



Legislative Assembly of Alberta

The 29th Legislature
Third Session

Standing Committee
on
Public Accounts

Wednesday, November 15, 2017
6:30 p.m.

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Third Session**

Standing Committee on Public Accounts

Cyr, Scott J., Bonnyville-Cold Lake (UCP), Chair
Dach, Lorne, Edmonton-McClung (NDP), Deputy Chair

Barnes, Drew, Cypress-Medicine Hat (UCP)
Carson, Jonathon, Edmonton-Meadowlark (NDP)*
Fildebrandt, Derek Gerhard, Strathmore-Brooks (Ind)
Fraser, Rick, Calgary-South East (Ind)
Goehring, Nicole, Edmonton-Castle Downs (NDP)
Gotfried, Richard, Calgary-Fish Creek (UCP)
Littlewood, Jessica, Fort Saskatchewan-Vegreville (NDP)
Luff, Robyn, Calgary-East (NDP)
Malkinson, Brian, Calgary-Currie (NDP)
Miller, Barb, Red Deer-South (NDP)
Panda, Prasad, Calgary-Foothills (UCP)
Renaud, Marie F., St. Albert (NDP)
Stier, Pat, Livingstone-Macleod (UCP)**
Turner, Dr. A. Robert, Edmonton-Whitemud (NDP)
Westhead, Cameron, Banff-Cochrane (NDP)

* substitution for Nicole Goehring

** substitution for Prasad Panda

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Robert Driesen	Assistant Auditor General
Brad Ireland	Assistant Auditor General
Eric Leonty	Assistant Auditor General
Sergei Pekh	Principal
Val Mellesmoen	Executive Director, Stakeholder Engagement

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6:30 p.m. Wednesday, November 15, 2017

[Mr. Cyr in the chair]

The Chair: Good evening. I would like to call this meeting of the Public Accounts Committee to order and welcome everyone in attendance.

My name is Scott Cyr, the MLA for Bonnyville-Cold Lake, and I'm chair of the committee. I would like to ask the members, staff, and guests at the table to introduce themselves, starting to my right.

Mr. Dach: Lorne Dach, MLA, Edmonton-McClung, deputy chair.

Mr. Fildebrandt: Derek Fildebrandt, Strathmore-Brooks.

Mr. Driesen: Rob Driesen, Assistant Auditor General.

Mr. Ireland: Brad Ireland, Assistant Auditor General.

Mr. Saher: Merwan Saher, Auditor General.

Mr. Leonty: Eric Leonty, Assistant Auditor General.

Mr. Pekh: Sergej Pekh, audit principal.

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

Mr. Westhead: Cameron Westhead, MLA for Banff-Cochrane.

Ms Miller: Barb Miller, MLA, Red Deer-South.

Mr. Carson: Good evening. Jon Carson, MLA for Edmonton-Meadowlark.

Dr. Turner: Bob Turner, Edmonton-Whitemud.

Ms Renaud: Marie Renaud, St. Albert.

Mrs. Littlewood: Jessica Littlewood, MLA, Fort Saskatchewan-Vegreville.

Ms Luff: Robyn Luff, MLA for Calgary-East.

Mr. Malkinson: Brian Malkinson, MLA for Calgary-Currie.

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

Mrs. Sawchuk: Karen Sawchuk, committee clerk.

The Chair: Thank you very much.

We have two members that will be teleconferencing in, Mr. Fraser and Mr. Gotfried. Mr. Gotfried, can you announce yourself for the record?

Mr. Gotfried: Yes. Thank you. Richard Gotfried, MLA for Calgary-Fish Creek.

The Chair: Mr. Fraser, are you on the phone line?

Moving on, the following substitutions are noted for the record: Mr. Carson for Ms Goehring, Mr. Stier for Mr. Panda.

A few housekeeping items to address before we turn to the business at hand. The microphone consoles are operated by the *Hansard* staff, so there's no need to touch them. Committee proceedings are audio- and video streamed live on the Internet and recorded by *Hansard*. The audio- and video stream and transcripts of the meeting can be accessed via the Legislative Assembly

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Moving on to number 2 on the agenda, approval of the agenda. I wish to provide notice that I will be addressing, under other business, decisions made by the committee working group during its last week's meeting. This will include the draft winter/spring 2018 schedule, which was posted yesterday for members' information, as well as a few other items related to the balance of our current schedule for 2017. Would a member like to move that the agenda of the November 15, 2017, meeting of the Standing Committee on Public Accounts be approved as distributed? Mr. Malkinson. Thank you very much. Any discussion on this topic? Seeing none, all in favour? On the phones? Any opposed? Thank you. The motion is carried.

We are here this evening to receive a briefing from the Auditor General and the senior staff from his office respecting the Auditor General's October 2017 report.

Now, we do have two members that have just joined us. Mr. Fraser, can you announce yourself for the record?

Mr. Fraser: Yes, Mr. Chair. Rick Fraser, Calgary-South East.

The Chair: Okay. Mr. Barnes, can you announce yourself for the record?

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

The Chair: Okay. Before I turn the floor over to the Auditor General, I wish to note that we will be reserving the final 15 to 20 minutes to deal with items under other business.

Mr. Saher, I understand that your presentation will be in sections. I would ask that you advise when each section of your presentation is completed, and then I will open the floor to members for questions. Please go ahead, sir.

Mr. Saher: Thank you very much, Mr. Chairman. Good evening, everyone. With your agreement we'll proceed as follows. I'll just give you a general outline of how we think would be a good way to handle this.

First, I'll summarize the Auditor General's introduction to the report and our report on outstanding recommendations. Then Brad Ireland will summarize our comments on the province's consolidated financial statements for the year ended March 31, 2017. Then we'll stop for any questions you may have at that stage. Then we'll move on to summarizing each of the performance audits that we have reported in the October report, and then we'll stop for any questions that you may have. We'll end with a few comments from our executor director, stakeholder engagement. Val Mellesmoen will summarize the new look and feel of our public reporting.

All of this will take about 60 minutes, which includes allowing you, the committee, 30 minutes for your questions in those two breaks, so if you don't take your 30 minutes, then this won't take an hour, not that I'm suggesting that you don't. I'm just trying to say that we'll do our best to stick to our 30 minutes. Your 30 minutes: that's up to you.

First, let me summarize the Auditor General's introduction to the report. The provincial government is a large and complex organization. By its very nature it's impossible for every aspect to be running smoothly all the time. It's the role of my office and for us as auditors to take an objective look at selected systems and processes to determine how well they are working and, where we determine that they are not working as well as they could, to offer recommendations for improvement.

I'll try to tell you now what I think are some important matters in the October 2017 report for you as members of the Public Accounts Committee, and I'll start with what's working well.

While it's absolutely appropriate for us to emphasize areas of concern in order to drive understanding and action to make things better, I believe it's equally important for you as legislators to know where our auditing shows that government is working effectively. We have positive comments on industrial control systems, vendors' access to AGLC systems, and food safety. In a moment we'll give you more detail on that. Overall, in the last year we've reported that 40 of our recommendations to government have been implemented. That's really good progress.

Now, I'll talk about health care, both good news and work yet to be done. There's probably nothing more important to Albertans than their health. In May of this year my office released a report, Better Healthcare for Albertans, offering a path forward on successfully achieving integrated patient-centred care in Alberta. Better Healthcare for Albertans is our attempt to get to the root causes of why Alberta has not yet achieved fully integrated care despite it being the stated policy direction of government since the 1990s. That report was the subject matter of a three-hour meeting of this committee in early September. I'll take this opportunity to thank you as a committee for endorsing the work of the audit office and urging the Ministry of Health to devise and table a master implementation plan for the integration of health care in Alberta.

