



Legislative Assembly of Alberta

The 28th Legislature
Second Session

Standing Committee
on
Public Accounts

Executive Council

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

Standing Committee on Public Accounts

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Also in Attendance

Pedersen, Blake, Medicine Hat (W)
Smith, Danielle, Highwood (W)

Office of the Auditor General Participants

Merwan Saher	Auditor General
Graeme Arklie	Principal

Support Staff

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Jody Rempel	Committee Clerk
Karen Sawchuk	Committee Clerk
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Standing Committee on Public Accounts

Participants

Ministry of Executive Council

Dwight Dibben, Public Service Commissioner

Martin Kennedy, Deputy Chief, Public Affairs Bureau

Andrew Sharman, Deputy Secretary to Cabinet

Peter Watson, Deputy Minister

8:30 a.m.

Wednesday, May 7, 2014

[Mr. Anderson in the chair]

The Chair: Good morning, everyone. I'd like to call this meeting of the Standing Committee on Public Accounts to order. I'm Rob Anderson, committee chair and MLA for Airdrie, and I'd like to welcome everyone in attendance here this morning.

We'll go around the table first and introduce ourselves, starting on my right with the deputy chair. Please indicate if you're sitting on the committee as a substitute for another member.

Go ahead.

Mr. Dorward: David Dorward, Edmonton-Gold Bar and deputy chair of the committee.

Ms Fenske: Jacquie Fenske, MLA, Fort Saskatchewan-Vegreville.

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

Mr. Luan: Good morning. Jason Luan, MLA, Calgary-Hawkwood.

Mr. Khan: Good morning. Stephen Khan, St. Albert.

Mr. Bilous: Good morning. Deron Bilous, MLA, Edmonton-Beverly-Clareview.

Mr. Kennedy: Martin Kennedy with the Public Affairs Bureau.

Mr. Watson: Good morning. Peter Watson, deputy minister, Executive Council.

Mr. Sharman: Good morning. Andrew Sharman, Executive Council.

Mr. Dibben: Good morning. Dwight Dibben, Public Service Commissioner.

Mr. Arklie: Graeme Arklie with the Auditor General's office.

Mr. Saher: Merwan Saher, Auditor General.

Mrs. Sarich: Good morning and welcome. Janice Sarich, MLA, Edmonton-Decore.

Ms Smith: Danielle Smith, MLA, Highwood.

Mr. Barnes: Drew Barnes, MLA, Cypress-Medicine Hat.

Mr. Pedersen: Good morning. Blake Pedersen, MLA, Medicine Hat.

Mr. Sandhu: Good morning. Peter Sandhu, Edmonton-Manning.

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

Mrs. Dacyshyn: Corinne Dacyshyn, committee clerk.

The Chair: Thank you.

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The committee members have had the agenda circulated to them on the website. Do we have a mover that the agenda for the May 7, 2014, meeting of the Standing Committee on Public Accounts be approved as distributed?

Mrs. Sarich: So moved.

The Chair: Mrs. Sarich. Those in favour? Any opposed? Carried.

The reports to be reviewed today include the Alberta Executive Council annual report 2012-13, any past relevant reports of the Auditor General of Alberta and accompanying recommendations as well as the 2012-13 annual report of the government of Alberta, consolidated financial statements, and Measuring Up progress report. Members should also have a copy of the briefing documents prepared by committee research services as well as the Auditor General.

Joining us today are representatives from Alberta Executive Council. Welcome. We're glad to have you here, Mr. Watson and company. You may make an opening statement of no more than 10 minutes on behalf of your department, and then we'll go to questions.

Mr. Watson: Thank you, Mr. Chairman. I'm pleased to have the opportunity to appear before the committee to speak on behalf of our '12-13 annual report.

I'm just going to reintroduce some of the staff that are here with me today. On my far right is Dwight Dibben, the Public Service Commissioner; on my left, Martin Kennedy, the deputy chief of our Public Affairs Bureau; and on my immediate right, Andrew Sharman, deputy secretary to cabinet.

I'm going to begin with a brief overview of the programs in Executive Council, followed by the budget and expenditures in '12-13, and finally some highlights from our annual report.

Executive Council is composed of three main programs: the office of the Premier, Executive Council; the Public Affairs Bureau; and corporate human resources. The first program includes the Premier's offices in Calgary and Edmonton, my office as Deputy Minister of Executive Council, the cabinet co-ordination office, the policy co-ordination office, the Regulatory Review Secretariat, the Agency Governance Secretariat, the protocol office, and the staff that provide the administrative and communications support to the Alberta Order of Excellence Council and the office of the Lieutenant Governor.

The second program, the Public Affairs Bureau, helps government communicate with Albertans. We have many professionals that are seconded to ministries, and Public Affairs Bureau staff deliver strategic communications planning and media relations and develop communication materials such as speeches, news releases, brochures, and other publications. They also provide communications in emergencies. They provide internal communication support for government employees and services across all ministries, including advertising, marketing, research advice, and help co-ordinating public awareness campaigns across government, co-ordinating the government's visual identity on communication materials, managing the government of Alberta's website, and providing technical support for news conferences and distributing news releases.

Corporate human resources manages a comprehensive human resource system for the Alberta public service and provides strategic leadership for human resource management. Corporate human resources is a diverse department. It includes functions such as executive search, a corporate search program to attract and

recruit executive managers into government and facilitate internal and external moves within government; workforce development and engagement, which focuses on leadership capacity development, organizational learning, and employee engagement; labour and employment practices, which focus on compensation, job evaluation, benefits, workplace health, labour relations, and employee plans; attraction technology and HR community development, which focuses on workforce planning and analytics and ensuring that our human resource system is effective; and people in learning, which includes the government learning centre and corporate and management development programs. It also provides some consulting services to agencies, boards, and commissions.

In 2012-13 the authorized budget for Executive Council was \$54.4 million. Spending for the year totalled \$42.1 million, for a surplus of just over \$12 million. Much of that, \$8 million of the \$12 million surplus, was related to a decrease in the government's share of the liability for our long-term disability plan.

Now just a few highlights contained within our annual report. The year 2012-13 marked a refocusing of the government agenda on three key priorities: investing in families and communities, living within our means, and opening new markets for our products. Executive Council staff led the public service in implementing work on these three priorities, beginning with the development of some policy co-ordination work across multiple ministries, facilitated by our policy co-ordination office. That office identified, tracked, and co-ordinated initiatives and regulatory projects and priorities to ensure that our approach was aligned, consistent, and effective across multiple departments. They also co-led with Treasury Board and Finance the development of the government's strategic plan.

The policy co-ordination office also co-ordinated a number of activities to strengthen the ability of the public service to develop robust, evidence-based policy options, including the delivery of a conference to raise awareness of best practices in public policy analysis for our staff.

The Regulatory Review Secretariat continued its work in overseeing the ongoing review of regulations while ensuring that our standards were upheld. It also provided support to our Red Tape Reduction Task Force to assess the regulatory burden on small businesses. The regulatory cost model, which is a tool that was developed by our secretariat, received national recognition and is being adopted by several jurisdictions across Canada.

