

Title: Wednesday, May 5, 2004 Public Accounts Committee

Date: 04/05/05

Time: 8:32 a.m.

[Mr. MacDonald in the chair]

The Chair: Good morning, everyone. I would like to please call the Standing Committee on Public Accounts to order.

There has been an agenda circulated, and if I could have approval of that agenda.

Mr. Goudreau: So moved.

The Chair: Okay. Moved by Hector Goudreau that the agenda for the May 5, 2004, meeting be approved as distributed. All in favour?

Hon. Members: Agreed.

The Chair: Opposed? None. Carried.

May I also please have approval of the minutes of the meeting of April 28, 2004, that have been circulated.

Mr. Marz: I so move.

The Chair: Moved by Richard Marz that the minutes for the Standing Committee on Public Accounts meeting held on April 28, 2004, be approved as distributed. Thank you. Any opposed? Carried.

This morning on behalf of all members of the Standing Committee on Public Accounts I would like to welcome the hon. Premier Ralph Klein, President of Executive Council, to our meeting this morning. It is the usual order of this committee that the Premier can give the committee a brief overview of Executive Council. Also, any remarks that the Auditor General may wish to make in regard to his report from 2002-2003.

Now, the committee will be discussing this morning the annual report of the Auditor General for 2002-2003, the annual report of the government of Alberta for 2002-2003, and the annual report of the Executive Council for 2002-2003.

For those who are visiting Public Accounts for the first time, there is a limited amount of coffee in the room behind us, and there are also restrooms available adjacent to the elevator. Thank you.

Mr. Premier.

Mr. Klein: Well, thank you, Mr. Chairman, and good morning to all committee members. To our Auditor General, Fred Dunn, good to see you, Fred, and everyone else in attendance. I appreciate this opportunity to appear before the committee to speak to annual reports as they relate to public accounts, not VLTs, not airplanes, not a whole bunch of other stuff that may interest these people back here.

With me today we have Dr. Steve West, chief of staff in the Premier's office; Julian Nowicki, Deputy Minister of Executive Council; Gordon Turtle, managing director of the Public Affairs Bureau; Elaine Dougan, executive director of administration in the Public Affairs Bureau; Nick Shandro, chief internal auditor – Nick, good to see you – and Bonnie Lovelace, senior financial officer for Executive Council. Sitting back here we have Jim Kiss, deputy chief of staff, the office of the Premier. We have Indira Breitzkreuz, executive director of policy co-ordination – Indira, good to see you – Marisa Etmanski, press secretary, Premier's communications office; Mark Kastner, manager of communications; Linda Bates, executive assistant to the managing director of the Public Affairs Bureau; and Rich Jones, the director of the Premier's office for southern Alberta.

Mr. Chairman, I'd like to start by providing a brief overview of Executive Council and then speak about the budget and expenditures in 2002-2003 and the Auditor General's 2002-2003 report on Executive Council. Following that, I'll speak in more detail about the content of the 2002-2003 annual report. Then, of course, following my presentation I would be pleased to answer any questions from the committee. If a question can't be answered here this morning by either me or one of my staff, we would be pleased to respond in writing at a later date.

Mr. Chairman, the Ministry of Executive Council in 2002-2003 included the Premier's offices at the Legislature and at McDougall Centre in Calgary, secretarial support for cabinet and cabinet committees such as standing policy committees, support for the protocol office, the office of the Lieutenant Governor and the Council of the Alberta Order of Excellence, and policy co-ordination and strategic long-term planning for the government as a whole through the office of the Deputy Minister of Executive Council. In addition, the Public Affairs Bureau provided communication support for government as a whole.

The budget for Executive Council in 2002-2003 was just over \$15 million, and the expenses for the year were about \$14.9 million, so we were just about on target. Expenses undertaken by Executive Council in 2002-2003 have been audited by the Auditor General. No major concerns were identified, although he did raise some specific issues which you can read about in your copies of his report.

Now, Mr. Chairman, I would like to take a minute to speak about the overall issue of Executive Council expenditures because this has been a matter of some legislative and media attention lately. Unfortunately – and I hope the media pick this up – there has been misleading information and even outright incorrect allegations made in the Legislature this year regarding the procedures for approving and reporting Executive Council expenses. Many of these issues have been raised not based on firm evidence but rather on innuendo, and I think it's very unfortunate, so I'd like to take this opportunity again to set the record straight.

Mr. Chairman, statements have been made that Executive Council members are exempt under freedom of information and protection of privacy legislation from having to release travel expense documents. That simply is not true, never has been. Executive Council is not exempt from releasing expense claims under the Freedom of Information and Protection of Privacy Act. In fact, Executive Council routinely releases travel information, as evidenced by the amount of material released on this subject in the last year.

8:40

Most information about Executive Council expenses released last year was obtained under the freedom of information provisions. The legislation, however, does allow – and this is the legislation, the law, the law of the land, which maybe these guys and these guys don't understand – certain exemptions for Executive Council expenses but only if the exemption protects third party business interests or personal information and some other matters under the act. These exemptions must by law be used under these circumstances. It's my experience and maybe the experience of members of cabinet, Executive Council, that the exemptions have seldom had to be used.

As well, Mr. Chairman, statements have been made that members of Executive Council are allowed to authorize their own expenses. Again, that is not true. Each person signs receipts for costs incurred simply to verify that the costs did happen. Then someone else in the office who is an authorized expenditure officer reviews the expense claim and signs off. Quite simple.

All expenditures are scrutinized by expenditure and accounting officers, and these people are authorized to request further documentation of any expense. They are required by the terms of their

positions to exercise due diligence in processing all claims and to be satisfied that expenses are legitimate business costs before processing claims.

As well, an office of the chief internal auditor has been established in Executive Council upon the recommendation of the Auditor General. In fact, the chief internal auditor is here with us this morning. Nick Shandro took on his duties in July last year. He was formerly principal auditor in the Auditor General's office. I don't know how many times he has been contacted by the media. Can you tell me, Nick?

Mr. Shandro: On these issues I haven't been contacted.

Mr. Klein: Not contacted at all. No. That tells me something, that perhaps they're not interested in getting the information, and why let the truth get in the way of a good story?

The chief internal auditor and his staff have full authority to audit financial and management controls in Executive Council and across government to ensure sound internal control practices are in place. The office is accountable to an audit committee with internal and external membership to ensure that proper auditing standards are met.

So, clearly, Mr. Chairman, there are sound procedures in place to ensure that Executive Council spending is legitimate and justified. This government has been recognized time and time again by outside experts as a leader in financial transparency and accounting practices. In fact, we pioneered openness and transparency and fiscal accountability, and many other jurisdictions now use Alberta as a model for their financial practices. Having said that, we accept that there is always room for improvement, and I have said publicly many times that we will accept any recommendations by the Auditor General and/or the Ethics Commissioner to improve the reporting of Executive Council expenses.

