



Legislative Assembly of Alberta

The 30th Legislature
First Session

Standing Committee
on
Public Accounts

Alberta Energy Regulator

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Standing Committee on Public Accounts

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Standing Committee on Public Accounts

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Bev Yee, Deputy Minister

Alberta Energy Regulator

Charlene Graham, Executive Vice-president and General Counsel

Gordon Lambert, President and Chief Executive Officer

8:30 a.m. Tuesday, December 3, 2019

[Ms Phillips in the chair]

The Chair: Okay. Good morning, everyone. We're just running a little behind, but we're going to start anyway. Good morning. I'm going to call this meeting of the Public Accounts Committee to order and welcome everyone in attendance.

My name is Shannon Phillips. I'm the MLA for Lethbridge-West and chair of the committee. I would ask that members, staff, and guests joining the committee at the table introduce themselves for the record. I don't believe we have any members on the phone lines today. We'll start here.

Mr. Gotfried: Richard Gotfried, MLA for Calgary-Fish Creek and deputy chair.

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

Mr. Guthrie: Peter Guthrie, Airdrie-Cochrane.

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

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

Mr. Walker: Jordan Walker, Sherwood Park.

Mr. Barnes: Good morning. Drew Barnes, Cypress-Medicine Hat.

Ms Rosin: Morning. Miranda Rosin, Banff-Kananaskis.

Mr. Jeremy Nixon: Jeremy Nixon, Calgary-Klein.

Mr. Lambert: Gordon Lambert, interim president and CEO of the AER.

Ms Yee: Good morning. My name is Bev Yee. I'm Deputy Minister of Environment and Parks.

Ms Graham: Good morning. My name is Charlene Graham, I'm general counsel for AER.

Mr. Leonty: Eric Leonty, Assistant Auditor General.

Mr. Wylie: Good morning. Doug Wylie, Auditor General.

Ms Hoffman: Sarah Hoffman, Edmonton-Glenora.

Mr. Feehan: Richard Feehan, Edmonton-Rutherford.

Ms Renaud: Marie Renaud, St. Albert.

Mr. Dach: Lorne Dach, Edmonton-McClung.

Dr. Massolin: Good morning. Philip Massolin, clerk of committees and research services.

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

The Chair: All right. A few housekeeping items to address. Please note that the microphones are 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 TV. The audio- and video stream and transcripts of the meeting can be accessed via the Leg. Assembly website.

We will now move on to approval of the agenda. Are there any changes or additions to the agenda, friends? Seeing none, would a

member like to move that the agenda for the December 3 meeting of the Standing Committee on Public Accounts be approved as distributed? Moved by Turton. Any discussion on this motion? All in favour? All right. Thank you. The motion is carried. Oh, yeah. I suppose I have to ask for opposed. Were there any opposed? Didn't seem like it.

Approval of minutes. We have minutes from our previous meeting, November 26. Do members have any errors or omissions to note in regard to the meeting minutes? If not, then would a member move that the minutes of the November 26 meeting of the Standing Committee on Public Accounts be approved as distributed? Moved by Member Rowswell. Is there any discussion on this motion? All in favour? All right. Are there any opposed? Thank you. That motion is carried.

Now I would like to welcome our guests from the Ministry of Energy and the Alberta Energy Regulator, who are here to address the office of the Auditor General report entitled Alberta Energy Regulator: An Examination of the International Centre of Regulatory Excellence. I invite officials from the Ministry of Energy and the Alberta Energy Regulator to provide opening remarks not exceeding 10 minutes. Please proceed.

Ms Yee: Good morning. Thank you. As I said earlier in introductions, my name is Bev Yee. I'm Deputy Minister of Environment and Parks. The Alberta Energy Regulator actually reports through to both departments, Energy and Environment and Parks. At the same time I'm currently the chair of the interim board of the AER. I'm here today to answer your questions on the International Centre of Regulatory Excellence, or, as we know it, ICORE.

Joining me today from the AER are Gordon Lambert, who is our interim president and CEO, and Charlene Graham, who's our executive vice-president of the law branch and AER general counsel. Also, joining us in the gallery, we have Naren Makwana – he's the director of finance and corporate controller – as well as Jason Brunet, who is the interim vice-president of science, evaluation, and innovation.

First, I'd like to thank the Standing Committee on Public Accounts for inviting us to respond to your questions about ICORE and the Auditor General's October 2019 report on their examination of ICORE. From the perspective of the departments of Energy and Environment and Parks and the AER, much has already been accomplished in response to the Auditor General's recommendations. I would also like to thank the OAG for all their hard work examining the issue and providing a range of recommendations to help address governance challenges at the AER and to improve internal controls. In addition, I want to take this opportunity to thank the office of the Ethics Commissioner and the office of the Public Interest Commissioner for their separate, thorough reviews on this same matter.

We take the issues that were identified in the OAG report seriously, and we're here today to answer any questions the committee may have about ICORE and the actions the two departments, the AER board, and our management have taken to resolve issues and challenges within the organization. The AER board and the executive leadership team have accepted all of the recommendations of the Auditor General, and we are working on responding to each and every one of them.

The Alberta Energy Regulator continues to be strong and delivering effectively on its regulatory responsibilities. At no time did the actions related to ICORE detract from the AER's continued delivery of our regulatory responsibilities.

Over the course of the last several months the AER board and the executive leadership team have taken a series of very concrete steps

to help address problems and challenges identified during the course of the investigations. The board's actions have ranged from updating the AER's whistle-blower policy to revising the travel and expenditure review policies, to changing the AER's internal code of conduct, in addition to a number of other changes that are aimed at strengthening internal controls and oversight. Through these steps we will strengthen confidence in the AER.

As you're aware, in October the office of the Auditor General as well as the Public Interest Commissioner and the Ethics Commissioner jointly released three reports into their investigation of ICORE. As I said earlier, our departments and the board of the AER take their findings and the recommendations very seriously. In their findings it was apparent that the actions of the AER relating to ICORE were being driven by a few key individuals. These individuals are no longer employed by the Alberta Energy Regulator. While it's true that ICORE was perpetrated by a small group of people, the fact that it was allowed to evolve so far beyond the original concept highlights shortcomings in the AER's controls. Chief among these were failures in corporate governance and controls by the previous board and executive leadership team and a culture of fear that was created by a select group of senior leaders.

We have made a number of changes to our policies and procedures to prevent this from happening again. When this misconduct came to light, in August 2018, the AER board at the time launched an internal review. This review identified numerous issues relating to the control and oversight of senior management expenses and travel. Between August 2018 and April 2019 the board took a series of steps to examine the ICORE project and identify possible gaps in AER's internal controls. In December 2018 the Alberta Energy Regulator contracted a third party to conduct an internal assessment. That review produced a series of recommendations to help enhance internal controls and policies.

