of progress, and in effect I believe that they are accountable for that rate of progress.

I will make one observation that I think the process has now gotten better in that the large list of outstanding recommendations is no longer just a huge list. It is subdivided, or categorized, into those that the government says they're ready for us to do follow-up work on and those that are not yet ready. I think that's an important distinction. I'll leave it at that for the time being.

Mr. Chase: Thank you. I do recall Fred saying, when I asked him if he would like a spiked collar and sharpened teeth, that that was up to the government. I appreciate your role.

Referencing page 10, you mentioned that your performance measures will be under review given that they "are insufficiently focused on what we need to know to be successful." Why wasn't this review done earlier? How long will it take, and do you have any idea about its costs?

Mr. Saher: Mr. Chase, you're referring to the office's performance measures, I believe.

Mr. Chase: That's correct.

Mr. Saher: Just for the benefit of other members, Mr. Chase is directing questions to our office's business plan. I'm very pleased that he's doing that. In our business plan, yes, we've stated that we don't believe that we yet have potentially the best set of measures that could be used by us as an office holding itself accountable. We are sort of struggling with the reasonable cost measures. Simply, we look at our business using the expression the three Rs: are we doing relevant work, are we doing it reliably, and are we doing it at a reasonable cost?

We've said publicly that we haven't yet nailed, if you will, the reasonable cost measures. I don't want to become too technical here, but one of the problems is that one can think of measures, but then if you pursue them, those can be challenged. They can have an unintended consequence. So we want to get them right.

Jeff Olson is our AAG responsible for corporate affairs. Jeff, can you help? When do you think we'll have that nailed?

Mr. Olson: We're expecting this will be a process where over the next year we believe we'll have an number of performance measures. The good thing about a performance measure is that once you've put it in place, you want to have a little bit of trend data so we know that we can rely on it. That's an important step.

Also, they're not set in stone. If there are some cases where as we go along, we find something better, looking at other legislative offices as to what they've done, we're doing that, too. We'll introduce them in for the next year or the year after.

The Chair: Thank you.

Mr. Allred, please.

Mr. Allred: Thank you very much, Mr. Chair. Mr. Saher, you answered part of my question in response to Mr. Kang's question. I think we all generally understand what a fiscal audit is. I'm not sure we actually understand the audits, but we understand what they are. The systems audits I think you refer to as accountability audits or performance audits. I wonder if you would describe a little bit what your process is in doing a systems audit. I can appreciate that you only have a very small portion of your budget for it, but it sounds to me like it's a pretty mammoth task. Perhaps you could just describe how you go about it.

Mr. Saher: Well, let me take a very high-level shot at that, and then I'm going to ask Ed Ryan to give you a bit more detail. What we're doing is to meet two sections of the Auditor General Act, which, in the simplest terms, asks us to identify systems that the government uses to ensure economy and efficiency. We're invited to look in and report publicly if we observe systems that are inadequate or are not functioning as they should. We also have under another very simple, short section – I'll just read it.

- (e) when appropriate and reasonable procedures could have been used to measure and report on the effectiveness of programs, those procedures were either not established or not being complied with.

That's why we call our work systems auditing, because it's to do with looking in at systems. Could they be improved? Are they adequate?

I previously mentioned the general scheme of how we identify which ones to do, having then got to the stage that we are ready to do an audit; for example, we've had a handout to you today which lists the upcoming audits. Those have gone through processes that we have in the office that have satisfied us that we have skills to do the audit work and that we're able to create a set of criteria by which to make the judgment. That's very important. As you look

in at a system in terms of deciding, "Is it functioning well?" you have to have some basis for measuring that.

9:00

We create what we call criteria, which is the standard by which we judge whether the system is adequate or inadequate, or does it need to be improved? Having set the criteria, it's then a question of auditors going out into the field and observing how things are happening in reality in comparison to the criteria. The difference is, essentially, an audit finding. From our audit findings we then move to create a recommendation. That whole process sounds simple, but it takes time. The very important part is understanding from our findings why the situation is like that. I mean, we're trying to do our best so that the recommendation will be useful in moving the process forward.

Mr. Allred: Economy and efficiency are the key, then, not necessarily the objective but maybe meeting the objective.

Mr. Saher: Yes. I mean, the presumption of the act that we're using – it was written with the presumption that government managers would create systems designed to ensure economy and efficiency and that they would have systems by which they could judge whether or not they're effective.

Mr. Allred: Okay. Thank you.

My second question I'll relate to the fiscal audit. Financial statements are not, really, very easy for a lot of us to understand, particularly the laymen, the general public. Now, you were here last week when the AGLC was here, and I used the term that I found some of their statements regarding VLTs in their financial statements to be deceptive. Is it your role to make sure that the financial statements are clear and easy to understand for the general public and us lay people, too?

Mr. Saher: Yes. I would say that it's very much part of my role as the Auditor General in being associated with issuing Auditor's reports on financial statements to be an influencing factor in trying to help organizations make their financial statements more, if I could put it, user friendly, more informative in helping people make decisions. But, on the same basis, those financial statements are prepared in accordance with rigorous generally accepted accounting principles. I'm obliged under professional standards to ensure that those generally accepted standards are being met, but I believe that as an office we also have a role in trying to be an influencing force for having financial statements be easier to comprehend.