Today, Mr. Chairman, I am pleased to announce that we have reviewed the current process for reporting international travel expenses and will be introducing some changes. Within two months of any international mission a detailed expenditure report will be posted on the relevant department's web site. This will be done following any international mission undertaken by a minister, government MLA, their executive assistants, or by me as Premier.

My mission expenses will be posted on the web site of International and Intergovernmental Relations along with my mission reports, and by clicking on each trip expense, full details will open up. The expenditure report will contain a list of expenses for travel, accommodation, hosting, meals, receptions, and incidentals. The expenditure reports will be reviewed and approved by expenditure officers prior to being posted, and the new system will be in place for all international missions retroactive to April 1, 2004.

Mr. Chairman, this government has always been open and transparent about expenses and has always worked hard to respect the fact that all money spent is taxpayers' money. We've gone the extra mile time and time again to make sure we're accountable and to let Albertans know that they can trust us, and they do trust us. That's what this new system represents: going that extra mile to make sure Albertans know that they are getting value for their hard-earned tax dollars. If this new system is introduced, we will continue to monitor its effectiveness and make changes as needed, and we'll continue to respond to recommendations by the Auditor General about any further improvements that can be made.

Now I'd like to move on to discuss in more detail the contents of the 2002-2003 annual report for Executive Council. The year 2002-2003 was certainly a busy and productive year for the Alberta government, which is well chronicled in this report. Executive

Council provided support and co-ordination for a number of key government initiatives during that year, including the G-8 summit in Kananaskis and raising awareness about the Kyoto protocol. Government introduced new legislation as well as many new programs and initiatives during the year, all of which required careful strategic planning and co-ordination, and Executive Council helped provide this co-ordination.

It was also important to provide useful, timely, and accurate information to Albertans about these new initiatives, and a great deal of that communication support was provided through the Public Affairs Bureau and its staff. The mission of the Public Affairs Bureau is to help the government in its ongoing dialogue with Albertans by providing quality, co-ordinated, and cost-effective communication services. The bureau has fulfilled this mission extremely well over the years, and the 2002-2003 fiscal year was no exception. The bureau's spending for 2002-2003 was just over \$10 million, with an authorized budget of \$10.1 million. Bureau revenues totalled \$1.9 million, slightly below the budgeted target of \$2 million. These lower than projected revenues were the result of decreased sales of the *Revised Statutes of Alberta*. The bulk of sales was completed in 2001-2002 due to decreased sales of printed legislation since more people have begun purchasing the legislation electronically.

The Public Affairs Bureau has three core businesses. The first is to "help government ministries communicate with Albertans." It does this by assigning communications professionals to ministries across government, and these professionals provide a full range of communication support for the ministries they work at. This includes media relations, writing and editing, and communications planning. They also help co-ordinate communications during public emergencies. They provide specialized writing and editing services, and they assist ministries in the purchase of graphic design and advertising services.

The Public Affairs Bureau's second core business is to "provide Albertans with two-way access to government." The bureau fulfills this core business by managing the Service Alberta call centre, the Alberta government home page, the Alberta Connects e-mail inquiry system, and distribution of government news releases. It also provides technical support for major government news conferences and announcements.

The third core business of the Public Affairs Bureau is to "publish and sell Alberta's laws and other materials." This is a function that the bureau has done for many, many years through the operation of the Queen's Printer, ensuring that Albertans receive quality printed materials about various legislation and programs.

Mr. Chairman, there is obviously much more information in this annual report than I've highlighted here this morning, and I look forward to questions from the committee about the report.

The year 2002-2003 was clearly a busy and productive year for government, and that's amply reflected in this annual report for Executive Council. Not only did the government continue to provide good-quality services and support to Albertans; it stepped up to tackle two major initiatives, the G-8 summit and the Kyoto protocol, and met the challenge admirably. So based on the information chronicled in this report, I believe Albertans can be very proud of their government and the commitment to excellence demonstrated every day by government employees.

Mr. Chairman, I appreciate this opportunity to make this presentation to the committee, and I would be pleased to answer any questions. As I said earlier, if a question can't be answered here this morning by either me or one of my staff, I'd be pleased to respond in writing.

Thank you.

8:50

The Chair: Thank you very much, Mr. Premier. For any responses to your questions this morning in writing, would you please make them to the clerk, and she will provide them to the members.

Before we proceed with questions, Mr. Dunn.

Mr. Dunn: Thank you, Mr. Chairman. Our comments to Executive Council are contained in two sections of our current annual report. First, we have comments on the overview of the ministry and the scope of our audit under the section Executive Council on pages 109 to 111 of our annual report. In this section we also provide an update and status report on our recommendations made in prior years regarding the Council of Academic Health Centres of Alberta concerning governance and accountability. We report that progress is satisfactory in implementing our prior years' recommendations and note that we'll continuously monitor this complex area and report again in 2006.

Second, we also have comments on matters and recommendations directed to Executive Council contained in our section entitled Cross-Ministry located on pages 23 to 35 of our current annual report. In this section we have made one numbered and one unnumbered recommendation. In recommendation 1 we recommend "that the Deputy Minister of Executive Council, working through other deputy ministers, take steps to improve audit committee practices" in the public sector.

Last year we completed a review of the state of audit committee performance in a sample of 19 agencies, boards, and commissions covering 10 ministries. We produced an extensive report entitled Assessment of the Performance of Public Sector Audit Committees, which contained a number of recommendations under five broad captions: independence and capability of audit committee members; board-approved mandate in annual performance assessments; audit committee meetings and information requirements; responsibility to oversee risk management, internal controls, and financial reporting; and the oversight of the external auditors. The recommendations in this separate report provide the background and support for recommendation 1 in our annual report. Our report on our assessment of the performance of public-sector audit committees is available to the public through our web site.

We also provide an unnumbered recommendation in this section directed to the Deputy Minister of Finance regarding ensuring that government and ministry business plans use consistent performance measurement targets. On pages 28 to 35 we provide an update on the implementation of our prior years' recommendations dealing with, one, guidance on ministry business plans. Our recommendation has been implemented with the issuance of the government of Alberta business plan standards for the 2004 to 2007 ministry business plans.

Two, internal control systems. Satisfactory progress has been made in implementing these recommendations through guidelines developed by the SFO's best practices subcommittee, which dealt with access to the Imagis system, use of procurement cards, and compliance with the Financial Administration Act.

Three, results analysis in ministry annual reports. Satisfactory progress has been accomplished through standards developed by the Ministry of Finance.