On the communications side Executive Council staff created various communications products for a number of markets, including promotional videos, Alberta's Clean Energy Future fact sheets, and a Mandarin language video and advertising that was associated with missions to Asia in the fall of 2012. Public Affairs Bureau staff also supported crossministry initiatives like the Canadian energy strategy, Budget 2013, the social policy framework, the economic summit, and the 10-year plan to end homelessness. Government's ability to communicate with Albertans was strengthened through co-ordinated research planning, the use of social media, and continued refinements to our website to ensure that we were meeting the public's needs in providing access to information.

8:40

Our staff also developed advertising and corporate products to keep Albertans well informed about the variety of our programs, policies, and services, including things such as expanded pharmacy services, minimum wage increases, student aid opportunities, family violence prevention, and traffic safety. Albertans were also made aware of public consultations on issues

such as our single energy regulator, water- and land-use planning, and the fiscal framework and budget.

On the human resources side, a key focus of corporate human resources has been the renewal and the transformation of the public service through our reaching our full potential initiative. Over 500 employees volunteered to be part of this process and developed actions, strategies, and approaches to support our goals. Eighteen provincial conversations were held in 11 locations around the province with approximately 5,500 employees attending.

I would also note that in '12-13 Executive Council staff were instrumental in planning memorial services for former Premier Peter Lougheed and former Premier Ralph Klein to give Albertans the opportunity to celebrate the lives and the legacies of those Alberta leaders.

Those are just a few of the highlights from the past year, Mr. Chairman. I think it gives you a good overview of some of the things that the Executive Council ministry has been doing.

That concludes my remarks.

The Chair: Thank you very much, Mr. Watson. Appreciate that.

We'll now go to Mr. Saher, our Auditor General, to make an opening statement on behalf of his office.

Mr. Saher: Thank you, Mr. Chairman. Three matters I'll highlight for the committee. There were no new recommendations for the ministry in our October 2013 report. There are three recommendations outstanding relating to provincial agency chief executive officer selection, evaluation, and compensation. There is one outstanding recommendation related to information technology security directives and oversight. Finally, we issued an unqualified audit opinion on the ministry's financial statements for the year ended March 31, 2013.

Thank you.

The Chair: Thank you very much.

We will start with the government, who will have 17 and a half minutes, the timing regulated by Mr. Dorward. Then we will have 17 and a half minutes for the Wildrose to do their questioning, followed by nine for both the Liberal and ND oppositions, and then the remaining 17 and a half minutes for the government.

So with that, Mr. Dorward, take it away.

Mr. Dorward: Thank you very much. Mr. Watson, thank you for being here today. I refer you to page 34 of the Executive Council annual report for 2012-2013. Under Related Party Transactions, schedule 6 – and I'll just give you a second to get there – right at the very bottom it talks about expenses incurred by others. I'm assuming there's a chargeback from Finance, for example, through to you for the use of GOA aircraft. Is that where that is? I mean, it's got to be in there somewhere because I'm sure Executive Council uses GOA aircraft. My question specifically is: can you tell me how decisions were made in the Premier's office with respect to those expenses in the financial statements?

Mr. Watson: Certainly. As part of the accounts, the accounts represent the estimated costs for the use of government aircraft by the office of the Premier, the Lieutenant Governor, and ministry staff. The costs are slightly less than they were for 2011-12. Our officials in the ministry, not just staff but including the Lieutenant Governor, the Premier, and the cabinet ministers, utilize government aircraft. There are a number of reasons for doing that, including attending meeting events with Albertans right across all parts of the province. Of course, the aircraft fly to all communities, that are distributed across the province.

With respect to the processes used by the Premier's office, the policy of the government requires that all passengers use government planes for government purposes, and staff of the ministry and Treasury Board and Finance approve all flights before they're scheduled.

I do note that the former Premier has asked the Auditor General to look at how the aircraft are used so that Albertans have confidence in the operation of the fleet and that it remains cost-effective and continues to provide a value. So I am going to be working with the Auditor General on finalization of an audit plan for that review.

Mr. Dorward: You might have answered my second question, because I heard you say that the Minister of Finance is involved in something there. Are they the check and balance to make sure that this is just not used willy-nilly wherever to go wherever?

Mr. Watson: Yes. The Ministry of Treasury Board and Finance administers the government fleet and administers air transportation services on behalf of the government, and they facilitate and approve the requests for flights.

Mr. Dorward: Okay. You're going to find that we switch gears pretty fast and move on. Also, we have a lot of questions, and sometimes we say: get back to us on that one.

In these financial statements do you incur FOIP costs within the financial statements here, and where would they be?

Mr. Watson: We do incur FOIP costs, and costs associated with FOIP applications have been increasing significantly across government. There's a significant increase in the volume of requests not just in Executive Council but right across the government of Alberta. Our costs relate to our corporate services staff that support me and my team in the administration of FOIP requests for Executive Council.

Relative to where those costs are in the accounts, they would be part of the expenditures for my office as the Deputy Minister of Executive Council and, in particular, our corporate services staff, that do the majority of that work.

Mr. Dorward: Thank you.

Financial statements are notorious for being not very readable. One of the ways to strengthen financial statements to be more readable is to have good appendices, schedules, those kinds of things. I looked to try to find in these financial statements how much money had been spent on salaries and severance up to March 31, 2013, and I didn't have a whole lot of success. Maybe I just overlooked it. My general question would be: is it your intention to disclose those kinds of things to Albertans? This may be the format, to put it right in the annual report as a schedule or something like that. Do you want to discuss that area?

Mr. Watson: Sure. I believe there's a note in our financial statements. In addition to the disclosure of salary and benefits for all of our staff on our executive team, we have been utilizing a note in our financial statements to disclose the total extent of severance across our ministries. I think the committee is aware that the government has moved forward with a new policy for disclosing salary and severance, and we now host a public website that discloses the salary and benefits, including any severance payments to all staff across the government of Alberta earning more than a hundred thousand dollars. I know that the concept of disclosure and how deep into an organization one goes is always a sensitive issue. I've indicated that it was dealt with in our annual statements for the executives of the ministry and a note showing

total severance payments, but now we disclose all salary and benefits for all staff in our organization earning greater than a hundred thousand dollars.

Mr. Dorward: Okay. If I could refer you to page 35 of the annual report, the first column, expenses. You know, just strictly from a disclosure perspective so that Albertans can see what's going on, from the terminology "expenses" it is pretty blatantly obvious that it's a schedule of costs. The column heading Expenses doesn't give us a whole lot of information. In the office of the Premier, Executive Council, I'm sure that there are travel expenses there. Can you talk about the travel expenses that are in there? I don't suppose you brought with you any kind of further breakdown of hosting costs versus accommodation costs versus meal costs versus other things in there. I'm not asking you necessarily for a breakdown, unless you do have that, but who controls those costs? Is it just controlled on the basis of, "We had a budget at the start of the year, and we're going to spend that much money"? Who is controlling the costs, for example, in the Premier's office, as I stated there?