If I can just, for example, take the line of questioning you had last week with AGLC, I found that very, very interesting. I had never looked at the financial statements through the lens that you were looking at them. You know, that's the sort of input that I think influences the work of the office. We take seriously what people say, including members of this committee. I know that Mr. Ryan has spent a little bit of time in the last week beginning to explore: could those statements be more helpful?

Just one thing. Certainly, when we give an audit opinion, we are making a judgment that what we're giving the opinion on is not misleading, so I'm satisfied that the statements are not misleading. On the other hand, are they as clear as they could be? Why is it, for example, that you had to ask all those questions that you did? There's something missing, I would argue.

Mr. Chairman, I'm not sure if you would grant us a few more minutes to continue on that. I'm not sure if the members would be interested in Mr. Ryan's research in the last week.

The Chair: Sure. He's probably not going to get another opportunity with the list as long as it is. If you can be concise, proceed.

Mr. Ryan: Thank you, Mr. Chair. I've done some research. To augment Mr. Saher's comments, we have given clean financial statement opinions over the last several years. Upon reading and looking at some of the reference material that you identified last week, sir, we have drawn that out. I'll be working with management at AGLC to see whether there might be a better way of perhaps disclosing in the descriptions of the financial statements and in the supporting notes an alternate way of reporting the VLT income from revenues and the expenses. So that is under way at the current time.

I have a clear understanding of how the revenue was generated, how the revenue is reported now, and if there is an alternate or a supporting focus that could be brought in the financial statements to provide that alternate look, then that will be prepared.

The Chair: Thank you.

Mr. Allred: Can I just make a comment?

The Chair: Quickly, please.

Mr. Allred: Very quickly. I must say that I and I think all of the members really appreciate your being here when the other departments are here. I think it's really good to have your independent comments on our questions. I personally really appreciate it, and I'm sure everybody does. Thank you.

The Chair: Thank you.

Before we get to Heather Forsyth, who has been very patient this morning, did you say earlier, Mr. Saher, that 20 per cent of the budget of the office of the Auditor General is for systems audits?

Mr. Saher: Yes. After doing the statutory financial statements auditing, the financial audits, 20 per cent remains to be applied to the systems audits, or value-for-money audits.

The Chair: Okay. We're going to move on.

I would like to welcome Mr. Mason and Mr. Xiao this morning as well.

Please proceed, Mrs. Forsyth.

Mrs. Forsyth: Well, I would like to thank you for coming. I'm going to focus on your act, if I can, the Auditor General Act. I would like to talk about your power of authority. Under the act it talks about the Auditor General as the Auditor, and it explains what you can do there. And then under the act it talks about evidence under oath. So I guess where I'm going with this – there are two things in past recommendations that I think are critical and serious that haven't been addressed.

You alluded to one when you talked about the province-wide standards of care for our seniors. I'm not sure how old that is, but you indicated that you can't even say whether the standards are met. Quite frankly, that's frightening as someone who has a mother in a seniors' home. I, at least, can monitor the standards because I spend a lot of time with her, but I can tell you that there are tons and tons of seniors that don't have that opportunity. As the Seniors critic for the Wildrose I get a lot of calls in regard to how seniors are treated. Also, it goes to the three-year-old recommendation, that's even longer than that, on mental health.

Under the act do you have the right to recommend, if you come across a very serious incident, for example on the seniors and the standards, to put that into a public inquiry or to send it to the

Health Quality Council so that they can investigate? Or is that beyond your investigations? That's my first question.

Mr. Saher: When we do a systems audit, we have, as you say, considerable powers under the Auditor General Act to require people to answer any questions that we have in executing that audit. That power that you just referred to, the evidence under oath, is in fact a power that's available to the office to use. We haven't found it necessary to use it in the particular audit that you're referencing, but it is there. It is there to be used if necessary. We as professional auditors make judgments on the evidence that we require to meet the audit objective. If people were unwilling to talk to us, we would use that power. We did not find that that was an issue with respect to the audit that you're referencing.

Mrs. Forsyth: So maybe, then, you'd like to tell me: when was the last time you used that part of the act, the evidence under oath?

9:10

Mr. Ryan: We have used that on a number of occasions, the last being approximately two years ago with respect to a fraud investigation that we did at the Alberta Alcohol and Drug Abuse Commission.

Mrs. Forsyth: Thanks.

You can carry on with other questions.

The Chair: Thank you very much.

Mr. Elniski, please, followed by Mr. Kang.

Mr. Elniski: Thank you very much, Mr. Chairman. Good morning to you, gentlemen. I have a question with respect to school jurisdictions, particularly with regard to qualified audit reporting. I'm just going to bring up the reference here if you don't mind. On page 82 of your report, you talk about section 19(4) of your own act with respect to the auditing of school jurisdictions. You talk about how you audit one school jurisdiction, and then everything else you do is with regard to a review of management letters. I'm curious, first of all, as to what happens with respect to sort of arm's length. Correct me if I'm wrong, if this is, in fact, an arm's-length approach to the review of these particular school boards or the particular school jurisdictions. What happens to the findings out of these management letters? Does it become your responsibility to make sure these agencies are applying due process to this or not?

