



Legislative Assembly of Alberta

The 30th Legislature
First Session

Standing Committee
on
Public Accounts

Tuesday, June 4, 2019
8 a.m.

Transcript No. 30-1-1

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Standing Committee on Public Accounts

Phillips, Shannon, Lethbridge-West (NDP), Chair
Gotfried, Richard, Calgary-Fish Creek (UCP), Deputy Chair

Amery, Mickey K., Calgary-Cross (UCP)
Barnes, Drew, Cypress-Medicine Hat (UCP)
Dach, Lorne, Edmonton-McClung (NDP)
Feehan, Richard, Edmonton-Rutherford (NDP)
Guthrie, Peter F., Airdrie-Cochrane (UCP)
Hoffman, Sarah, Edmonton-Glenora (NDP)
Renaud, Marie F., St. Albert (NDP)
Rosin, Miranda D., Banff-Kananaskis (UCP)
Rowswell, Garth, Vermilion-Lloydminster-Wainwright (UCP)
Stephan, Jason, Red Deer-South (UCP)
Toor, Devinder, Calgary-Falconridge (UCP)
Turton, Searle, Spruce Grove-Stony Plain (UCP)
Walker, Jordan, Sherwood Park (UCP)

Office of the Auditor General Participants

W. Doug Wylie	Auditor General
Val Mellesmoen	Executive Director, Stakeholder Engagement

Support Staff

Shannon Dean	Clerk
Stephanie LeBlanc	Acting Law Clerk
Trafton Koenig	Parliamentary Counsel
Philip Massolin	Manager of Research and Committee Services
Sarah Amato	Research Officer
Nancy Robert	Research Officer
Michael Kulicki	Committee Clerk
Jody Rempel	Committee Clerk
Aaron Roth	Committee Clerk
Karen Sawchuk	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications
Jeanette Dotimas	Communications Consultant
Tracey Sales	Communications Consultant
Danielle Antoniuk	Communications Consultant
Janet Schwegel	Managing Editor of <i>Alberta Hansard</i>

8 a.m.

Tuesday, June 4, 2019

[Ms Phillips in the chair]

The Chair: All right. Good morning, everyone. We have 8 o'clock, and I would like to call this meeting of the Public Accounts Committee to order. Welcome to everyone in attendance. I'm hoping that our teleconference attendee is also on the line.

My name is Shannon Phillips, MLA for Lethbridge-West. I'm chair of this committee. I would ask members, staff, and guests at the table to introduce themselves for the record at this point, starting to my right with the deputy chair.

Mr. Gotfried: Good morning. Richard Gotfried, MLA for Calgary-Fish Creek and deputy chair of the committee.

Mr. Rowswell: Garth Rowswell, MLA, Vermilion-Lloydminster-Wainwright.

Mr. Stephan: Jason Stephan, MLA for Red Deer-South.

Mr. Turton: Searle Turton, Spruce Grove-Stony Plain.

Mr. Guthrie: Peter Guthrie, Airdrie-Cochrane.

Mr. Walker: Jordan Walker, MLA, Sherwood Park.

Mr. Toor: Good morning. Devinder Toor, Calgary-Falconridge.

Ms Rosin: Miranda Rosin, MLA for Banff-Kananaskis.

Mr. Wylie: Doug Wylie, Auditor General.

Ms Mellesmoen: Val Mellesmoen, executive director of stakeholder engagement with the office of the Auditor General.

Ms Renaud: Marie Renaud, St. Albert.

Mr. Dach: Lorne Dach, Edmonton-McClung.

Ms Hoffman: Sarah Hoffman, Edmonton-Glenora.

Mr. Feehan: Richard Feehan, Edmonton-Rutherford.

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

Mr. Roth: Good morning. Aaron Roth, committee clerk.

The Chair: All right. We do have MLA Barnes on the line as well. We do have to pass a motion to enable teleconferencing, according to the agenda, but, MLA Barnes, if you are there, could you please indicate such? Sounds like that's a yes.

All right. Please note that microphones are enabled and operated by *Hansard*. Please set your cellphones and other devices to silent for the duration of the meeting. Committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly television. The audio- and video streamed transcripts of meetings can be accessed via the Leg. Assembly website.