In response, the AER's executive leadership team developed an action plan to enhance those controls and policies. A number of specific adjustments have already been made to key internal policies, including that the travel and training policy has been updated to ensure that funding for training requests is connected to the AER's mandated work and has the appropriate levels of executive approvals for any travel. The AER's whistle-blower policy has been updated to align with best practices, including escalation of complaints to the board if the CEO or a member of the executive leadership team is involved. The AER expense policy has been updated to address gaps and weaknesses in policies and processes, including changes to corporate credit card usage and a revised expenditure review process. Further changes are forthcoming and will be reported on the AER's website.

8:40

In September of this year government took decisive action and installed a new interim board of directors. The mandate given to the interim board includes providing advice on the governance model for the AER, best means for financial oversight, and specific responses to the Auditor General's investigation of the AER.

As a result of their investigation, the Auditor General made recommendations addressing a number of key areas. They addressed board oversight, risk assessment with respect to the use of public resources, recoverability of funds, and staff whistle-blower policy training. The AER management team has provided confirmation to the Auditor General that we have accepted all of their recommendations, and we are moving forward. Going forward, the AER will communicate both internally and externally our progress on applying the recommendations from the ICORE investigation reports, all three of them. This includes a dashboard on

our website, where Albertans can go to see the actions we're taking to address the recommendations from the three reports.

Let me reiterate. The two departments – Energy and Environment and Parks – the board of directors, and our executive management team at the AER take the Auditor General's recommendations seriously and have already taken substantial action on all recommendations. We recognize that a work culture that supports open and honest dialogue between leadership and employees is crucial.

The board and the executive leadership team will continue to examine a range of potential changes to ensure that employees have clear access to leaders, that leaders support and foster a culture that deals with challenging questions, and that checks and balances are in place and are reviewed on a regular basis. The changes will include rebuilding our executive committees and providing more independence to our audit team to investigate potential problem areas. We are also revising the roles of key positions to report to the board directly and increasing controls over project spending and travel. Furthermore, the board will annually review our overall organizational structure and all management positions, travel and expense policies, corporate and personal credit card use policy, and total compensation policies for staff, vice-presidents, and executive vice-presidents. Finally, the board will review the recommendations made in the reports and put forward a plan for any additional changes that help to increase transparency and oversight.

To conclude, I do want to reiterate that the unacceptable actions of a small number of leaders do not represent the important work that our many dedicated employees do to benefit the province. Albertans can have absolute confidence that their energy regulator is focused on the things that matter. They're focused on safety, environmental protection, orderly development, and economic benefit. As I've stated, we are taking swift action to be accountable.

Thank you to the committee. We are here to answer your questions.

The Chair: All right. We will now move on to – I will turn it over to the Auditor General for his comments. Mr. Wylie, you have five minutes.

Just before you do that, I am going to move over because I am going to ask some of the questions, so I will be passing the chair over to Mr. Gotfried.

Proceed.

[Mr. Gotfried in the chair]

Mr. Wylie: Thank you, Chair. I would like to summarize our work at AER over the past year for the record today. There were critical failures related to the use of resources, managing potential conflicts of interest, information management, compliance with legislation, and corporate culture relating to ICORE. In our first of two reports, issued in October, we make four recommendations to AER related to needed improvements in these areas. In our second report, issued in November of this year, we found further process weaknesses stemming from our audit of AER's most recent financial statements. We found instances of internal control weaknesses and legislative noncompliance, including cash bonuses awarded that were breaching the compensation legislation, long-distance work arrangements lacking proper approvals, a lack of assessing taxes on employer-subsidized parking, which cost AER \$1.3 million, inappropriate approval of senior management expenses, and weak expense claim processes.

Based on these findings, we issued three recommendations to AER to improve its processes relating to these matters. In addition,

Chair, we disagreed with how ICORE was being accounted for, and we qualified our audit opinion on the financial statements of AER for the year ended March 31, 2019. Our qualification also cited legislative noncompliance with various statutes, including the Financial Administration Act, the Responsible Energy Development Act, the Reform of Agencies, Boards and Commissions Compensation Act as well as the Income Tax Act.

Chair, as we stated in our reporting, we believe there are important learnings stemming from our work. We identified four. First, a healthy corporate culture, including tone at the top, is crucial. Second, directors need to be vigilant and ask challenging and probing questions of management. Third, while pursuing new and innovative concepts, government organizations need to assess their risk and ensure those activities are within their mandate. Lastly, effective whistle-blowing mechanisms are critical in uncovering undesired practices.

Chair, I was very pleased to hear the action taken by the new chair of AER and the further action that they plan on taking. We very much look forward to working with the AER, Alberta Energy, Alberta Environment, and this committee on ensuring that the action is taken to address our recommendations.

With that, Chair, thank you very much.

The Deputy Chair: Thank you to the Auditor General for his comments.

We will now proceed to questions from committee members for our guests. As a reminder on the questioning rotation, the first and second rotations will be 10 minutes each for the Official Opposition and then government members. Our third rotation will be five minutes each for the Official Opposition and for government members. A final rotation provides for three-minute time slots each for any opposition committee members followed by government members. This rotation provides members the opportunity to read questions into the record for follow-up answers by the ministry.

I will now open the floor to questions from the members. First to the opposition side, please.

Ms Phillips: Sure. Thank you, Mr. Chair. Just for the benefit of the committee I'm wondering if we can begin by establishing a timeline. When were ICORE activities begun?

Ms Yee: Well, I'll start, and if there's a need to fill in, I'll ask my colleagues to fill in. I think it dates back to 2014, to the idea of promoting regulatory excellence and being able to develop the expertise of our staff to ensure that Alberta occupied a top position when it came to our regulatory business. It started as an internal project, just internal to the AER, to help staff development. In 2015 this idea of having an internal centre of regulatory excellence based on having a best-in-class regulator continued to be developed. Those were the early times, between 2014 and '15 as an internal project to help the development of the staff.

It was in 2016 that it went external to the AER and tried to develop a bit of a not-for-profit organization, that had been incorporated. That organization ended up being dissolved in 2018. That was the ICORE (NFP). Then if we move a little bit further down the road, there was sort of a dual process going on, where the former CEO tried to establish a for-profit version of ICORE. It never really went anywhere, and that was sort of in the 2017 period. At the same time ICORE (NFP) – it was properly called ICORE Energy Services; that was the legal name – got incorporated in May 2017.

