



Legislative Assembly of Alberta

The 27th Legislature
Second Session

Standing Committee
on
Community Services

Bill 202, Municipal Government (Municipal Auditor General)
Amendment Act, 2009

Thursday, September 10, 2009
9:04 a.m.

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**Legislative Assembly of Alberta
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Second Session**

Standing Committee on Community Services

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9:04 a.m. Thursday, September 10, 2009

[Mr. Doerksen in the chair]

The Chair: Good morning, ladies and gentlemen. It's my pleasure to welcome everyone to this meeting of the Standing Committee on Community Services. We're gathered this morning to discuss Bill 202, which we've done some previous work on. We'll call the meeting to order. I'll just note that we have several members attending via conference call. On the phone is Harry Chase. You're there, Harry?

Mr. Chase: Good morning.

The Chair: Good morning.
Art Johnston will be coming on.

Mr. Rodney: Good morning, Mr. Chair.

The Chair: Good morning, Dave.

Mr. Hehr: Good morning, everyone.

The Chair: Good morning, Kent. Kent is also the deputy chair of the committee.

I'm going to ask the committee members around the table and people sitting at the table to introduce themselves just for the record. I'm Arno Doerksen, chair of the standing policy committee and MLA for Strathmore-Brooks.

Mr. Johnson: Good morning. Jeff Johnson, Athabasca-Redwater.

Mr. Bhardwaj: Good morning. Naresh Bhardwaj, Edmonton-Ellerslie.

Ms Dean: Shannon Dean, Senior Parliamentary Counsel.

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

Ms LeBlanc: Stephanie LeBlanc, legal research officer with the Legislative Assembly Office.

Ms Stein: Rachel Stein, research officer, Legislative Assembly Office.

Ms Friesacher: Good morning. Melanie Friesacher, communications consultant, Legislative Assembly Office.

Mrs. Sarich: Good morning. Janice Sarich, MLA for Edmonton-Decore and parliamentary assistant to the Minister of Education.

Mr. Lukaszuk: Thomas Lukaszuk, Edmonton-Castle Downs.

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

The Chair: Okay. Thank you.

Just a few housekeeping items. I'd just remind members and staff that *Hansard* will operate the microphones, so there is no need to turn them on and off manually. I'd also ask, if you're sitting at the table, that you either turn your BlackBerrys off or keep them in your pockets. They do run interference with the audio system, so please keep them off the table if you can.

The last meeting of this committee was June 22, I believe. I guess that to begin with, we should approve an agenda. I think an agenda has been circulated to committee members. Are there any other items to add to the agenda? If not, a motion to approve the agenda? Moved by Member Sarich, seconded by Mr. Bhardwaj. All in favour, please indicate. That's carried. Thank you.

The minutes have been circulated of our previous meeting, which was June 22. Are there any changes there? Are there omissions that need to be noted with regard to the previous minutes? If not, a motion to approve the minutes would be in order. Mrs. Sarich, seconded by Mr. Lukaszuk. All in favour? That's carried. Thank you.

At the last meeting of this committee members directed the committee research staff to prepare a cross-jurisdictional review of legislation similar to what is found in Bill 202. This document has been prepared and distributed to members with briefing materials for this meeting. At this point I'd like to invite Stephanie LeBlanc to review the document and answer any questions that members may have with regard to that document. Stephanie, please.

Ms LeBlanc: Thank you, Mr. Chair. I am going to be reviewing the document entitled Cross-Jurisdictional Comparison, and it's dated September 2, 2009. Only two other jurisdictions in Canada had legislation similar to Bill 202. These jurisdictions were New Brunswick and Nova Scotia, with the most similar being Nova Scotia.

New Brunswick's Control of Municipalities Act permits the Lieutenant Governor in Council to appoint a commissioner of municipal affairs who's entitled to direct an auditor to make an audit of the financial affairs of a municipality. However, the commissioner is currently the deputy minister for the Department of Local Government, and therefore the commissioner does not have an office separate from the ministry.

Nova Scotia recently passed amendments to the Municipal Government Act. Included in these amendments is the ability for the minister to appoint a municipal auditor general. The municipal auditor general has the power to examine the accounts, procedures, and programs of a municipality.

The cross-jurisdictional chart, beginning on page 4 of the comparison, looks at the differences between the three pieces of legislation. The main aspect of the New Brunswick legislation that distinguishes it from Nova Scotia and Bill 202 is that the commissioner of municipal affairs is not a separate office that conducts audits. The commissioner only has the authority to direct an auditor to make an audit of a municipality rather than audit the municipality itself. The municipal auditor general under both Bill 202 and Nova Scotia's amendments to the Municipal Government Act would have the authority to conduct value-for-money audits.

Both the amendments to Nova Scotia's Municipal Government Act and the New Brunswick Control of Municipalities Act are attached as appendices to this comparison if you'd like to have a look at the specific provisions of the legislation.

Thank you.

The Chair: Thank you, Ms LeBlanc.

Just for the record and to note, Ms Notley, welcome to the meeting this morning. For those on the phone, Ms Notley has just stepped in and taken a seat at the table, so welcome.

Ms Notley: Thank you. Sorry about being late.

The Chair: That's fine.

At this point I would open it to questions or comments with regard

to the cross-jurisdictional review. Mr. Lukaszuk, you had a question?

Mr. Lukaszuk: Thank you for that. In your review you juxtapose these two pieces of legislation from New Brunswick and Nova Scotia vis-à-vis our bill, but I don't hear you juxtaposing it against our current legislation which is in force. From my engagement in that particular piece of legislation I'm noting that what Nova Scotia and New Brunswick have just arrived at is what we actually have and have had for a long time because our Minister of Municipal Affairs can retain an auditor general and audit any and all municipalities in the province of Alberta if deemed suitable. So they simply caught up to what we have as status quo. Would you agree with that?

9:10

Ms LeBlanc: I think the main difference is this idea of a separate office that would conduct audits on the municipalities. There is the authority under the Municipal Government Act for the minister to direct an audit, but this would be a separate body.

Mr. Lukaszuk: But does either New Brunswick and/or Nova Scotia actually truly have a separate body? If it's the deputy minister of the Minister of Municipal Affairs, that is not a separate body.

Ms LeBlanc: I'd agree in the case of New Brunswick. The legislation doesn't specify that it has to be internal, but it has been the practice to appoint the deputy minister. In the case of Nova Scotia it is actually a municipal auditor general similar to Bill 202, but those provisions aren't proclaimed in force yet, so we're not totally clear on how that will all play out.

Mr. Lukaszuk: Okay. Thank you.

The Chair: Any other questions or comments with regard to the cross-jurisdictional review?

Mr. Chase: It would seem that the majority of provinces, based on the review, are not following the direction that Bill 202 is proposing, that they have left the auditing authority primarily to the municipalities. I just want to make sure that that's the correct observation.

Ms LeBlanc: The only other jurisdiction with the municipal auditor general was Nova Scotia.

Mr. Chase: Thank you.

The Chair: Welcome, Mr. Benito. Just again for those on the phone, MLA Benito has joined the table. Welcome here this morning.

Mr. Benito: Thank you.

The Chair: Any further questions or comments?

Ms Notley: I, of course, could answer this question myself if I'd done more time preparing, and I haven't. In the course of looking at Nova Scotia, since that's the only one with a similar model in place, has there been any opportunity to contact government officials there to find out what the expectation is with respect to proclamation since there has been a change in government since the act was passed, with proclamation delayed, and the status that we're at right now?

Ms LeBlanc: I'm not sure of the answer to that, but I can find that out.

Ms Notley: Thank you.

The Chair: Any further questions? If not, thank you for that report, Ms LeBlanc.

A communications update was also included in the briefing materials for today's meeting, and that's a one-page document that you've had access to. We won't review it further unless there are comments or questions with regard to what has happened with regard to communications. Clearly, we see there's been significant interest in this bill, and I think that's been well noted. We've had significant numbers of written submissions upon our invitation publicly following the last meeting. I think that's an interesting situation and certainly highlights the importance of the matters that Bill 202 proposes to deal with.