Now we will move on, after these introductory matters, to item 2 on the agenda, which is the approval of the agenda. Looking to the members now for any changes or additions to the agenda. Seeing none, would a member like to move that the agenda for today, June 4, 2019, meeting of the Standing Committee on Public Accounts be approved as distributed? I see the matter moved by the MLA for Edmonton-McClung. Seconders are not required for this motion, according to my notes. Are there any discussions on the motion? All in favour? Any opposed? Thank you. This motion is carried.

Moving on quickly, then, to committee mandate and process, our first matter before us is the participation via teleconference. Hon. members, committees of the Leg. Assembly have the option of passing a motion to approve meeting attendance by members via teleconference. This is governed by section 6 of the Legislative Assembly Act, which states that

a Member may participate in a meeting of a committee . . . by means of telephone or other communication facilities that permit all Members participating in the meeting to hear each other if all the members of the committee consent, and a Member participating in a meeting by those means is deemed for all purposes to be present at that meeting.

This motion must be passed unanimously.

A motion to approve the teleconference attendance for the duration of a Legislature does not prevent the committee from determining that personal attendance at specific meetings is required. In those cases a motion would be moved at the end of a meeting requesting the personal attendance of all members at a subsequent meeting. We do have a suggested motion with respect to this matter of teleconferencing for the committee's consideration, and I will ask the committee clerk to read it into the record.

Mr. Roth: Thank you, Chair. The possible motion would be that for the duration of the 30th Legislature the Standing Committee on Public Accounts permit committee members to participate in committee meetings via teleconference subject to the proviso that the committee may require members' personal attendance at a particular meeting upon passage of a motion to that effect.

The Chair: Are there any discussions on this motion?

Ms Hoffman: My only question: is there somewhere where I'm supposed to be looking at documents? I have the agenda, but has this motion been circulated ahead of time? Where can I find it on my device?

The Chair: As I understand it, it was not circulated ahead of time. It is a proposed motion, if you will, based on the reading of the act.

Ms Hoffman: Fair enough. I guess my only nervousness – and it doesn't mean that I'm opposing it; I think that it's probably a good idea – is that I find it awkward sometimes, when you're having phone meetings, to know whether or not the person is actually participating through the whole meeting or if they're in and out sporadically. So I guess that if there was some way, if we do have items that are being considered for a vote, to confirm on every single vote that the person is actually on the phone and participating for the vote. I don't think that the motion needs to be amended. I just want to say that for a matter of record.

I find that when you can see the person with video conference or being in the same room, it's easier to know that they're actually participating and that they've had an opportunity to express any concerns they might have to a matter before it gets moved forward by a committee. That's my only comment for consideration, but I don't think it requires an amendment or any of that at this point. If we want to change it down the road and require full participation in person, I understand that we have the ability to do that through the clause that I recall seeing, that we can at any time move that a future meeting requires in-person attendance. I think that's probably a workaround for now. My only nervousness is around the phone portion and knowing who is actively participating.

The Chair: Please, deputy.

Mr. Gotfried: Thank you, Member, for the comment. What we can do in practice, as you said, without amending – members tend to

send a message to the committee clerk if they have a question to ask so that that is not blurted in, and they can actually be put on the speakers list. Maybe we can use that same practice if somebody is stepping in and out of a meeting so that that is actually advised to the clerk. Would that suffice for your concerns?

Ms Hoffman: I hope so. Time will tell. I think it sounds reasonable, so let's try it.

The Chair: A possible problem-solving mechanism for this may be that we direct officials to explore the video conferencing possibilities. We do have a very sophisticated government of Alberta Cisco system throughout the province, and it may be possible for the LAO to liaise with those existing resources to enable in-person participation, not on a telephone but in-person, on a screen, which can then provide the participating video-conferencing member with a bit better access, if you will, to the meetings' proceedings. We could do that informally, perhaps. I don't know if we need to embed it in the motion given that the act does indicate: by other communication means, in addition to telephone.

If I have concurrence from the committee that we will informally request that sort of follow-up work from officials, then I think that we can proceed. All right. All in favour?

Mr. Roth: It will need to be formally moved by someone.

The Chair: Oh, somebody needs to move this motion. Oh, yes, because it was a draft motion.