It was that body that held contract with Mexico for delivering on the training, and it was in, actually, December 2018 that the AER terminated its membership. It turns out that the AER was the only

operating and governing member. We terminated the membership and also terminated the MOU and the licensing agreement that we held with them.

Ms Phillips: Okay. So we have two major players here. We have the former chair of the board and the former CEO. When was the former chair appointed?

Ms Yee: Maybe I'll ask Charlene to answer, please.

Ms Graham: The first chair of the board was appointed when the AER was first stood up. That would have been in June 2013.

8:50

Ms Phillips: Okay. And he held that position until when?

Ms Graham: He resigned. His OC expired in I believe March 2018.

Ms Phillips: Okay. What was the nature of the information that was then passed between the former, former chair and the former chair, so between Mr. Protti and Ms O'Brien? What was the nature of the information around ICORE? Do we know?

Ms Graham: I don't think we know exactly what the communications were between the two.

Ms Phillips: All right. We have some recommendations here around board oversight and board governance. What I'm asking here is: what are the ways in which we know that we have satisfied that recommendation from the Auditor General?

Ms Yee: Thank you for that question. I just want to clarify: are you asking about the manner in which, as board chairs are turned over, information is shared?

Ms Phillips: That's right, yeah. What are the processes where we would know that Mr. Protti either withheld information or that board oversight was not correctly done or even if it was? How would we, as the public, know how this transition took place? We know that we have Mr. Protti implicated in a number of these original, I guess, activities of ICORE. How would we know that this recommendation that the AG has made around better board oversight did or did not happen in this transition period in 2018 as it relates to ICORE, and how might we avoid it happening again?

Ms Yee: Thank you for the clarity on that question. I think one of the main tools that the department would use would be our mandate and roles document, and in the mandate and roles document it clarifies the roles and the accountabilities and the communication that has to occur. The department also has accountability for ensuring that the supports that are given to a new, incoming chair are provided. General counsel from within the AER has some accountability and responsibility for advising the incoming chair.

I think what we're doing today, in our look at restructuring the organization, is trying to ensure that on the connections between the board and management there is a clear path of support and that there are no gaps in that. I think one of the weaknesses we found was that there was a gap between what was actually being communicated from the former CEO to the former board. We're going to strengthen that by strengthening staff positions that have a responsibility for ensuring that that flow of information between management and the board would exist.

Outside of that, it is really the governance of the board, and I think some of that comes from choosing the right people for the board, that have the right competencies and skill sets, and, as

mentioned by our Auditor General, knowing how to question so that we get a clear understanding. I think some of that is in the competencies of the board itself.

Ms Phillips: Is it a fair conclusion that information was withheld between board chairs as that transition occurred?

Ms Yee: That's difficult to comment on. I know that, for me as incoming chair, I did meet with the former chair, not the former, former chair, to get a transition and get an understanding of what was understood by the former chair. My assessment would be that the former chair herself had assessed that there was information that was missing for her and that they had to do a bit of a review to try to piece together the information.

Ms Phillips: Okay. So the incoming board chair did feel as if there was information that was withheld from her or incomplete in some way, shape, or form?

Ms Yee: Right. The answer to that question is yes. The path of the incomplete information: it is unclear whether that was incomplete coming from the CEO or incomplete coming from the previous chair. We would not have a good understanding of that.

Ms Phillips: Right. In many cases, then, we can conclude that for the new, incoming chair there were a number of different spaces in which information was withheld from her or incomplete. It is a fair assessment, then, that in both cases around board governance we had gaps in terms of how the CEO reports to the board and how board transition happens. Do we have in place, then, mechanisms to satisfy the Auditor General's recommendations around both of those gaps?

Ms Yee: Thank you for that question. I think that right now, with the interim board in place, we are looking at those gaps and looking at mechanisms to make sure that we close those gaps and that they won't exist in the future.

Ms Phillips: We have here a conclusion from another officer of the Legislature around incorrect or false information given to the Energy minister. In fact, there's a recommendation on this in the Auditor General's report as well. How do we prevent people from coming in and misbriefing ministers or simply not telling them the truth or agreeing to do something and then promptly not doing it?

Ms Yee: Thank you for sharing that observation. I think one of the things is having clear governance and having organizations follow those clear governance rules. It should be the board chair that reports directly to the minister, and the relationship would be between the CEO and the deputy ministers of the two departments. That governance structure and relationship was broken previously. Previously we found that the former CEO went directly to the minister, which was not appropriate, so we're clarifying that now on a go-forward basis. In fact, in the short time that I've been chair of the interim board, I have had very regular reporting, both in writing and verbally in person, with Minister Nixon and Minister Savage. Establishing those clear roles and accountabilities and doing check-ins to make sure that those things are abided by: I think that just strengthening the governance will go a long way to solve some of the problems.

Ms Phillips: Was it the observation of either the Auditor General or anyone else in the organization that the reporting or the information sharing between the board chair and the minister changed . . .

The Deputy Chair: Thank you to the member. You can carry that on in the next rotation.

We'll now move to the government side for a 10-minute rotation. Mr. Barnes.

Mr. Barnes: Thank you, Mr. Chair. Thanks to all for being here today. Glad to hear that this was all dissolved in 2018 under the previous government, but I just want to confirm a few things. At our meeting on October 15 and again earlier today you pointed out that the individuals involved in ICORE are no longer with the Alberta Energy Regulator. Thank you. I think Albertans are glad to hear that. I'm glad to hear that because there's so much industry money, so much taxpayer money. To be frank, at a time when the industry is under, you know, market stress and at a time when Alberta has a reputation for being the slowest and most bureaucratic in approval of energy processes, I'm glad to hear that.

Given the findings within the report it is clear that many acted in self-interest in creating ICORE. In addition to their employment being terminated, what policies govern any additional measures that may be taken against these individuals on behalf of industry, on behalf of taxpayers?

Ms Yee: Thank you for the question. I just want to clarify. What policies govern: is that what you're asking?

Mr. Barnes: What policies govern any additional measures? Is there anything in policy that . . .

Ms Yee: Oh. Okay. Yeah. As I mentioned in my opening comments, there are existing policies that we have strengthened. For example, the code of conduct: that has been strengthened. We also have looked at our financial policies and expense reporting. Those policies have also been strengthened as well. What the new board did when we came in was that we asked for a presentation so that we could get an understanding of what the current state of policy is. I would say that the policies were in pretty good shape. I think that in light of the circumstances of these unfortunate events that happened, the new board opted to strengthen those policies to ensure that there are no gaps there.