8:50

Mr. Watson: I don't have a detailed breakdown of those numbers, but what I would note again is that we have a public website where all of our expenses are reported for all employees. That breakdown can be found on that website. I believe that the government's goal at that time was to make sure that there was more disclosure around all expenditures for travel, hospitality, or events and to ensure that people could review those things and assess whether government was managing them responsibly or prudently. I note that the expenses for all ministers, all senior government, and all staff are being reported publicly line by line, and that includes the expenses of everyone in the office of the Premier and Executive Council.

In addition to, you know, reviewing and assessing our budget and our expenditures against the budget on an ongoing basis, we also have expenditure officers in place, both in my office in the Department of Executive Council as well as in the office of the Premier, that review and authorize travel expenses before they're paid and posted. Again, I note that the Auditor General has been asked to do a review, specifically for the office of the Premier, of all travel and hosting expenses, and I've met with the Auditor General to review that plan.

Mr. Dorward: Thank you.

Mrs. Sarich, would you like to take some time? We have about seven and a half minutes left.

Mrs. Sarich: Sure. Thank you very much.

Thank you for the information provided thus far. I'd like to focus a little bit on the governance as it pertains to the Agency Governance Secretariat. The Auditor General, going way back, in October 2008 as well as in October 2009 made some recommendations regarding CEO, chief executive officer, selection, evaluation, and compensation. I'm wondering if you could provide some insight and comment. One of the observations is that we're not finding that there is comprehensive guidance to agencies through the secretariat on the selection policies and practices and plans in selecting CEOs and also that there would be identification directly to the minister to hold boards of directors accountable for their decisions if they're not in compliance. Coupled with that, I'm wondering: could you also provide some insight or comment on what has come to the Agency Governance Secretariat in the past year for noncompliance and how that is

reported so that there could be some definitive action taken for the guidance part?

Mr. Watson: I'm actually pleased to tell the committee that we've got a significant amount of work under way in addressing all of the Auditor General's recommendations. For context for the committee, these recommendations were held by a couple of different departments. I think they were originally recommended to Treasury Board and Finance, where the Agency Governance Secretariat was, and we've recently moved the Agency Governance Secretariat into Executive Council in the last couple of years.

Another significant issue associated with our ability to advance and finalize our work on these recommendations was the proclamation of the Public Agencies Governance Act in June of last year, I believe. So we're well under way in our work to address the Auditor General's recommendations.

We have a governance principles document, that we're finalizing right now, that will provide specific guidance to boards on CEO and senior executive recruitment processes, selection, compensation, and performance management as well as the nature of the records and the reporting that we think is good practice to ensure that ministers can discharge their responsibilities under the Public Agencies Governance Act. We would incorporate some of these things from this policy document in roles and mandates documents that we have in place and that we're continuing to update for agencies across our system.

We're actually sitting down and working with – we've presented some of this work to the Auditor General's staff to get some feedback before we move to finalize it. We will be bringing forward this policy document to government for a decision so that it can be properly distributed to ministers and boards and incorporated into the roles and mandates documents that we want to have for our significant agencies.

Mrs. Sarich: If I could just interrupt a little bit, Mr. Watson, I'm just wondering if you could tackle the question about noncompliance. You're developing this plan, these principles and framework, for implementation, but since last year, if we look at last year, was there any reporting given to that secretariat about noncompliance on CEO evaluations, you know, regarding best practices or not following in the interim here?

Mr. Watson: Yeah. Our Agency Governance Secretariat has been tracking across all of our agencies, through their annual reports, CEO and executive compensation, and that information is utilized and can be fed back into ministries and departments for discussions that they have regarding governance on an ongoing basis.

A significant issue or development last year was that one of our largest agencies, well, really our largest agency, Alberta Health Services, did submit a new plan to our Minister of Health associated with the appointment for a new CEO, and our minister has approved a new executive compensation plan for Alberta Health Services coincident with our recruitment for the new CEO and for some of their senior management. That's a significant step forward in that sector, and it's one of our largest agencies across our system.

We're continuing to monitor what goes on, but this policy document will really improve the feedback mechanism to ministers through their regular governance conversations that they have under the roles and mandate documents that we put in place.

Mrs. Sarich: Okay. It's our understanding that there's a Deputy Ministers' Council. Could you comment on what it is? What is the

extent of their oversight? What do they have oversight for, roles and responsibilities? What do you hope to achieve with this council, and, in fact, where would we find information about the Deputy Ministers' Council?

Mr. Watson: I don't know that we've ever shared information about the Deputy Ministers' Council with this committee, but I could certainly share the terms of reference for the committee. I believe we've shared it with the Auditor General. Our council includes deputy ministers of all departments plus the senior staff from Executive Council. We're working in a number of areas now to focus on improving our integrated work across the public service in the major policy areas that are supporting analysis for the government. The reason the council is involved there is because many of our initiatives like social policy or resource policy are multiministry in nature, and you can't resolve issues by dealing with it within the boundaries of one department.

So we have three groups, subcommittees, of our council, that work on natural resource and environment policy analysis and steward that work so that we can provide better analysis and support to our government, we have a subcommittee working on families and community policy, and we have a subcommittee working on broader economic future type policy.

9:00

In addition to that, our committee has three additional subcommittees that speak to the effectiveness of the internal systems in government. We have committees of our council that work on information technology and information management, which is a major issue across a system as large as the government of Alberta, to ensure that we properly implement IT projects, properly assess and manage the risks associated with that, and manage our information in a better way. We have a people and workforce committee, that our Public Service Commissioner works directly with, to review and assess our people and human resource practices right across government. Deputies have individual accountabilities, but we need to lead it as a collective.

Then we have a subcommittee that co-ordinates and integrates our work on financial matters and internal auditing. They deal with ensuring best practices and integration of effort associated with financial reporting, performance measures, and measuring up. We are now kind of challenging ourselves on whether our performance measures in government are sufficient and meaningful.

Mr. Dorward: Thank you, Mr. Watson. That's the end of our time, and we'll turn the time back to the chair.

Thank you.

The Chair: Thank you very much.

Ms Smith is the opposition critic for this area, so take it away.

Ms Smith: Thank you, Mr. Chairman. Mr. Watson, I wonder if you would agree with me that the leadership sets the tone for the entire government and that Executive Council would set the tone for the entire government and administration in terms of best practices. I wonder if you'd give a self-assessment about the tone that Executive Council has set in the year under consideration, 2012-2013, and whether or not you've lived up to the expectation of setting a positive tone for government.

Mr. Watson: Well, what I can tell you is that I was just speaking to the range of work that I'm working on with my deputy ministers right across government not only to improve our capability for policy and policy analysis but also our effectiveness

in managing some of our internal processes in government. We spend a significant amount of time as the senior leadership in the public service to talk about challenge and evaluate our governance of the systems inside the government of Alberta and what we can do as a senior leadership team to improve not only our advice and our analysis but also our systems that are important to the running of government.

Ms Smith: I think it's the systems I'm concerned about, and I do want to get to the recommendations of the Auditor General report asking that you provide guidance on executive compensation at agencies. But I have to say that I don't look at this as a record of success for Executive Council. Most of my questions are going to be centred around page 29 in looking at the salaries, wages, and employee benefits. There are a couple of particular areas that I do want to get some clarity on.