In presenting our Better Healthcare report, we noted that many of the building blocks are in place and progress is being made. What is needed is for all of those building blocks to be put together. In this October 2017 report, that we are presenting to you tonight, we include three follow-up audits on some important building blocks within the health care system. In a few minutes we'll give you further detail on infection prevention and control, nonhospital contracted surgical services, and primary care networks.

Now to areas needing improvement that the Public Accounts Committee should, in my opinion, focus on. First, capital planning. It is vital that governments have well-designed long-term planning processes so that the capital investments they make today will meet the needs of tomorrow. Again, more on this in a moment.

6:40

The second area I want to highlight relates to the government's stated commitment for collaboration between Alberta's 21 public postsecondary institutions in an effort to improve services to students and to make the advanced education system more efficient, effective, and sustainable. Again, we'll give you more detail on that in a moment.

The third area I want to bring to your attention that I'd like to highlight for you as legislators is a finding that came through our financial statement audit of the Department of Culture and Tourism. Through our audit we found that in the administration of the Alberta production grant program unclear guidelines have allowed grant recipients to claim ineligible expenses, the department did not use a risk-based approach in its audits of the grant recipients, and the department continues to fund individuals even when the companies they own or are associated with claim ineligible expenses. Without effective controls over the administration of this program there is an increased risk to the viability of the program and, ultimately, its ability to contribute to the economic diversification of the province.

Now our report on outstanding recommendations. I'll take a minute now to summarize the state of outstanding recommendations reported in the October 2017 report. A year ago there were 192 outstanding recommendations in total. Today, a year later, that number has dropped to 159. That is good progress.

I want to draw your attention to another statistic. A year ago there were 47 recommendations more than three years old which were not ready for a follow-up audit. That number is down to 31 today. The three ministries with the largest number of such outstanding recommendations are: Environment and Parks, Treasury Board and Finance, and Advanced Education.

In conclusion, I want to publicly thank you, the members of the Public Accounts Committee of the Assembly. By discussing our work with public service managers and seeking assurance that they are taking meaningful steps to implement our recommendations, the committee plays a critical role in holding the public service accountable for results and ensuring our work is acted upon.

Now I'll ask Brad Ireland to talk to you about our audit of the consolidated financial statements of the province for the year ended March 31, 2017.

Mr. Ireland: Thank you. The highlights of our audit of the government of Alberta's consolidated financial statements are included on page 5 of our October report. Those highlights include that, first, we issued a clean opinion on the consolidated financial statements, which means those financial statements are fairly presented in accordance with public-sector accounting standards.

The second thing to highlight there is the main accounting matters that we dealt with during last year's audit. Those are the compensation provided to phase out coal-fired electricity generation, the consolidation of the Balancing Pool into the province's financial statements, as well as the accounting for the province's commitment to the North West Redwater Partnership.

That's a summary of our work on the consolidated financial statements.

Mr. Saher: I might just add, just for clarification, that when Brad referred to page 5, it's page 5 of the section of the report in which we talk about our audits of financial statements.

Mr. Chairman, at this point we thought we would stop to see whether committee members had any immediate comments or questions on anything we said so far, and after that we would move into talking about each of our performance audits.

The Chair: Thank you.

I will now open the floor to questions from members. Are you okay with me reading this through first?

Mr. Malkinson: Oh, sorry. I thought you were asking for – put me on the speakers list, please, Mr. Chair.

The Chair: Okay. Sorry, Mr. Malkinson.

We will follow a general rotation recognizing an opposition member, followed by a government member. Please limit your questions to one plus one supplemental in each turn. You can ask to have your name added back to the rotation for an additional question. We have approximately 15 minutes for the questions at this juncture.

Okay. Mr. Barnes.

Mr. Barnes: Thank you, Mr. Chair, and again thank you all very, very much for all the work you do for us and for Albertans. Just at the end, when you talked about your clean opinion and the three things that you had adjusted for, I'm wondering about the Balancing Pool cost. Are there any contingencies for more costs in the Balancing Pool going forward? I'm wondering, Mr. Ireland, if on our statements we show prospective unfunded pension liability. Is that drawn out for Albertans' attention anywhere?

Mr. Ireland: I'll maybe deal with the pension liability first. The obligation for the pension liability: that is recognized in the consolidated financial statements. The majority of the pension obligation in the financial statements relates to the teachers' pre '92 unfunded pension. The government entered into an agreement a while back to pick up the tab for that. I think \$10 billion, \$9 billion of that liability relates to the teachers' pre '92 pension.

On the Balancing Pool, when we consolidated that, we consolidated it at March 31, so what's recognized in these financial statements is the best estimate of the liabilities at March 31. Going forward, those numbers might change, but what's recorded in these financial statements is, you know, the best estimate in the Balancing Pool and in the Department of Energy as to those liabilities at March 31.

Mr. Barnes: Okay. Thank you.

Mr. Saher: Maybe I could just supplement. Those that prepare the financial statements of the government view the Balancing Pool as an entity that is controlled for financial reporting purposes. It is the Balancing Pool's own financial statements that get consolidated into the province's statements. You know, that organization is estimating its liabilities, what assets it may have. It receives an independent auditor's report on the fairness of its financial statements in accordance with a set of accounting principles appropriate for the Balancing Pool, and our job as the Provincial Auditor is to ensure that that entity is properly consolidated into the province.

Mr. Barnes, I think your question had a sort of forward element to it. I think it would be wrong for us to speculate on what the results of the Balancing Pool will be. It's year-ended. It's on a calendar year, so it will have financial statements for the year ending December 31, 2017. I'm not sure when those will be made public, but those, together with looking at what as accountants we call the gap period, between December and March 2018, will form the basis of what gets consolidated into the province.

Mr. Barnes: Thank you.

The Chair: Thank you, Mr. Barnes.
Mr. Malkinson.

Mr. Malkinson: Thank you very much, Mr. Chair. You know, I think there is some good news in this report. In your opening comments you mentioned that it was important to point out where there had been progress, and you mentioned the drop in outstanding recommendations as well as the drop in recommendations that were not ready for follow-up. You only went back a year, and I'm just wondering: has this been part of a continuing downward trend in previous years?

Mr. Saher: Yes. I can confirm to you that the trend, the trajectory is in the right way. I happen to remember this because it's a number that sticks in my head. When I became the Auditor General – that would be seven and a half years ago – the number of outstanding recommendations was over 300, and, you know, clearly that was something that needed to be dealt with. With the audit office working with the government, working together, we became more focused on the need to bring that down. Part of that was the audit office realizing that it wasn't necessarily very helpful if we continued to pump a volume of new recommendations into the system at a rate greater than the government could deal with them, so we actually spent some time doing fewer new audits and more follow-up audits. But once we broke the back of that, consistently the number has come down.

6:50

I might add that there has been a lot of progress in the last two years, and that's because the Public Accounts Committee, I believe, has become more effective in its questioning of public service managers. The process that produces the outstanding recommendations for every entity that's appearing before you together with a request that they bring their action plans: I think all of this is positive and reinforcing that the best investment in an audit dollar is when the entity that has comments on it actually takes action.

In summary, the trend is in the right direction.

Mr. Malkinson: Thank you.

The Chair: Do you have a follow-up, sir? Okay.
Mr. Gotfried, you have a question.

Mr. Gotfried: Yes. Thank you, Mr. Chair. I wanted to ask the Auditor General: with respect to the motion that we passed in support of the Better Healthcare report, is there anything, from his experience, that we can do, within the time period that the government has to react to this, that he believes might help us to encourage a positive reaction and result from that in terms of what we can do directly with the minister, with the ministry, or through such options as spurring them on to progress with that motion during question period? Is there anything that we can do or should be doing to support that to ensure as positive an outcome with respect to the motion as possible?