Mr. Saher: Well, as you know, just to reiterate, we are not the appointed auditor of school jurisdictions other than one. Under our act the auditors of the school jurisdictions are required to supply us with their management letters, their conclusions at the end of their audits, and the form of the opinion they gave on the financial statements. We review all of those, and the section you're referring to in our report is really a summarization of that work done by a multitude of other auditors.

We have an interest in how the Department of Education responds to the information that they're receiving. We conclude in this material in our report that we're satisfied that they have processes to understand what those findings are. For example, are they indicative of systemic problems, or are these sort of one-offs, institution by institution? We're satisfied that they have processes for pursuing that directly with the agencies. So it is arm's length but critically important to us as the Auditor of the consolidated financial statements of the province. All of those individual

financial statements are a part of the consolidation; therefore, we are interested in the quality of the underlying reporting.

Mr. Elniski: Wonderful. Thank you.

As a supplementary question we'll just change the subject here a little bit. With regard to both the ministries of housing and Service Alberta I note a comment in here which seemed very, very similar, which had to do with recommendation 17, which talked about sort of some of your contracting controls and a similar finding around Service Alberta. I understand the concept of generally accepted accounting principles quite clearly, but when it comes to, for example, the development of contracts, is there a generally accepted contracting procedure? Do we have a set of sort of standard expectations that all departments live up to?

Mr. Saher: Yes. There are best-practice guidelines for contracting. We certainly reference those when we look at contracting processes. If we look at the contracting process, we're looking at it by judging it against a set of criteria: what is best practice and appropriate for the particular contracting situation?

Mr. Elniski: Okay. Thank you very much.

The Chair: Thank you.

Mr. Kang, please, followed by Mr. Benito.

Mr. Kang: Thank you, Mr. Chair. My questions are on the budget details. Why aren't you including budget details in your October and April public reports as was done under Mr. Fred Dunn; for example, schedule 1 of the 2006 annual report?

Mr. Saher: Thank you. Again, you're referring to the office's performance report. I think that, essentially, you're asking: why did we change our practice of not including our performance report as part of our public reporting on our audit activity? I don't have an answer that we went through a rigorous process and decided that it would be better to separate them. I certainly, as you have asked the question, will take that away as something to reconsider, whether or not it would be better for our separately issued performance report, in fact, to be included in one of our public reports as well.

I think that in part it's a question of timing. We're ready with our own performance report by the 30th of June each year, and I think we felt that if we're ready and we have our own performance report, we should just make it public. And we do make it public by posting it on our website, much as government departments make their annual reporting public.

I think, based on your question, I would like to reconsider whether there's some merit in including our performance report in our annual reporting on our audit activity.

Mr. Kang: Okay. It's not really clear what you're trying to get at.

My supplemental. Your October report came out a month late without any valid reason. Why did the November report come out late?

Mr. Saher: Why was the report not issued in October? I explained at the time the demands of the office in terms of the audit activity that we had to do to add credibility to the government's performance reporting, which previously was activity that was done after the consolidated financial statements of the province were issued. Last year the government issued its annual reports of all ministries at the same time as the consolidated financial statements. In other words, all of that reporting happened by the 30th of June. The demands that that

placed on the office to meet our statutory requirements there caused us to have to make an operational decision to delay our fall report until November.

The Chair: Thank you.

Mr. Benito, please, followed by Mr. Chase.

Mr. Benito: Thank you very much, Mr. Chair. I want to understand how your budget is approved, the budget approval process. This is with reference to me knowing: how independent, really, is your office? Are you part and parcel of the system where if we are tight in budget, we have the power to reduce your funding, or is there a systematic approval for the funding for your office that goes up, you know, every budget approval time?

This is the one that I would like to understand with reference to budget. Being an independent office, you as the Auditor General of this province, I think it is very important for the people of Alberta to know that you are really independent and that you can do your legislative job. Eighty per cent of the money that you receive from the Legislature is spent on the legislated audits, and 20 per cent, as you mentioned a while ago, is being spent on the systems audit. How flexible is your budget right now, and how independent are you?

Mr. Saher: Well, I'd like to confirm right off the top that I consider that the office is truly independent. The process is that our budget request – I mean, we prepare a business plan, like any other organization. We prepare a business plan, and along with that plan we determine the resources that would be necessary to execute that plan.

9:20

We then come forward to a sister committee of the Public Accounts Committee, if you will, the Standing Committee on Legislative Offices. It's through that committee that all legislative officers present their budget requests. That was done most recently in November. We came forward with a budget request. We were asked questions about our needs, and the committee, an all-party committee, made its deliberation and, in fact, awarded us the request that we had made.

You know, we are part of a recognized and long-standing process as independent legislative offices bringing our budget requests to a committee of the House. That committee makes its deliberations and makes a recommendation to the House as a whole. I gather that the view of the committee was to approve our last request, and I believe that that was just recently approved in the House as a whole.