On June 22, when the committee invited submissions to be received on Bill 202, we also indicated that these submissions would be made public. We've received quite a number of submissions from municipalities and also other organizations as well as private citizens. In the past committees have made submissions of this nature available to the public but with all of the private contact information removed or severed from the submission. The name of the submitter is made public, but things like e-mail addresses, phone numbers, addresses, and that kind of thing would be withheld in respect of their privacy. Is this how the committee wishes to proceed in this case as well? We have a significant number of responses.

If that's the case, I think it would be in order to have a motion that we make the responses to our invitation public but that we sever private information other than the names of individuals that have contributed.

Ms Notley: So moved.

The Chair: Thank you. Seconded? Mr. Bhardwaj. Thank you. All in favour? That's carried and noted. Thank you.

Also included in the briefing material for today's meeting was the summary of the submissions that were received as well as a legislative summary. Dr. Philip Massolin and Rachel Stein are available today to discuss the submission summary document. Are there any questions or comments with regard to that?

Dr. Massolin, would you like to make comments?

Dr. Massolin: Yes. Thank you, Mr. Chair. I'll ask Rachel Stein just to provide to the committee a brief oral briefing of the submission summary if that's desirable.

The Chair: That would be excellent, followed by potential questions or comments from the committee members. Thank you.

Dr. Massolin: Thank you.

Ms Stein.

Ms Stein: Okay. Thank you. A total of 100 submissions were received. Of the submissions received, 52 opposed the bill, 29 were in support, and 19 did not clearly indicate a position. Most submissions received from municipalities expressed opposition to the bill; however, two municipalities did indicate that they were in support. As noted on page 15 of the summary, 14 of the submitters requested to appear or expressed an interest to appear before the committee.

The majority of the information provided in the submissions could

be categorized into one of the 10 organizational categories as noted on page 4 of the summary briefing. The most recurrent comment pertained to the redundancy of Bill 202. Most municipalities, the AUMA, and several members of the public indicated that Bill 202 does not take into account the current requirements of the Municipal Government Act. Many of the submissions from municipalities, the AUMA, and the AAMDC among others also commented that an office of the municipal auditor general would result in increased costs and bureaucracy and would be an infringement on municipal autonomy. Some of these submitters indicated that an office of a municipal auditor general would impact municipal sustainability and place unnecessary expenditures on taxpayers. Some of these submitters also indicated that municipalities do not require this office and that they were able to ensure accountability and perform audits without the new legislation.

A number of submissions, primarily from municipalities, also expressed resistance to the application of Bill 202; that is, that it would apply to all municipalities. These submissions indicated that audit or financial issues with certain municipalities should be addressed directly with that municipality rather than developing an office of a municipal auditor general.

Many of the submissions received from members of the public indicated that there was a need for additional municipal accountability, which an office of a municipal auditor general would be able to achieve. Many of these submissions indicated that they were in support of having municipal audits conducted by an auditor who did not report directly to the municipality.

Some of the submissions, including those received from the Auditor General of Alberta and the Institute for Public Sector Accountability, commented on the role of the auditor and types of audits. These submissions expressed the importance of having clearly defined objectives for an audit framework and a clearly defined mandate for auditors.

Several of the submissions also expressed concern over some of the terminology used in Bill 202. More specifically, concern was expressed over the use of the term "systems," that a definition is not provided in the bill.

Concern was also expressed that Bill 202 does not indicate what type of audit the office of the municipal auditor general would conduct.

Lastly, there were comments made pertaining to sharing the audit reports and recommendations of an office of the municipal auditor general with the public and requiring parties to appear before a municipal auditor general who receives evidence or to produce records. Most of the submissions who commented on sharing audit reports and recommendations with the public expressed their support for this requirement. The Institute of Chartered Accountants of Alberta did not express opposition to making information public but did express importance for confidentiality concerning audit working papers. The two submissions who commented on the requirement to give evidence or produce records expressed their support for this component of the bill. One submission did express a concern, however, suggesting that it may be challenging to require a non-Canadian agency to appear before the municipal auditor general.

Thank you.

9:20

The Chair: Thank you.

Are there any comments or questions with regard to the summary that we've just heard? Any committee members have questions for staff with regard to the submissions that we've heard? If not, thank you for that.

Did you have some more comments, Dr. Massolin?

Dr. Massolin: Mr. Chair, I just have one item to discuss if I could. That has to do with the other document, the document we call the legislative summary, that we've prepared on Bill 202 and that members had a chance to see posted and review, hopefully. This is the first time that research staff in the LAO has produced such a document. This document is designed to give some background information on the bill, give a bill summary, some of the salient elements of the proposed legislation, provide a brief overview of what other jurisdictions are doing, and as well provide an analysis in terms of what some of the important issues are raised by the bill itself.

I'm wondering right now if I could, Mr. Chair, get some feedback from the committee with respect to how useful they found this document. What we'd like to see is whether or not it's useful to the committee and whether we should produce these types of documents as a matter of course when a committee such as this reviews bills or other legislation.

Thank you.

The Chair: Thank you, Dr. Massolin. You're referring specifically to the document titled Legislative Summary for the Standing Committee on Community Services Regarding Bill 202, right?

Dr. Massolin: Precisely.

The Chair: That's about a six- or eight-page document, right?

Dr. Massolin: That's right.

The Chair: Thank you. I'll invite committee members to respond to that. I think it's an opportunity to provide some useful feedback to the staff with regard to this presentation.

Ms Notley: Well, it certainly, you know, is always good to see the work that goes into these things. There were certainly parts of it that were helpful pieces of information.

I think that the piece on the things to consider and the implications sort of inspired in me a desire to engage in a bit of debate with the document. I guess that would be a bit of a concern. We wouldn't want to have a document stating sort of – there are certain statements in there that I think could be the subject of some debate. There was a bit of that. I don't know that that was for this body to produce that kind of thing. I'm particularly looking in I think it was section 5.0.

But there were other parts of it that were definitely very helpful and, you know, well researched: the summary of the bill and the cross-jurisdictional comparison and, obviously, the debates and stuff like that. But, yeah, I don't know that I should be inspired to debate a document that's produced out of the LAO.

That's my own personal take on it.

The Chair: Okay. Thank you.

Any other comments with regard to the document?

If not, was that useful feedback?

Dr. Massolin: Yes. Thanks very much.

The Chair: Thank you for your work on that.

Now with regard to public hearings, you'll recall that when we solicited for input on Bill 202, we asked submitters to indicate whether or not they would be interested in making a presentation to the committee in addition to their written submissions. We've had opportunity to review the written submissions as we've received them. We now need to decide if we would benefit from further

presentations. Are there thoughts with regard to that from committee members? Do we want to have presenters come in to present on the bill?

Mr. Lukaszuk.

Mr. Lukaszuk: Thank you, Mr. Chair. Definitely there were groups that submitted in writing – I don't think anybody around this table would consider them to be stakeholders – who may wish to have the opportunity to further flesh out their comments or perhaps further contribute in rebuttal.

The Chair: Mr. Lukaszuk, can I interrupt for just a second?

Mr. Lukaszuk: Certainly.

The Chair: I understand that Mr. Art Johnston has dialed in. Can you hear us, Mr. Johnston?

Mr. Johnston: I can now. Good morning.

The Chair: Okay. Good. I understand there was some difficulty with that. Thank you.

Sorry. Go ahead, Mr. Lukaszuk.

Mr. Lukaszuk: Thank you. I identified some groups of stakeholders that I think would be of some benefit to hear from, keeping in mind that what we're really doing in this committee and what the aim of the bill is, as I understand, unless Mr. Johnston would contradict this, is to develop a framework policy on auditing municipalities. Hence, I would be really interested to hear from some of the groups or municipalities that can give us a global perspective on policy, on their internal auditing mechanism or lack thereof.