I find it fascinating how differently government seems to operate from the rules and parameters that we have to operate under in the Legislative Assembly Office. As the leader of my caucus I don't get to decide without any parameters what the terms of contracts are that I sign with my senior staff. I don't get to decide what type of travel policy I'm going to abide by. I don't get to decide what my overall budget is going to be. It does seem to me that there aren't very clear rules or guidelines or limitations around what the Premier is able to decide.

I wonder if you would be able to give some clarity, for instance, about the growth in staff since 2001, which is now at the highest level that we've seen since 2001. It does seem to me that there is no limitation on what the Premier can choose for her budget for her office staffing. I'm just wondering if there are similar kinds of restrictions on what the staffing allocation should be compared to what we in the opposition have to abide by under the rules of the LAO. Or is it entirely up to the discretion of the Premier with no oversight from anyone?

Mr. Watson: I don't agree that it's entirely up to the discretion of the Premier. I think it's appropriate that the Premier on an ongoing basis is able to assess the needs that they have in their office, as I assess the needs that I have in my office, and identify those requirements. They are brought forward and presented in a budget that's debated and approved. I think it's fair that requirements will change from time to time. I know that requirements in my office change as the needs of the public service evolve. I think it's appropriate for the Premier to identify the requirements that he or she believes they need and then propose them through a budget process.

Ms Smith: I am trying to understand how the relationship between your approval of contracts relates to the hiring and the decisions of the Premier. I would note that for two of the contracts in the period that we're looking at, one from May 26, 2012, and one from September 3, 2013, for Farouk Adatia and Stefan Baranski, the approvers it says on the contracts are the Public Service Commissioner and the deputy minister of Executive Council. Are you really the approver of the terms of the contracts for the salaried staff hired by the Premier, or am I misinterpreting your signatures on these contracts? I think it's important for me to understand. If you're going to give advice, as the Auditor General suggests, on what CEO compensation should be for agencies, I need to understand how this operates in the area where you appear to be the approver in Executive Council.

Mr. Watson: I'm going to ask the Public Service Commissioner to supplement this as well, but my authority does extend from Treasury Board directives, and I also have authority subject to a

Treasury Board directive, as do all deputy ministers, when circumstances warrant, to provide a modifier on a salary range that is required to be able to recruit and attract individuals. My authority extends from Treasury Board directives. In the case of the chief of staff it was a negotiated agreement that we came to.

Ms Smith: Can you explain to me, then, why you think that the chief of staff to the Premier should make double what the chief of staff to the U.S. President in the White House makes?

Mr. Watson: Well, I can tell you that the question of compensation for, you know, political staff is pretty difficult, and we do have to strike a balance between what it takes to attract an individual and also being responsible stewards. We try to offer competitive compensation packages and ensure that we attract skilled and competent staff, but it's a balancing act. In the case of the chief of staff it was determined that that was the salary and the terms of employment that were needed to land this particular individual.

Ms Smith: As I've mentioned, I don't have the latitude with LAO to be able to sign whatever contract terms I require to be able to attract political staff, so it would suggest to me that there really aren't any limitations on the purview of the Premier to negotiate whatever parameters are in the contract. Is that fair to say, then, that there is really is no limitation?

Mr. Watson: No, I don't think it's fair to say. I also think these situations are somewhat extraordinary and not the norm. The purpose of dealing with it is to, you know, try to attract and retain the individuals that our employers and the hiring managers are looking to attract and retain in the organization. Sometimes that needs us to negotiate terms that are within the directives that we're authorized to work under.

9:10

Ms Smith: Let me ask, then, since one of the areas that the Auditor General has suggested you provide advice for for agencies is on the issue of severance – and I would note that in Mr. Adatia's contract it talks about four weeks' worth of notice for each year of service, or 52 weeks. Is that reasonable, in your opinion, to be having this kind of lucrative severance package? Is this the kind of thing that you're going to give advice to the agencies on? Once again, in keeping with the idea that you set the tone for the rest of government, if you're signing contracts that are out of step with what you would normally see in the private sector, also seeing that there's an incredible amount of turnover that occurs in political jobs, is that going to be your recommendation, that it is reasonable to be giving one year's worth of severance regardless of how long the individuals under question would be hired for?

Mr. Watson: Again, it's a very difficult thing, particularly for senior political staff, who just don't have – I think it's fair to say – the job security that a number of other individuals have. Most of our senior political contracts allow for six months' severance, and that reflects, you know, the uncertainty in some of those jobs. It also reflects that people are subject to cooling-off periods when they leave the employment of government, even if they're leaving without cause. For some we agreed to severances higher than that general guideline of six months. That was either reflecting their age and years of service in government but also what was specifically negotiated to be able to attract and retain those individuals.

I think it's also a very difficult issue for senior executives that are at a stage in their careers where you may or may not be able to transition immediately back into other areas of work.

I'm also aware generally of, you know, settlements that have been made in court for disputes around termination and settlement of termination for a variety of employees. I'm aware of specifics in our system where our severance policies have been challenged and overturned by courts. It's a difficult issue. We're trying to find the right balance. I'm currently reviewing issues around severance right now so that I can continue to provide the best advice to the Premier and to our Treasury Board on those matters.

Ms Smith: I would point out that the contract also exceeded the order in council setting a maximum for the chief of staff, so it doesn't appear that there really are any controls on this.

The other area where I am interested, though, in whether there are controls is on the travel policy that was brought into effect, again, in the year under consideration. I'm not sure where the travel expenses are accounted for, but I do want to ask about one of the terms that is written in here quite clearly, to wonder whether or not they're being policed at all in the case of the Premier.

The travel policy by air states, "Economy class shall be used for all domestic flights, unless otherwise authorized by an Approver or otherwise permitted under this section." It also says, "An Approver may approve business class travel if a medical condition necessitates an upgraded travel class and a physician's note is provided prior to booking." In the third case it states, "An Approver may approve business class travel for domestic or international flights stated to exceed four hours at time of booking."

I've noted that the Premier tends to fly executive first-class flexible, which seems to be completely outside the parameters of the travel policy, and I would make note of the London Olympics trip, which, for instance, which was booked as executive first-class flexible at a cost of \$12,500. We noted that if she had purchased a flight at the last minute to London, it would have cost \$6,000 on first class. I want to understand what your role is in approving these expenses, not only for the Premier but also for the Premier's staff, and whether or not this travel policy actually has any enforcement whatsoever by you as an approver.

Mr. Watson: Okay. The Premier's travel. I guess in context as well to the committee I would note again that the Premier has asked the Auditor General to do a review specifically of the office of the Premier, and we've advised the Auditor General that in conducting that review, they need to look at practices within the Department of International and Intergovernmental Relations as well as in the office of the Premier. The reason for that is that travel for the Premier's missions and out-of-province travel are planned and managed by the Department of International and Intergovernmental Relations as they are developing agendas and arranging business meetings for the Premier and managing the business of the missions and the events that she's attending. I know that they do book business class travel for the Premier. The concern is that that provides ability for her security and her security issues to be . . .