Mr. Benito: When you do your budget process, do you consider correspondence or consultation with Albertans so that if Albertans think that you are lacking in some of the audits that you're doing, they can communicate it to you? What are you doing so that Albertans know exactly that you are delivering the intention that is parallel to the intention of Albertans?

Mr. Saher: I don't believe that we've yet been able to explain the work of the office to enough Albertans. I don't think enough Albertans understand that they can in fact contact the office directly with suggestions as to work that the office might do. We certainly do get lots of communication from Albertans as to work projects that they think the office should do. You know, we certainly rely on hearing from members of the Assembly as individual members your opinions on what work we should do. I think that as an office we can do more in explaining to Albertans

what work we do do and their part in suggesting audit projects to the office.

The Chair: Thank you.

Mr. Chase, please, followed by Mr. Xiao.

Mr. Chase: Thank you. My second set of questions has to do with the staff turnover rate, which is referenced on page 6. I previously referenced what I believe to be former Auditor Fred Dunn's frustrations in achieving his mandate of holding the government fiscally accountable. Can you explain your high 18 per cent staff turnover rate and how this understaffing affects the efficiency and management of your office?

Mr. Saher: Going back to a previous question and part of the answer there about reasonable cost, one of the measures we have at the moment is staff turnover. We simply reason that if the turnover is too high, we would have to apply excessive costs, perhaps wasted costs, to training a new group of auditors in the work of the office. Obviously, maintaining an appropriate turnover is good business.

One of the problems with the staff turnover rate is that it's not in enough detail, in fact, to be completely useful. We have relatively low turnover at the higher levels in the office, which is, in fact, a very positive and good state of affairs because these are the leaders of the office, these are the people that understand legislative auditing, and these are the ones that provide the guidance to our audit staff. We are a training office, so we get a lot of the auditing done by people who are training to be professional accountants. The business proposition is that we train them; some stay, some go. So we would expect a natural turnover.

As to exactly the right turnover, that's something that is part of the process that Mr. Olson was referring to earlier in working out the best suite of measures here. I mean, we have a less than 20 turnover, but I would like to see that broken down into the two elements of our business, senior and more junior trainees.

Mr. Chase: Thank you.

My follow-up. You mentioned that your office "can be constrained by a lack of skills to do a particular systems audit." Can you provide through the clerk a list of which systems audits have been postponed or perhaps cancelled due to a lack of staff over the last five years?

Mr. Saher: Yes. We will undertake to do that.

Mr. Chase: Thank you.

The Chair: Thank you very much.

Mr. Xiao, please, followed by Mr. Mason.

Mr. Xiao: Thank you, Mr. Chair, and good morning. My question is related to your outstanding recommendations. From 3.8 the Ministry of Health and Wellness has a total of about 43 outstanding recommendations, and that includes electronic health records and the infection prevention and control processes and a few other things. My question to you: I want to know about the status of the electronic health records system, whether this system has been very safe and effective to assist the health professionals to communicate with one another, to improve the efficiency of the system, and also safeguard the information.

Mr. Saher: Well, we did a large audit on electronic health records. At just this moment I don't remember the exact year. We made a number of recommendations.

Doug, can you help me? Is the ministry ready for us to come back?

Mr. Wylie: Yes. In the last dialogue we had, I think they were forecasting that in about two months they would be ready for us to come back and have a look. As the Auditor General has indicated, we did a fairly extensive audit and made a number of recommendations. We haven't done an update yet, but I'm assuming that in this audit cycle we'll be coming back in to do a follow-up.

Mr. Xiao: Then I have to switch gears to another question, which is about the infection prevention and control processes. As you may recall, in the last some years several incidents happened in Alberta, particularly the one in Vegreville. We know that. Do you think province-wide that we really have made significant improvements in this area to make sure that – we cannot say: never ever – this type of incident won't happen again?

Mr. Saher: Mr. Ryan will tell you what we're doing with infection prevention and control.

Mr. Ryan: We currently have teams in the field following up and doing work at Alberta Health Services and around the province. We've employed some expert consultants in the field, and we hope to be reporting that during our next cycle.

Mr. Xiao: So, basically, we can expect you to report on this in the next fiscal year?

Mr. Ryan: That's correct.

Mr. Xiao: Okay. Thank you.

The Chair: Thank you.

Mr. Mason, please, followed by Mr. Allred.

Mr. Mason: Thank you very much, Mr. Chairman. Well, Mr. Auditor General, I have to say that I was extremely disappointed with the November report of your office. Particularly, I'm just going to use as the main example the questions about mental health and long-term care.

On page 28 of your report you talk about: the longer timeline to implement recommendations means that you couldn't detect problems in a timely manner. So what you've done is that you did not do any detailed testing to conclude whether or not the recommendations were fully implemented.

If we go to the section on long-term care, we have a table on page 40 that is the 2011 status of recommendations made in 2005. If you look at the far right column of the audit findings, you see: number 7, Health and Alberta Health Services are not ready; number 8, department not ready; number 9, changed circumstances; page 62, changed circumstances; number 12, department not ready; and page 67, department not ready.