Mr. Barnes: Okay. Thank you. So, hopefully, to protect against a revisit of what happened from 2014 to 2018.

But, Ms Yee, just to be clear: are there any policies in the Alberta Energy Regulator, are there any actions that we can take against the offending parties that are serious enough to investigate or allow us to do further investigations?

Ms Yee: Thank you for the question. The interim board has opted to retain external counsel, which we have already done, to get some advice around that matter, whether there is further action that we could be taking against those individuals. We have yet to receive that advice, but we expect to receive that quite shortly.

9:00

Mr. Barnes: Okay. Thank you.

The individuals terminated: were any of them paid severance as part of them leaving the regulator, or were they all fired with cause, given what was reported by our Auditor General and other relevant authorities? Were they paid severance or any other dismissal?

Ms Yee: Thank you for the question. Of the five staff individuals that were involved in this, the former CEO departed voluntarily. That was November 2018. And the VP of international also had left voluntarily, so there's no severance paid there. The former general counsel also left voluntarily, so no severance there. The executive vice-president of stakeholder relations: we did pay

severance in that case, and it was due to the fact that there was a written contractual agreement. At that particular time, when that occurred, we did not have the benefit of the reports from the three officers yet. But I would make a commentary on that. If we had not had cause, we would have had to pay severance. The amount that we paid, because of the arrangements in the contractual agreement, ended up being a lot less than what we would have had to pay if it was a without-cause severing. The former chief of staff to the CEO was terminated as well, and that was with cause, so there's no severance there.

Mr. Barnes: Okay. So the one that did get some severance was obviously a business decision. Is your lawyer reviewing that part, or is that just history now?

Ms Yee: It was on the advice of lawyers in terms of the contractual agreement that had been put in place by the previous CEO. We were bound legally to honour the terms of that contract.

Mr. Barnes: Okay. Thank you, all.
I'll cede the rest of my time to MLA Walker.

Mr. Walker: Thank you so much, Member Barnes, and thank you so much for being here, everyone. I just want to start with the following question: were the concept and initiation of ICORE within the mandate of the AER, and if so, who ultimately approved its creation?

Ms Yee: Thank you for the question. The concept and the initiation of ICORE, as I said in the brief timeline that I did, started out as an internal concept to ensure that our staff got the training and the expertise and that they remained sort of the leading edge of being a regulator. That was the original concept, and that concept was supported by management of the AER, and it was supported by the board at the time. I think it was later on, you know, when, I guess in the mind of the former CEO, that was a bigger concept and information was withheld. So it's difficult to assess whether the board, when it gave its support and approval, had all the adequate information that it would have needed to have.

Mr. Walker: Thank you. As I see it, oversight is ultimately the responsibility of the minister and to ask questions if they aren't getting good answers.

I want to move on to whistle-blowing. Page 52 of the Auditor's ICORE report states that the "whistleblowing process at AER was ineffective and not widely known [among] AER employees." Given that key information around this pattern of malfeasance was ultimately provided by a whistle-blower, what are the department and the regulator doing to ensure that whistle-blowing policy is more widely known and appropriately understood?

Ms Yee: Thank you for that important question. In our assessment we believe that the system worked, that our whistle-blower policy worked. This all surfaced because a whistle-blower had brought it to our attention, and then it led to the investigations. That being said, though, I think we as a board and as management recognize that we can do more to make sure that our staff across the organization better understand our whistle-blower policy. So the board has given direction to staff to develop an enhanced training program for our staff on whistle-blower policy. At the same time, the interim board members have done some extensive outreach and engagement with our staff to reassure them that it will always be a safe place for them to be able to talk about difficult issues and to try to create and foster that culture of trust and respect.

Mr. Walker: Thank you very much.
Chair, how am I for time?

The Deputy Chair: Two minutes.

Mr. Walker: Two minutes. Okay. Thanks.

Sadly, whistle-blowers are often punished, persecuted, and ostracized even when protections are apparently in place. Albertans want to know that the protections for whistle-blowers were not circumvented prior to the termination of those responsible for the ICORE debacle. Can the regulator assure us that the whistle-blower or whistle-blowers who finally had the courage to step forward are still employed with the regulator or that if they left, they did so of their own accord and with the appropriate supports?

Thank you.

Ms Yee: Thank you again. That's a very good question as it relates to the whistle-blower policy. I'm pleased to report to you that the identity of the whistle-blower remains confidential. We do not know who the whistle-blower is, so the system is working. I wouldn't be able to answer your questions about whether they've left or whether they're still there because their identity has remained confidential.

Mr. Walker: Okay. Well, thank you so much for taking my questions.

I'll now cede the remaining time I have to Member Turton.

Mr. Turton: Okay. Thank you very much.
Mr. Chairman, how much time do I have?

The Deputy Chair: You have one minute.

Mr. Turton: Okay. Hopefully, I can get my first question off.

First of all, thank you very much for coming out here today. You have talked a lot in terms of the culture of fear, and a couple of my questions really revolve around that corporate culture aspect. I guess my first question is pertaining to page 52 of the ICORE report, which clearly states that "the culture at AER stifled [internal scrutiny] regarding ICORE activities." What changes have been made to the corporate culture to ensure that future AER activities remain within its mandate?

Ms Yee: Thank you for the question. Culture is important to all organizations. Our board of directors has chosen to demonstrate leadership right from the top, and since we began, we have increased our communication with staff. There is regular communication to staff about what we're up to and what we're doing. We have also met face to face with staff.

The Deputy Chair: Thank you. I welcome Member Turton to continue this on his next rotation.

We'll now move to a 10-minute rotation for the opposition.

Ms Phillips: Okay. Thank you, Mr. Chair. Just to follow up on the question that I was asking when I ran out of time there, we've established that there was broken reporting between the former chair of the board, Mr. Protti, and the Minister of Energy. Did the board chair, Ms O'Brien, begin communicating directly with the Minister of Energy when the board chair changed?

Ms Yee: Thank you for the question. I'm not aware, only because I did not have those conversations with Ms O'Brien. But from the perspective of the department, with my deputy hat on, I'm not aware that that communication was strengthened significantly.

although I think there was some effort to strengthen that relationship.

Ms Phillips: Yes, indeed, there was.

Essentially, what we have here are a number of broken reporting relationships between CEO and board, board administrative oversight, and, really, what the check on all of these broken relationships was was the whistle-blower process, so I'll go back to that. Thanks for the answers to the questions from the government caucus members. I'm wondering how the whistle-blower process either – and I think there are two processes here. There's the Public Interest Commissioner part with respect to the role of the CEO – right? – I believe, and then there's the internal AER process. Let's go with the internal AER process first. Deputy, you indicated that the system worked, but the system took a tremendous amount of time. How can that system go faster, and what steps are in place? What can we point to, what are specific recommendations that are being implemented right now to ensure that that process goes faster and is treated more seriously?