All right. We have the MLA for St. Albert moving the motion. I imagine it doesn't need to be seconded because it's not agenda related? It does not. All right.

All in favour of the motion? All right. This motion is carried.

Mr. Roth: You need to ask for opposed.

The Chair: Oh, I guess I do. It sounded unanimous. Sorry.

Are there any opposed? All right.

This motion is in fact carried.

We're moving on to standing order authority and mandate. Standing Order 53 states that "public accounts and all reports of the Auditor General shall stand permanently referred to [our committee] the Public Accounts Committee." Ministry annual reports and business plans, GOA consolidated financial statements, and the Measuring Up progress report as well as reports issued by the Auditor General are considered by this committee. These reports can be accessed online, and hard copies will be available for members if that is their preference. I don't believe that there's any other business to canvas with that other than that is the standing order authority that enables our work here today and for future meetings.

As to the matter of the general meeting format and meeting schedule, the committee meets on Tuesday mornings during session, beginning with an in camera premeeting briefing from 8 to 8:25, followed by the committee meeting from 8:30 to 10 a.m. The committee may also hold meetings outside of session. The committee approved a time allotment format for questions by members during committee meetings during the previous Legislature, and it will be a decision of this committee should it choose to continue with that format. Again, like the Legislature, we make our decisions together on how we organize our undertakings.

8:10

As to the matter of committee support, our committee is supported by staff from the Legislative Assembly Office, including Mr. Aaron

Roth, on my left, who is committee clerk; Dr. Philip Massolin, manager of research and committee services; and Ms Danielle Antoniuk, communications consultant. I'd ask each of you to provide a brief overview of your role in supporting our work, starting with our committee clerk, please.

Mr. Roth.

Mr. Roth: Thank you, Chair. Just a brief overview. I stole a little bit from the practical guide to the committees, so I'll pull on that to describe the role. It's sort of a two-part piece. First, there's a procedural piece to my role. I can assist members and the chair with procedural advice as required. On the administrative side of things, the practical guide defines the role as "the coordinator, organizer, and liaison officer for the committee." My role is to prepare agendas, briefing notes, et cetera, other materials, correspondence that the committee directs, minutes, certain committee reports. Should a committee travel, for instance, it would be my role to assist in co-ordinating the set-up of public meetings, that sort of thing. Really, I'm the administrative contact point for the committee with the general public, public officials, et cetera. That's my role in a nutshell.

The Chair: Thank you, Mr. Clerk.

We now have Dr. Philip Massolin, please.

Dr. Massolin: Thank you, Chair. Like Aaron, I work for the Legislative Assembly Office in support of this committee. I work with Aaron and the other committee clerks to support the work of all committees of the Assembly in their administrative and procedural requirements.

There's another component, and that is the research. The Legislative Assembly Office has been providing research support to this committee since 2007. It's nonpartisan research support. What we do is provide weekly briefings to the committee. We work in conjunction with the office of the Auditor General to come up with issues and background information for the committee to inform their questions during the committee meetings themselves. With the consent of the committee, I would ask that you canvass the committee to see if the committee would like us to continue that work for the 30th Legislature.

Thank you.

The Chair: All right. I think we will consider that matter after the other introductions. Thank you.

Welcome, Ms Antoniuk. If you could fill us in a little bit on your role, please.

Ms Antoniuk: Thank you, Chair.

I work for LAO communications. I'm a communications consultant there. In the past our role has been to provide support to the committee through media relations, which has included in the past a media advisory that is sent out weekly notifying the public and the media about who's attending the meeting so the public has that information. We have also posted to social media information to the public of that sort as well.

The Chair: All right. Thank you very much.

Now moving on, we have the role of the Auditor General. The Auditor General and their office act as a resource to this committee but also attend meetings as invitees to address reports issued by their office and to answer questions from this committee in that respect.

I will call on Mr. Doug Wylie, who is the Auditor General, to provide a bit more information on their role.

Mr. Wylie: Good morning, Chair and committee members. It's great to be with you, and it's great to see some familiar faces this morning and new faces. I certainly look forward to working with each of you over the coming year. We do have a more detailed orientation, I understand, scheduled for next week, so my comments are to be very brief this morning. I will try and keep it to five minutes, which I was instructed to do. I'm just going to provide today a bit of a high-level overview of our office and how we interact with this very, very important committee.