9:30

I'm just concerned, Mr. Auditor General, that you are not holding the administration of the province to account to carry out the recommendations of your office in a timely fashion. It seems to me that you are letting them off the hook in a number of instances. I'd just like to know whether or not we can expect more rigorous audits and the office of the Auditor General insisting that audit recommendations, in some cases going back six years, be implemented.

Mr. Saher: In answer to that question, I tried earlier in this meeting to make the point that I cannot insist that a recommend-

dation be implemented. I can simply make it public that a recommendation has not been implemented and faithfully and accurately record the reality. The ministry has told us that they are not ready for us to do a follow-up audit. That fact is chronicled here. If the system is not changed and we were to go back and look at it, we would simply be in a position of repeating the recommendation. In the area of long-term care we did a full follow-up audit. They said: "We are ready." We did our work and concluded that the system is not yet complete and have reported that.

With respect to the other elements here that you reference on page 40, I question the benefits of us saying – you know, the department says: "We're not ready." We say: "Well, okay. You're not ready, but we're going to come in and do an audit anyway." Essentially, we would be using the resources of the office to confirm an existing situation that is already public: the department is not ready.

Mr. Mason: Well, with respect, Mr. Auditor General, back in 2005 there were a couple of recommendations with respect to the effectiveness of long-term care services. These departments are still not ready, and you simply reference it in passing as if it was nothing you could really comment on or do anything to bring a little pressure, even through this committee, for the department to be ready. There is just a lack of any comment on their failure to be ready after five years or six years.

Mr. Saher: Well, if I could turn to mental health, which you referenced, we took the view that we needed to go in and look at the progress. Why was the government saying: "We're not ready"? Was it, if you will, a good reuse of our resources to simply look at something else? "The government isn't ready on mental health. Shall we just leave it?" We actively manage all outstanding recommendations, and as part of that active management we said: "We're going to go in and look at the progress. It's not an audit. We're going to answer three questions: do they have action plans, will those action plans deal with our recommendations, and are they in fact actioning their plans?" It's one thing to have a plan, but it's another matter to actually be doing something about it. That was the tactic we took.

I think that we have a useful progress report on page 27, which would be useful to this committee if it wished to pursue calling the department of health and Alberta Health Services before it to inquire about that rate of progress.

Mr. Mason: I'm sorry, Mr. Auditor General. I don't find your report particularly useful. Thank you.

The Chair: Thank you very much.

Mr. Allred, please, followed by Mr. Kang.

Mr. Allred: Well, thank you, Mr. Chairman. Mr. Saher, I guess I view you as an investigator and a critic, not a policeman.

I'm just looking at your upcoming audits. I recognize that this may not be a permissible question, but I'll tie it into a question. I notice you've got a very ambitious program for next year, and one thing I note is the second item, Alberta's current Health and Wellness system, and then on the second page you talk again about management systems, Alberta Health and Wellness, and primary care networks.

My question. In the last number of years we've seen a major change in our health care system, rolling over from nine regions to basically one superboard, as it's called; I can't think of a better name. There's been a lot of commentary that there's so much duplication in the system, that nine payroll systems, for instance,

should be rolled into one, yet we do not see a reduction, not a very large reduction, in any event, in staff and certainly not in overall resources in that we've got the five-year plan which gives considerable extra resources. Are you or will you in the next year be doing an audit on the efficiency of Alberta Health Services? I realize that's a pretty big agenda, and you may want to concentrate on certain areas. I'd just appreciate your comments on what your role has been in the past with regard to Alberta Health Services and what you're planning in the near future based on your upcoming audits.

Mr. Saher: Well, you referenced one project which I think is very important: Alberta's current Health and Wellness system. I mean, essentially we're saying to ourselves that we have to understand what it is that the government seeks to achieve in the way that it has organized itself, the way the government has chosen to organize itself. We believe that by better understanding, from the Auditor's point of view, what this organizational structure is designed to achieve, we will be able to create audit projects which will be more useful and more incisive in providing recommendations for improving that way of doing business.

There's one project on the second page at the top, Alberta Health and Wellness 5-year action plan. The government has an action plan. We believe that we can add value by looking at that plan and seeing how the government is in fact managing the actions that it seeks to take. Does it have a rational way of progressing that action plan, and is it in fact armed to be accountable to Albertans in terms of the results that it's getting from its action plan? It's not our business to create an action plan for the government. This is the government's action plan. So I think that that audit will be useful in terms of telling Albertans whether or not the action plan that the government has is in fact being executed and being faithfully reported upon.

Mr. Allred: Well, I'm sure it will be very, very useful. I know it's a big challenge, and I think all Albertans will benefit from your further study on that.

I have no further questions.

The Chair: Thank you. For the record, Mr. Allred, the information that's been provided to me: in 2012 the stand-alone systems audits for Health and Wellness would be \$524,000; six years ago it was over \$663,000. For assurance auditing for the same department in 2012 it's anticipated to be \$2.5 million; in 2006 it was \$1.9 million.

Mr. Saher, why this information is not in your annual report like it used to be is a disappointment, to say the least. This information used to be provided in your annual report in a detailed schedule at the back, and now it is not.