Four, shared services. ACSC has implemented our prior-year recommendations regarding developing and issuing service level agreements with the ministries.

Five, internal audit. As you have heard, a centralized internal audit function has been established reporting to a deputy minister internal audit committee.

Six, human resource management. Our recommendation has been implemented through the issuance by the PAO of improved guidance for the use of the government competency model.

These are my opening comments, and I and my staff will be pleased to answer any questions directed to us by the committee. Thank you.

The Chair: Thank you, Mr. Dunn.

In light of the fact that there are at least 17 questions for the Premier or for the Auditor General, we'll get started straight away. We'll start with Dr. Taft, and if we could keep our questions brief, the chair would appreciate that.

Dr. Taft: We always try that. Thank you, Mr. Chairman.

Thanks to the Premier for coming out. I appreciated his opening comments.

On page 35 of the annual report there's an item here illustrating or itemizing \$1.99 million, almost \$2 million, in air transportation. This is the year in which the Executive Council took 1,100 flights on government planes, including a flight taken by the Premier to Nova Scotia and a stop at Fox Harb'r golf resort. So my questions are: could the Premier clearly lay out with receipts what was government business, what was PC Party business, and what were private business expenses on the trip to Fox Harb'r in July 2002?

Mr. Klein: I probably could, but it's very, very hard, it's very difficult to be at a dinner and say: "Are you, Mr. So-and-so, here for political reasons, or are you here for business reasons? Now, please don't discuss anything political with me because that might be construed by the opposition as something political as opposed to something that involves business. Even if it's a comment about the federal Liberals, don't mention it because that might be considered political as opposed to business. But if you mention my business as being seriously impacted by the federal Liberals, I guess that would be sort of a business question and a political question, would it not?"

So I don't know how the hon. member would sort it all out, other than to mention that his obsession with the airplanes – and maybe he should get on one once in a while – is what I call in politics those items that create an inordinate amount of publicity, far more publicity than the money value. Because he is talking about in total expenditures an expenditure by Executive Council that represents one ten thousandth of 1 per cent, one ten thousandth of 1 per cent of the budget. That's what occupies this man's mind: one ten thousandth of 1 per cent of the budget. If you boil down Fox Harb'r, that probably represents one one-millionth of 1 per cent or one ten millionth of 1 per cent of the budget, and that's what occupies his mind.

The Chair: Thank you.

Second question, Dr. Taft.

Dr. Taft: Sure. It sounds like a refusal to provide the information, so let me pursue it on a policy basis. In the year in question, was it government policy to have the PC Party pay for government business?

Mr. Klein: Mr. Chairman, as I said earlier, the Fox Harb'r trip was part business, part vacation. I was invited to the event and attended in my role as Premier. I had the chance to meet with business leaders and promote Alberta. Some part of it was party related. But, you know, you take a wild guess and you say, "Okay; this was party; this was business," and you try to provide the government with an

appropriate amount of money to compensate for what one estimates to be the business side of the conference.

Now, playing golf, that's recreation, but there was a business side to it. I played golf with – I forget the fellow's name. He owns Wendy's. [interjection] No, no. His name was Huizinga, Mr. Huizinga. Now, there's a name for you. Mr. Huizinga owns Wendy's, bought Wendy's from Ron Joyce. He used to own the Marlins, and he owned the Tampa Bay Panthers or whatever – what are they?

Rev. Abbott: The Lightning.

Mr. Klein: Lightning. Lightning, yeah. Anyway, he's pretty rich, a pretty rich guy. Of course, he's very interested in what's happening in Canada and particularly western Canada because they're expanding their operations into western Canada, Wendy's and Tim Hortons and so on. I also played golf with the man, so I guess that when I was hitting the ball, that would have been recreation; when I was riding with him in the cart, that would have been business. You know, it's very, very tough to separate the two. You'd use your best efforts and your best judgment, and I would imagine that's what the Leader of the Opposition would do as well. How else are you going to do this? How else are you going to do it?

When I'm on a golf course – well, it won't be this afternoon but maybe sometime this week.

9:00

An Hon. Member: Well, it won't be down in Calgary. It's snowing.

Mr. Klein: No, not in Calgary. Okay. When it warms up. If someone invites me, you know, and I buy – well, I don't normally expense that. No, I don't normally expense it at all, but I probably could, I guess, if they're talking business.

The Chair: Mr. Premier, would the Deputy Minister of Executive Council like to add anything at this time?

Mr. Klein: Well, I don't know. You can if you want. Julian doesn't golf with me.

Mr. Nowicki: I would just clarify the number, Mr. Premier. The \$1.9 million that Dr. Taft was asking about is not money attributable directly to Executive Council. This is a number that's attributable to cabinet, i.e. Executive Council, all of cabinet. This is not a number that's in the Executive Council budget. This is for accounting purposes attributed to Executive Council because Executive Council provides secretariat services to all of cabinet. This is a number that comes out of Infrastructure: \$1.9 million for all of cabinet travel in '02-03. In addition, \$0.8 million was charged directly to departments and provincial agencies and provincial commercial agencies for travel, as well as \$1.2 million in directly related costs, for a total budget for that year for all travel of \$3.9 million, I think.

The Chair: Thank you.

Mr. Klein: Mr. Chair, I just want to clarify one point because the hon. Leader of the Official Opposition is trying to create the impression that I used government airplanes to fly to Fox Harb'r only to golf, and what he fails to mention conveniently – and this is why this man is consistently misleading the people of this province – is that I was travelling to Nova Scotia to attend a Premier's conference, and there were no additional airplane costs incurred as

a result of the Fox Harb'r stopover. Fox Harb'r is about 20 minutes from Halifax by road.

The Chair: Mr. Premier, thank you for that.

Mr. Klein: Yeah. Well, thank you.

The Chair: Alana DeLong, followed by Ms Blakeman.

Ms DeLong: Thank you very much. I'd like to put in a little bit of an editorial here. Just before I came into politics, I spent most of my life in business working for and with big organizations that used stockholders' money instead of the people of Alberta's money. The leadership that's provided by the Premier's office in terms of frugality is something that I never saw in business, so I want to commend you on that.

I do have a question here, and it does have to do with the 2002-2003 books. A good number of the communications activities listed in the annual report were fairly high-level issues such as Kyoto and the G-8 summit. How much of the bureau's communications programs focus on these types of high-profile or media-driven issues?

Mr. Klein: Well, I don't know if Kyoto is media driven. Kyoto was politically driven. You know, I think we have to make quite clear that certainly this was part of the agenda of the former Chretien government. He was almost obsessed and adamant about bringing about the Kyoto protocol, which now appears, Mr. Chairman, that it won't be – or at least that some delays are taking place vis-à-vis Russia's participation in the Kyoto protocol, so whether we actually have an international agreement remains to be seen.