Ms Smith: Mr. Watson, they book executive first-class flexible. I wonder if you could comment on that particularly. I don't know that we would have much to complain about if they were actually following the policy of business class, but it's executive first-class flexible that I'm wondering about and whether or not you have any power to say that that's unacceptable under the travel policy.

Mr. Watson: Well, as I said, the Ministry of IIR manages all the out-of-province travel for the Premier, and I wouldn't be aware of the arrangements that they're making for the Premier on the missions. I know that we are currently evaluating how we manage the flight decisions that we make. One of the considerations that I know the department is always managing is that these missions and agendas for the Premier are sometimes pretty fluid, and things change at the last minute, so I understand and I've been made aware that we sometimes book open and unrestricted tickets. We're currently looking at that, and we know that there will be, you know, a consequence with that associated with ministers' and the Premier's travel regarding schedules that change and things that change that are outside of their control.

Ms Smith: In the advice you're going to give to agencies, are you going to establish any policies or procedures or parameters around how they would book travel and expenses?

Mr. Watson: Yes. We're currently looking at that in our principles document. We'll be discussing that with our government, and we feel that the approaches that we're taking should be sufficient and appropriate in most cases for our agencies, boards, and commissions.

Ms Smith: I'd like to ask a question now about the FOIP process. In the Legislature we had been told that it was your responsibility to be co-ordinating responses and that it was an entirely administrative task. Then, of course, we later discovered that, in fact, the Executive Council has some kind of role in reporting to the Deputy Premier so that a political response can be generated. I'm just wondering if you can elaborate on what your relationship is in providing this information to the Deputy Premier or the cabinet.

The Chair: I would love to hear the answer to that question, and I think I'd ask for a written response to it. Time is up, and we'll have to move on. So Mr. Watson, can you please respond to that in written form to the committee? Thank you very much. I'll take that as an undertaking to do so.

We'll move to the Liberal opposition. Dr. Sherman.

Dr. Sherman: Thank you, Mr. Chair. Mr. Watson and the rest of the team, I appreciate the opportunity to engage with you. I'd like you to turn to page 60 of the 2012-13 annual report. It mentions that "in 1992, there was pension plan reform resulting in pre-1992 and post-1991 arrangements for several pension plans." I'm curious. What specific reforms were undertaken in 1992, and how do they compare with the proposals that were recently put forward in Bill 9?

9:20

Mr. Watson: I don't know that I'm able to give you the specifics of that. I'm going to ask my public service commissioner if he can provide a bit more detail to the committee, but I may need to respond to that question in writing.

The Chair: If you don't have the specifics, Mr. Watson, that's fine. You can respond in writing.

Mr. Watson: I would certainly need to consult with the Department of Treasury Board and Finance in the risk management and pension area as, you know, I'm not an expert in pension matters specifically. But our team over in Treasury Board and Finance would know that.

Dr. Sherman: Thank you.

On page 63 the government of Alberta in their annual report talks about pension liabilities, how they're calculated, and it says that "the assumptions used in the valuations and extrapolations were adopted after consultation between the pension plan boards, the government and the actuaries, depending on the plan, and represent best estimates of future events." So a question: when the government posts pension liability figures, does it base its calculations on the most pessimistic scenario, the most optimistic scenario, or somewhere in between? How do we really know that the stated liabilities of the various pension plans are as dire or as serious as the government has made them out to be?

Mr. Watson: The Department of Treasury Board and Finance and our team that's involved in risk management and pension administration, you know, would be ensuring that we're using fair and appropriate assumptions and have consulted appropriately with our boards as we assess those values. That information would be provided and made available to the Auditor General's office as they look at our financial statements and, you know, the assessment of our financial statements and whether we're utilizing appropriate procedures and analysis to properly disclose to Albertans what the liabilities are. I'm not aware of any issues there, and I am aware that it's likely an ongoing conversation with every set of financial statements that we have with the office of the Auditor General and our Department of Treasury Board and Finance.

Dr. Sherman: Thank you.

I'd like you to turn to page 82, where it talks about results-based budgeting. It references the ministers' mandate letters, and it says that

[they] outlined a plan for government which included actions such as designing a plan for family care clinics, establishing stable [predictable] funding for education and municipalities, consulting with Albertans on legislation and taking national leadership on energy efficiency and sustainability.

Given the Health minister's recent admission that the government will fall severely short on its commitment on the family care clinics target and given that funding for education and municipalities has been less than ideal and, I should say, has perhaps been quite erratic and far below promised levels and below what's expected when you take into account population growth and inflation and given the pace of growth of this province and that Albertans were clearly not consulted on important pension legislation such as bills 9 and 10, a question: how do you account for the failure of these mandate letters as a coherent and competent plan for government?

Mr. Watson: The mandate letters identified the direction and the intent that the Premier wished to see her ministers advance initiatives in their respective areas. You mentioned results-based budgeting. Similarly, in that initiative we are working to ensure that we assess the effectiveness of our approaches across the major lines of business for government, including what we're doing in health care and areas associated with primary health care and wellness support. So I would say that our work through results-based budgeting is intended to really help us get at and understand the barriers, the challenges, and the opportunities that we have to achieve the outcomes that the government wants.

We conduct a review internally in the administration of what we're doing and how we're doing it and our assessment of our effectiveness. We then present that to a challenge panel. We're still early in that process and wanting to improve our practices through results-based budgeting, but it's a process that does hold

us accountable to assessing, again, the barriers, the challenges, and the opportunities that we have for doing better at meeting our performance targets as we go.

Dr. Sherman: I want to focus on results-based budgeting. Health spending is up 54 per cent since 2007. The population is only up about 15, maybe 17 per cent. Have you results-based budgeted the health care system?

Mr. Watson: Yes. I believe that there has been at least a review of one portion of their business already. I can't recall if the second one has been reviewed or if it's coming up in cycle 3. Again, we've broken down all of our work in government into specific lines of business, many of which cross departmental boundaries because it takes multiple efforts through multiple departments to be able to achieve a business objective for government. Wellness, for example: it can't just be accomplished in the Health department; it relates to several other departments as well.

We have done two cycles of review through results-based budgeting, and we're evaluating the outcomes and the recommendations that we got from the challenge panel. Those reviews were very insightful to help us get pointed to the ongoing issues and areas that we need to focus our policy analysis and our attention on to be better as we go.

Dr. Sherman: Thank you.

Given that AHS spending is up 74 per cent since going to the one region during the same time period and based on the performance reports that the Liberals have FOIPed, that the minister now refuses to make public, how can you explain that AHS spending is up 74 per cent? The number one spending issue in the province. Total health spending is up \$6.3 billion since 2007. How can you explain that we are not even meeting the meagre, low targets with all of that money being spent on health care? Where is that money going?

Mr. Watson: I'm not sure that I have the answers for you, and you may need to ask . . .

The Chair: Again, I would love to hear the answer to that question, too, but we are out of time. I'm not going to make you put that one in writing. That could be a magnum opus.