Mr. Saher: Just for clarification, it is provided as part of our business plan, which is public. As I said previously, I will take under advisement the implications that it would be more useful if our business plan and our performance reporting were an integral part of our public reports.

9:40

The Chair: At least once, whether it's in the spring or the fall, perhaps in the fall. It used to be there. I looked for it, and I was very disappointed not to find it in the last number of reports. It's not only useful for this committee but for taxpayers as well to see where your budget is being spent and which systems audits are being done in which departments and which assurance audits are being done. I'm sorry for that.

Now Mr. Kang, please, followed by Mr. Benito.

Mr. Kang: Thank you, Mr. Chair. From the November 2011 report, page 4, how is it that ATB management could not demonstrate to your office that the key controls in the new banking system operated as intended?

Mr. Saher: Well, that's a very good question, which is why we have the recommendation that we've made. We believe that senior management and the board of ATB should have had positive assurance that the controls in their new system were in fact functioning as designed. Because we believed that that was important, we have the recommendation. I mean, that question, really, has to be put to ATB's management and its board. How come they were not in that position? My office's observation is that management believes that these controls are functioning. But it's not good enough to believe that something is functioning. The management group and the board need to have positive assurance through good testing that the controls as designed are in fact operating as they believe that they should operate.

Mr. Kang: Okay. My supplemental: in your opinion, what are the risks and costs associated with this situation if your key recommendation is not implemented soon?

Mr. Saher: Well, you know, the risk proposition is severe. I mean, the risk proposition is that the controls that management and the board need to have assurance that the whole system is under control are not there. The consequences of that are that, in theory, you're operating blind.

Mr. Kang: So there's no way on your part to go to ATB.

Mr. Saher: We have made the recommendation. We meet with ATB regularly. This isn't a question of making a recommendation and just waiting three years to see if it is dealt with. This is critical. It involves our ability to issue a clean auditor's report on the financial statements.

Mr. Kang: Thank you, sir.

The Chair: Thank you.
Mr. Benito, to conclude.

Mr. Benito: Thank you very much, Mr. Chair. I just want to follow up on the questions that I asked a while ago about the budget approval process: how independent are you, and how are you communicating with Albertans? I know for a fact that your budget has been increasing since 2009. So my first question to you is: are you satisfied, happy, quite happy, less than happy with your budget increase, considering that the figures showing, as far as I can see, are not a big increase? Based on the responsibility and expansion of our government system, I think that there's more corresponding responsibility on your department. How would you rate your satisfaction on the budget approval that your department has received so far since 2009-10, 2010-11, and up to the current budget?

Mr. Saher: I am completely satisfied that the office has the resources that it requires to execute the Auditor General's mandate under the Auditor General Act in accordance with the business plan that we presented to the Standing Committee on Legislative Offices.

Mr. Benito: Does the 20 per cent labour staff turnover from your department have anything to do with the current funding for your department?

Mr. Saher: It's certainly an operational issue that we as business managers running the office have to understand and take steps to mitigate, if you will, the rate of turnover at certain levels. We certainly work hard at that. But these are the managerial tasks that any organization has to deal with within its budget. I certainly don't believe that I should be asking for more money to help the office manage its turnover.

The Chair: Thank you.

Mr. Benito: Thank you very much, Mr. Chair.

The Chair: We have another item on our agenda which concerns the scheduling of meetings during the spring session subject to a spring session being held. But before we get to that, are there members who want to have questions read into the record, and we'll get a written response from the Office of the Auditor General? Heather, please.

Mrs. Forsyth: Thanks. I'm just going to follow up with Mr. Mason and then, I guess, your response to Mr. Benito, when you were asked about the budget and you were satisfied with the budget. I'm somewhat taken aback, actually, to hear that answer. As a fiscal conservative I have to say: is the problem that you're facing, not being able to follow up on all of these past recommendations – and Brian alluded to it with what's happening with our seniors and our mental health – a budget problem or is it a priority problem?

Thanks.

The Chair: Thank you.
Mr. Groeneveld.

Mr. Groeneveld: No. I have nothing to read in.

The Chair: Mr. Benito.

Mr. Benito: Thank you very much, Mr. Chair. On page 1 of the office of the Auditor General business plan 2011-14, it states:

We are answerable for our responsibilities under the Auditor General Act through our public reports, which are the tangible expressions of the work of the Office. Those who use public resources, as we do, should also demonstrate their accountability through clear and concise plans and reports on results.

My question is: how often does the office of the Auditor General consult with Albertans to determine whether services are being delivered in a proper manner? And a supplemental for that: what measure has your office implemented to increase this correspondence?

At the top of page 161 of the Auditor General's November 2011 report it states that you recommended that "Child and Family Services Authorities improve systems for monitoring . . . child care program compliance . . . by ensuring that all verbal warnings are adequately documented" as they pertain to daycare monitoring. My question is: is there actually a problem where such concerns are not documented?

The Chair: Thank you.
Mr. Chase, followed by Mr. Mason.