One thing only I would urge the committee is to stay away from actually vetting or putting the committee in a position where we would hear individual issues with individual municipalities because that's going to put this committee in a predicament. There are other vehicles by which a citizen can vet his issues with individual municipalities.

Albertans had an opportunity to write in. Mr. Chair, correct me if I'm wrong, but only six individual citizens have written in. The rest of the submissions – were there more? I see a nodding head.

Dr. Massolin: I think there were many more public submissions. Maybe Ms Stein can give us a ballpark figure of that.

Ms Stein: Well, I think that of the hundred, it was 58 from municipalities, and I believe 67 were solicited stakeholders. There were a few nonsolicited stakeholders, and then the remainder were public.

Mr. Lukaszuk: So how many individual Albertans, not representing associations or chambers of commerce but just actual individual citizens? Do you know more or less? I found six. You've seen more? Have I missed any?

Ms Stein: Yeah. I believe it was more than 20 that were members of the public, but there were four that indicated that they would be, you know, available to come in. The remainder of the public submissions did not indicate any desire to come in.

Mr. Lukaszuk: In essence, Mr. Chair, what I'm saying is that I would like to hear from some of the stakeholders that can give us a global perspective on auditing practices or, as I said earlier, lack

thereof from a policy perspective. I would not want to review individual municipalities' auditing practices or any particular person's issues with individual municipalities' practices.

If you would like to indulge me, I would just give you a list of the groups that I have in mind that perhaps would be of benefit to be heard. Maybe there are others, but I did make some notes on that. I'll leave that to you, Mr. Chair, whether you want me to go through it or not.

The Chair: I think you're welcome to. At this point there are some other comments, too, so maybe let's just hold the list for just a minute.

Mr. Lukaszuk: Sure.

The Chair: Mrs. Sarich.

Mrs. Sarich: Thank you, Mr. Chairman. First of all, I think it's important to thank all the stakeholders and individuals who made a submission to our committee and are taking the opportunity to express their viewpoints on this very important item that is up for discussion today in the context of our agenda.

I think that the issue at hand is one that is complex, and for me it might be very helpful to have organizations that would be able to frame the context of what we're looking at and to provide a little bit more background information that would be helpful. For example, from the big lens view we would be perhaps looking at stakeholder groups that could provide background on the role of auditors, the difference between internal and external audit, and their role and responsibility relative to the entities to which they're providing a service.

From that context it would help frame the discussion as we're looking at Bill 202, and it would help provide some insight and information and create a broader understanding of what we're looking at. Because there are nuances in the bill and there were a lot of questions raised by various stakeholders, I think it would be helpful. I, too, having reviewed all the submissions, would be able to put forward a couple of helpful suggestions as to stakeholders that would be of value to come forward to the committee to make a presentation to provide that framework of information that would be helpful for our committee.

Thank you.

9:30

The Chair: Okay. Thank you.

Two members have indicated positively an interest in having presentations to the committee. I'm open to other comments with regard to that.

Ms Notley, I think you wanted to speak to that.

Ms Notley: Yeah. Well, just to get on the record, there were 27 submissions from individual citizens. That's how many came in.

I understand and have some sympathy with what's been said so far in terms of wanting to get that global stuff. There's no question that there are certain people that have responded or certain organizations that we need to hear from, even some, frankly, that didn't indicate a desire to be heard from directly. So I understand that. I'm a little concerned about being too prescriptive in terms of what we would hear from them. I mean, it may be the case that they're not going to give us a global view of accounting practice and all that kind of stuff, but they, you know, are key players in this and want the opportunity to say in person why they do or do not support the bill without necessarily speaking to some of the more sort of policy issues that have been identified.

I'm curious as to what the practice has been in the past with respect to the public hearings done by these committees. Have any of the committees in the past – I guess that maybe I should be directing the questions to these folks over here – ever gone through a process of picking and choosing presenters, or have we typically just said public/nonpublic and then allowed everybody the opportunity? I'm a little bit concerned about commencing that process and the precedent that that might set. I'm curious as to how that has been addressed in the past.

The Chair: Okay. I'll ask some staff to respond to that with regard to precedent for committees. Have there been invitations to present, or have they been typically public notices?

Dr. Massolin: Well, there is precedent for this sort of thing. It has happened in the health committee with the Bill 52 review, where the committee decided to invite particular stakeholders. But in other committees I think the case has been that for stakeholders or members of the public who wish to appear, the committee made a decision on whether or not they wanted to have public hearings. If they did, they invited those that wished to appear.

The Chair: Okay. So there's a fairly broad precedent with regard to this situation that we're considering.

Dr. Massolin: Yes.

Ms Notley: With Bill 52 – I can't remember; I was involved with that – had there been people wanting to present that we didn't allow, or had we not invited people to present?

Dr. Massolin: If memory serves, Mr. Chair and Ms Notley, I think what happened was it was a reverse process, where the committee decided to invite sort of in-person submissions, and after that written submissions were solicited, and then subsequent to the written submissions that was it. So it was just kind of a reverse process.

Ms Notley: I'm just concerned about a precedent of having asked people whether they want to present, then people and organizations saying yes, and then subsequently saying: we don't want to hear from you. That's my concern.

The Chair: Okay.

Ms Dean: Mr. Chair, I just want to clarify Dr. Massolin's comments. There were no public hearings per se with respect to Bill 52. The committee made a decision to hear from select groups.

Ms Notley: Right. Okay. Thanks.

Mr. Chase: It's not my intent to increase the scope or the cost of the committee, but I would very much like to hear first-hand and hopefully be in Edmonton to have representatives from both AUMA and AAMD and C, who are most directly affected by the legislation of Bill 202, have a chance to speak directly to the committee. I know they're amongst the 27 submissions, but I think that it would be well worth hearing their concerns.

Mr. Hehr: Mr. Chair, if I could get on the list.

The Chair: Okay. I'll put you on. I've got Mr. Johnson, then Mr. Lukaszuk, then Mr. Hehr.

Mr. Rodney: Sir, I'd like to be on the list whenever it's possible, please. Thanks.

The Chair: Thank you.

Mr. Johnson: I just want to echo what Mr. Lukaszuk and Mrs. Sarich had said. Maybe we want to look first at some of the stakeholders that are organizations to present first and look at individuals potentially at a later date. I'd sure like to hear the list that Mr. Lukaszuk has, and maybe we could start working through that, I would suggest.

The Chair: Okay. I'm not sure how we need to formalize this. I mean, I've heard pretty general agreement that we do want to invite presenters to attend a further meeting of the committee. Do we need that by motion? Having heard no opposition to that, I'll assume that we are going to invite people.

I'd ask Mr. Lukaszuk to share the list that he's drawn up. I imagine a number of other committee members have some suggestions on that. Why don't you present your list to begin with, Mr. Lukaszuk.

Mr. Lukaszuk: Thank you. First, before I get to the list, I need to clarify my earlier comment. When I said that there were six and I was corrected that it was four, I was referring to the presentations that clearly indicated that if an opportunity arises, they would like to present in person. That was fairly clearly put to them. We asked them: if an opportunity was to arise, would you be interested in presenting in person? Some indicated "yes," and many indicated "no."

Here is my draft list, and sort of pick away at it. These are the groups that I personally think would be of benefit to the committee to hear from in person, some of which have indicated that they would take the opportunity to present in person if given it.

Surely, for background reasons and to enhance my understanding of the auditing processes, I would like to hear from one, being the Institute of Internal Auditors. I think there's a wealth of information and some professional perspective out there that could be shared with us.

Also from the Institute of Chartered Accountants of Alberta. The reason I picked them is that this is the governing body of all accounting firms in Alberta. Individual municipalities in Alberta often retain the services of accounting firms to audit them, so they can give us a perspective of how their members audit municipalities as is.

And the Department of Education. Because we will be dealing with school boards over here, I would like to find out how school boards throughout the province deal with the issue of auditing.