Mr. Amery: We'll use it in question period.

The Chair: Yes. It's a very good question period question. NDP opposition, go ahead.

Mr. Bilous: Thank you very much. I'm just going to jump right into it as I have numerous questions and a limited amount of time here. With Redford's departure, \$1.13 million dollars in severance for nine staff: the number has been widely criticized and seems entirely unreasonable. It's been constantly defended by your government as necessary to attract the best and brightest, which apparently doesn't extend to how you view the public sector. Albertans can be forgiven for seeing a bit of a double standard here. It's only the most expensive staff when it comes to politics but cut after cut for public-sector workers. Other than reviewing, have you put any controls on severance packages for the current Premier's staff or policies in place going forward?

Mr. Dorward: Point of order. Mr. Chair, that's talking about current events and current policy.

The Chair: No. It's talking about whether there is a process in place to control severance packages, which is salaries and benefits

and is specifically mentioned in the Auditor General's report. It is an appropriate question.

Go ahead, Mr. Watson.

9:30

Mr. Dorward: Could you ask the member to clarify that that's what he intended?

Mr. Bilous: That is what I intended.

Mr. Dorward: Thank you.

The Chair: I've added another 30 seconds to your time.

Mr. Bilous: Thank you, Mr. Chair.

Mr. Watson: As I said, we have Treasury Board directives that we follow, and the amounts that we negotiated were within those Treasury Board directives. I mentioned that it's typical for senior political staff to provide for six months' severance, you know, reflecting the volatility of their employment prospects and also to address some of the concerns associated with cooling-off periods that they have to abide by. I mentioned that some senior officials received severances higher than six months and that it indicated or reflected their years of service with government and the public sector and that in some cases were specifically negotiated. I am in the process of reviewing that and will be discussing that further with Premier Hancock as we go forward.

Mr. Bilous: Mr. Watson, then, to answer the question simply: no, there are not controls that Executive Council has placed on severance for staff.

Mr. Watson: We are subject to a Treasury Board directive. As I said, our typical contracts for senior political staff are six months, but we negotiated different arrangements to address some specific situations.

Mr. Bilous: Although you won't be able to answer this question at the moment, given that those positions have a definitive timeline now, you will know what amount the severance will be moving forward? I'm referencing specifically – and I'm sure the deputy chair will call this out of order – that you know exactly how much will be paid out when the new leader is chosen.

Mr. Watson: Oh. The staff in Premier Hancock's office are fully aware of the temporary nature of their employment in the Premier's office, and their employment contracts reflect that. So there's no expectation that they're receiving anything other than the short tenure in the office.

Mr. Bilous: Okay. The Public Sector Resources Committee has the task, according to the jobs minister, Lukaszuk, of imposing uniformity across labour deals. Now, part of that attempt was through Bill 46, which, of course, violated the province's obligation to bargain in good faith, and that was Queen's Bench Justice Denny Thomas. Not a lot is known about the committee, but given that it's apparently bringing forth legislation that violates bargaining rights and Charter rights, Albertans deserve to know. They deserve to know who's responsible for such poor legislation and gutless attacks on public-sector workers.

Mr. Dorward: Point of order, Mr. Chair.

Mr. Bilous: Six questions I have that follow on this. How many meetings did the committee have last year?

Mr. Dorward: Point of order, Mr. Chair. My question is: what does this have to do with the March 31, 2013, statements or the Auditor General reports?

The Chair: I've stopped your clock. If you could finish your question, then maybe we would know the answer to his point of order, which may have just been a little bit premature. Go ahead.

Mr. Bilous: Thank you. There are six questions about last year's resources committee. How many meetings did the committee have? Who is on the committee? When was it formed? Was it responsible for bills 45 and 46? What's its mandate? Where does it derive its power from?

The Chair: Is there a point or order there?

Mr. Dorward: I'll leave it to Mr. Watson to go ahead.

The Chair: Go ahead, Mr. Watson.

Mr. Watson: I didn't catch the last question.

Mr. Bilous: Well, I mean, what authority does it have?

Mr. Watson: Okay. The Public Sector Resources Committee is a committee of cabinet. There is a formal mandate that has been established by cabinet for the committee. I can't recall the specifics of when it was first formed. There is a membership to the committee. I can provide that in writing to the committee. I also can't recall the number of meetings that the committee held. That would be a detail that I'd need to research and follow up.

Mr. Bilous: Okay. Do you know if that committee was responsible for bills 45 and 46?

Mr. Watson: It's a committee of cabinet, and it provides advice to cabinet.

Mr. Bilous: Okay. Moving on to the Public Affairs Bureau, it's continually gotten bigger and bigger over the years. It's particularly concerning given that we've seen things like increasing politicization of what should be straightforward government communications, with the insertion of boilerplate political statements, for instance, and the government keeping opposition parties in the dark about announcements. You've subjected other government areas to results-based budgeting. Can we presume that the Public Affairs Bureau has faced the same evaluation?

Mr. Watson: Yes, they have. We have looked at the Public Affairs Bureau, and there was some work done through our results-based budgeting process for the crossministry business of communications. Coming out of that review, we identified some areas where we could actually improve the functioning of the Public Affairs Bureau and the operations of the broader system of communications professionals across government. It's important that we do that to ensure that we're properly and effectively communicating policies, programs, and emerging initiatives that we're putting in place.

Part of our new approach to how we've organized and how we're conducting our work now came out of this review. It's also linked to the integrated nature of our policy work, that we're doing more and more of in government, where we can't just communicate environment; we have to communicate environment and energy and economic issues in an integrated and holistic way. We need communications professionals connected and organizing their work in a similar way.

Mr. Bilous: Okay. Two follow-up questions, Mr. Watson. Will you release the results of the results-based budgeting audit that you did?

Mr. Watson: Well, I believe that our Minister of Finance releases an annual report in the Legislature that speaks to all of our results and all of our work that we're doing through our results-based budgeting process.

Mr. Bilous: Specifically to Executive Council?

Mr. Watson: No. For all lines of business, I think. There's an annual report that we produce, and I believe the minister tables it in the Legislature each fall.

Mr. Bilous: Okay. I think I probably only have about a minute and a half, so I'm going to read several questions in and request a written response. I'd like to know: what did Executive Council spend on public opinion research last year? What did they spend on public opinion research specific to Building Alberta? We've heard the government's position, but have you sought any third-party evaluation on the value to Albertans from the Building Alberta campaign? From the outside it looks like it's clearly party advertising on public dollars.

As far as the executive suite in the federal building we've heard that that was planned from the top, but it appears that a lot of planning for that suite went through Executive Council, including to yourself, Mr. Watson, the Deputy Minister of Executive Council. What role did Executive Council play in the planning process? Will the participation of Executive Council staff go through a thorough review to ensure that the totality of involvement is made clear? Why didn't Executive Council staff end this suite when it was brought to their attention?

The Chair: Man, these are excellent questions again. That one is . . .

Mr. Dorward: But they have nothing to do with what we're doing here.