Mr. Saher: Thank you for the question. You prefaced it with: based on my experience. I have no experience and the audit office has no experience of such a report from the Public Accounts Committee. From my point of view, this was a first, which is why I wanted to thank you for the action that you took.

If you ask me, "What do you think?" – this is not based on experience; this is just what I think – I think that the committee has made a motion. I believe that the necessary action is, you know, in section 53(2) of the standing orders, which reads, "The Government shall respond to a report of the Public Accounts Committee within 150 days of the date on which the Committee reports." By my math, the government should respond by March 23. I actually believe that the best thing to do is to allow the government to have the time that was written into the standing orders to allow it to consider what it believes it should do. I think the committee was clear in what it requested the government to consider doing, and I think the government should be given the time to work at its response.

Personally, from the audit office's point of view, we're not out there trying to in any way influence directly the government's activity here. We continue to do audits in the health care area, and I think that when we talk to you about some of our findings here, we'll make a connection to our Better Healthcare for Albertans report.

In summary, with respect to the question, I don't believe that there is anything that this committee should specifically do.

The Chair: Mr. Gotfried, do you have a supplemental question?

Mr. Gotfried: I just want to thank the Auditor General for that. I think that, based on his advice, if we possibly quietly encourage behind the scenes a positive response to that, then we'll follow his lead and his suggestions on this, I guess, without precedent opportunity.

Thank you.

The Chair: Thank you, Mr. Gotfried.

Was there a government member that would like to ask a question? Okay.

Mr. Fildebrandt.

Mr. Fildebrandt: Thank you, Mr. Chair. Thank you, Auditor General and your staff, for being here. On page 55 – I won't read the entire paragraph; it's a little lengthy; I'll skip through most of it – you're referring to the capital plan between March 2015 and April 2015. Towards the latter half of the paragraph – I'm quoting you here – you say:

Without comprehensive long-term plans for strategic program or service delivery, Infrastructure . . .

that being the Infrastructure department,

. . . cannot verify that departments' capital needs, which they submit to Infrastructure, align with their long-term program or service delivery plans.

My question. With regard to your statement there and the recommendation on capital planning I'd ask: is the ministry planning projects without having proper planning in place beforehand?

Mr. Saher: I'll just try and summarize the findings we had in this area. We're looking at a system. With respect to capital planning we found that the standards are not up to date or sufficient, and that's at the heart of one of the recommendations that we made. The planning and approval phases are not clear, and there are inadequate systems to verify if departments have done sufficient long-term planning.

So what we're really saying is that we believe that the Department of Infrastructure can improve what it does because, really, the key to good capital planning is based on a clear correlation with capital infrastructure needed to deliver planned services and programs in the future. We think it's important that the guidelines that go out to the various departments submitting their capital requests clearly demonstrate that correlation. You know, if I can put it this way, these capital requests are clearly correlated with the long-term service delivery needs, and we think that there's room for improvement there.

You know, in relation to your question, I think that, as always, we're seeking to have systems improve, and our evidence for making that recommendation is that the system needs to improve. I don't know that we can extrapolate to clear cases of capital being funded where there just isn't any case for it.

The Chair: Mr. Fildebrandt, do you have a supplementary question?

Mr. Fildebrandt: I'm keenly aware of time, so I'll just keep it quick.

On page 40 you're referring to, I think, a recommendation from February 2013, so getting a little older, about controls over expenses at Alberta Health Services. You talked about the need to tighten controls over expense claims, purchase card transactions, and other travel expenses. That was a pretty big issue for some time, especially around 2012 and 2013. Do you want to just elaborate a bit more about the progress that's been made since then?

Mr. Saher: Yeah. I'm sorry. If I can just take a second to find exactly where you are.

Mr. Fildebrandt: Page 40.

Mr. Saher: We have a number of page 40s. That's something we're working at.

Mr. Fildebrandt: That wasn't my idea.

Mr. Saher: No, no. I agree. Maybe you could just help me. Are you reading an outstanding situation?

Mr. Fildebrandt: Yeah. On page 40 it talks about control over expenses. I think it was an outstanding recommendation in February 2013.

Mr. Saher: I think my response to you would be: until we do a follow-up audit, I can't really comment. I think what you're reading is a statement of an outstanding recommendation. I can assure you that I actually believe that it's something that we're currently working on and that in our upcoming or at least in our next public reporting we will be formally telling you whether that matter is resolved or not.

Mr. Fildebrandt: Wonderful.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Fildebrandt.

It is time to move on to our next presentation from the Auditor General's office. Sir, you have 15 minutes to complete.

7:00

Mr. Saher: Okay. Thank you very much indeed. We're going to start with Brad Ireland, who's going to, at a high level, talk about the capital planning audit that we did.

Mr. Ireland: Okay. Thank you. The results of our audit of the Department of Infrastructure's capital planning system are on page 11 of the performance audit section of our report. Planning for capital is essential to any long-term strategic planning process. It is important that government have well-designed long-term planning processes so the capital investments they make today will meet the program service delivery needs of tomorrow.

I'll just take you through what we found. We found that improvements to the capital planning system between March 2015 and 2016 had occurred, but further work is needed. We had findings in three key areas, as the Auditor General just mentioned.

First, Infrastructure needs to update its capital planning guidance to departments to clarify the capital planning phases and deliverables required for each phase and to verify and report if departments have completed adequate planning before a capital project gets approved in the capital plan.

Second, Infrastructure needs to obtain better information from departments on their maintenance needs and risks and to use this information to provide objective advice to government committees on maintenance funding.

Third, Infrastructure should lead a review of the four capital maintenance programs for buildings across government – there are different programs within Education, Health, Advanced Education as well as for government facilities – and evaluate those programs to see if they are working well and what lessons could be learned.

We also found that while several departments had done some long-term program or service delivery planning to support their capital planning submissions, the planning varies in breadth and depth. Our point there is that without comprehensive long-term plans for strategic program or service delivery, Infrastructure cannot verify if departments' capital needs or capital requests align with the long-term program and service delivery plans of those organizations submitting those requests. It's our belief that an improved capital planning system will result in more complete and accurate information on capital needs and risks, including maintenance, resulting in an enhanced, evidence-based decision-making process.

The next audit I'll talk about is related to AGLC vendor access. This was a follow-up audit. What I want to highlight there is that the Alberta Gaming and Liquor Commission has implemented our recommendation to improve its systems to manage external IT contractors that are accessing its critical gaming and liquor information systems. In 2016 we identified a number of processes that needed to be strengthened. Within a year the AGLC took the necessary steps to implement our recommendation, and we're very pleased with how quickly they responded to our recommendation and dealt with that.

The next audit to highlight there is our work around CEO evaluation, selection, and compensation. This was another follow-up audit. On page 97 of the performance audit section of our October 2017 report we reported that we've withdrawn four recommendations that we originally made in 2008 and 2009 on improving processes around executive compensation at public agencies. The recommendations were made in an environment where agency boards had primary responsibility for executive compensation decisions. In light of the new legislation, regulation, and a centralized approach to executive compensation at public agencies our 2008 and 2009 recommendations are no longer applicable, so we've withdrawn those.

Mr. Saher: Thank you, Brad.

I'll now ask Rob Driesen to give you high-level information on our work on postsecondary collaboration.