Ms Yee: Thank you for that question. I think it's twofold. One of the changes has already been made in our whistle-blower policy, which is, you know, sort of best practice for a whistle-blower. You want to be able to create the highest number of pathways for an employee to be able to speak to somebody. Sometimes an employee may feel that if it's only internal, they may be limited, and there may be some trust issues and things like that. So in our whistle-blower policy staff can either report through internal means or they can report it externally, which in this case did happen, which is why it got the attention of the Public Interest Commissioner. Just that enhancement and change to our policy to make sure that it reflects best practice I think was a very positive thing.

9:10

I think the second piece, about, you know, "How can we get things to happen faster?" speaks to this corporate culture. It's been reported to us about this culture of fear. Certainly, as board members, as we've been reaching out to employees and trying to get a sense from them as to what the issues and concerns are so that we can create a better path to go forward, this culture of fear has come up to us repeatedly. It seems that it's not just from the top; it seems to be at many levels in the organization. I think that if people are going to hesitate to act when they see something that is happening that is inappropriate, sometimes it's for fear of reprisal for them. So I think we need to spend as much time working on our policies to make sure the policies are the right policies, but we need to work on our culture and make sure that we're making positive changes to our culture.

Ms Phillips: A number of the AG recommendations, or a big chunk of them, are around this sort of tone at the top, corporate culture, these sorts of things, which are fairly qualitative in nature, right? I guess my question would be, then: how do we know that it hasn't just been a couple of bad apples and that that's all done and that we can turn the page? If it's a culture, then there are a lot of people involved. How does the public know that, in fact, these kinds of changes have been made and that they're real and substantive and not just about sort of, you know, papering this over for the purposes of a couple of meetings and a couple of headlines and then moving on? What are the ways that the AER is reporting both to the Auditor General to satisfy those recommendations but also the public?

Ms Yee: Thank you for that question. Sometimes these things, as they relate to culture, are challenging to measure. In fact, at the last board meeting we asked our human resources people to share

with us what kind of measures of culture and staff engagement the organization had undertaken. We were pleased to hear that a number of evaluation instruments had been used over time, and I think part of the problem in that case is that the instruments are used and we get the evaluation, but there was not sufficient follow-up. So that's one thing, following up on what staff have given to us.

The other way, in terms of, "How do we actually know?" I think it's early days for our interim board, but we're already having reports back to us from staff that the changes we have made so far are really making a difference. Just increasing our transparency and our communication with staff has made a significant difference. I put a lot of weight on the direct data we get and the comments we get from the front-line staff, people who may not have felt that they had a voice. Even in the way that our board is conducting our business meetings, it isn't just our executive leaders that we're asking to hear from. We're asking to hear from the people that are actually directly working on certain projects. I think that with that change in how we operate and that change in tone, we're already reaping some benefits of that.

But back to your point: how do we know, and how can we reassure Albertans? Some of the visible things that they're going to see are that we are right now working on a new structure for the organization, a structure that is less hierarchical, a structure that focuses on the core business of the organization so that with these other things, that are seen as extraneous, there are no paths or internal supports for things like that to happen. It's going to be a number of different measures, and I think, going back to the point I made, that I put a lot of weight on what it is that our staff are going to be telling us.

Maybe one last comment. I think that as we came together as a board, we unanimously agreed that our biggest job, our most important job is recruiting the proper CEO for the organization. That reference that you made to tone at the top and what our Auditor General has talked about as tone at the top, our ability to access and hire and recruit the right person at the top, who will set the tone for the organization: I believe that's our weightiest job.

Ms Phillips: Thank you. I know that in the meantime Gord has his plate full and is doing a number of these restructuring pieces and leading them.

I want to get back to the nature of the conflict-of-interest pieces that were found by a couple of the officers of the Legislature. It was observed in a number of the documents that the former, former board chair, Mr. Protti, had a conflict of interest with regard to ICORE. Can you share with the committee and with Albertans what the nature of that conflict or conflicts was?

Ms Yee: I'll ask Charlene to answer that. Thank you.

Ms Graham: I think the nature of his conflict was that he was involved in promoting ICORE activities as well and then did not disclose the full nature of that to the board at the time.

Ms Phillips: So when we're talking about promoting ICORE activities, what does that mean? Does that mean trips? Does that mean actual compensation for any of that consulting work? What are we talking about here?

Ms Graham: I don't believe that there was any compensation, but I believe that there were one or two trips. I believe the OAG report has the details of that.

Ms Phillips: Okay. So there were no further conflicts, just that that information was withheld from the board.

Ms Graham: He did not disclose his activities to the board.

Ms Phillips: Right. Would it be a usual practice in board governance to disclose those kinds of activities?

Ms Graham: Yes. Under our conflict policy all members and all our employees are supposed to disclose their conflicts.

Ms Phillips: Okay. Does the Auditor General have anything to add around the nature of those conflicts of interest?

Mr. Wylie: Eric, did you want to supplement?

Mr. Leonty: Yeah, maybe just to add a little bit of detail. On page 34 of our report we do, as Charlene had mentioned, indicate that he was involved in promoting and advancing ICORE. There were a couple of trips domestically as well as internationally, one to the United States. One of the trips did involve, based on correspondence that we reviewed, recruiting prospective members for the ICORE (NFP) advisory board that was being set up as well.

The Deputy Chair: Thank you.

We will now move to a 10-minute rotation on the government side. Mr. Turton.

Mr. Turton: Yes. Thank you, Mr. Chair. Just to kind of continue some of my previous questions I was asking, just to kind of repeat the exact question: what changes have been made to the actual corporate culture at the AER to ensure that future AER activities remain within its mandate? I know that you talked about, you know, talking with the employees and things like that, but I was speaking more in terms of a governance prospective and making sure that this situation does not happen again.

Ms Yee: Thank you for the question. I think that in terms of the governance piece of it, the oversight by the board – I'm really pleased to share with you that with the earlier concern by the Auditor General about the skill sets and competencies of board members, I think that we're benefiting right now from the diversity of skill sets and competencies of our current interim board. We have a board member who has financial expertise and can drill down and understand in detail financial statements and be able to assess that and ask the right kinds of questions. We also have a board member who has industry experience and knowledge and can evaluate the kinds of programs and the kinds of perhaps new directives that we're proposing and better understand what the impact on industry is. We have a board member who has experience with the former ERCB and the National Energy Board, so has experience as a regulator. Of course, our two government members bring the policy experience to the table and an understanding of the policy.