The Chair: They have everything to do with what we're talking about. I believe that that was very much a legitimate question. If you could get back to the committee in writing, that would be great. His time is up.

Now we will give three and a half minutes or thereabouts, four minutes tops, to Mr. Allen.

Mr. Allen: Thank you, Mr. Chair. Our caucus will be very brief. Along the same lines that Mr. Bilous was just going with Public Affairs, I just had a question related to advertising. As a small-business person I certainly do understand the benefit and the value of advertising but more so from a selling of product perspective, goods and services. The government has a significant amount of advertising. Under goal 2 in the annual report you talk about developing advertising programs. Can you tell us how much this government is spending on advertising and why we don't have an actual product or goods that we're advertising?

9:40

Mr. Watson: Okay. Why? It's to provide information on the government's agenda and the programs and services that we're delivering to Albertans and, you know, the long-term plan associated with those programs and services. Advertising is just one of the tools to engage with citizens and stakeholders on the direction of our programs and the direction of the government's plans for the future. Advertising is one of the tools that we do that.

Depending on the goals and the target audience for a particular program or an initiative, we may develop a specific advertising campaign and use a variety of mediums to communicate, whether it's print media, radio, television, online advertising, and so on.

Just as an idea of what I mean by some of the campaigns, we certainly would have used a campaign-style approach to the relief and recovery information following last year's flood events in southern Alberta. We also would have done it as we are announcing and moving forward with new legislation such as mandatory warranties for new homes. Another area that would have been similar would be educating and creating awareness around traffic safety, including impaired and distracted driving, and there were certainly campaigns that were initiated to provide awareness for that.

In '12-13, I think, in our accounts it shows that we spent \$9.3 million in advertising. We're forecasting that that amount will be about \$11 million in 2013-14. Much of that increase is associated with the extent of our efforts with the floods.

It's also advertising and creating awareness around the budget, around regional plans that we're developing in the province, those kinds of things. We feel that's important to do.

The other thing is that we do a fair bit of advertising for recruitment and for things that are associated with construction of public infrastructure like legal notices or tender notices, that sort of thing.

The Chair: Just read your question into the record.

Mr. Allen: Okay. My only other question is just that the appearance is that we have a majority of the advertising going on just with a couple of agencies. Can you explain if they are sole sourced or if they're all tendered out on an individual basis?

The Chair: Excellent. Thank you.

If you could provide that to the committee as well.

The remaining time goes to the PC caucus.

Mr. Dorward: Okay. Mr. Sandhu. Please stay to the March 31, 2013, statements and the Auditor General's reports.

Mr. Sandhu: I will try my best.

Mr. Dorward: Thank you.

Mr. Sandhu: Thank you, Mr. Chair. Most of my questions were already asked and answered. My question is about ministry goals and performance measures. Your target for 2012 to 2013 was 90 per cent, but you only got 81 per cent. Could you explain what happened on that one?

Mr. Watson: Could you just flag the page for me, please?

Mr. Dorward: Page 8 in the annual report, the top line.

Mr. Watson: So policy co-ordination. That's the satisfaction of policy co-ordination office clients with products and services, and that survey is a reflection of the stakeholders inside government. While we're not happy with that 81 per cent current actual, our target is to get it back up to 90 per cent. That 81 per cent says that they were very or somewhat satisfied with the support that they received from our policy co-ordination office. The major work in '12-13 was policy co-ordination and working with our client departments to support the implementation of some of the new decision-making processes that were put in place within government that were designed to promote enhanced alignment and co-ordination of policy proposals and regulations. It was a period of

transition for some of our decision processes and also for our policy co-ordination office, and we think that reflects the drop in the level of satisfaction, but we're working to improve it.

Mr. Sandhu: Thanks.

Public satisfaction with government communications: again, your target was 71, and you got 64 per cent. It seems like you're going down.

Mr. Watson: We know that that one has been quite variable over the years, and we believe that, actually, 71 per cent is a good and aggressive target. I note that the public satisfaction associated with some of the changes we've made to our public-facing web pages and Internet approach have resulted in improvements in satisfaction in those areas.

Every year the bureau surveys and looks at the feedback and works hard to make improvements. We've actually just completed our work for 2013-14 – and Martin could speak to this in more detail if the committee wishes – and in 2013-14 we're seeing that public satisfaction with government communications is moving up significantly and is now tracking at 74 per cent.

Again, we always expect that the numbers in our other two measures are going to be higher, and we're trying to retain public satisfaction at aggressive levels, around 70 to 75 per cent.

Mr. Dorward: Thank you, Mr. Sandhu, and thank you, Mr. Watson.

We're going to go to MLA Steve Young.

Mr. Young: Well, thank you, Mr. Watson and Mr. Saher and your teams, for being here. My question relates to the audit recommendations around access risk and improved oversight regarding IT security, and I will preface my question with some comments. One need not look beyond any one security department's Treasury Board audit report to understand that there are risks to our provincial information systems of varying degrees, and the reality is that each ministry is segmented significantly in terms of their administration of those IT operations.

My question is to the Auditor. This recommendation is not in any one department – they all have varying degrees of risks, oversight, and operational challenges – but it's to Executive Council. We seem to have this high-level recommendation to Exec Council, and, with all due respect to these very talented gentlemen, these are not IT people in the operations. There seems to be a separation between the people who can make the change that is needed in terms of risks and the people whom the recommendation is to. Why is this put at the Executive Council level in terms of a recommendation and not within each department, where I believe it should be?

Mr. Saher: The recommendation was originally made to Service Alberta because we believed that Service Alberta was the ministry with the skills and talents necessary, first, to develop IT security policies, and then we had the belief that Service Alberta would also have the authority to enforce. We learned that that was not what Service Alberta felt that it had the mandate to do, so we then reasoned that government-wide IT security would be the responsibility, ultimately, of the Ministry of Executive Council, which is why we made this recommendation to this ministry. We're looking forward to understanding how the ministry has decided to deal with the issue.

I take your point. We do make recommendations directly to individual departments and agencies, but we're looking for: where is the oversight to ensure that the whole of GOA meets acceptable standards?

9:50

Mr. Young: Thank you very much.

You know, the recommendation is to assess the risk and to provide oversight, which is essentially governance. That seems to be a low standard. Is that a reflection of the fact – and you mentioned it – that Service Alberta doesn't have the teeth to administer province-wide, co-ordinated IT operations and security?

Mr. Saher: Well, I beg to differ that it's a low standard. I think the notion of oversight is paramount. Those that have an oversight responsibility, in my opinion, have a responsibility to ensure that underlying systems and practices are working as designed, that they're actually working in practice. You know, we're really talking about the potential of weak links in a chain, about someone who is outside of that chain, if you will, in that oversight role to identify where action may be necessary, where any one part of the government in terms of a department and/or an agency is not meeting the required standards.

I think that directing this recommendation to Executive Council was the right place to put it, and, as I say, I'm looking forward to working with the ministry on its solution.

Mr. Young: Okay. Thank you.

Mr. Watson, given those responses, is this a priority within the responsibility of your department, and do you have the resources to provide the oversight across all the departments around IT security beyond – I'm just looking at your responses there – a DM on a committee? Is there somebody who has the resources and the mandate to deliver on that?