Mr. Driesen: Thank you, Merwan. The report starts on page 33 of the performance audit section of our October report. This report is a follow-up of recommendations we made in 2013 related to how the Department of Advanced Education oversees effective collaboration amongst postsecondary institutions. Through Campus Alberta and now the adult learning system the Department of Advanced Education and postsecondary institutions have identified that collaboration is important to institutions in sharing costs, resources, and best practices. In 2013 we found that the department and institutions did not have effective processes to collaborate and that many institutions were not clear on what the department meant by collaboration. We recommended that the department, with institutions, develop a strategic plan and accountability framework for collaboration and guidance on how to plan, implement, and govern collaborative projects.

Our follow-up audit has found that little has changed. The implementation of a strategic plan has started and stalled over the past four years. Currently the department is considering what, if any, strategic plan is necessary after it completes its review of postsecondary institution funding and a postsecondary institution specific part of the government's overall ABC review.

We examined the department's recent Campus Alberta unified services initiative, designed to provide a centralized enterprise resource planning system to smaller institutions for leveraging systems at the University of Alberta. What we found are problems in how that initiative was planned, implemented, and governed, and as a result, desired outcomes of the initiative have not been achieved.

As a result, we conclude that Alberta students are still not getting the full benefits of collaboration amongst postsecondary institutions.

Mr. Saher: Okay. Thanks, Rob.

Next up, Eric Leonty will talk to you about two follow-up audits.

Mr. Leonty: Thank you and good evening, everyone. The first follow-up audit I would like to highlight is an audit we did on IT security for industrial control systems in the oil and gas industry.

That starts on page 51 in our report. ICS, industrial control systems, are used extensively in well and pipeline operations and can be used to control everything from valves to pumps to leak detection systems. ICS, at one point in time, used to be primarily stand-alone systems and now are increasingly connected. While oil and gas operators are responsible for securing their assets, government does have an important role as a regulator in having oversight for the responsible and safe development of resources and needs to assess the risks and consider threats to ICS in the oil and gas industry.

To that effect, we made a recommendation in 2016. In response to our recommendation, the Alberta Energy Regulator and the Department of Energy, using both internal and external expertise, completed a risk assessment that will be updated periodically and will be used to inform what actions, if any, are necessary. The risk assessment provided both information that was valuable internally as well as information that could be shared with industry associations to help improve their awareness. Based on that, we concluded that the recommendation was implemented.

The second follow-up audit I'd like to discuss with you is the food safety processes. That begins on page 43 in our report. Our audit on food safety began back in 2006, and along the way a number of improvements have been made, that we noted in follow-ups in 2009 and '13. I'm pleased to report that the departments of Agriculture and Forestry, Health, and Alberta Health Services have implemented the last of the three recommendations. In this last audit we found that reporting to Albertans has improved, primarily around inspections, and the important food safety work that's taking place at the three organizations is a lot better integrated. The food safety modernization initiative that began in '14 has been successful in moving forward on important projects, including in response to some of the recommendations that we had made. Another, you know, positive story as far as the implementation of recommendations.

Mr. Saher: Okay. Thank you.

Last up is Sergei Pekh. Sergei Pekh is the engagement leader who led our work on three health-related audits: infection prevention and control, nonhospital contracted surgical services, and primary care networks. I'll ask him to brief you, please.

Mr. Pekh: In all of these three areas we have some good news to report. All of the previously outstanding recommendations are now implemented. On primary care networks we have issued two new recommendations, on which I will comment in a moment.

The results of our infection prevention and control follow-up audit are reported on page 53 in the performance audit section of our October report. We had three recommendations for Alberta Health Services and one for the Department of Health. The Department of Health has implemented a recommendation to strengthen processes for the implementation of the infection prevention and control strategy. AHS has improved its processes to ensure proper hand hygiene in hospitals. In fact, they not only put systems in place; they have some demonstrable results to show, as we present on page 58 of our report.

7:10

Medical device reprocessing across hospital facilities now has central provincial oversight, with standardization and alignment of operational practices under way.

Importantly, Alberta Health Services is one of the few jurisdictions and one of the few health care organizations that actually has launched a hospital antibiotic stewardship program, which is aimed at helping the health care providers limit the

unnecessary use of antibiotics, which is responsible for the emergence of the antibiotic-resistant organisms.

For nonhospital surgical facilities Alberta Health Services has implemented a recommendation by strengthening its oversight process over the contracts for nonhospital surgical facilities as well as developing a process to record and analyze performance information.

Another important thing to note is that Alberta Health Services has really improved its collaboration with the College of Physicians & Surgeons where they actually were aligning their monitoring processes.

Lastly, on primary care networks we had five outstanding recommendations. Those are all implemented. I'm not going to go over all of them. We did make two new recommendations. There have been a lot of changes in the area of primary care. With the new governance framework that has been put in place for primary care, the government and AHS as well as physicians now have a much better mechanism to co-ordinate and to align initiatives and practices province-wide across all PCNs.

One of our new recommendations has to do with performance reporting. Specifically, the department needs to work through this governance framework with the physicians to agree on targets to support the performance measures under the PCN program and to require PCNs to report their progress on those measures. The second area under this recommendation is that the department needs to put into place an action plan for public reporting of results on the PCN program.

On the second recommendation that has to do with engagement of patients – this is a bit of a complicated topic – there is a good-news story in the sense that the government, working with physicians, has come up with a process to panel patients to individual family physicians, and that process is under way.

We have identified that the practices of physicians across the province vary quite a bit in how they panel their patients. However, that process is under way. Our recommendation is for the department to work with the physicians through the governance framework to complete the established patient-attachment process as well as to agree on best approaches to engage Albertans.

The issue there is this. In some PCNs, in some family physicians' offices, the patient-engagement process is fairly robust. A patient would be sat down, somebody would talk to them about what it means to be a patient in the PCN, what services the PCN offers, what it means to be a member of the care team. In some instances, we were told that it could be just a matter of you as a patient walking into the office and the front-desk clerk would ask you: Is Dr. So-and-so the physician that you actually see? If your answer is yes, you've just been panelled. Practices vary, and generally we would like to see a greater alignment and a greater definition of what it means to engage a patient in their own care.

Thank you.

Mr. Saher: Thank you, Sergei.

Mr. Chairman, we've finished summarizing the performance audits, and we're ready to take your questions.

The Chair: Thank you, Mr. Saher.

We again will have 15 minutes or so for questions on the performance audits section. Mr. Barnes.

Mr. Barnes: Thank you, Mr. Chair. And thanks again. Let's start where you just ended, on primary care networks, and go back to your earlier statements on what's been said for, you know, 25 years about fully integrated care past physician services or with physician

services. Do any of your recommendations, whether it's the new performance reporting or the action plan on the public reporting, involve more allied health professionals other than just the physicians?

Mr. Saher: Let me start, and then Sergei perhaps will supplement. Yes, absolutely. As I understand it, the whole thesis behind primary care networks is to bring together teams of health care providers to look after the patients that are, in the language just used, panelled or attached to the PCN. You know, that's the whole strategy. The sums of money that have been paid out to the PCNs were designed to incent team-based care. I think the message that we have for Albertans is that there seems to be a real take-up now and an understanding in the PCN community, family physicians, a realization that this approach does in fact make sense.

Thus, you know, Sergei referred to the governance model. I think the thesis is now bought into, if I can put it that way. What PCNs are supposed to achieve: we stand, I think, on the brink of being able to achieve that, which is why we've deemed certain recommendations to have been implemented, and we're focusing with these two new recommendations to prove, if you will, the feeling out there that there really has been a change. If there has been a change, targets should be set, and they should report against them, and PCNs uniformly, across the province, should be able to engage with Albertans, having Albertans understand that as a member of this PCN you will in fact be treated by a team, depending on your unique health care needs.

Mr. Barnes: Thank you.

Okay. That's all I had for that one. Put me back on the list after, please.