Relevant directly to the response to Bill 202 I would like to hear from the Calgary Chamber of Commerce. It's a large group that submitted, wants to present in person, had some very strong opinions on the bill.

I would like to hear also from the Canadian Federation of Independent Business, another large group that had some strong opinions on the bill.

Then there are two groups that represent your citizens, and I would pick either/or and leave it to the committee. There was the St. Albert Taxpayers Association, and there was the Canadian Taxpayers Federation. Both submitted and expressed a desire to present. I think they can give us a good perspective from the, quote, unquote, taxpayers' vantage point.

Then, obviously, equally important, I would like to hear from AUMA and from AAMD and C, groups that have always provided

the Minister of Municipal Affairs with valuable input on behalf of their stakeholders, their constituents, being municipalities. We would be remiss if we didn't hear from those two groups.

9:40

Now, two municipalities definitely have expressed a desire to appear before us, those being the city of Calgary and the city of Edmonton. I think we would miss a lot if we did not hear from those two municipalities. As they distinguish themselves by size, they feel that they have a different perspective. Whether true or not, it would be interesting to hear their perspective. But to counterbalance that, from my notes the town of Devon was the only municipality other than those two large municipalities that expressed a desire to appear in person. So if the town of Devon continues to be interested, it would be good to hear from a mid-sized municipality or a smaller municipality.

That's my list. It would satisfy my personal needs to arrive at a fairly educated decision.

The Chair: Thank you, Mr. Lukaszuk.

The list of speakers that I have has grown somewhat. Mr. Hehr, you wanted to make some comments.

Mr. Hehr: Yes. Thank you, Mr. Chair. Mr. Lukaszuk's list was quite similar to the list of submitters requesting to appear before the committee. Not to be in the business of picking winners and losers of who gets to present, why don't we just hear all the people who wanted to present? It looks like there are only four or five more on the list that the committee would hear from. Why not hear from everyone who indicated wanting an opportunity to speak before this honourable committee? Everyone can feel they've participated. We can do our due diligence and extend them the courtesy to appear before our group. I don't think that that would significantly impede the work of the committee. We may get a little bit of redundancy with the information presented; nevertheless, giving people the opportunity to be heard is never a bad thing. So that's what I would request we do as a committee, that anyone who requested to appear before the committee should be given that opportunity.

Thank you.

The Chair: Thank you, Mr. Hehr.

I think Mr. Lukaszuk wanted to make a comment directly to that point.

Mr. Lukaszuk: Mr. Hehr, we should mark this date because we agree on everything, and that in itself makes it a very special day. I'm with you on this one. The only reason I excluded what I thought was six but now know is four individual respondents – and I hope you agree with me on this one – is that having read their comments because the letters are drafted in such a manner that they do actually respond to the issue at hand, the real essence of the body of their letters was very particular and well-defined issues between them, being the writer, and a given municipality.

I really would not want to put this committee in a position where we're hearing individual citizen's grievances with individual municipalities for two reasons: (a) this is really not the venue, and it should never become the venue for that – there are processes within municipalities and the Minister of Municipal Affairs to vent those individual grievances – and (b) then we would be remiss not hearing from those affected municipalities to hear their side of the story, and to what avail? You know, that's the reason for which I excluded those four particular potential presenters. It has nothing to do with who they are, where they come from, or what their story is,

but they are very particular to particular issues and particular municipalities and not dealing with the overarching global issues of transparency and accountability of municipalities.

Mr. Hehr: Can I respond, Mr. Chair?

The Chair: I'll put you on the list. We've got a list. I'll put you back on the list, and you'll come up fairly quickly.

Mr. Hehr: Okay. Sure thing. No worries.

The Chair: Mr. Rodney, please. You requested a spot.

Mr. Rodney: Yes. Thank you, sir. Mr. Johnson covered a couple of my points. I was interested in Mr. Johnston, with a "t", and how he feels about this, considering his angle towards this. You know, we need to be somewhat concerned about precedent, of course, but I think that, more importantly, efficiency is really key here. Who do we need to hear from and why?

I guess my question is this: why would we want to hear from anyone at all if they've already written a proposal? The only reason would be that they have something new. The question then is: well, why wouldn't that have been in their written submission? Well, maybe times have changed, and it's updated, and that's all fine. I'm not saying we shouldn't see anyone, but I think one of the provisos should be that there needs to be something slightly different or updated or new in a presentation. Maybe Mr. Lukaszuk and I should write this on the calendar because we agree a great deal on this.

I want to refer specifically to comments on individuals presenting. Again, for the sake of efficiency and effectiveness it really makes sense to me to see a cross-section of organizations. We don't need to see absolutely everybody. It would be unwieldy.

I guess, to sum up, sir, if we can see a cross-section of organizations that really represent the province quite well, then let's see them, let's find out if they have something new and different to tell us, and let's move onward and upward. I don't think Albertans or Canadians are interested enough. Let's take a good look at it, let's make a decision, and let's move on.

The Chair: Okay. Thank you, Mr. Rodney.

Ms Notley, you were on my list. Go ahead, please.

Ms Notley: Thanks. I probably didn't communicate my concerns well enough the last time around. This is a little bit of what I was worried about getting into: rather than looking at sort of the respective positions and the merits of each submitter, whether or not we ought to have a clear set of rules and criteria around how people have their right acknowledged to appear before this committee. We are, theoretically, about providing for some public oversight and transparency, so I'm concerned about this process of picking and choosing.

For instance, with the list that Mr. Lukaszuk has put forward, obviously some of those people and groups, groups particularly, are ones that we'd want to hear from. But, I mean, there's a group that didn't respond at all to our request, the Institute of Internal Auditors. As far as I can see, there's no submission from them at all. Then we have a whole slew of pretty much every group which is in favour of the bill. Then we have the two or three biggest organizations which are opposed.

In reality, if you exclude from the list the individuals that Mr. Lukaszuk mentioned, you know, the individual ones who have their issue, particularly with the bridge in Calgary, then we've got, really, 90 per cent of the people submitting to us opposed to the bill, but we

are crafting a group that we're going to hear from, the majority of whom are in favour of it, and we're doing that by picking and choosing, not going by the list of who's indicated they want to be heard, not going by the list of who has even responded to our request for information.

There may be good reason for some of the names that Mr. Lukaszuk has put forward, but the point is that we're really playing fast and loose, and we don't seem to have a clear set of criteria. If I am somebody who is in a municipality who feels very, very strongly about this bill and I don't get the opportunity to present or I find out that other people have been invited to present and I wasn't, then I start to ask: well, how did we exactly decide who's in, who's out? What I'm trying to do is to have people analyze this from the perspective of the 100 submitters, which I think is almost unprecedented in terms of the number of submissions we've gotten on this bill. How do we come up with a clearly defensible set of criteria for who's in and who's out with respect to the in-person meeting process? I think that's important.

9:50

Also, just in terms of the list that's put forward, you know, if we're going to reach in to those people who did not indicate a desire to be heard in person and say, "Well, you'd be useful," then we need to also do that with respect to the 98 per cent of municipalities that contacted us to say that they're not in favour of this. We need to reach in and get sort of the mid-level sizes, the small sizes, the MDs, really have a representative sample from the whole scope of municipal organizations rather than limit who we hear from in terms of the municipalities to simply those who put their name forward as wanting to be heard, given that we're reaching beyond that list in other situations. You see what I mean? Like, there needs to be a consistent application of a rule; otherwise, we get all of ourselves in trouble.

Then the final thing I was going to say is that there was one name on the list of people that wanted to be heard that was not an individual but also was not on Mr. Lukaszuk's list, this institute for public accountability. I'm not sure why they were not also on the list because they seemed to have a fairly intelligent set of submissions.

Anyway, I think what I'm really trying to do is highlight how, if we don't have criteria in advance, it deteriorates very quickly into something that's hard to justify because we have a hundred submitters and a lot of municipalities who obviously have reasonably strong opinions on this.