I think the ability to have a board that has that skill set and will ask those tough questions and discerning questions and ask a broad scope of questions – just having that board is really important. The other thing, as I referenced earlier, is clarity on roles and accountabilities. Now, as a board one of our mandated items from ministers is to review the current mandate and roles document and make any changes that would help to enhance the clarity of roles and accountabilities.

Mr. Turton: In your previous statement you said that the CEO or the former CEO went directly to the minister, which, in essence, bypassed all the types of governance controls that, you know, you already talked about in terms of skill sets of individual board members. I guess, like: in this case who had the ultimate responsibility to ensure that accountability happened for the AER

and ICORE if the entire governance board was being bypassed? Just some comments for that.

9:20

Ms Yee: Yeah. Thank you for that. I won't comment because I don't know the ins and outs of how sort of some of that deception occurred, but I think government has a role to ensure that good governance practices are in place, so I think a review of governance on a regular basis is an important role for government. These are our agencies, boards, and commissions, and we have an oversight role, that is really important, and I think that just that regular review and check-in is important.

I think that when the relationship between the board chair and the minister is clear and when there's a strong reporting relationship and dialogue going on, that can help a minister to provide that oversight and better understand things that are going on. Strengthening the relationship between the CEO and the board chair, that there's a clear communication there and that it's understood what the scope of the CEO's responsibilities are, is really important. I talk to Gord on a regular basis. I think he's pretty clear on what his scope of responsibility is and knows where he can step and where he can't step.

Mr. Turton: With your, you know, previous comment about deception in terms of the relationship between the CEO and the minister, is that borne exclusively upon the former CEO? Who is actually bearing the responsibility of that deception that you talked about previously?

Ms Yee: In my view, there was a lot of responsibility being placed on the former CEO. I think the former CEO felt that he could go directly to the minister, and that may have been exacerbated because of a previous relationship, because he was formerly a government deputy minister.

Mr. Turton: But you wouldn't say that the responsibility would be borne, obviously, completely by the CEO? I mean, the board obviously didn't have proper oversight. I mean, is there any onus on any bodies other than the CEO in that instance?

Ms Yee: Thank you for that question and the clarity on what you're asking me. I think that in any governance situation, when it breaks down, all parties in that sort of chain of command in the governance roles have responsibility. I think we've done that as the board has looked at this. We've looked at the role of ministers in the situation. We've looked at the role of the board and the board chair and the role of the CEO. I think it's important, when there's a breakdown in governance, that we look at all of those. I wouldn't be able to assess, because I wasn't part of that situation at the time, as to where exactly it broke down more or less.

Mr. Turton: What steps, you know, or activities has the AER board improved regarding its governance and knowledge to ensure that side communications or side communication paths don't take place moving forward? Is the onus strictly upon the AER board in this case? Even from the government of Alberta perspective, are there any steps that have been put in place to make sure that this doesn't happen again?

Ms Yee: Thank you for the question. I think it's about ministers, board, and our CEO. I think that in this case I can speak to what's happening today. Both Minister Savage and Minister Nixon know that, you know, the appropriate conversations are with their board chair. They would not entertain a conversation with the CEO unless there was the board chair bringing in the CEO for a conversation. I

think clarity on those roles – and I see the clarity today with both our ministers. I certainly have the clarity as to what my scope and responsibility are, and I can assure you that Gord understands the scope of his accountabilities and where communication should happen.

Mr. Turton: Okay. Thank you very much.

I cede the rest of my time to my colleagues.

The Deputy Chair: Member Nixon.

Mr. Jeremy Nixon: Yes. Thank you, Chair. Actually, my question is for the Auditor General. On page 38 it states that the ministerial oversight processes were ineffective. It seems that the former Minister of Energy supported ICORE, at least in theory, as it fit with the government strategy but didn't want ICORE to be a provincial corporation nor use AER industry levies. I would imagine that the AER was left confused as it seems that the minister supported the concept but not some of the details. Can the office of the Auditor General elaborate on the findings?

Mr. Wylie: Sure. I'll start, and I'll ask Eric to supplement. As the new chair of the board indicated, the original idea or concept seemed good. I think that it was well intended and well received the way it was originally articulated, and that was that there would be a benefit to the AER. Indeed, there might be a benefit to the further regulatory community. The original understanding of all parties who had original discussions on this was a genuine intention of where the AER would receive a benefit. The subsequent actions, though, I think are where the disconnect started. That was moving to the personal or private interest, if you will, of certain individuals. Again, the evidence that we saw was that the original concept seemed sound and valid and was supported in that context. It was just the way that it was then rolled out and the subsequent actions that happened that took things to a different level.

I'll ask Eric to supplement.

Mr. Leonty: Sure. I can confirm. Based on the work that we had done and the conversations that we had with the former minister, our understanding was that the primary beneficiary of ICORE would be the AER. Certainly, our work found that that wasn't the case as it evolved. The various iterations and ways that some of those entities were incorporated: the minister wasn't privy to that information. That was information that wasn't shared. There were a number of other pieces of important information that the minister hadn't received: the \$30 million grant request, attempts to commercialize OneStop. Important things that are material and significant to the AER weren't communicated.

As far as the two provisos, one being the creation of a provincial corporation and not using industry levies, what we found was that there wasn't follow-through to confirm that those two things didn't happen. That was something that the minister didn't want to see happen. There wasn't a follow-through on that, and we noted that that could have been an area where that maybe could have resolved some issues there. I believe, you know, that going through the traditional budget request and those channels was what was expected of the AER.

The Deputy Chair: Thank you to the member and to the Auditor General's office.

We will now move to a five-minute rotation from the opposition members.

Ms Phillips: Thank you. Just to follow up on that, there have been a number of references to false information given to the minister.

I'm wondering if either the Auditor General and then followed by the new acting chair of the board can fill in some gaps there around: what was the nature of that false information that was given to the minister? Sorry. You were sort of midsentence there.

Mr. Leonty: Yeah. I had already given a couple of examples. I think that probably an additional one, about information that wasn't supplied, was the extent of AER resources on time that was being spent on ICORE-related activities. Based on the conversation and the evidence supporting what the minister knew, I didn't necessarily see this as a very significant initiative. I mean, the nature of the information communicated from the former CEO to the former minister in some ways maybe downplayed what the significance was. Because there were some periodic discussions, there was an opportunity for the former CEO to say that the minister was informed of ICORE along the way. But, certainly, what we found as far as key material information that one would expect to be provided: it wasn't provided. Whether that was intentional or not, we can't say. It's just based on what we saw and wasn't communicated.