The Chair: For sure.

Are there any government questions for the Auditor General? Please, Ms Luff.

Ms Luff: Yeah. I just was wondering if you could touch a little bit more on the infection control performance audit. I just was really interested in that piece, where you talked about that we've developed a hospital antibiotic stewardship program. That's interesting. I was just wondering if you could elaborate a little bit more on what that is.

Mr. Saher: Sure. This is why it's great to have somebody who really understands what he's talking about.

So, Sergei, go for it.

Mr. Pekh: Thank you. The antibiotic stewardship program essentially is a hospital-based stewardship program. It's an initiative to identify opportunities to reduce unnecessary use of antibiotics, to help providers and those who make those prescriptions make better decisions about when to use and when not to use and when to discontinue those antibiotics and to choose antibiotics that are less likely to result in the emergence of antibiotic resistance.

Some of the initiatives that would be happening under that program that Alberta Health Services is actively working on: they've actually put in place a formulary that places certain restrictions on the use of certain antibiotics. The physician can still exercise their judgment to override the restriction, but they have to have a very good reason to do so. They already can demonstrate some results and some reduction in the use of antibiotics, both in the reduction of some negative patient outcomes as well as some cost savings from that.

7:20

Other areas include the decision support tools, helping physicians make better choices. They are clinical experts; however, it is impossible for any clinical expert to keep up with all of the advancements in pharmaceutical science, in research. So they do benefit from having some of those decision tools at their fingertips, not having to go leafing through the documents and through the paperwork to be able to bring that to life. There is both medical research that shows there are real benefits to doing that as well as that we're starting to see some of that here in Alberta.

So, in essence, those are the initiatives that are happening within hospitals.

Ms Luff: Just quickly, is that happening in all hospitals across Alberta?

Mr. Pekh: It is happening across all of Alberta. Every zone of AHS is doing this. In some hospitals this initiative may be further ahead, but every part of AHS is in.

Ms Luff: Cool. Thank you.

The Chair: Thank you, Ms Luff.

Mr. Barnes.

Mr. Barnes: Thank you again. I guess I was a little concerned hearing from your work that Alberta Advanced Education is one of the three with the most outstanding recommendations and then one of the three that you've highlighted tonight, that the planning and the collaboration has not been what the target was set by the government. You know, I'm wondering if Alberta Advanced Education has accepted your recommendations, if they've given you a timeline for when they should be done. I was just looking for your recommendations in the report, and I'm sorry, but I couldn't find them. I'm wondering how targeted your recommendations are towards collaboration. It's \$5.4 billion annually, and your key finding is that the department still does not have a strategic plan or accountability framework for collaboration among institutions. I'd kind of like to hear from somebody, too, on what collaboration should look like. A lot of questions.

Thank you.

Mr. Saher: Rob, maybe you can tackle this, but let me just start. As to why that initiative has not progressed, I think my advice to you as a Public Accounts Committee is that if you're interested in pursuing that, you need to pursue that directly with the management of the department. I think that from the beginning our observation was that, you know, it's easy to say to collaborate. I mean, everyone would agree that to collaborate is good, isn't it? But it's really difficult to do, which is why, looking at it from a systemic point of view, we were trying to say that the goal, I think, initially was not well supported in terms of: what does collaboration mean, what are our expectations, how much collaboration do we want to see, and can we measure whether or not it's been successful?

Really, for the initiative, I would say that from the original audit we did until now – I mean, Rob summed it up – essentially we can't see any change, any improvement. I think that the only way you could pursue that would be to discuss that directly with the leadership of Advanced Education.

And, yes, maybe one might argue that, well, of course, Advanced Education would have more recommendations than anyone else given that it's a ministry that's made up of so many individual entities. Well, one could argue that, and one could take another view. That doesn't really mean that it should have more

recommendations. I mean, it just happens to have more outstanding that are more than three years old. It's in the top three.

Rob, do you want to supplement?

Mr. Driesen: I think that there's a definite desire in terms of collaboration, but as the Auditor General points out, I mean, that can be very difficult when you're dealing with a number of different institutions that have different mandates. From an individual entity perspective, they certainly have maybe different desires on what they want to individually achieve. To have collaboration, you always want to try and have a win-win. Unfortunately, sometimes in order to have good collaboration and to achieve a real good result, somebody might have to give something up, and that's where it becomes very difficult. If you have a good plan in place that everybody agrees with and understands what the long-term overall goal is going to be for the sector, you can achieve with some of those difficulties, achieve some of that.

I think that the desire is there, and there certainly are individual cases where there has been some collaboration amongst institutions. It's maybe in some of the larger potential areas where the department needs to provide some oversight and some direction, to really direct some of those institutions to work together towards achieving some of those overall goals.

Certainly, after we issued the recommendation in 2013, there was, I think, some movement by the department. I think that in 2015 – and it might be because of the change in government at the time – there was maybe a thought of not being sure about what the future of Campus Alberta would be. As I mentioned earlier, they are doing some reviews, looking at funding and looking at how they are working with institutions, and maybe that's taken a bit of precedence over the last little while and maybe put collaboration on the back burner. But it is something where, once those reviews are done, we'd be very interested in seeing what that means in terms of collaboration or if they come to the conclusion that maybe collaboration as they initially envisioned it might not be achievable.

Mr. Barnes: Thank you, both.

The Chair: Was there a government member that had a question? No.

Let's check the phones really quick. Mr. Gottfried or Mr. Fraser, do you have any questions you'd like to ask the Auditor General?

Mr. Fraser: I'm good. Thank you, Mr. Chair.

The Chair: Thank you, Mr. Fraser.

Mr. Gottfried: Me, too. Thank you, Mr. Chair.

The Chair: Thank you, Mr. Gottfried.

Mr. Barnes.

Mr. Barnes: Thanks again. You spoke also about the Infrastructure department and their lack of planning and, you know, lack of equating the outcomes and the best service for Albertans with the plan. I'm wondering again about their willingness to accept your recommendations, and I'm wondering if you have any thoughts on or if you're comfortable even commenting on things like the Calgary cancer centre, the Calgary ring road, on some of these big infrastructure projects where their total liability to the taxpayer of Alberta is unclear. I'm wondering if maybe the lack of planning is done deliberately to stay, you know, more political or to meet an obligation that has been made in the past. Did any of your recommendations pertain to that?

Thank you.

Mr. Saher: No. I don't think we had any evidence to substantiate the potential inquiry that you have. I mean, essentially, we're saying – and I don't think it really matters how big the project is – that there's a system, there's a process that is to be followed. We think that probably the biggest weakness in that system at the moment is the inadequate ways of the Department of Infrastructure. They need to get better, if I can put it this way, across the board, at verifying that the departments who are making the submissions have in fact done sufficient long-term planning. Infrastructure is like, you know, as I sort of see it, a clearing house. Its job is to bring together all of this information that is coming in, ensure that it has met standards, and then synthesize and make recommendations to government committees as to what the evidence is to move forward with allocating capital funds.

We have no evidence that any particular capital requests have deliberately, you know, bypassed the systems. We have no evidence of that. Our message is that this is such a big spend over time, \$35 billion over five years, that it's imperative that the underlying systems be first class and, most importantly, that the requesters are able to evidence that the request can be correlated with a long-term service need, not some short-term desire: this would be good to have today, and it sounds good. No, that isn't adequate. It has to be correlated with long-term service delivery.

I mean, for example, where is the evidence that this capital spend will in fact be used going out into the future? Where's the evidence that there will be demand to use it? I mean, that sort of thinking would apply with the cancer hospital. I have no evidence that, you know, the people deliberately bypassed any of that. We're just saying that generally the Department of Infrastructure can do more in its work to ensure the correlation between the request and evidence of long-term service need.