You know, speaking about the Public Affairs Bureau's role, there are some people who call people in the Public Affairs Bureau spin doctors. I would remind the media that most of the people in the Public Affairs Bureau, or many of them, come from the media, so they know a lot about spin. In fact, bureau employees work very, very hard, and I've seen them in action in various ways to get much needed factual information to Albertans. They need to connect Albertans with the information they need. They respond to inquiries from the public. They co-ordinate and plan announcements for the ministry. They provide advice to department officials on communicating with clients, and they respond to media calls sometimes totalling in the hundreds in any department in any given month.

Mr. Chairman, the role of the Public Affairs Bureau relative to Kyoto and the G-8 summit basically involved preparing factual information, as much information as they possibly could, scientific information, not to oppose the reduction of greenhouse gases but to communicate the government's strategy relative to the legislation that we planned to introduce to reduce greenhouse gases.

Vis-à-vis the G-8 summit – and you alluded to these two specifically – I think that the bureau did a commendable, a wonderful job in conjunction with the communications people from the mayor's office of the city of Calgary, the city of Calgary police department, the various security services in the province, the Canadian army, CSIS. There was tremendous co-ordination relative to communication of what was actually taking place at the summit, the difficulties that those who were bent on making trouble would have getting to the summit, and how the police were going to act or react to demonstrations and so on. As it turned out and as a result of good communications, not very much happened, Mr. Chairman, and that's good. Although I think it cost our government about \$2 million or \$3 million, it was worth the effort in terms of no serious protests taking place and no one being injured, and this came about, I think, as the result of good communications.

The Chair: Thank you, Mr. Premier.

Ms DeLong: Thank you.

The Chair: Ms Blakeman, followed by Mary Anne Jablonski.

Ms Blakeman: Thank you very much. Welcome to the Premier and his staff. It's very exciting to see all of the people joining us today in Public Accounts, my favourite committee.

I'll reference page 32, vote 1.0.1, and also reference page 35, schedule 7. I'm looking for additional information on the trip to Fox Harb'r in Nova Scotia in July 2002. Now, the Premier has indicated outside of this committee that the party repaid the government for some expenses in Fox Harb'r. Could we get a copy of the cancelled cheque or whatever other documentation is available showing that repayment? If that's not available, could we get an explanation as to why?

Mr. Klein: Well, I'm sure it's available, but is the hon. member suggesting I'm lying?

Ms Blakeman: No, sir. I'm just asking for the documentation.

Mr. Klein: Oh. Well, why would you ask for the documentation if you're not suggesting I'm lying?

Ms Blakeman: Because this is the Public Accounts Committee, sir, and we can ask for that kind of information.

Mr. Klein: Oh. I see. Okay. But, in other words, you're saying that you won't take my word for it. Is that true?

Ms Blakeman: Sir, I've asked you to provide the documentation.

Mr. Klein: You won't take my word for it. Is that true?

Mr. Mason: Why would we?

Mr. Klein: Oh. Why would you? Why would you? Brian, are you calling me a liar?

Ms Blakeman: Excuse me. I have the floor.

Mr. Klein: Are you?

The Chair: Excuse me, Mr. Premier. Answer the question, please.

9:10

Mr. Klein: Well, I have no problems. But I want to know: is she calling me a liar? She doesn't believe me. You don't believe me?

Ms Blakeman: It's basic accountability, sir. You make a statement, and you back it, and you provide documentation.

Mr. Klein: You don't believe me?

Ms Blakeman: This is reaching – this is very odd, sir. I've asked you for accountability, and I've asked you to provide documentation.

Mr. Klein: I have no problems whatsoever. Yes.

Ms Blakeman: Good. Then please provide it.

Mr. Klein: Okay. You don't believe me.

Ms Blakeman: My supplementary question to the minister is: in 2002 . . .

Mr. Klein: I'm not a minister. I'm the Premier.

Ms Blakeman: I'm sorry. The Premier.

Dr. Taft: He's the minister responsible for the Public Affairs Bureau.

Ms Blakeman: Yes. You are the minister responsible for this particular department.

In '02-03 how many times did the Tory Party reimburse Executive Council ministry expenses and for how much? And please provide documentation.

Mr. Klein: I really have no idea. I'd have to look it up.

Ms Blakeman: Could you provide it through the clerk of the committee, please.

Mr. Klein: I'll take it under advisement, and we'll provide whatever information we can. Sure.

Ms Blakeman: Thank you.

Mr. Klein: But the point is: do you not believe me?

The Chair: Thank you, Mr. Premier. Now . . . [interjection]

Mr. Klein: Right. Well, you don't.

The Chair: Earlier in your opening remarks, Mr. Premier, you said that you would go the extra mile for the taxpayers to know that they are getting value for their hard-earned dollars, and these questions are . . .

Mr. Klein: That's right, and we have gone the extra mile, but going the extra mile is a lot different than responding to questions that border on harassment and border on calling me a liar.

The Chair: Well, let's see if the next question is bordering on harassment.

Mary Anne Jablonski, please proceed.

Mr. Klein: I'm sorry. Here's the receipt. They want the receipt. What does it say? Okay. Well, fine.

You know, that's what's called a drive-by smear. Right.

Mrs. Jablonski: Well, thank you, Mr. Premier, for being here with us on May 5 on this beautiful snowy Alberta morning.

I want to commend you for establishing the office of the chief internal auditor. You mentioned some of the responsibilities of the auditor in your opening remarks. However, would you please provide us more detailed information on the role of the chief internal auditor.

Mr. Klein: Well, Nick Shandro is here, and maybe he would like to tell the committee about the role he performs. Nick, maybe you can tell us all about what you do in my office.

Mr. Shandro: All right. I'd be very happy to do so.

Mr. Klein: I'm happy too.

Mr. Shandro: The purpose of the office of chief internal auditor is to provide assurance and advisory services regarding systems, processes, and controls used to identify and mitigate risks and to identify and implement improvements. The service is to all of the government of Alberta including ministries and agencies, boards and commissions. The office will assist management and employees in the effective discharge of their responsibilities by furnishing them with analysis, appraisals, recommendations, and comments concerning the activities or matters reviewed. We'll focus on risks across the government of Alberta and its ministries in order to identify and recommend improvements. A large part of it has to do with systems related to economy, efficiency, and effectiveness.