Mr. Chase: Thank you. Echoing the concerns of the members for Calgary-Fish Creek and Edmonton-Highlands-Norwood, in May 2005 Auditor General Fred Dunn put out a highly damning report on the state of long-term care. A provincial task force was formed, including Ray Prins, Len Webber, and former colleague Bridget Pastoor, who toured the province and heard story after story of

abuse and neglect in seniors' care. Since your May 2005 report on seniors' care and programs, two major recommendations have been left outstanding, page 156.

Concerns have been expressed that these audits have not been followed up in the last six years. You explained that the problem exists primarily with the health ministry's intransigence, which is another strong reason for a public inquiry to be held. My question: will you commit to this committee to do a follow-up audit of the effectiveness of services in long-term care facilities in 2012?

Secondly, with regard to systems audits and finances can you explain why in 2006 expenses for system audits were at \$5,522,027 and that now, five years later, these same expenses have dropped to \$4,119,000, a 25 per cent decrease?

The Chair: Mr. Mason, please.

Mr. Mason: Thank you very much. On page 39 of the latest report there is an item about an inquiry that your office received with respect to staffing levels in long-term care facilities. It contains a statement that "indicators may point to inadequate staffing level situations." My first question is: what does "may" mean? Do indicators point to inadequate staffing level situations, or do they not? What indicators are you referring to, and what further action are you planning to take? What are the considerations that you have in making that decision?

9:50

The Chair: Thank you.

Are there others? Mr. Xiao and Mr. Kang. Mr. Xiao, please.

Mr. Xiao: Yes. I have a question as well about the Ministry of Municipal Affairs. I understand that in the last Auditor General's report you have four outstanding recommendations with this ministry. One of them is about a social housing contracting policy. I just want to know, you know, whether our social housing contract process is transparent enough. Do they have a transparent and fair process? That's my concern. If you can provide some answers to that, I would be very happy.

Thank you.

The Chair: Thank you.

Mr. Kang: On page 90 of the November report: "This review identified an error that overestimated royalty revenue by \$382 million." Was the money given back to one or many companies, or who did get the money?

The supplemental is: why did the calculations not happen before the end of May? Is it so that they would be in a different fiscal year?

The Chair: Thank you.

Mr. Saher, to you and your staff: thank you for your time this morning. We certainly appreciate it.

Now we're going to move on, please, to other business and potential suggestions for spring meetings. We are going to provide you with a list of departments, when they have met with this committee, and also how often in the last three years. Subject to a spring session – I have no idea, but it would be useful if we could get some direction. If any members have an interest in having a department before us, please provide the chair and the clerk with your suggestions. Mr. Chase.

Mr. Chase: Thank you. I responded to your and the clerk's request in an e-mail and expressed my frustrations with the lack of accountability of the Workers' Compensation Board. I realize

we've met with them fairly recently, but Workers' Compensation takes up the majority of my office's caseload, and I would like to have answers from them. We've also seen what's happening with our seniors, and I realize that's a divided responsibility between the Seniors ministry, which I recommended seeing, but I gather the majority of the authority lies under Alberta Health Services. For the sake of seniors I would like to meet with either or both of those ministries.

The Chair: Thank you very much. To note, we had a special meeting during session but not at a regular meeting time with the WCB, the Workers' Compensation Board, in 2008-09, and we also did meet with them, I believe, in '09-10. But you are absolutely right, Mr. Chase. We could certainly schedule a meeting with them.

Mrs. Forsyth: I don't know. I'm relatively new to this committee, though I was on it many years ago. Do we have the ability to have the Health Quality Council up here before us?

The Chair: Yes, we do. They are certainly part of Alberta Health and Wellness' scope.

Mrs. Forsyth: Well, then, I'd like to have the Health Quality Council because it'll be 2012, and we'll be looking at their 2011, and I think there's some critical stuff that the Health Quality Council is dealing with at this particular time in regard to recommendations that the government has asked to do. That goes to the airport issue, the physician intimidation, all of that stuff.

The Chair: Certainly, the Health Quality Council is a reporting entity in the annual report of Health and Wellness. It was started, I believe, in 2005 or 2006, and it would be no different than any other group that we've had before us. That's certainly an interesting and, I think, a very important request.

Yes, Mr. Xiao.

Mr. Xiao: Yeah. You know, by looking at the chart, I believe Alberta Municipal Affairs is the only department that hasn't appeared in front of this committee since 2008. I would like to have Municipal Affairs come to this committee because municipalities are the most important part of our government system. We have over 380 municipalities in Alberta. I'd like to see what they do to help out our municipalities to make our province stronger.

The Chair: Okay. Thank you for that, Mr. Xiao.

Mr. Benito: Mr. Chairman, is this an updated version of information? I notice the Wild Rose Foundation is still here. Is it still in existence?

The Chair: No.

Mrs. Forsyth: It's just showing who appeared previously.

Mr. Mason: They had to change the name.

The Chair: Good one.

Mr. Kang: Mr. Chair, I would like to see employment and immigration appear before the committee because, you know, we talk about shortage of labour and skilled labour and all that. It would be a good idea to have them come up.

The Chair: Okay. Thank you.

Mr. Goudreau: We need to review the role of the committee.