7:30

Mr. Barnes: Thank you.

The Chair: Thank you, Mr. Barnes.

I believe we've taken our 15 minutes.

Would the Auditor General like three minutes to wrap up?

Mr. Saher: Yes. I'd like to give our last three minutes to Val Mellesmoen, our executive director of stakeholder engagement. She'll just give you a quick briefing on why we've changed and we intend to continue to change the way in which we package and deliver our public reports.

Ms Mellesmoen: Thank you, Merwan, and thank you for this opportunity to say a few words. This is a little different from what we normally present from this perspective, and given that I've got three minutes, I'll make three points of kind of new directions that we're doing on that.

One of the first things: I hope you recognize the change in the way that our reporting format was done there. We recognize that people like to process and read information in different ways. As a result, we added some new communications products to supplement the regular reporting that we did with our audit reports. That included the executive summaries as well as an at-a-glance document that also included, specifically, in it that you could go through at a glance just with an information product that just is what you need to know. It's kind of the highlights that you could look through very quickly in your busy day as Members of the Legislative Assembly, just to get the highlights, and then be able to take a deeper dive when you actually look at the reports, give some context to the reports at that level. That is aimed at accessibility and recognizing that Albertans all now look at information and get information in a very, very busy information world. To try to have

to go through a full report right off the bat and get the full context to it can be difficult, so this was a way to ease the path and open that up.

The second point is that we live in a visual world and we also live in a digital world. Our reports were presented from an audit perspective as the core information that's there. Many of you today are reading the report or looking at the report as we're talking about it on a tablet or on a laptop, so being able to see that, the visual components to it, helps make it better from a readability perspective and an accessibility perspective in terms of having an understanding of the flow and the following of the information. It's often very difficult in a digital format to read just straight copy and straight information, but when there is kind of a flow and a flavour to it and even a little bit of colour, it sometimes can help highlight what you're looking at and emphasize the information.

Lastly, and kind of, perhaps, more importantly, from where we're going in a reporting perspective, is that we recognize that in the past our reports were, first of all, provided out in a timing format. If you look at our current website, you'll see that you need to know what you're looking for, when the report was released versus what the content of the report was. This is our first foray into doing this with the October report. We opted to start to shift it to move to reporting by ministries and by topic. That's why you'll see that there's, like, a visual guide to icons to show what that is so you're able to look at that. It's the first step. We've started to do it on our website.

We're actually now working on a bit of an overhaul of the website, of how that information is presented, including going back historically, of the reports that were there before because the way it's discussed and the way it's reported at the Public Accounts Committee, the way that people think, the way that Albertans think – they're interested in the topics of the specific ministry. They're not necessarily interested in whether it was a financial statement report or a performance audit report, which is how we previously reported it. The timing of the report is important in one way, but again people are more interested in what the content of the report is.

Drawing up those pieces, we have a few refinements. This was our first step to move in that direction, and we are kind of on a continuous improvement moving towards our February report, including the page numbers versus that when we broke it down, we've now created them into individual reports – because we're still providing printed versions of it. We just need to work out some bugs around that. It is designed to be putting the chunks on the website or being able to have it that way, so we'll manage that through.

Another major step that we're going to start doing is video summaries of the report, so you'll be able to then even further at a glance look at it both in a mobile format as well as just on your laptops, computers, or whatever you're doing, just to kind of give the highlights, sort of what you need to know in that format, in a very small-bite portion.

The intent is to have people have a better understanding of the work that we're doing. Having a better understanding of it helps everyone act better on it, whether it is the members of the public service, Members of the Legislative Assembly, Albertans, or anyone else from a stakeholder perspective that's affected by our work.

Following our February report we will be doing a bit more of a formal checkback, specifically with Members of the Legislative Assembly as our core clients, on the information and reports that we provide as well as a little broader check with Albertans to see where we're at. That will be a more formal check as we kind of refine and get a little further in our process, but today I'd be more than happy to take any initial comments, questions, or suggestions

on how we can work to improve and continue improving our reporting processes.

Thank you.

The Chair: I would like to thank the Auditor General and staff for the presentation today and for responding to the questions from the committee members. If there is anything that the office of the Auditor General wishes to expand on, please submit it in writing and forward it to the committee clerk within 30 days.

Finally, do we have any questions on the overview that was just presented to us? Mr. Barnes.

Mr. Barnes: Yeah. Mr. Chair, my only thought would be: as suggested, how do we put forward to our subcommittee that we ask Advanced Education to come to PAC?

The Chair: Well, we can look at bringing them in there, Mr. Barnes. We can add it to the list of the next groups that we ask for. We did go through a working group schedule already.

Mr. Barnes: Next time would be fine.

The Chair: If we find time, maybe we can do an out-of-session meeting on that, but it would have to be something that the committee would approve.

Ms Renaud.

Ms Renaud: Thank you. Not a question; just a comment. I actually really appreciate this, the work that you're doing. I think it will be so much more accessible to so many people, and I really appreciate that, actually.

Thank you.

The Chair: Ms Luff.

Ms Luff: Yeah. Sorry. I just wanted to make a quick comment, too. One of the things that I'm always saying is that more people need to read the Auditor General's reports because every time I read one, I learn something new. The idea of a video summary: that is awesome because that's stuff I can share on Facebook – you know? – so it might actually bring more attention to the work that the Auditor General is doing, and I think that's a move in a really positive direction.

Mr. Saher: Thank you.

The Chair: I do have a comment from myself, actually. I do like the presentation that was done today, the fact that you brought up that there were improvements and that they were reducing the number of recommendations. I think that a lot of times this is seen as a real negative thing, when a report comes out, so when we can show that the government is actually moving forward with something, they need to get credit for it, and we need to reinforce the fact that they're making headway in certain areas. We also need to make sure that we hold them to account for areas they're not making headway on. So I thank you for making some of the changes that you've made to the reporting.

Now to move on to other business. Members, the committee working group met twice last week to discuss a number of matters and to draft a 2018 winter/spring schedule for the committee's consideration. I will provide an overview of the key issues addressed and recommendations that the working group is bringing forward. There will be a few draft motions for the committee's consideration at the end of our discussion in respect to the following points. The PAC working group recommends that the approval of the fall-winter 2017 meeting schedule be amended to include the

Public Service Commission as an invitee to the December 12 meeting with the Ministry of Treasury Board and Finance.

Did you need clarification, Ms Renaud?

Ms Renaud: No. It's okay. I'll wait till you're done.

7:40

The Chair: Okay. Moving on. Should the session conclude prior to December 12, that the committee determine if it wishes to (a) reschedule the ministry issue to the first meeting date in 2018, (b) continue with the meeting as scheduled, or (c) that a meeting will be cancelled. Note for the committee: generally speaking, the practice has been to reschedule to the next scheduled committee meeting date.

Okay. I will continue. That the working group recommend that the LAO research services and OAG commit to providing caucus research staff with written and oral research briefings two weeks in advance of the meeting to the Public Accounts Committee and that the research documents be posted to the internal website two weeks in advance prior to the meeting date. The premeeting briefings with the committee members will continue at 8 a.m. for PAC meetings during the session. Committee research services and the Auditor General have confirmed their acceptance of the proposal.

Dr. Massolin and Mr. Saher, do you have anything you wish to add at this point?

Mr. Saher: I think that idea that you just read out: I think we would be very happy in the audit office to seek to make that work.

The Chair: Thank you. If not, we'll continue. There's a lot to get through. I apologize.