The Chair: Thank you.

Mrs. Sarich, please.

Mrs. Sarich: Thank you very much, Mr. Chair. Just a couple of points. Let me open by saying that going back to the communiqué that was circulated for all Albertans to participate in our process, we did say in the advertisement, and I'll quote right from the advertisement:

If the Committee holds public hearings at a later date, parties may be asked to make an oral presentation. Those wishing to be considered for an oral presentation should so indicate in their written submission. Submissions will be made public.

Having said that, there are some salient points that Ms Notley has brought, you know, in this discussion. Not everybody in the submissions wanted an opportunity for a presentation to the committee. More importantly, there were a number of groups that were providing a framework of information and did not take any position in support or not in support of Bill 202. One in particular that was not on Mr. Lukaszuk's list – and I do recall Mr. Lukaszuk indicating that it was his list of some stakeholders that he would like

to put forward, and it wasn't, you know, a start and an end. My sense from his comments was that there was opportunity for any committee member to put forward any thoughts that they would have in regard to stakeholders coming forward.

One of the neutral positions that was taken was by the Auditor General for our province. In the letter that was part of their submission, Mr. Dunn had indicated that if you, meaning our committee, have any questions or would like further information on the material highlighted in this submission, please do not hesitate to contact him directly for that. The Auditor General, to the best of my recollection, wasn't on Mr. Lukaszuk's list. I did say in my comments a little while ago that I did have some notes or considerations for stakeholders, and this would be one that I think would be most helpful to frame a context about what we're looking at in the complexities of Bill 202. Once again, the Auditor General did not have a position in support or otherwise. The whole purpose was to frame a context around providing information to the committee, which I think would be helpful.

I guess that further to that is the consideration: are we, Mr. Chair, looking at a set of principles or guidelines for the selection of stakeholders where we have the flexibility to put forward some potential groups, given that even on Mr. Lukaszuk's list there was one group that did not make a submission, and that was the Institute of Internal Auditors? You know, being a little bit familiar with that group – and I know that they have an Edmonton chapter – as an example, they, like the Auditor General, do provide a framework of information that might be helpful in the context of just not taking any position but providing a little bit more insight and information to this committee. Even though they never made a submission, are we proposing that we do have the flexibility to go a little bit outside to get stakeholders such as that one, a very credible one, to provide information to the committee to help increase our body of knowledge in this area of the internal controls, things that are concerns, and questions being raised by many, many of the stakeholders that chose to write to this committee? I'd be supportive of having that credible group being seriously considered by the committee, including the Auditor General, who did not take a position, to provide information.

I would also submit to you, Mr. Chair, that we should have the flexibility to invite stakeholder groups that could provide a body of knowledge to help us understand this area of audit that's one of the components of Bill 202. Even from the citizen perspective, citizens would like to know that they are assured of accountability, transparency, and best practice when it comes to what Bill 202 is driving at and also what currently exists in the legislation that we have in this province.

I'll leave it to other members of the committee to put forward their viewpoints on this matter. Thank you.

The Chair: Okay. Thank you.

I think that with reference to the potential appearance of the Auditor General it's quite possible that he might be reluctant to present to the committee, and I think it's quite possible also that the Institute of Chartered Accountants' perspective on the matter at hand may well cover the perspective that we also had from the Auditor General. That would be, I think, some information that, you know, we would need to take into consideration with regard to the Auditor General's appearance.

Mr. Chase: Could you put me on the list, please?

The Chair: At this point we'll go to Mr. Johnson, please, followed by Mr. Hehr.

I got your request, Mr. Chase.

Mr. Chase: Thank you.

Mr. Johnson: Thank you, Mr. Chair. I was going to follow up on a few of the folks that Mr. Lukaszuk had on the list there. I appreciate Mrs. Sarich's addition of the Auditor General for consideration. That's one that I would suggest.

I know that we're looking at inviting the city of Edmonton and the city of Calgary as they feel they're fairly unique in terms of municipalities. Since we're inviting them, Mr. Lukaszuk suggested that we invite the town of Devon, who had also expressed interest. I'm going to suggest that we also have two other municipalities, which are rural municipalities, municipal districts, that requested to present, and they are the municipal district of Greenview and Northern Sunrise county, I believe. If the larger municipalities are unique and they need to present to express how they may be unique, I think it's only fair that we might grant a couple of representatives of smaller rural areas that same opportunity.

I don't think we need to invite everyone who responded that they would be interested. I don't think that we need to be restricted in any way from inviting groups that didn't respond. I think that's the purview of this committee, to make sure that we've got the information that we feel we need to make good recommendations. I certainly don't think we should be giving the impression that if you don't get an oral presentation, your written submission is discounted or any less valuable. I don't think that's the case at all.

I do support Mr. Lukaszuk's comments. At least at this point in time I think we should stay away from individuals because many of them are gravitated to one isolated incident within a municipality. I know it's probably the same for urban representatives, but as a rural representative that is privileged to represent 13 municipalities, daily I get concerns from citizens with how councils operate or how money is spent in a municipality. If we feel that we're going to hear from all those people or that this venue be a platform for that, there is going to be no end of it. I'm not sure that we can get more value out of some of the folks that have submitted written responses with respect to the specific issues they've outlined, like a water reservoir or ABCP writedown in the case of Lethbridge.

I think we stick to the organizations that we've outlined. I'd be very positive to get to that discussion. Let's take a vote on some of the organizations that we've got on the table.

The Chair: Okay. I'll keep that in mind.

We do have four other speakers on the list. Mr. Hehr, followed by Mr. Lukaszuk, please.

10:00

Mr. Hehr: Well, thank you very much, Mr. Chair. It looks like we're starting to get almost the whole list of people who requested to appear before the committee except for the individuals who wrote letters. I agree with Mr. Johnson and Mr. Lukaszuk that they had specific, shall we say, issues with municipalities. Nevertheless, they did take the opportunity to write the committee and ask for the appearance, and I wouldn't want to take that away from them. We can always limit their presentation to: in some fashion, sir, is this different than what you presented in your materials? There are ways that we can control the procedure if it gets out of hand in that measure. I still believe that would be a reasonable thing. If we're going to invite some people who requested to appear before the committee, I don't know if we can now limit it and pick, shall we say, people who can present and people who can't, although I do hear the concerns, and they're rational, reasonable concerns.

Just moving on to the next point. I didn't see that on the list, but I agree with Mrs. Sarich's point that if the Auditor General, Mr.

Dunn, sent a letter saying he would appear before the committee, I think it would be remiss not to include him on the list of submitters requesting to appear before the committee. I think we could almost tag him on. Since he sent us a letter, he would be one of those people requesting or, at our request at least, opening himself up to the possibility of appearing.

I think I've made my point fairly clear that I'd like to hear from everyone who said they would like to appear, just for the sake of giving people the opportunity to be heard by their government.

Anyway, those are my comments, and I appreciate hearing some other thoughts.

The Chair: Thank you, Mr. Hehr.

Mr. Lukaszuk, please, followed by Mr. Chase.

Mr. Lukaszuk: Well, thank you. Just to clarify a few matters in response to Ms Notley's comments. Ms Notley, you're alluding that my initial list, before the three new entities were added, somehow favours one view or the other of the bill. Simply, the facts are contrary to what you say. The three and now four groups that are invited to just give us background information, as a matter of fact, are not in a position to wade into the bill and be either proponents or opponents of it.

The Institute of Internal Auditors is just simply for educating us. I'm not an accountant or auditor by trade. I'm a teacher, and there's lots to be learned before I make a decision. I think these guys can give us what are the best practices not only in Alberta but in Canada or throughout the world, how auditing looks, how it should be done, and what should be sufficient auditing.

The Institute of Chartered Accountants could respond to that and tell us what they actually do because their members do all the auditing right now as is, so they can tell us what their member firms do and how they audit the municipalities as is, so they'll give us the status quo.