Let me start with our mandate. The Auditor General is the appointed auditor of all government agencies, boards, and commissions. We audit the government departments and the consolidated financial statements as well. In total, that represents about 140 organizations that we are auditors of. We conduct primarily two types of audit work: financial statement audit work, which many of you will be familiar with in the private sector, and then we do this performance auditing, which is unique to the public sector. It's often referred to as value-for-money audits, and all of the legislative auditors, both in Canada and internationally, have very similar mandates in that regard. We'll get into more details of that next week.

Our work with this committee is really going to focus predominantly on the latter, the performance audit work, where it generally results in more recommendations to the entities that we audit. That's likely where we'll have more of an interface with you.

Unlike the private-sector auditors, we have a public reporting mandate. That means that everything that we do is reported publicly to Albertans through the Legislative Assembly. Within our parliamentary system the role of the legislative Auditor is to provide the credibility on the financial reporting of the Crown to the Legislative Assembly and, ultimately, to the people of Alberta. Our primary role is that, really, of adding credibility to the reporting of the Legislative Assembly. As well, we assess the effectiveness of the processes to ensure the efficacy of the programs administered in the public sector.

Our audits are designed to assess and report really on three things: whether the financial statements of those that we audit represent their financial positions fairly and accurately, whether those we audit have expended funds for the purposes intended by the Legislature in accordance with the approved budget and ministry business plans, and whether the organizations we audit, including the government, have spent funds with due regard to economy, efficiency and have put measures in place to report on their effectiveness. Where our assessments come up short in any of these aspects, we make recommendations on what needs to be improved.

This leads me to an important aspect of the work of this committee. As the Auditor General I do not have the authority to compel action on our recommendations. Our mandate does not extend beyond making the recommendations themselves for improvement. However, in your role as a member of this committee you hold government to account for how public funds are spent and how government finances are reported. You play an important role, ensuring that public money is spent as intended. The unique nature of this committee, the Public Accounts Committee of Alberta, and my role as legislative Auditor: we have a mutually supportive relationship based on our distinct roles.

I want to highlight one of our reports to you this morning, and I believe you may have received it. If not, it will be distributed shortly. This is a report we prepared for the first time last year. It's a summary report of our recommendations, and in addition to the audit reports that you'll be receiving themselves, I hope it will serve as a key resource to this committee. It summarizes and categorizes all of our outstanding recommendations made by our office but that

are not yet implemented. I encourage you to read it, to use it in delivering on the very important work of this committee.

With that, I'm going to wrap up my remarks by again congratulating each of you on your appointment to this very important committee. You play a very, very important role, ensuring Albertans that their money is being well spent and delivering on the programs of importance to them. Thank you, and I indeed do look forward to working with you over the coming year.

Chair.

The Chair: Well, thank you, Mr. Auditor General. Thank you to the members of your office that are attending this meeting today but also future meetings. You are right that the consideration of the Auditor General's reports is a major undertaking of this committee, and we appreciate all of your insight and expertise that you bring to this table.

Now, moving on, members, to the agenda item 3(f), the subcommittee on committee business. My friends, the Standing Committee on Public Accounts is a committee of the Legislative Assembly that is required to establish a subcommittee on committee business. This is enabled under Standing Order 52.011(3), that states:

At its first meeting of a new Legislature, every Legislative Policy Committee and the Standing Committee on Public Accounts shall appoint a Subcommittee on Committee Business to meet from time to time at the call of the Chair and to report to the committee on the business of the committee.

The purpose of this subcommittee is to meet and report to the committee on matters of the committee's business, which would include making recommendations about meeting scheduling and allotments for speaking times during the question-and-answer portion of the committee meetings with our invited officials. Do members have any questions about this?

8:20

Mr. Feehan: I just want to make sure I understand that the point of this committee is only about the organization of the larger committee.

The Chair: Yes. I will defer to the clerk and others, but as I understand it, it is around the agenda and the order of participants.

Mr. Clerk, is there anything else?

Mr. Roth: That's really about it. Yeah. It's primarily just about scheduling the meetings of the committee.

The Chair: The MLA for Edmonton-Glenora, please.