The next part is that the practice of inviting officials from all agencies, boards, and commissions associated with the minister as a matter of course will be discontinued, starting with the meeting on December 12 of Treasury Board and Finance, for which the working group has recommended that the Public Service Commission be included. For the purposes of the winter/spring schedule 2018, the future committee schedules, the working group proposal is to identify both specific entities as invitees other than or in addition to the ministry and specific topics when meeting schedules are considered by the working group. Does the deputy chair have anything to add at this point?

Mr. Dach: No. I think that accurately reflects what the decision points were, and the committee can discuss points individually and then come to decisions.

The Chair: Okay. Thank you.

I will open, from what we've discussed, this for comment. Is there anything that the committee would like to – okay. Ms Renaud.

Ms Renaud: I'm just wondering if you could repeat the options we had for – sorry. It's getting late.

The Chair: Should the session conclude prior to December 12 – this is that final meeting – that the committee will determine if it wishes to (a) reschedule the ministry/issue to a first meeting dated in 2018, (b) continue with the meeting as scheduled, or (c) that the meeting be cancelled. Those were the three options. We're not limited to that, but those were the three options.

Ms Renaud: Could we add (d), like, wait and see until it's – I think we just heard today that we start the evening sittings as well. Was that after the break? I'm just wanting to see if we can hold off to maybe the next meeting or two to make that decision.

The Chair: Ms Renaud, I think that's a great suggestion. The only problem is that we have to have letters out to the ministry and the agencies.

Ms Renaud: How much time do they need?

The Chair: Usually we have a week at least, but we usually like to have it out a month in advance if we possibly can, giving them lots of time.

Ms Renaud: Just given the tight timelines I would hate to organize everything or cancel everything right now. Could we wait just a little bit and then get the letters out? I mean they wouldn't quite have a month, but they'd have two or three weeks.

The Chair: Just to clarify, you're hoping to . . .

Ms Renaud: Postpone a decision.

The Chair: But are we going to have any more information at that point that we can use to make that decision? A week or two from now we're still . . .

Ms Renaud: When we return from constituency week, I think that would be the week that we start sitting at night as well. I think we would have a better sense of how long we'll still be around, and then we could decide, you know, definitively what to do.

The Chair: I would hesitate to go down that road. I think that if we want to – again, I'll go with the note here. Generally speaking, the practice has been to reschedule to the next scheduled committee meeting date.

Yes, Dr. Turner.

Dr. Turner: Just in the same vein, since you used my professional title – sorry for the pun – you know, we've got three options right now. It does sound as though if we're not sitting on December 12, that we would – and I'm guessing at the will of the committee – say, move it till the first meeting in the new year. I think that we could actually – at least, I would suggest that we might send out invitations to the ministry saying: it's possible that you may have to present on December 12 or at the first meeting in January.

The Chair: I do believe that our clerk makes them aware that this is the case as they are near the end there.

Dr. Turner: I think that we will have a much better idea on the Tuesday of the week that we come back from constituency break as to whether we're going to be sitting past December 7.

The Chair: Mr. Gotfried.

Sorry; are you done, Dr. Turner?

Dr. Turner: Yes.

The Chair: Mr. Gotfried, you have a comment you'd like to make?

Mr. Gotfried: Yes. Thank you, Mr. Chair. It was with respect to the motion about the two weeks. Two weeks can be a little bit fluid. What I'm wondering is if we can make it 10 working days or whatever. The time could be holidays. It certainly creates – it could work out that way. Just a suggestion on that to switch to 10 working days.

The Chair: Mr. Gotfried, I'm sorry. Your sound was going in and out, and we only caught about half of that.

Mr. Gotfried: I'm sorry. I was just suggesting that on your motion about the two weeks advanced documentation from the AG and also research services, that we amend that to be the number of days, like 10 working days. Did you get that?

Thank you.

The Chair: Okay. We've got two concerns on the floor. I guess we need to make a decision on whether or not we're going to postpone this decision. I am hesitant to postpone it because we're putting these ministries in limbo. I would encourage the committee to reschedule this into the 2018 year if the schedule for our current session cuts this off. I believe that putting any ministry or any ABC, or agency, board, and commission, on notice, if you will, and then telling them that we're going to wait until just before might not be the best route.

Mr. Barnes, do you have something?

Mr. Barnes: Yeah. Thank you, Mr. Chair. My preference would be, first of all, to just leave it as December 12. I mean, the three options or other alternatives only matter if we're not sitting, and of course we don't know. Secondly, I think it would be important to make a decision now if the group's will is to not hold it December 12 in the case that we can't. I would prefer, then, that we just go to the next available meeting time.

The Chair: We do have a suggested motion that the clerk has done up. I will read the suggested motion, and we can discuss the motion that

the Public Service Commission be added as an invitee to the meeting of the Standing Committee on Public Accounts scheduled for December 12, 2017, with the Ministry of Treasury Board and Finance and should session end prior to December 12, 2017, that the meeting be rescheduled on the first scheduled meeting date in 2018 or the committee meeting proceed as scheduled.

That means we would come back on the 12th of December even though session was not in, so it would be an out-of-session meeting.

Mr. Malkinson, please.

7:50

Mr. Malkinson: Mr. Chair, what would happen then is that the list that the working group came up – it would bump everything down.

The Chair: Yeah.

Mr. Malkinson: Okay. I am fine with our list of committees, like, that came up in the working group. I always find when we're doing night sittings and such – I feel that perhaps we might consider talking about this particular point at our next meeting, but, I mean, I'm open to discussion.

The Chair: All right. Was there any further discussion on the proposed motion?

Ms Renaud: You know, instead of sending all of these folks requests to do this and then have them stand down, can we just wait till we get back from constituency week? On Tuesday, I think, like you said, we would all have a good idea of how much we'll get through or what we've got coming up. I think we'll have a much better idea. I'm thinking about the last time we started sitting nights. We had a much better idea towards the end how long we were going to go, or at least I think we did. It's just my preference.

Mr. Dach: I've got a question.

The Chair: Yes, please, Deputy Chair.

Mr. Dach: I'm just wondering what we're doing having the clerk drafting a motion when the committee is perfectly capable of coming up with motions on their own. I'm just wondering where that came from or if it was just a friendly suggestion or what. I was waiting for somebody on the committee to come up with a motion, and the next thing you know, we're considering a motion that's being proposed by the clerk. Is that the case?

The Chair: No. There's no motion on the floor right now. I'm trying to come to a consensus before we get to a motion. Now, if you'd like to propose a different motion . . .

Ms Renaud: Yeah. I'd like to propose one.

The Chair: Please, Ms Renaud.

Ms Renaud: I'm just being cranky about it. It's been a long day. I don't know.

I'd just like to propose that we postpone this decision. We can certainly relook at the three options, but we'd postpone it till the week that we come back from constituency week, that Tuesday, when we get together, and then make a decision about the December 12 meeting. We'll certainly know at that point, I believe, whether or not we'd postpone it or what we do with it.

The Chair: Okay. The clerk is just putting your motion down.

Mrs. Sawchuk: Ms Renaud, just correct me if I didn't get this right, but I've got that

the Standing Committee on Public Accounts defer the decision respecting the December 12 meeting date to the November 28 committee meeting.

Is that good?

Ms Renaud: Yeah, that's great.

Mrs. Sawchuk: Okay.

The Chair: Now, Ms. Renaud, the concern here is about sending the letter out. So are we as a committee not going to be sending a letter out at this time giving the government a heads-up that they may be before us? I'm trying to add a friendly . . .

Ms Renaud: Yeah, I guess, that would be.

Dr. Turner: Is it correct that this is the third visit to this committee by TBF this year?