Same with the third party, being the Department of Education. They can tell us how the school boards are audited as is. It's up to us to draw the conclusion whether it's sufficient or not, but they could tell us what is out there as is right now.

Now, I agree that the Auditor General could also tell us what his perspective is. Once we release the dollars from the province to these other orders of government, is he satisfied with what happens with those dollars there? So that's just status quo. He will not tell us what should or shouldn't be done.

Now, from those who have well-defined opinions on the bill, Ms Notley, actually, the contrary is the truth. I imagine, based on their submission, the Calgary Chamber of Commerce is very much in favour of this bill, so that's one. The Canadian Federation of Independent Business is very much in favour of the bill, so that's two. The St. Albert Taxpayers Association is very much in favour of the bill, so that's three. The Canadian Taxpayers Federation is very much in favour of the bill, so that's four. The institute for public accountability, as you brought forward, is very much in favour of the bill. That's five, I imagine. Now, I don't know because they haven't submitted, but I imagine they will be in favour of the bill.

Now, AUMA, I imagine, will be opposing the bill; that's one. AAMDC is opposing the bill; that's two. Calgary and Edmonton are both opposing; that's four. And now if we allow the town of Devon to oppose it, that's five. So, actually, it's quite a balanced slate of what we anticipate will be strong pro and con. There isn't, you know, stacking the committee speakers one way or the other.

To go further on your comments, my only concern – and Mr. Hehr is right again. The only ones really precluded from presenting – and they're not precluded because the question is clear to them: if the

opportunity arises and you're asked to present, will you? It's not saying that you will have an opportunity to present. The only persons that I'm worried about hearing from are persons that have individual issues. You brought up the bridge in Calgary, and that's great because that's one of the presentations.

My, I guess, rhetorical question to you, Ms Notley, would be: do you really want to sit at this table and have an individual citizen arguing why a bridge should or shouldn't have been built, where it should have been built, and for how much it should have been built without giving the opportunity to the municipality to counter those arguments and flesh out some facts? Do we want to be that body that citizens come in front of and vet individual issues that they may or may not have with municipalities?

First of all, (a), I would have to exclude myself from that meeting, being in Municipal Affairs, because there is an internal Municipal Affairs process to vet those issues if a citizen chose to do that, and (b) I think it would almost be unbecoming of us as a legislative committee to formulate ourselves, to constitute ourselves, as a body that hears grievances of citizens versus other orders of government. Parents, then, might as well show up and agree or disagree with individual school board decisions for funding of a special-needs child or not. You know, then you're really opening up the Pandora's box. If that's what you want this committee to be, which you very well may want, I'm not with you on this one. It's also auditing of school boards and how they spend their money, and there are a lot of parents, probably, that disagree with how school boards spend their money. Why not them?

The Chair: Thank you, Mr. Lukaszuk.

We'll go to Mr. Chase, followed by Mrs. Sarich, please.

Mr. Chase: Thank you. I'm very pleased to be a member of this all-party advisory committee, and I'm also pleased to see the number of overlapping supports for presenters suggested. I have great respect for Auditor General Fred Dunn, and I would welcome his input based on his specific Alberta experience. I, for one, am particularly sorry that he's leaving in February, a year before his mandate expired. I also am supportive of MLA Thomas Lukaszuk's idea of hearing from the Institute of Internal Auditors. I would suggest that that would not be mutually exclusive of hearing from Auditor General Dunn, who's got a specific Alberta view of things as well as his larger national experience prior to his position with Alberta.

With regard to the school board auditing procedures, I have no problem with that. I would note that in the late '90s former MLA Denis Herard spent 18 months going over the books in an external auditing of the Calgary school board, and the findings were that they were doing a good job despite some internal difficulties with the trustees at that time.

Also, given the fact that our health board deficit is approaching \$1.3 billion or some figure in that area, I think it would be a very good idea to hear from the auditors who do the auditing for the various health boards. We don't have to hear from the previous 17 or the previous nine, but how the current superboard is proceeding with its audits I think would be very instructive.

The Chair: Thank you, Mr. Chase.

We'll go to Mrs. Sarich, followed by Ms Notley, please.

10:10

Mrs. Sarich: Thank you very much, Mr. Chair. There was one of the comments that you had made in relation to the invitation extended by our committee through you to stakeholders, and I would just like to revisit that for one moment. I think it's really important,

whatever the list is that we finalize as a committee, that the invitation is extended. If a stakeholder does not feel comfortable in following through with that oral presentation opportunity, then that would be by their choice. For example, if Mayor Mandel chose not to come before the committee or send a representative and let their documentation submission stand with this committee in absence of an oral presentation, it doesn't take away the importance and strength of what they said initially on their submission. It's just a choice of not coming before the committee.

I think it's important, once again, whatever that final list is, that the stakeholder itself makes the determination of whether or not to come forward to give an oral presentation, which also provides committee members their opportunity to ask some salient questions around the presentation. It might be a reiteration of the same information that was provided in hard copy to us as a committee, and there might be some new information that might be helpful.

In the list that we seem to be working on, I just would like to also emphasize the point that the Auditor General and perhaps – and I'm not certain because there was no hard copy submission by the Institute of Internal Auditors. But I feel very confident that the lead by Fred Dunn in that submission was a neutral one. It did not support the bill. It did not oppose the bill. The whole premise of the submission was to provide a body of information helpful and useful to frame the context of audit to show deference where appropriate in the functions, explanation around roles, responsibilities. I suspect that if the Institute of Internal Auditors were provided an opportunity to give an oral presentation to our committee and if they chose to take up that opportunity, that presentation and information to be shared with the committee would be one of a neutral aspect as well so that we would increase our body of knowledge as to the complexities when we're looking at the issue of internal control.

Another point I'd like to make touches on the area of the citizens' submissions. Having gone through that, citizens have expressed concerns, I think, in a number of themed areas: increased accountability would be one, an increase and assurance of transparency, and also the best practices. I agree with Mr. Lukaszuk and others who have indicated that having citizens come that may have, through their hard-copy submission to the committee, outlined a situation that was close to home in their community or for them as an individual – if you read in the context of a lot of those submissions by citizens, they were driving at those points of accountability, transparency, and best practice.

I think that the information provided by neutral stakeholders such as the Auditor General and perhaps the Institute of Internal Auditors would be very helpful for the citizens. We'd be doing a lot of justice for our committee to hear that platform of information, and it would be helpful to the citizens that made submissions to our committee to know that we are taking up the challenge and getting more information into the committee about those three big areas that are very important when it comes to the decisions that are made at local municipalities. So that's the assurance for the citizens that our committee would be asking for that information and learning more about those functions so that if in the end we're going to look at whether it be recommendations or whatever format it would be formulated for us as a committee, the citizens at the end of the day knew that this standing committee took a look in depth, very seriously at those three broad areas and learning more from the Auditor General and other stakeholders to provide that body of information for us.

Thank you very much.

The Chair: Thank you, Mrs. Sarich.

Ms Notley, followed by Mr. Lukaszuk. I think we need to get to the point of decision fairly soon.

Ms Notley: Okay. Well, we're in a bit of a situation here because, obviously, we've moved into a picking and choosing kind of thing without ever really setting up any clear criteria, which is a bit frustrating.

Based on that, just a couple of comments in terms of how I think the list needs to be adjusted. First of all, in response to Mr. Lukaszuk's comments, he's right. He has constructed a list where amongst those who have an opinion, either yea or nay, we are hearing basically a 50-50 breakdown. The fact of the matter is, though, that on the basis of the submissions we received, if you exclude the individual submissions, which he appears to want to do, and exclude those who didn't take a position and do a breakdown between those who took a position and who didn't, amongst the submissions it's about 52 out of 55 that were opposed. We heard about a 95 per cent opposition rate, and we're going to invite a 50-50 presentation. Whatever. If that's ultimately what you want to do, that's fine, but again the criteria for it and having criteria in place might help to justify that decision.