More specifically, the kinds of things that we might do are an infinite number of potential audit projects. The trick is going to be for my office to pick the ones that are the most important and material to government so that we can not waste our audit effort but deal with issues of importance. We do audits of programs and functions. One of the main functions also will be looking at the controls that are in place to see that they're adequate and they're functioning properly, controls over revenues, expenditures, assets, and liabilities; compliance audits to ensure that both legislative policies and administrative policies are being adhered to; review of information systems to assess the quality of controls and the relevance and reliability of the information they produce; any investigative assignments that we need to investigate any allegations of wrongdoing or breaches of codes of conduct, et cetera.

We also provide advisory services relating to potential courses of action that, let's say, might be undertaken in terms of what controls might be feasible in future programs and so on. So there could be projects of a nature to help ensure the future accountability of any programs that come into place.

So that is, I guess, my short-form version of what we do.

Mr. Klein: Great. Thanks, Nick.

Mrs. Jablonski: It sounds like you're pretty busy, Mr. Shandro, and thanks for the work that you do for the people of Alberta. Can you tell me what your relationship will be with the Auditor General?

Mr. Shandro: The relationship with the Auditor General is that we work with the Auditor General so as to avoid any duplication of work. The Auditor General will rely on our work. He'll look at our working papers, look at what work we've done, and if he considers our work professional, he will place reliance, and that will reduce the amount of work that he has to do in order to assure himself of the things that he needs assurance on.

Mrs. Jablonski: Thank you very much.

The Chair: Mr. Mason, followed by Shiraz Shariff, the vice-chair of the committee.

Mr. Mason: Thank you very much, Mr. Chairman. I appreciate the Premier's comments and willingness to answer questions. I also appreciate, Mr. Premier, your comment that information on the various foreign trips of the government will be posted in some detail on the government web site. My understanding is that you indicated that this was retroactive to April 1, 2004. Just to confirm that.

Mr. Klein: I think it was April 1, 2004, this year, yeah.

Mr. Mason: Which would be retroactive for about five weeks.

Mr. Klein: Correct.

Mr. Mason: I'm wondering if you would be prepared to provide the same information in the same format to members of the committee with respect to the government trip to India, including who attended, who was paid for, what the itinerary was, on so on.

Mr. Klein: No problem.

Mr. Mason: Okay. When might we expect that?

Mr. Klein: Julian, how long will it take?

Mr. Nowicki: In a week.

Mr. Klein: Oh, within a week, I'm advised.

Mr. Mason: Thank you.

The Chair: Okay. Thank you very much, Mr. Mason. Shiraz Shariff, please, followed by Dr. Taft.

Mr. Shariff: Thank you very much, Premier. I'd like to thank you and your staff as well as the Auditor General and his staff for coming before us today.

My questions pertain to the academic health centres, but I'm tempted to make a little preamble with regard to the issue that has been in question today. I'm just looking at the budget that was spent on air travel, \$1.9 million for the entire Executive Council, and it reminds me of having attended a consular briefing just last week where ambassadors from various parts of the world were praising and commenting on and envious of Alberta's position globally. As a taxpaying citizen I'd say, Mr. Premier, that you and Executive Council are doing an excellent job of promoting Alberta. Go ahead and do it. The \$1.9 million does not bother me. I think you should be travelling more and selling Alberta internationally so that we benefit from business.

My questions today are pertaining to the Auditor General's report of 2002-2003, pages 110, 111. On the academic health centres the Auditor General has in the past, in 1999, 2000, and 2001, made some recommendations that he also made reference to today. He recommended that "those who manage and fund academic health activities acknowledge the full scope and magnitude of those activities and the consequences for the accountability of academic health centres." The other recommendation was that "the entity or entities responsible for academic health, and their mandates, roles, and accountabilities be clearly defined and, on this basis, the appropriate organization and governance structure be established." The Auditor General once again confirmed today that the progress was satisfactory but that he was going to monitor this issue over the next little while and report again in 2006.

My question today: can you bring this committee up to speed on the progress that has been made with regard to these recommendations and what changes have been made?

9:20

Mr. Klein: Mr. Chair, this is quite complex in that it involves funding that goes to the university and how that money is administered by the university vis-à-vis the funding of academic activities as

opposed to research activities, as opposed to full medical activities.

It's my understanding that Alberta Health and Wellness is addressing these issues. It's my understanding that the department has entered into alternative funding plans with the University of Alberta's departments of medicine and pediatrics and the University of Calgary's department of pediatrics as well as the province's neurosurgeons. I understand that it is also reviewing a similar proposal from the University of Calgary's department of medicine and is in discussions with a number of other academic physician groups, including the department of family medicine at both universities. So once this is all sorted out and the agreements are signed, it should clearly identify the service that will be delivered, the payments that are made, and the accountability required for these services.

As well, it's my understanding that Executive Council has created a deputy minister level committee under the Department of Health and Wellness to address the funding and governance issues of academic medicine raised by the Auditor General. This committee is expected to meet in June 2004 and a report on those governance models should be submitted to the committee by the fall of this year or early 2005. That's my understanding.

The Chair: Thank you very much.

Mr. Dunn, anything to add at this time?

Mr. Dunn: Well, I'll only supplement that to say that this is a rather important matter. The total spent out of the academic health is approximately \$400 million to \$500 million per year. It does involve five distinct organizations: the universities of Calgary and Alberta, the Capital health authority in Edmonton and the Calgary health region, and the Alberta Cancer Board. This is an extremely complex arrangement, and it needs a strong governance oversight in order to control those expenses, which have been increasing.

I'm glad you raised this question. This is a very important matter, and why we raised it and directed it to Executive Council is because it needed that direction and co-ordination. This is approaching, as I say, maybe upwards of \$500 million a year being spent on this complex arrangement, and you want to make sure you're getting value for money out of that \$500 million. So I think it's a very appropriate question.

Mr. Shariff: Thank you, Auditor General and Premier.

I just can't help but make this comment. These are the important issues for Alberta; \$500 million worth of a budget item should be focused on rather than that \$1.9 million which is being politicized so much. I just can't help but make that comment. Thank you.

The Chair: Thank you, Mr. Shariff.

Kevin Taft, followed by Mr. Hutton.

Dr. Taft: Thanks, Mr. Chairman. The Premier's title isn't just Premier of Alberta; it's also minister responsible for the Public Affairs Bureau. Pages 6 and 7 of the annual report provide a description of the Public Affairs Bureau, and page 32 of the annual report shows an expenditure of \$10.2 million on the Public Affairs Bureau.

Now, the staff list for the year in question – and I've got a copy here – shows over 230 staff employed in public relations work under the Premier in addition to a number of staff working in the Queen's Printer and the RITE system. In addition to the spending by the Public Affairs Bureau, our reading of the government annual report suggests spending on communications in other government departments totals about \$8.4 million. So if you add that all up, we're over \$18 million.

Mr. Klein: I'm sorry.