Ms Phillips: Is there anything to add there?

Ms Yee: Nothing substantial to that. I think that in our assessment it's maybe not so much false information as withheld information, that information was selectively shared with the minister. I'm not sure that we could identify false information but certainly withheld information.

Ms Phillips: Right. One of the observations of the Auditor General is that the former Minister of Energy indicated that she did not want industry levies used for this purpose and that she did not want a provincial corporation. There's an observation that no confirmation was ever sought concerning this. Is it usual that ministers have to follow up when they tell somebody to do something?

Ms Yee: Thank you for that question. I would like to pride myself on saying that once I've been told to do something, I will do something. I think that I have the same relationship with Gord. I ask him to do something, and it doesn't require any follow-up in order to assure me that he has done it.

9:30

Ms Phillips: Then what we have here is essentially a pattern where there was a deliberate effort not to follow direction. Is that a correct assessment? It's an aberration of how things usually work.

Ms Yee: I think you're asking my opinion on that. I would say that, logically, that seems to be. In our assessment there was a lot of deception going on and lots of information being withheld. That made it very difficult for those who were responsible to even know what the proper question is to ask when information is withheld. I think that in meeting with the previous chair, who was very diligent in saying that she wanted to ask the right questions – but when you don't have the information, it's difficult to pursue that. So it becomes: what are the checks and balances for somebody who lies to you? I don't know what the answer to that is.

Ms Phillips: Yeah. A properly functioning whistle-blower system, I think, is the answer there, and we're also learning that south of the border.

Let's go back again to that whistle-blower piece because I don't know if we exactly rounded it out. We have the internal processes that we talked about. Can we talk a little bit about the interplay with the Public Interest Commissioner and if any of the processes have changed around that?

Ms Graham: I don't believe there have been any changes. As Bev indicated, our internal policy allows for the two options, to go internal or to go to the external PIC.

Ms Phillips: Is that a change, or is that just a writing down of something that was existing before and making sure that employees know about it?

Ms Graham: Our policy was amended when the legislation was amended in 2017 to allow for that direct access, so we did the amendment at that time.

Ms Phillips: Okay. Then the way that it fell down, as I'm understanding, just in terms of the time that it took and so on for this whistle-blower complaint to go through, was around the communication of those policies through to that particular agency. Is that a correct assessment?

Ms Graham: I think that the Auditor General's report clearly states that many of our staff were unaware about the whistle-blower policy, and that's why they recommended that we enhance our training and awareness.

Ms Phillips: Okay. Has that, then, moved its way through the organization, or are you midstream on that?

Ms Yee: We're kind of in flight on that one. We have a process. In fact, the board had asked the organization: is it part of our onboarding of staff? When do they find out about it?

The Deputy Chair: Thank you to the deputy minister.

We now will have a final five-minute rotation from the government side, please. Member Nixon.

Mr. Jeremy Nixon: Thank you, Chair. Who's ultimately responsible for the processes, policy, and governance of the AER to the Auditor General?

Mr. Wylie: The board.

Mr. Jeremy Nixon: The board. We've heard a little bit about kind of the governance breakdown. Page 38 also states that when the former minister met directly with the CEO of AER and not the board, it created a broken chain of accountability. Can you elaborate on your comment that the relationship was atypical between the CEO and minister?

Mr. Wylie: Yes. As the chair indicated earlier, in the public sector it's customary to have the board chair meet with the minister as representing the board, and the chair would report back to the board on those discussions. It's atypical for a CEO to meet directly with a minister without a board representative being present.

Mr. Jeremy Nixon: Would this atypical relationship have somehow enabled the ICORE scheme?

Mr. Wylie: Well, in this particular case, we cite in our report what – as the chair has indicated, there were a number of factors that I think contributed to this, one of which was the nature of the relationship and the communication between the CEO directly and the minister and the board not being informed of those discussions and what was being said to ensure that there was consistency with the direction of the board.

Mr. Jeremy Nixon: Perfect. Thank you for your answer.
I cede my time.

Mr. Toor: Well, thank you for being here. Page 53 states that AER did not view departments as a source of guidance as far as ensuring that they were aligned with legislation and government policy. This is a very serious problem, in my opinion. Agencies, boards, and commissions are the direct responsibility of the departments. Can the department tell us what they're doing to reel in ABCs in this case, especially the untenable actions of the AER?

Ms Yee: Thank you for the question. I might cite the fact that government is undertaking a review of the AER. We haven't completed that review yet, but I think one of the early observations we've had in the review is the mechanism we use to interface between the AER and government: there is a policy interface there that is pretty critical that would help with some of the alignment. I think our early discussions are that that interface exists, but we need to strengthen the mechanism that allows for that discussion going two ways so that there is clear understanding on the part of AER on policy and, if there's input from the AER on policy, the government is getting that input as well.

Aside from that, I think I referenced earlier as well that clarity on roles and accountabilities through the mandate and roles document is really important. That is a document that both government and the AER sign off on, and I think that being clear in that, what those accountabilities are in terms of how things are communicated, what should be communicated, what is appropriate – and then it is that hierarchy of governance that we need to ensure we are respecting.

Mr. Toor: Well, from that answer, I think I'll follow the question from the previous member, too. Was the atypical relationship between the minister and the CEO bypassing the board? If we blame the CEO, what kind of responsibility should the minister have at that time?

Ms Yee: Thank you for your question. As I answered earlier, when governance breaks down, I think that the breakdown usually occurs at all levels, and I think it requires us to look at the roles we each play. I think that's what our interim board has done. We've taken a look at the governance and how it has worked in the past, and we have instilled and reinforced the accountabilities. The minister has reinforced to me what my accountabilities are. Ministers know their role, I think, the clarity on those roles, and the CEO knows their role. I think it really is just bringing clarity and clear understanding of how that governance works.

Mr. Toor: Page 53 also states that industry was aware of ICORE activities and concerned about the misallocation of resources and raising concerns. What has the department learned . . .

The Deputy Chair: Thank you.

We will now go to three-minute read-in rounds, starting with the opposition side, please.

Ms Phillips: Sure. One of the things that I didn't get to ask – and this can be in writing. You know, typically when CEOs or agencies, boards, and commissions come in to talk to ministers, it's the CEO, the board chair, the deputy or another department official, and the minister in the room or some variation on that; as my friend from Edmonton-Glenora describes it, a four-legged stool. Did this happen from the beginning of the creation of the AER? "When did it change?" I think is the question there.

Other questions that I would have are: did the federal money ever transpire? I believe it did not, but I want to know if any other external funding from other levels of government did transpire.