Having said that, in terms of the citizens themselves I do really believe that if people indicate a desire to be heard, then they should be heard. I don't think it's fair to make the generalization that all 27 individual citizens who responded were uptight over one particular issue. I don't think that's fair or respectful to the citizens who made submissions. I do believe that it's very possible to set parameters for them, to say: "You've asked to be heard, and we respect that request. Be aware that these are the parameters within which we want to hear your opinion. We don't want to get involved in individual municipal disputes, that kind of thing, and we won't hear them. Rather, we want to hear on this broader issue. We respect the fact that you've requested to be heard, and therefore would you like to be heard under this set of parameters?" In that case, I mean, we're only talking about four people that aren't now on the list that we're sort of creating as we go along. I just think the precedent of allowing those people the opportunity is important to maintain. So that's that.

With respect to the Institute for Public Sector Accountability, just to correct something that was said, they did make a submission. At least as far as the summary goes, they were opposed to it. I think I heard that there was agreement that they should be on the list given that they requested to be heard, but I just want to make sure that that's clear.

Two other things. With respect to the issue of school boards I'm not sure where Mr. Lukaszuk was going in talking about kids and individual circumstances. I'm not quite sure where that went, where that came from. Nonetheless, if you're going to go to the Department of Education, which didn't make a submission, and were considering going to people that didn't make submissions and if issues around school boards are relevant, why would we not invite something from a school board trustee association? It seems to me that that would be a fair group to include. That was another point.

Finally, in terms of having a more representative sample of the municipalities, because there were so many municipalities that wrote in and since we have, for instance, decided to invite the Calgary Chamber of Commerce for no apparent reason – except I'm sure they'll have very intelligent things to say. They made a submission, but they didn't ask to be heard. That is my point. We had about 50 municipalities that made submissions, too. I appreciate that we're going to invite the two bigger cities, who actually asked to be heard, and Devon and the two MDs who also asked to be heard, but I would think that we would also want to give the opportunity to a couple of mid-sized cities, you know, whether it be Red Deer, Grande Prairie, Lethbridge, Medicine Hat, and pick a couple of those and then a couple of smaller towns, whether it be Fairview or a smaller town like that. Then I think we've got one MD, maybe one other MD. I

think that we should try to craft a representative sample from within the very large group of municipal organizations that made submissions, and I think we need to do that because we've clearly decided to go outside of the list of people who asked to make submissions.

The Chair: Ms Notley, I think some of those points you've actually already made previously, so I'm going to ask that we move on.

Ms Notley: I was trying to avoid getting into creating a list in the committee, but now that we are, I'm making my points about who should be on the list.

10:20

The Chair: Well, okay. Thank you.

Mr. Lukaszuk: Well, a case in point of why we need the Institute of Chartered Accountants to give us a bit of a lecture on spinning numbers. Ms Notley, no matter what you do with the numbers, the long and the short of it is that from all of the people who submitted in writing and who expressed not a desire but a willingness to appear before the committee in person, by the criteria that I'm putting forward, only four – and that's four individuals – would be precluded. Yes, a few will be asked to appear even though they did not say specifically that they want to, but we would ask them simply because of the expertise that they bring in and the large constituency that they represent. Only four individuals, four Albertans, would be precluded and simply on the basis that in their letter they're raising specific issues, and that's all.

If you want to add more municipalities, go for it. Fine. If you want to hear from all of the municipalities, go for it, but I don't think we have a need for that because that's why they have the AUMA and that's why they have the AAMD and C. The only reason that Devon got on the list is because they were the only municipality who specifically said: we want to present. Calgary and Edmonton were the only municipalities that specifically said, "We want to present" despite the fact that the AUMA and the AAMD and C will be presenting on their behalf. It's that clear. There is no deviance behind how I constructed this list.

Now, in response to Mr. Hehr, in preparing for this meeting, as I'm sure you have, an in-depth reading of just the title of the bill would lead you, I hope, to realize that we're amending here the Municipal Government Act, which has nothing to do with health boards and health care. So either you're playing politics, Mr. Hehr, or perhaps we should get another briefing from our Parliamentary Counsel on what bill it is that we're amending here in the first place.

The Chair: Thank you, Mr. Lukaszuk.

Mr. Bhardwaj: Just a couple of comments, Mr. Chairman. I think there has been a wonderful discussion all the way around, hearing from, you know, all kinds of people. I'm just kind of curious – I've been writing some of this stuff down – if you want me to make a motion of the list I have kind of compiled here and then if you want to take out or add or put a motion to it.

I'm just going to read the list. I've got

the Institute of Internal Auditors, Institute of Chartered Accountants of Alberta, Department of Education, Auditor General, Calgary Chamber of Commerce, Canadian Federation of Independent Business, St. Albert Taxpayers Association, Canadian Taxpayers Federation, AUMA, AAMD and C, city of Calgary, city of Edmonton, town of Devon, Institute for Public Sector Accountability, Northern Sunrise county, and MD of Greenview.

I've got a list of 16 people, institutions, organizations here that we've been discussing and that are being proposed by Mr. Lukaszuk

and others whom I've got on my list. If you want me to put it in the form of a motion, I can, and I'll leave it at that.

The Chair: Okay. I'd invite you to do that, please.

Mr. Bhardwaj: I so move the motion. Please accept what I'm proposing.

The Chair: Okay. Seconded by Mr. Lukaszuk.

Mr. Chase: Can we have discussion on the motion?

The Chair: Yes, we can.

Mr. Chase: Could you add me to the list, please?

The Chair: Mr. Chase, go ahead.

Mr. Chase: I appreciate the fact that Thomas brought up education because it's a major expenditure. It directly affects cities and might potentially be part of the oversight of Bill 202. But the largest expenditure is currently on health care, so I would very much appreciate hearing from somebody who has done the auditing most recently in health care. Somebody who is crunching the numbers, for example, on the superboard I think would be very instructive because that is our largest area. If we're going to include education, I would hope that we would also include some intelligent accounting input from health. I'm just suggesting that I'm in support of the motion that has been put forward. I'd just like to add some kind of feedback from the health ministry or the superboard auditors.

Mr. Lukaszuk: Mr. Chase, I'm going to try to be as polite as I can in getting this message across: we are amending here the municipal act. You agree with that, I hope.

Mr. Chase: I do, and you also mentioned education.

Mr. Lukaszuk: That's correct. The election of school boards, the school boards that expend the dollars that are allotted through the Ministry of Education: these school boards are also elected under the municipal act, and they fall within the realm of the municipal act. Those are orders of government elected in Alberta by Albertans during the municipal election. You do agree with that?

Mr. Chase: I see the connection you're drawing.

Mr. Lukaszuk: I'm glad you're seeing the connection. Health care expenditures, sir, are under the health act, and they have nothing to do with this act that we're reviewing right now. The board, Alberta Health Services, is not a body elected during a municipal election unless I missed that box on the ballot, so I'm not even sure why you're bringing this forward over here. It's ludicrous. I think you understand it; I know you understand it. So either you're doing this on purpose, or if you don't understand, then we honestly need a briefing because I would hate to have committee members on this committee rendering a decision on this important issue when they don't even know what act we're reviewing, Mr. Chair.

The Chair: We have a motion on the floor. Any further comments with regard to the motion?

Mr. Chase: Yes. I'd like to get on again.

The Chair: Very quickly, please.

Mr. Chase: I appreciate Mr. Lukaszuk's explanation. I also note that "ludicrous" and "Lukaszuk" start with "l." That being said, I understand the restrictions he . . .

The Chair: That's out of order, Mr. Chase.

Mr. Chase: Oh. Thank you.

I understand the connections he's making, and I think we will benefit by hearing from school boards. Therefore, I will withdraw the suggestion with regard to health regions although for a brief period of nine months in history they were actually elected and, I believe, at the same time as school boards and municipal aldermen.

The Chair: Okay. Thank you.