Dr. Taft: Well, referring to pages 5 and 6 of the annual report plus page 32. You can just stay on page 32.

Mr. Klein: All right. That's references 5 and 6. I'm sorry.

Dr. Taft: And page 32.

So a staff of 230 working in public relations. This is the staff list here, which I'm sure the Premier has. My question is to the Premier. When the President of the United States only has 52 public relations staff, why does the Premier of Alberta need more than 230?

Mr. Klein: Mr. Chairman, if I could offer a preamble and then I'll have Gordon Turtle respond, who's the director of the Public Affairs Bureau.

We do not have 230 public relations people working in the Public Affairs Bureau. I don't know how many public relations people there are, actual public relations people, but there are a multitude of people from a multitude of disciplines working in the public affairs department.

I'll have the director of the department respond.

Mr. Turtle: Thank you. In 2002-03 the Public Affairs Bureau had roughly 130 FTE positions, and not all of those fit into the definition of public relations as that term is understood to mean in a scholarly way. In addition, some departments augment their Public Affairs Bureau complement with staff of their own. These staff are doing work such as web site management, correspondence work, and other work that does not fit the sort of classical definition of public relations.

In the year under discussion of these roughly 130 positions 75 positions were assigned to government departments to provide support to ministers and departments. There were nine people who were involved in support services such as advertising and electronic publishing. There were 16 people staffing the government's Service Alberta centre, which receives hundreds of thousands of calls every year from people across the province. This is a way for them to contact the government toll-free. There were seven FTEs in an IT or technical support role, 12 people working at the Queen's Printer bookstore – and its benefits are self-evident – three people in senior administration, and five people in human resources and financial administration.

The Chair: Thank you.

Dr. Taft: Thanks, Mr. Chairman.

Mr. Klein: I'm sorry. If I could just seek some clarification, Mr. Chairman, from the hon. member.

The Chair: Certainly.

Mr. Klein: He mentioned 230 working in PAB. I don't know what document he's referring to. In the Executive Council report there are 127 members of the PAB.

Dr. Taft: I was working from the staff list, which actually has 260 or something, but I wasn't counting the Queen's Printer.

Mr. Klein: Oh, okay.

The Chair: Yes. Please proceed.

Dr. Taft: Thank you. So my supplemental . . .

The Chair: Excuse me, Dr. Taft. The deputy minister has something he would like to briefly add.

Mr. Nowicki: I would just like to clarify that from the estimates of 2002-2003 the total full-time equivalent employment in the Ministry of Executive Council is 177 FTEs, the Public Affairs Bureau is 127, and the office of the Premier/Executive Council is 50 FTEs. This is directly out of the estimates, Mr. Chairman.

The Chair: Thank you.
Please proceed.

Dr. Taft: Thank you very much. My supplemental is also concerning the Public Affairs Bureau. I see that all the questions and answers from government members to the Premier are scripted today. There are questions and answers. Is it part of the role of the Public Affairs Bureau to script the government questions and answers to the Premier today?

Mr. Klein: I have no idea who scripted some of the questions and some of the answers, but they are intelligently scripted, that is the questions, and the answers are very intelligently scripted as well, so unlike the questions that are provided in the Legislature by the member of the opposition.

Dr. Taft: You don't know who scripted your answers.

Mr. Klein: I have no idea.
Gordon?

The Chair: Thank you. That's enough.
Mr. Hutton, followed by Laurie Blakeman.

Mr. Hutton: Thank you very much, Mr. Chairman. I'd like to just put it on public record today, which I guess will end up in the history books technically. I think Public Accounts is the proper committee to do this. I don't know if I will have an opportunity again to make these remarks as I don't know how long I'm going to sit in purgatory – I mean, Public Accounts.

I would like to thank the Premier on behalf of the majority of my constituents and my family for the vision and leadership in the past 12 years to put this province in the fiscal position that it is in today. It will be a bright future for the children of Glenora, and I hope that my children in particular will stay here to work, live, and play so that I'll see my grandchildren.

9:30

My questions – and this will be no surprise to the deputy minister, Mr. Nowicki – relate to cross-ministry initiatives. If you could turn to cross-ministry initiatives, pages 122 to 136, Mr. Premier, of the annual report, how are these initiatives chosen, and what process is used to ensure that the progress is made?

Mr. Klein: Well, first of all, let's maybe discuss why we have cross-ministry initiatives. We've often talked about breaking down the silos and getting ministries to co-operate. What we discovered in government is that there were many ministries doing the same things; i.e., in Agriculture and Economic Development we had people out in the field both promoting the province, one promoting agricultural products and someone else promoting everything but agriculture, but often they would end up in the same state, in the same city, in the

same motel, and one wouldn't know what the other was doing there.

Of course, connected with all this we had at one time a commissioner of trade as well who would show up anywhere in the world, and you would have someone from Agriculture, someone from Economic Development, the trade commissioner, and perhaps someone from another department. As a matter of fact, we had just too much of this going on, so we decided that we needed to have a better co-ordination of ministry activities. Therefore, we instituted the cross-ministry initiatives to break down the silos, so to speak.

Overall, this is to improve results in areas important to Albertans' well-being. The other area, of course, is to achieve efficiencies and to improve results in areas significant to internal management.

Here's basically how it works. Each and every year cabinet reviews the key strategic issues facing government and then selects four strategic policy issues that will benefit most from cross-ministry collaboration and four administrative initiatives that will improve the Alberta public service. Then the four policy initiatives are included in the government's three-year business plans. In conjunction with this year's budget you can read about those initiatives. Each initiative is assigned to the appropriate deputy minister to champion, and all deputy ministers meet and formally agree to goals, strategies, and targets for each initiative.

So this may involve Seniors. I'm just using an example. Let's take housing, for instance, and the whole issue of housing. I don't know if this initiative is underway, but if it's not, it should be. It's part of health sustainability. As we all know, we have long-term care centres under Seniors, but some of those centres are also under Health and Wellness.

The Chair: Thank you, Mr. Premier.

Mr. Klein: Oh, I was just going to say that then there is Infrastructure also involved in providing some funding to health authorities to build seniors' centres. I don't know. Is there another ministry involved?

Mr. Nowicki: Aboriginal affairs.

Mr. Klein: Aboriginal affairs; right. There's a large component of First Nations housing involved here. What we try to do is co-ordinate this and make sure that we don't have these ministries tripping over one another to provide ostensibly the same service.

The Chair: Thank you.
Mr. Hutton.

Mr. Hutton: That's fine. I'll let my colleagues ask questions.

The Chair: Thank you.
Ms Blakeman, followed by Cindy Ady, please.