The Chair: I don't believe we need to review the role of the committee. We've harrowed that ground frequently.

Mr. Goudreau: Well, I'm just concerned by some of the comments that we're hearing, where all of a sudden we're starting to talk about policy rather than auditing books and auditing, you know, goals and objectives and those kinds of things. I'm not sure of our full mandate here.

The Chair: There is a speaking list, and Mr. Elniski is next.

In this committee we're not talking about policy. Each of these entities certainly has a financial statement, which could be reviewed. I realize the political sensitivities as we get close to an election, but this committee has a mandate, and we need to set up some meetings if there is a spring session.

Mr. Elniski, please.

Mr. Elniski: Thank you, Mr. Chair. I appreciate the opportunity to contribute. Looking at the agencies, boards, and commissions, I noticed that the Edmonton public school board appeared before this committee on October 7, 2008. I would be very interested in having them come back in again as well.

The Chair: Okay.

Mr. Groeneveld: Well, you may take this as being a little facetious, but I think maybe the Public Accounts Committee should appear in front of the Public Accounts Committee. To my knowledge, this is a nonpartisan group, I thought. After what I've heard today, I wonder what the role of the chair is, for instance, and how the chair should rule when we get into policy. Rather than just let it go on and say, "Oh, he was a bad boy," should this not be struck out of the record? Where is this committee going to get to?

The Chair: Well, where this committee is going to this morning . . . [interjections] No. Hold on here. Where this committee is going this morning is towards the spring session. If there is a spring session, the chair and the clerk would really appreciate suggestions. We need at least four of them in case there are four weeks of session before the election is called. We would like to write a letter of notice to the respective department or the agencies, boards, and commissions. We've been through this before, Mr. Groeneveld – and we're not going through it again this morning – about the role and the mandate and whether this is a policy or what kind of committee it is. This committee is functioning, it has a very important role, and the chair would really appreciate in the time that we have left, which is very little time, direction.

10:00

Mr. Groeneveld: Are you telling me, sir, that we can never review what this committee does or how it acts, that this goes on in perpetuity?

The Chair: We can certainly review it at any time.

Mr. Groeneveld: Then I suggest we do that.

Mr. Goudreau: If I understood Mr. Groeneveld well, it might be an appropriate suggestion to set aside half an hour in our future meetings to actually discuss our roles and the roles of individual members, including the chair.

Mrs. Forsyth: I need to say something if I may, Chair. I think we have to remind the members of this committee. I wasn't on it, but I was quite proud at that particular time to see some groundbreaking movements when, I think, the assistant chair at the time was Doug Griffiths. He had brought forward AADAC before him, and that's when we saw some fraud investigated at that particular Public Accounts meeting. Before that, no one had brought some of these entities, as you'd like to say, forward. If we can, we can continue to suggest who we want to see.

The other one I'd like to see is Alberta Health Services. Even though they've been here before, I'd like to add them to the list, please.

The Chair: Okay. Now we have a long list, and the chair is certainly not going to get involved at this time with a discussion on the role of this committee. The chair would consider, Mr. Groeneveld, your comments to be almost a point of privilege. I have a role to do. You have certainly questioned that.

But I'm going to move on. Do you understand? We're going to set a schedule for next February if there is a session. Hopefully, there will be, but if there's not, this will be moot. We have suggestions for the Workers' Compensation Board, the Health Quality Council, Municipal Affairs, Environment, Edmonton public school board No. 7, and Alberta Health Services.

Mr. Allred: I just had a comment that if we're going to review the role of the committee, is there a written mandate, and can we have that?

The Chair: Yes, there is a written mandate.

Mr. Allred: Is it on the website? I guess I should look there, shouldn't I?

The Chair: Yes, as should other members.

Now, can I have direction, or would you like me as chair – and you've got to remember that this committee is a little different than the other standing policy committees because the chair is under a tight rein from the Conservative, the government, majority. Do you want to get partisan and political, Mr. Groeneveld? The Progressive Conservative majority of this committee has set it up so it's totally different than other standing policy committees. It is traditional to have an opposition member chairing the Public Accounts Committee through the entire British parliamentary system. You may not like that, but that's how it is.

Mr. Allred: I've got a motion.

The Chair: Yes.

Mr. Allred: I would move that
the chair in consultation with the vice-chair set the agenda for
the next four meetings.

Mr. Xiao: I second it.

The Chair: Okay. All in favour? Thank you.

Mrs. Forsyth: I'd like to make a motion to adjourn.

The Chair: Okay. If there's no other business, a motion to adjourn, please.

Mr. Mason: I've got a tabling I'd like to do. Can we do that before?

The Chair: We can do a tabling, yes, before we adjourn. I apologize.

Mr. Mason: Thanks very much, Mr. Chairman. I'd like to table the report of the Alberta Mental Health Patient Advocate office because it relates to a number of issues that have come up from time to time in this committee, and in particular I'd like to draw to

members' attention the inadequacy of housing and community spaces for mentally ill people in our province, that is highlighted in this report.

The Chair: Thank you.

A motion to adjourn. Thank you very much.

[The committee adjourned at 10:04 a.m.]