Mr. Watson: Thank you. I was hoping I'd get a chance to supplement. I just wanted to say to the committee that I actually welcomed the recommendation from the Auditor General to Executive Council because I felt that in taking it on, I could utilize our Deputy Ministers' Council to resolve the issues that we faced and the challenges that we faced in getting to the bottom of this recommendation, and that's, in fact, what we're doing.

I mentioned that we have established a subcommittee of deputy ministers working on information management and information technology. They're to look at oversight right across our entire enterprise and to develop strategies for managing our expenditures and our development of systems, effectively managing and assessing risks that we see emerging in that environment and putting strategies in place to deal with those risks. They are working on implementing this recommendation.

Our Deputy Minister of Service Alberta chairs that committee and facilitates the work of that committee because Service Alberta sees the enterprise-wide nature of our systems. Right now we've developed a plan at that committee for all ministries to address the recommendations. Service Alberta is currently getting reports back on the status of every ministry's compliance with the security framework as well as their assessment of the agencies and governance bodies that work with those ministries.

I think we're going to be able to demonstrate to the Auditor General that we're implementing this recommendation, but more importantly we've got our deputy ministers' group focused on the larger strategic issues for government that we face in the information technology and information management arena.

Mr. Young: Well, thank you.

This is more of a comment. Often in IT security we get really alarmed and react to what we know – okay? – whether a laptop

has been lost or it's this publicly advertised virus. But, unlike hard assets, we don't know what we don't know, and when stuff is compromised, I would just suggest that the monitoring and the accountability in terms of audit logs are a very important part of that. I think our systems need to mature. I don't like the idea that ignorance is bliss in terms of IT security.

I'm finished with my comments.

Mr. Dorward: All right. We just have a couple of minutes left. I'm going to read a note into the record, please, and then have you respond.

The ministry administers trust funds, as noted in the financial statements, for the following public-sector employees short-term benefit plans: the group life insurance plans, the government of Alberta dental plan trust, the government employees group extended medical benefits and prescription drugs plan trust, and the public service health spending account. There's not a lot of financial information on any of those in the financial statements, either in the annual report or elsewhere, that our research staff could find.

I'd like to at this time pause and acknowledge the excellent work done always by the legislative branch and the work done by Dr. Massolin and his staff to prepare us for these meetings.

Could you comment back as to where this information is available, including how the funds are invested, whether the funds are sustainable, and what's done with surpluses?

Mr. Chair, do we have any time left, or are we pretty much done?

The Chair: Yeah. Go ahead.

Mr. Dorward: We have one quick question to be read into the record by Mr. Khan and Mrs. Sarich.

The Chair: Sure. Go ahead, Mr. Khan.

Mr. Khan: Thank you very much. My question focuses on results-based budgeting, and I'll be quick in reading it into the record. I see on page 12 of the annual report that CHR undertook a results-based budgeting review of strategic workforce planning. I'd like to know more information about some of the specifics of that review and some tangible results that have come from the review.

A supplemental to that question: what were some of the key results from the review, and what are you doing to implement the review?

My last supplemental to that question: are there any other areas of human resources being reviewed through RBB?

The Chair: Thank you for that, Mr. Khan.

Mrs. Sarich.

Mrs. Sarich: Yes. Thank you. Mr. Watson, how are IT security directives being communicated to public agencies, boards, and commissions? How are they being monitored? Could you also provide in writing any compliance issues and the actions taken and policies and any other information that would be helpful to understand this particular area?

Thank you.

The Chair: Thank you very much.

Thanks very much to our guests today. I appreciate the answers to some very tough questions, and we hope that the public will be benefited by that.

We have a couple of items of business still to come. Our guests are free to go, of course. There is also the media in committee room C. I know they've asked for Ms Smith. I'm not sure if there are others that they've asked for, but they'll let you know as you go out this way.

We have three other items of business. First, the committee has received written responses from Alberta Tourism, Parks and Rec. The responses are available on both the internal and external committee websites if you would care to look at them.

Secondly, at our last meeting members were instructed to submit their names if they were interested in attending the Canadian Council of Public Accounts Committees conference held in St. John's, Newfoundland, from August 9 to 12. Of course, we agreed to make sure that our spouses, if we brought them, paid their own way and that we flew economy class. There's a list of five people that submitted their names for the extra spots that we talked about: Mr. Allen, Mr. Barnes, Mr. Sandhu, Mrs. Sarich, Mr. Young. Are there any others that would like to be in this draw? This will be the last opportunity.

We're first going to select the two additional MLAs who will be attending: Mr. Sandhu and Mrs. Sarich. The other three are all alternates, but we'll draw their order right now. [interjection] The alternates are if somebody decides they don't want to go. The first alternate is Mr. Young, the second alternate is Mr. Barnes, and the third one is Mr. Allen. Okay. That will be that. Congratulations to all those who were selected.

Third, at our last meeting we were discussing the possible rescheduling of some of our meetings in order to allow for a visiting delegate from Ghana to sit in and watch our committee in action. The idea of moving our May 28 meeting with Alberta International and Intergovernmental Relations back by a day, to May 29, was suggested. Mrs. Sarich also suggested that we may want to combine several meetings on that day if the session is wrapped up to get it all done in one fell swoop. I'd like to suggest that we combine our next three meetings currently scheduled – May 14, Infrastructure; May 28, International and Intergovernmental Relations; and June 4, Culture – into one day, Thursday, May 29. That would allow us to accommodate our guest and meet with the departments that we've already invited and scheduled without having to potentially commute back here every week outside the session, which has not been our norm, of course.

I'd like to open the floor for any questions and comments on that discussion and move a motion if there aren't any. Are there any questions or comments on that? Does that sound good to everyone?

10:00

Mr. Dorward: We'll be doing three while he's here?

The Chair: Yeah.

Mr. Dorward: So we could tell him that we always do that much work.

The Chair: Yeah, yeah, yeah. That's right.

The goal would be that we probably would hold a briefing meeting in the morning around 8:30 or so, and then we'd start things at 9 o'clock. We'd go from 9 to 10:30 with our first guest, 10:30 to noon with our second guest, take a half-hour lunch, and then go from 12:30 to 2 with our third and final. Then we'd be done until the fall.

Mr. Dorward: I'll make that motion.

The Chair: Okay. It's moved by Mr. Dorward that the committee reschedule . . .

Mrs. Sarich: Mr. Sandhu wants to say something.

Mr. Sandhu: I think it's a pretty good idea, and I'm in favour of it.

The Chair: Oh, excellent. Thank you very much. Especially since you're our first guest.

Mr. Dorward moved that
the committee reschedule, as discussed, its meetings scheduled
for May 14, May 28, and June 4 to Thursday, May 29, 2014.
Those in favour? Any opposed? Carried.
Our next meeting will be May 29.
Do we have a member that could move to adjourn? Mr. Khan.
Those in favour? Any opposed? Carried.
Thank you very much.

[The committee adjourned at 10:01 a.m.]