Ms Blakeman: Thank you. I'm referring the Premier back to page 32 of the annual report of the Ministry of Executive Council. Vote 1 shows a figure of \$4.583 million, and that's for the Office of the Premier/Executive Council. That figure should include any charges that have been incurred on the Ministry of Executive Council's credit cards.

Now, the Auditor General mentioned proper controls on the use of government credit cards as an important issue, and I would say especially important because the Premier has admitted that other people regularly pick up the tab for him. So my first question to the Premier is: who in the Executive Council or in the ministry is authorized to pick up the tab for the Premier?

Mr. Klein: Oh, that's an interesting question, and I really haven't pondered it. Certainly, Steve is, but Steve normally goes to McDonald's. Julian can pick it up. I know that. Sometimes when I'm here on a Saturday and we go for breakfast, my security guy picks it up. Gordon has picked up a tab or two. Sometimes the media has picked up a tab. That's when I was drinking, but I'm not drinking any more, so they don't pick up the tab. Who else? Any minister. When I'm travelling on international business, if we have a dinner or are hosting a luncheon, usually staff members, you know, arrange for payment of the dinner. I don't know who actually physically picks up the tab, whether it's a public service employee or whether it's a minister or whether it's a combination of the two. I do know that if it's a fairly large dinner and it's over \$600, it has to be gazetted.

The Chair: Thank you.

Ms Blakeman, proceed with your second question.

Ms Blakeman: Thanks. On the issue of credit card controls was the staff in '02-03, the year under examination, continuing to authorize their own ministry credit card expenses as the chief of staff had been doing in the previous year? He's authorized some \$18,000 worth of his own expenses. That was in the previous year. Did that continue in this fiscal year? Can you provide documentation to show that that had changed, if it changed, and if it didn't change, why not?

Mr. Klein: I don't know the situation relative to that. Perhaps, Julian, you can outline it or explain it.

Mr. Nowicki: I don't have the answer to that specific question, but in September of 2003, September 24, a memo was issued out of my office to all cabinet ministers in terms of accounting for expenses, and this is consistent with what the Auditor General approves and reviews. This document was done co-operatively with the Auditor General's office and was in response to the review the Auditor General did of the Executive Council and the Leg. Assembly Office expenses.

Mr. Klein: I'm interested in the hon. member's question. Can I ask the hon. member if she's alluding to the chief of staff? Was that the person that she mentioned?

9:40

Ms Blakeman: Yes.

Mr. Klein: I wasn't aware that that person – that would have been Peter Elzinga at that time; right? – authorized his own expenses. I thought that they were reviewed.

Mr. Nowicki: All expenses are authorized by an expenditure officer, an accounting officer. This is part of the Financial Administration Act.

Ms Blakeman: These receipts are showing in the previous year to this one, which is why I asked if it had changed, his credit card numbers, his credit card, and his stamp of approval with his signature. There's no other approval on there.

Mr. Klein: I just didn't know what, nor did I ever question or bother to question the procedure.

I know that there's some document that comes to me where I am also the director's signature and the expenditure officer. [interjection] Oh, that's a constituency thing, yes, where I signed for my constituency assistant.

Unidentified Speaker: That's for all 83 members.

Mr. Klein: Is it? It could be that Peter was also the expenditure officer and the approving officer. But, you know, if that is a problem, it won't be.

Ms Blakeman: That's what I was asking.

Mr. Klein: Right. Okay. We'll make sure that someone examines those accounts. I wasn't aware of that.

The Chair: Thank you. I appreciate that.

Now, there have been three cases of information being provided, and all that information will be photocopied for the members.

Mr. Klein: Okay.

The Chair: Thank you.

Mrs. Ady: Premier, one of the most important things that I feel like I do in my constituency office is communicate with my constituents, whether that's through newsletters or my web site or just returning phone calls or e-mails. I know that I get the kind of feedback from them as to whether they think I'm doing a good job, mostly when I hit the next election and also just in personal contact.

My questions are coming from the annual report on page 17 and page 18. I have 94,000 constituents. You really have the whole province to try and communicate with. One of the questions that I wanted ask you as I looked at this – under your Public Affairs Bureau you have all these targets and goals. I notice on pages 17 and 18 when it comes to public satisfaction with government's communication that the two where we directly ask them how they think we're doing on that are well below 75 per cent, which are much lower than the other targets that we have set up. I'm wondering if you can tell me why you think those targets are so much lower than the other bureau's measures.

Mr. Klein: Okay. Undoubtedly I'll be asked about this this evening when I give my estimates for this year's budget because public accounts is really an accounting for last year, and the estimates are ostensibly the same thing. I'll go through the same thing again, and the same questions will be asked because it will be in the estimates. According to the budget it hasn't improved that much this year. It's about the same.

The measure referred to is related to the bureau's goal of increasing communications with Albertans in areas that they identify as top priorities. It tries to measure overall public satisfaction with our government's communications.

Another measure of course relates to the goal of making government information more accessible. You know, can you get the information more accessible to Albertans? And it measures public satisfaction with access to government information. Not access through the media but access through government channels; i.e., the web site, government libraries, and so on.

Now, there's one thing for sure in politics. You can never satisfy all the people all the time. You can't. It's impossible to achieve 100 per cent satisfaction. I've always said that 70 per cent or 68 per cent is not bad. If you can have about 30 per cent of the people po'd at you, that is not bad, because that tells me that 70 per cent – and, you know, this is the whole media spin: some people say. Well, of course there are going to be critics. Without critics there would be no stories, because it doesn't feed into the five Cs of conflict,

confusion, controversy, chaos, and confrontation. You've got to have that to make a story. Right?

So the 75 per cent stretch target has been chosen, and if the bureau achieves 75 per cent, then they're doing really good. I think they're doing darn good if they get 70 per cent. They're doing pretty good if they get 65 per cent. They're doing good if they get 60 per cent. They're doing fairly good if they get 55 per cent, and they're doing fair if they only get 50 per cent.

The Chair: Thank you.

Mrs. Ady: Are there any additional steps that they could take maybe to even stretch that a little higher?

Mr. Klein: I don't know. Gordon, you're the communications expert.

Mr. Turtle: Well, we'll keep working at it. We're working with Service Alberta to create even better and more seamless access to government information, whether it's by phone, by e-mail, or by web site. We hope to have some positive news on that in the year ahead.

Mrs. Ady: Thanks.

The Chair: Thank you.

Mr. Mason, followed by Richard Marz, please.

Mr. Mason: Thank you very much, Mr. Chairman. Mr. Premier, in an attempt to try and break down some of the staff positions within the global figures that are given for the Public Affairs Bureau and to take it back over time, we counted from the organization of each department the number of directors and public affairs officers, and we added them up.

The Chair: For which fiscal year, Mr. Mason?