With that, I'm just going to ask that we review. We have a motion on the floor that itemizes specifically – very quickly, Ms Notley. We'll give you an opportunity to speak, and then we'll vote on the issue.

Ms Notley: Well, what I wanted to do was make an amendment to the motion, and I have two amendments to propose.

The Chair: Okay. Move ahead quickly, please.

Ms Notley: Okay. I would move an amendment, and I'm going to divide them into two. The first amendment would be that those private citizens who requested the opportunity to be heard by this committee also have their names included on the list.

The Chair: We don't need a seconder, I understand, so that's on the floor. Any further discussion with regard to the amendment to the motion?

Ms Notley: I've made my point.

The Chair: Question. All in favour of the amendment? Opposed? The amendment is defeated.

Ms Notley: Could I ask that that be recorded, that names be recorded in the minutes?

The Chair: We can record them. We'll go around the table, Ms Notley.

Ms Notley: Thank you.

The Chair: In favour?

Ms Notley: In favour.

Mrs. Sarich: Opposed.

Mr. Lukaszuk: Opposed.

Mr. Johnson: Opposed.

Mr. Bhardwaj: Opposed.

Mr. Benito: Opposed.

The Chair: On the phone?

Mr. Hehr: I'm in favour.

Mr. Chase: In favour.

Mr. Rodney: Opposed.

Mr. Johnston: Opposed.

The Chair: Okay. Thank you.

Ms Notley: I have another amendment.

The Chair: Okay. Please.

Ms Notley: I will speak to this very briefly, but I propose that we add to the list the Alberta school board trustees association and also the Edmonton and Calgary school boards. If you'd like, I'll speak to it very briefly.

The Chair: Go ahead and speak to it.

Ms Notley: Simply this. Those organizations were not on the list of specific groups that were invited to make submissions when we met last time. You know, we did a good job of putting together those large groups that needed to be specifically notified of the need for this. The only way those organizations would have heard about this and the implications to them would have been by seeing the notice in the paper, unlike how all of the municipalities got direct notice. So I would like to see, because I feel that it may almost have been an oversight, those three key organizations given the opportunity to be made aware of the issue and invited to present.

10:30

The Chair: Thank you.
Mrs. Sarich.

Mrs. Sarich: Thank you, Mr. Chair. Just a point of clarification to Ms Notley: there is the Alberta School Boards Association, commonly known as ASBA, and then there's the ACSTA, which is the Alberta Catholic School Trustees' Association. The Catholic school board trustees in the province belong to ASBA, the Alberta School Boards Association. I'd like you to clarify for the committee which entities you are referring to, if you wouldn't mind.

Ms Notley: If the Catholic school board trustees are part of ASBA, then I would just limit it to – I'm sorry; I need a point of clarification. Did you say that the Catholic school board trustees are members of the ASBA?

Mrs. Sarich: That's correct.

Ms Notley: Okay. Then I would be content with just the ASBA being added to that list.

Mrs. Sarich: Another point. Because we have Alberta Education on our list as stakeholders, the ASBA – I believe that Alberta Education would be positioned quite nicely to provide a framework of information as to the current governance and legislation and regulation in place regarding the matter that we're looking at, that is in the area of audit or in that particular area.

Alberta School Boards Association could provide some insight as the governing body and the voice for all school boards in the province, so I would have really no hesitation in adding them to that

list, but I just think that the committee should know that Alberta Education would be quite nicely positioned to speak on the matter. I'm not too sure if another stakeholder like ASBA, Alberta School Boards Association, is necessary to that and would provide anything different. It depends what construct of information the committee would require.

Mr. Chase: Could you add me to the list, please?

The Chair: I will.

Mr. Lukaszuk: I think Ms Notley brings up a valid point because if Alberta Education presents, maybe it would be good to hear from those audited. In the vein of what Mrs. Sarich said, Ms Notley, maybe just to get those two tiers of schooling, Catholic and public, represented, would you compromise on having all the school boards represented either by the – help me out, Mrs. Sarich – ASBA or have the representatives of Catholic school boards and public school boards appear before us, as opposed to bringing in individual school boards?

If you bring Catholic, public Edmonton, you have to bring Catholic, public Calgary. Then there are the small ones, the rural school boards, that deal in a totally different reality because of the size of their budget. So then, fairly, we would have to bring some rural school boards. Would you agree, Ms Notley, to just bring the representatives of the two tiers, either both Catholic and public trustees' associations or just one representing all of them?

Ms Notley: Can I respond?

The Chair: Once, please.

Ms Notley: Thank you. As a point of discussion, I could agree with that in terms of who is invited to participate in the public hearings if we could also agree to send out another notice to the school boards, the same way we did to all the municipalities, inviting written submissions – just written – because I don't think they're aware of this.

The Chair: Mr. Chase, please. Thank you.

Mr. Chase: Yes. I just want to indicate my support for Ms Notley's suggestion with regard to including the ASBA. I want to thank the contributions from Mrs. Sarich and Mr. Lukaszuk. I think that while the education ministry has one side of the story and that they're the sole granter of education dollars to the various school boards, how the school boards receive those dollars and concerns about their internal auditing and the government's external auditing would be very appropriate to the discussion. I have no problem with the further notification to other school boards to indicate their concerns in writing, but I do believe, as Mr. Lukaszuk pointed out, that the ASBA represents all school boards, so their singular input would hopefully reflect the concerns of the individual boards within their auspices.

The Chair: Okay. Thank you, Mr. Chase.

We have an amendment on the table at this point, and the amendment is to include Edmonton and Calgary school boards and the ASBA. All in favour of the amendment, please indicate.

Mr. Johnston: I need a clarification, please.

Ms Notley: You know, I think we may still have a problem with the

individual school boards wanting to get back to us, but I think we can deal with that separately, so I would accept a friendly amendment or amend it to just include ASBA if we can move forward on that.

Mr. Lukaszuk: Withdraw it, and then you can bring another one.

Ms Notley: Okay.

I move that
we add the ASBA to the list of the groups that we invite.

The Chair: Okay. Thank you, Ms Notley.

All in favour of the amendment that we add the ASBA to the list that we are considering in this motion, please indicate. Opposed? Okay. That's carried. Thank you.

We now have an amended motion on the floor that includes a list of – how many organizations? – 17 organizations. All in favour of that motion with regard to inviting those groups to present to the committee, please indicate. Opposed?

Ms Notley: Sorry. We don't have the citizens on there, so I'm going to have to stay opposed.

The Chair: Okay. That motion is carried.

We've identified a significant number of groups to present to the committee. I assume that those presentations will be made here in Edmonton in these facilities unless there is direction otherwise, but I'm assuming that the invitation will be to present to the committee in this format. Roughly when would the committee like to hear from these groups? I assume from the number of groups that we've invited that it may take at least two different sessions potentially and

that we'll indicate a time frame with regard to a presentation. Any indication or wish from committee members with regard to the time frame? I would assume that it would take some time to set up these meetings, so it would be sometime in October at the earliest, I would suppose.

Mr. Chase: Just from a travelling and a convenience point of view, I would like it to happen concurrently with the session although I know that we're going to be extremely busy. About the only time I see it possible during session would be on selected evenings if it suits those individuals. The travelling: so many of the committee members are outside the Edmonton circle, so we could be doing our legislative duties and our extended legislative committee duties, hopefully, concurrently.

The Chair: Okay. That's a point of view that will be considered. I'm going to suggest, actually, that we not set specific dates today and that we'll poll the committee through the legislative staff and identify times and dates that will work for the majority of committee members and that that communication will happen subsequent to today's meeting. If that's acceptable to the committee, we'll proceed on that basis. Thank you.

Is there any other business that we need to consider today? If not, I thank you for your participation here this morning. To both the members on the phone and those present and staff that has provided support for this committee, thank you very much. We will be communicating further with regard to the next meeting. Thank you. This meeting is adjourned.

[The committee adjourned at 10:40 a.m.]