What was the nature of the relationships with Mexican officials around that training and so on?

Then if the agency would be so kind, I think that an interesting thing for the public to know is around the concept of regulatory excellence. It is, in the first instance, not a terrible concept at all. It was the misallocation of resources and the former CEO's desire to develop himself an international business consultancy where the things went off the rails. Perhaps in writing can folks follow up with some observations on that regulatory excellence piece and the value of the original intent as the minister, even beginning in 2014, understood it from a regulatory excellence perspective? I'd be interested in that.

Thank you.

The Deputy Chair: All right. We'll move to a three-minute read-in round for the . . .

Ms Hoffman: Sorry. Was the time expired?

The Deputy Chair: Oh, I'm sorry. You have a minute left. I'm sorry.

Ms Hoffman: Thanks.

9:40

Mr. Feehan: Thanks. I noticed that the Auditor General has made a recommendation regarding "obtaining formal and periodic assertions from management that activities comply with legislation and AER policies." In this particular case it really required a whistle-blower – thank goodness the legislation was there – to come forward. I'm wondering about: what are the new formal and periodic assertion processes that have been put into place in order to respond to the Auditor General's recommendation so that we can ensure that any activities that are being undertaken by the CEO are, in fact, in line with the policies of the AER and the legislation that are there? How are those processes engaged, and how are they then reported out so that that information is widely available?

The Deputy Chair: Actually, I'll add an extra 10 seconds on, if you can do something in 10 seconds, just for the interruption.

Mr. Dach: Just quickly, I'd like to ask Mr. Lambert if he feels, given his large international reputation and work in the energy field, that the AER's international reputation is being successfully repaired by the implementation of the OAG's recommendations or if it is his assessment that it's fatally flawed and perhaps needs wider repair.

The Deputy Chair: Thank you to the member.

We'll now move to a three-minute read-in round for the government side, please. Who am I recognizing, then?

Mr. Toor: Thank you, Chair. Let's start from the same question. Page 53 also states that industry was aware of ICORE activities, concerned about the misallocation of resources, and raised concerns. What has the department done to ensure that industry is being listened to when they raise very legitimate concerns, and in hindsight what might have been done to act on them at that time?

What has the department done with respect to fiscal and governance managers to ensure that its ABCs cannot spend millions of dollars on initiatives outside their mandate?

Page 33 states that the AER board did not have the skills necessary to conduct proper oversight, nor did they contract out to fill in the gaps. How did it come to pass that the board did not have the proper skill set, nor were the skills shortages addressed over the years in question?

Disturbingly, the report states that the AER board chair was heavily involved with the ICORE scheme. What is the department

doing to ensure that the board and the executives in question are held accountable and managed appropriately given that the board chair and the executives appear to have been operating in concert?

The Auditor General recommends that the AER "evaluate whether any additional funds expended on ICORE activities are recoverable." Has the AER performed this evaluation? If so, what were the results?

[Ms Phillips in the chair]

Mr. Gotfried: Madam Chair, I've got a question.

The Chair: Yes, please.

Mr. Gotfried: Page 33 states that the AER board did not have the skills necessary to conduct proper oversight, nor did they contract out to fill in the gaps. How did it come to pass that the board did not have the proper skill set, nor were the skills shortages addressed through appropriate recruitment over the years in question?

Disturbingly, the report states that the AER board chair was heavily involved with the ICORE scheme. What is the department doing to ensure that the board and the executives in question are held accountable and managed appropriately given that the board chair and the executives appear to have been operating, if not in concert, at the very least without independent oversight?

Lastly, could you please respond to the committee with respect to the involvement of the Minister of Energy and the minister of environment at the time of the activities of ICORE and how the lack of oversight or overcoming the normal government's policies and procedures affected the outcome of the ICORE activities?

Thank you.

The Chair: Okay. Six seconds?

Mr. Gotfried: I think we can move on.

The Chair: All right. I would like to thank the officials from the Ministry of Energy and the Alberta Energy Regulator for attending today and responding to committee members' questions. We ask that the outstanding questions be responded to in writing within 30 days and forwarded to the committee clerk. Thank you for your time.

We'll now move on to other business, members. The committee has received written responses to questions asked during the October 22 meeting of the committee with Environment and Parks. Those have been posted to the committee's internal website. As is the common practice, they will also be posted to the committee's external website.

Now, moving on, we do have a motion for the members' consideration with respect to out-of-session meetings. The deputy chair.

Mr. Gotfried: Thank you, Madam Chair. In consultation with the chair and members of our subcommittee, we would like to make the following motion, that

the Standing Committee on Public Accounts authorize the subcommittee on committee business, in consultation with the respective caucuses, to establish a schedule of out-of-session meetings for the committee for the winter of 2020.

Thank you.

The Chair: Okay. Hearing the motion, I will put it to the floor. Any discussion?

Mr. Gotfried: Madam Chair, if I may just comment?

The Chair: Sure.

Mr. Gotfried: The reason for this is that if we don't establish a schedule for some winter meetings, then we'll have to call a phone meeting between now and doing so. In doing so, the chair and myself and the subcommittee will meet. We will consult with our respective caucuses. I can tell you that there was some prior discussion, very preliminary discussion, on the possibility of doing some PAC meeting days around mid-February, the week of February 10 possibly – but, again, that's subject to consultation with our respective caucuses – so that we could possibly move forward with two or three ministries at that time.

Thank you.

Ms Hoffman: Just to clarify, in the motion we're being asked to give authority to the subcommittee to develop recommendations. When would we approve said recommendations?

Mr. Gotfried: No. Actually, the motion authorizes the subcommittee, in consultation with the respective caucuses, to establish a schedule of out-of-session meetings. You would be giving us the authority to establish those dates and to advise those to the rest of the committee with the authority given to us.

Ms Hoffman: Just to clarify, basically consensus with the chair and the deputy chair.

The Chair: That's right.

Ms Hoffman: I'm fine with consensus.

Mr. Dach: What's our history with out-of-session meetings as far as the committee? Is it something we've done as a long-standing pattern?

The Chair: I don't know about long-standing, but I do know that we had out-of-session meetings of this committee in September.

Am I seeing any more discussion? No? Okay.

Seeing none, all members who support this motion, in favour? Any opposed? All right.

Then the motion is carried.

The next meeting, then, will be at the call of the subcommittee and the call of the chair. All right. Thank you very much, everyone.

We will call for a motion to adjourn. Would a member move that the meeting is adjourned? Mr. Nixon. All in favour? Any opposed? That motion is carried.

Thank you.

[The committee adjourned at 9:48 a.m.]