Mr. Mason: Well, I'm talking about the growth. Now, in the current fiscal year we found that there was a total of 163.

The Chair: We're not talking about the current fiscal year but 2002-2003, please.

Mr. Mason: Yes. I understand that. I understand that there's a global number, and I'm just trying to bring to the Premier's and the committee's attention research that we did to break that number down a little bit and to look at it over previous years and see what the growth is, you know. We should be trying to keep control over growth in government, I think, Mr. Chairman, and that's sort of where I'm coming from. I think it fits within the mandate of the Public Accounts Committee. Can I go ahead?

The Chair: Proceed quickly, please.

Mr. Mason: Thank you. The totals in 2001 were 133. By 2004 we had counted 163. If you go way back to 1993, there were 47. I think the question is that there's been a real growth in the number.

We tabled a document, Key Messages, some time ago prepared by the Public Affairs Bureau communications branch – this was in the department of agriculture – and this was during the mad cow issue, Mr. Premier. It has key messages for use by the government and, presumably, the minister attacking the New Democrats saying that the NDs don't know the first thing about the agricultural sector, that the NDP's constant talk of price-fixing shows how little they understand the way the cattle industry works.

9:50

The Chair: Mr. Mason, excuse me, please. In fairness to all members of this committee, the chair specifically requested that questions be for the year 2002-2003. Ask your question, please, now.

Mr. Mason: Thank you, Mr. Chairman. The question is whether or not the Public Affairs Bureau, being civil servants, is authorized to engage in partisan political activity on behalf of the government.

Mr. Klein: It all depends on where they are, what role they play. Both the opposition parties, for instance, have researchers who are paid through taxpayers' dollars who do purely partisan research.

Ms Blakeman: The Official Opposition.

Mr. Klein: I think we extended the courtesy to the third party as well.

So there are some staff in MLAs' offices, be they government members or opposition members or ministers, who do political work – there's no doubt about it – and do political work at the taxpayers' expense. I see it in my daily scrum, both from our side and from the opposition side. Although, Brian, you attend on your own, the Liberals bring in a researcher. We bring in our people just to make sure that everything is recorded quite properly.

Relative to your question I'm curious as to where you generated your figures, because our figures show that in 2002-2003 there were 127, as documented here, FTEs in the Public Affairs Bureau. By the way, Mr. Chairman, that's down from 213 in 1992-1993, 10 years earlier, down significantly notwithstanding the growth in the population.

The Chair: Thank you.

Mr. Mason, your second question, please.

Mr. Mason: Thank you very much. Mr. Premier, do you not make a distinction between funding that's provided for caucuses which is for political staff and people who are employed as part of the supposedly nonpartisan civil service of this province?

Mr. Klein: Well, perhaps, Gordon, you can respond to that question as to the extent to which your bureau assists ministers in preparation of answers to issues that might be raised by the opposition.

Mr. Turtle: Well, no one in the Public Affairs Bureau does work for the PC Party as part of their job. One of their jobs – and it's just one part of their job – is to help each minister prepare to discuss government policy when that minister is questioned on it during the course of a day. That's one of the things we do.

In terms of the numbers, the numbers that are reported here are correct. You know, we've heard today three different numbers in terms of what the PAB staff was in 2002-03, and only one of them is correct, and that's the one that the Premier has cited.

It is true, as I said earlier, that departments augment their bureau staff. We're not talking about people who do communications for just the Premier as a parallel to who works for the president. We're talking about the communications people across the entire government of Alberta. Over recent years some functions that used to be in other parts of departments such as web site management – in many cases that used to be an IT function, and that is now in the communications branch in most departments. So people have been moved around in departments from one branch to another. But in terms of

the growth of the Public Affairs Bureau it hasn't happened. The bureau's FTE complement has been reduced, as the Premier said, over the last 10 years.

The Chair: Thank you.

In the time permitting, Mr. Marz, please.

Mr. Marz: Thank you, Mr. Chair, and good morning, Mr. Premier. My question comes from page 8 on how the Public Affairs Bureau as his ministry is communicating with Albertans. I'd like to compliment the Public Affairs Bureau for the assistance they provided Alberta Agriculture, Food and Rural Development in getting timely and excellent information out about all the good programs that the government came out with to assist farmers during the time of drought and grasshoppers in the last few years and more recently the BSE situation. I think they've done a commendable job in helping us MLAs get that information out to the public. On page 8 it talks about how the bureau assists ministries in the purchase of advertising services. Could you explain exactly how the bureau is involved in that government advertising?

Mr. Klein: Well, Mr. Chair, as I said, the bureau is a multifaceted bureau relative to activities. Part of the responsibility of the bureau is to buy advertising. It is the agency of record relative to buying advertising in the media. This results in significant savings in advertising spending, because I think it's about 15 per cent you pay – is that not correct? – to an outside agency. So we try to achieve as much savings as we can. The current agency of record is Highwood, I believe, out of Calgary, a very good firm.

We do hold a competition every three years for the agency of record. For planning and designing advertising campaigns, the government maintains a registry of advertising agencies, and any agency can apply to be included in the competition. Their proposal to provide advertising services to the government is based on its relevant skills, quality, and value.

The Chair: Thank you.

With time expiring, that concludes this portion of the Public Accounts Committee meeting.

Mr. Klein: Mr. Chair, thank you so very, very much. To members of the committee, thank you.

The Chair: Okay. You are very welcome.

The chair would like to note at this time the attendance – and all members of the Assembly are welcome – of Rev. Abbott, the hon. Member for Drayton Valley-Calmar, who is visiting the committee this morning. Thank you for your attendance.

I wish the Premier, his staff, and Executive Council on behalf of all members of the Public Accounts Committee the very best. Dr. West, it's always a pleasure to see you early in the morning, and I would think that if you were contemplating equipping the King Airs with parachutes, the Premier's cabinet better get very nervous. But you're always welcome.

Dr. West: Thank you.

Mr. Dunn: Mr. Chairman, for the next meeting I believe we have the Department of Finance. I'd like to also remind the members that we have a separate section in our report this year called Government of Alberta Annual Report, so you'll want to look at the section on not just Finance but also the section starting on page 37 where we have all the accounting principles and practices followed by the consolidated accounts under one section called the Government of Alberta Annual Report. I'd like to also direct that to your attention.

Thank you.

The Chair: Thank you. Is there any other business? No other business.

I again remind all members of next Wednesday, our meeting with the Hon. Pat Nelson.

May I please have a motion to adjourn? Mary Anne Jablonski moves that the meeting be adjourned. All in favour?

Hon. Members: Agreed.

The Chair: None opposed? Thank you very much.

[The committee adjourned at 10 a.m.]