Ms Hoffman: Thanks. Going back to my prior staffing role – and I know that when there were multiple parties, each of those parties was represented, I believe, on that committee, but I'm wondering how we determine subcommittee membership in a two-party state.

The Chair: Yeah. It appears to be that the idea here is that the draft motion, which I haven't read yet – but this answers the question, hon. member. That

a subcommittee on committee business be appointed . . .

I'll read out the draft motion, but I'll just fill in the blanks in terms of answering the question right now.

. . . that the presence of all members of the subcommittee is necessary to constitute a meeting; that the subcommittee be composed of the following members, the chair as chair and the deputy chair as deputy chair; and that substitutions from the membership of the committee be permitted on the subcommittee.

And having to say that if the deputy chair or the chair cannot attend a meeting, a substitution is permitted under this motion.

In addition to that, hon. member – it's outside of the draft motion – there is a little bit more information here. In the past the working groups and subcommittees of the Assembly have been supported by the committee clerk, the research and committee services representative, and Parliamentary Counsel. The proposal here is that that structure would continue with the work of this subcommittee.

Ms Hoffman: So if I can just clarify, it's a two-member committee, the chair and the deputy chair?

The Chair: Yes.

Ms Hoffman: A consensus-building committee, let's hope. Or something.

The Chair: I think I do need to read the entirety of the draft motion into the record, do I not, Mr. Clerk? Oh, it's up there. There it is. All right. Well, you can all read.

Mr. Stephan: So this committee is focused on procedural matters. It's not setting the substantive agenda, and it doesn't have a substantive purpose. It's merely procedural in terms of meeting times, housekeeping matters. Is that correct?

The Chair: As I understand it, yes, but I will defer to officials for more information.

Mr. Stephan: When I look at the agenda, it also talks about there being a second private member. What is that? Are there actually three individuals on this committee?

The Chair: That is not in the draft motion as it stands right now.

Mr. Stephan: Oh, okay.

The Chair: All right. I have the Member for Edmonton-McClung.

Mr. Dach: Thank you, Chair. The member who recently spoke has talked about the work of the committee and indicated that his interpretation was that there was no substantive work done by the working group when, in fact, there is substantive work done by the working group. The working group has in the past decided upon meeting topics that would be mutually agreeable and brought that forward to committee for wider consent. Indeed, beyond housekeeping, there is very important work that this working group does to determine what the meeting agendas might be and what topics of consideration this committee might have, and then they bring that forward to the committee for wider consent. So there is a very large importance to this subcommittee.

The Chair: The deputy chair.

Mr. Gotfried: Thank you, Madam Chair. Having sat on a committee with some of the other hon. members – the subcommittee has no voting rights, and everything has to be approved by this committee in any case. The intent is that the representative members of the subcommittee, in this case the chair and deputy chair, will consult with our members of the committee so that everybody has a voice in the committee workings.

This committee has the final approval on any suggestions, schedules, or other matters brought forward. So there is no dilution of the priority of this committee, but it is meant to be a collaborative effort to move forward. It would certainly be my intent to ensure that that continues and that that is the driving force behind this working subcommittee.

The Chair: The Member for Edmonton-Glenora.

Ms Hoffman: Yeah. If I can just confirm that support staff would be welcome to attend those meetings to follow up on direction or provide additional support.

The Chair: Has that been the practice in the past, Mr. Clerk?

Ms Hoffman: In the 27th it was.

Mr. Roth: Not typically. I can speak to the general support staff question.

The Chair: Sure. From our respective caucuses.

Mr. Roth: Not as much from the caucuses, but there is support staff in terms of the committee clerk, research services, and the Auditor General's office, which are typically present during those meetings.

Ms Hoffman: I just recall attending some as staff 10 years ago to provide support to my member.

The Chair: The Member for Edmonton-McClung.

Mr. Dach: Thank you, Chair. Yes, indeed, my experience has been that caucus support staff has been present at these meetings and was welcome to be present, and I think that should be continued.

The Chair: Noted. It does not require an amendment to the meeting motion as drafted, but it will be inserted as a matter of practice. If it becomes a problem in the subcommittee, we'll deal with it.

Mr. Gotfried: Madam Chair, just to clarify with the clerk, the office of the Auditor General is also invited to or present at that meeting. I believe that that has been very helpful in the past in terms of looking at reports that have been recently tabled or in looking at what future opportunities may come forward in terms of reports, in terms of timing. So as long as that is also either an option or embedded in this motion, then I'm comfortable with that.

The Chair: All right. Thank you, hon. members.

We do require a mover for this motion as drafted. Do I have one from the floor? I have the MLA for Edmonton-Glenora.

Hon. member on the phone, my apologies. MLA Barnes, would you like to add anything to this discussion?

Mr. Barnes: No. It sounds good. Thank you, Shannon.

The Chair: Then I will call the question on this motion. All in favour? All right. Are there any opposed? All right.

The motion is carried.

Thank you.

I will note for the record that in the past working groups and subcommittees of the Assembly have been supported by the committee clerk, research and committee services, and individual caucus staff members. It is anticipated that this will continue, this past practice, with the work of the subcommittee on committee business.

Moving on, hon. members, to the matter of temporary substitutions, item (g), Standing Order 56(2.1) and (2.11) outline the process for substitution of chairs, deputy chairs, and committee members. There are templates available for members' use in providing notice of a temporary substitution, both for an e-mail communication and a written notice. These templates are posted on the OurHouse website. Please note that it is the responsibility of committee members to ensure that a substituting member has been provided with all necessary meeting materials, and they will not have access to the internal committee website. Members of the Legislative Assembly who are not committee members or official

substitutes may also attend and participate in meetings, but they may not vote or move motions. Any questions, comments, concerns on that matter, colleagues?

All right. Moving on to item 4, the conference, the 2019 joint Canadian Council of Public Accounts Committees and the Canadian Council of Legislative Auditors conference is scheduled for August 18 to 21 in Niagara-on-the-Lake in Ontario. It has been the practice of this committee to send the chair, the deputy chair, a committee researcher, and the committee clerk. The committee has also identified two or three alternates should any approved delegate be unable to attend. This conference provides an opportunity to meet provincial, territorial, and federal Public Accounts Committee members. There are usually one or two foreign Public Accounts members who attend the conference as well. It is an opportunity to discuss best practices and is facilitated by the host jurisdiction in conjunction with the Canadian Audit and Accountability Foundation.

8:30

If the committee agrees with this proposal for conference attendance, would a member move the following motion? I believe we have the motion up on the screen. Members, I will read it out for the benefit of our teleconference attendee and for the record. Moved by someone that

the Standing Committee on Public Accounts approve the attendance of the chair, the deputy chair, the committee clerk, and a committee researcher at the 2019 joint CCPAC and COLA conference from August 18 to 21 and that select members be identified as alternates at a later date in the event that any approved delegates are unable to attend.

There we have it. All right. We have the motion in front of us. I am seeing the hon. Member for Spruce Grove-Stony Plain.

Mr. Turton: Yes. I'd like to move the motion, Madam Chair.

The Chair: All right. Thank you.

Do we have any discussion on the matter? All right.

Seeing none, I will now call the question. All in favour? Any opposed? On the phone, MLA Barnes? All right. For the record that motion is, then, carried.

Thank you.

For the members who wish to put their names forward as alternates for this particular conference, please e-mail the committee clerk before the 14th of June, which is the end of next week.

All right. Moving on to item 5 on the approved agenda, other business, do members have any other business that they wish to bring forward at this time? All right.

MLA Barnes – is it still Cypress-Medicine Hat? – do you have any other business that you would like to bring forward at this time, sir?

Mr. Barnes: No. Thank you.

The Chair: All right. Thank you very much.

Seeing none, then we will move on to item 6 on our agenda, the date of our next meeting. The next meeting of the committee is scheduled for June 11, 2019. The orientation from the office of the Auditor General will start at 8 a.m. that day. Following today's meeting, there will be the orientation presentation from the LAO as well. If that is amenable to everyone – we don't necessarily have a motion for this; it's an item of information for committee members – we will move on.

Item 7, which is adjournment. Would a member move that the meeting be adjourned? I have the Member for Sherwood Park. All in favour? All right. Any opposed? And our colleague on the phone? All right. This motion is carried.

Thank you very much to my hon. colleagues for this very successful first meeting of the Public Accounts Committee.

[The committee adjourned at 8:33 a.m.]