The Chair: There were different agencies that we were hoping to get in front that were underneath agencies, boards, and commissions, but we went to a new format with the letter calling all agencies, boards, and commissions, so we're moving back from calling all agencies, boards, and commissions to specific agencies now. I think that you're one hundred per cent right when you say that they are the third time up, but it was to specifically target specific agencies.

Dr. Turner: And you and I are also aware that the same folks have to come to the quarterly meetings of the Alberta heritage trust fund, and many of the same questions get asked of them at the heritage trust fund committee meeting. My suggestion is that we think about actually cancelling the December 12 thing and getting on with the list that the steering committee has come up with for next year.

The Chair: The December 12 meeting was approved by the committee, though.

Mr. Malkinson: Do we have a motion on the floor at the moment?

Dr. Massolin: We do.

Mr. Malkinson: Okay. Fair enough. Then that sort of negates my suggestion. I sort of feel like we're all talking in a circle, so I thought it might make sense to – you had talked through the various action items that the working group had come up with, and I would imagine we'd have to approve those sort of in sequence, and we sort of jumped into a conversation, I think, halfway through. If we've got a motion on the floor, that's fine. We can deal with that.

The Chair: Okay. We're still in discussion on that. I believe Mr. Barnes had a question, then we'll move on to Mr. Gotfried.

Mr. Barnes: Okay. Thank you. I'll speak against the motion. I'd like to leave here with some certainty. I think it's important to have Treasury Board with some certainty. I think it's important that we do get them back in front of us. I think they were one of the three groups that have the most outstanding recommendations, so I think we can do some good work if we get them here again. I think the motion now is that we decide on November 28. Again, I'm concerned about the proper time for everybody, so I'll speak against it for that. My preference is at the very least to leave here with a commitment to December 12 or the first opening slot in our spring or second session or whatever it's called.

The Chair: Thank you, Mr. Barnes.

Mr. Gotfried.

Mr. Gotfried: Thank you, Mr. Chair. I'd also like to echo that. Number one, we have voted in this committee that we would have Treasury Board and Finance here. As the Public Accounts Committee, you know, I think that it makes sense that we have Treasury Board and Finance with us as often as we need to to address outstanding issues. That would be one side of it.

The other one is that I don't think there's any penalty in us asking them to be ready for December 12. If it transpires that we will not be available, they will be ready, then, for some subsequent date, so I don't think there's any penalty in us asking for them to be ready. We are looking backwards, not forwards in terms of our questions and approach to this, so that won't require them to particularly have any updates or changes in their readiness for that.

So I would vote against this motion and say: let's proceed as scheduled and give them appropriate notice and also in that notice let them know that there is a small possibility or a reasonable possibility that we may defer them to a future date.

Thank you.

The Chair: Mr. Malkinson.

Mr. Malkinson: Thank you very much, Mr. Chair. I would propose that what we do is that if December 12 happens, we do the meeting as scheduled, and if for whatever reason session does not go that long, we don't have that meeting and move to the next item that the working group came up with. I think that might make the best sense because, I mean, to Mr. Gotfried's point, we have seen Treasury Board many times. I'm more than happy to keep chatting with them, but I also think it's important we chat about the other Auditor General's reports, so I would perhaps suggest that as a solution to our apparent impasse at the moment.

8:00

The Chair: Okay. We do have a motion on the floor that we do need to vote on or do a friendly amendment to.

I apologize. I have been corrected in the fact that there's no such thing as a friendly amendment.

Mrs. Sawchuk: Literally and figuratively. A formal amendment: that is probably the best way to put it.

The Chair: Are there any amendments from the floor?

Mr. Malkinson: Yes.

The Chair: We'll have the clerk read the motion again.

Mrs. Sawchuk: The motion by Ms Renaud is that the Standing Committee on Public Accounts defer the decision respecting the December 12 meeting date to the November 28 committee meeting.

The Chair: Okay. So you can do an amendment, sir.

Mr. Malkinson: I don't know how to do that, so I will aim for the clerk's help. The friendly amendment I'm going to propose is that since we've heard that we want certainty, I would amend that motion in such a way so that if we are sitting on December 12, we have the meeting as intended, and if we are not sitting on the 12th, then that meeting is cancelled, and we continue on to the next item in the working group schedule.

The Chair: Mr. Malkinson, can we vote this motion down and then go with your proposed motion, sir?

Mr. Malkinson: Sure. Let's do that, then.

The Chair: Can we withdraw motions?

Mrs. Sawchuk: With the unanimous consent of the committee.

The Chair: Are you prepared to withdraw your motion?

Ms Renaud: Sure. Most definitely.

The Chair: Okay. I need unanimous consent that says that it's okay to withdraw the motion. Do I have unanimous consent? Okay. On the phone, do I have unanimous consent to withdraw the motion? Thank you. We have unanimous consent to withdraw the motion.

Mr. Malkinson, we are writing up your proposed version as we speak here, so please bear with us.

Mr. Malkinson: No worries.

Mrs. Sawchuk: Mr. Malkinson, if I could, the two parts that were part of this was that the Public Service Commission be added as an invitee. Are you including that, or you don't want that?

Mr. Malkinson: No. I was going to go just Treasury Board and Finance.

Mrs. Sawchuk: Okay. That the Standing Committee on Public Accounts meeting with the Ministry of Treasury Board and Finance scheduled for December 12 proceed . . .

Mr. Malkinson: . . . should session still be in, and if it's not, then that meeting is cancelled, and we move on to the next item on our working group list.

The Chair: At present we have all agencies, boards, and commissions being asked for this session, and that was agreed on by our committee. So are you suggesting that we don't add all agencies, boards, and commissions and just go with Treasury, or do you want to go with what the working group agreed to, which was

to not call all agencies, boards, and commissions and to call the Public Service Commission, sir?

I know that we're making this complex. Unfortunately, I don't have a choice in this.

Mr. Malkinson: Yeah. I'm just going to read back on what was proposed here. This is from the working group. As I understand it, we were going to have – basically, the heart of this motion is: what happens on December 12 if we are not sitting?

Sorry. You're asking about . . .

The Chair: Right now we have agreed as a committee to ask all agencies, boards, and commissions to come to the committee meetings. The problem that we've got is that it is very onerous on the ministries themselves to be bringing all of their agencies, boards, and commissions. We wanted to remove all agencies, boards, and commissions and pinpoint the one agency that was identified before so that we have a clear path to go up.

Mr. Malkinson: Yes.

The Chair: Mr. Westhead, you've got a question, sir?

Mr. Westhead: Yeah. Well, I really appreciate the effort that's going into trying to schedule this, and I appreciate Mr. Malkinson's motion. I just worry that, you know, if we're making a motion that's hedging on whether we sit or not, then Treasury Board and Finance is going to do all this preparation work, and it may be for naught. So I'm having a hard time understanding why I would support that motion.

I just don't want to have uncertainty for the committee and for Treasury Board and Finance because we know how much work goes into preparing for these meetings. I'm just struggling to understand why we'd want to let – you know, we should either make a decision to go ahead with the meeting or not. That's where I'm sort of sitting right now.

The Chair: Okay. It sounds like you're supporting the original motion that I was putting forward, sir. And I don't mean to be difficult here.

Mr. Westhead: Is that the one that the clerk printed for us?

The Chair: That's the one that was agreed to by the working group, more or less, that was put into motion form.

Mr. Malkinson: What I would suggest to your original question about inviting all agencies, boards, and commissions – you mentioned that that was onerous. I think we talked about it in the working group, that we'd want to have that in.

Just as a clarification, you'd mentioned various decision points from the working group. Is this motion going to be all-encompassing of those decision points, or are we going one at a time?

The Chair: Well, hopefully not. Hopefully, we can resolve some of these other ones a little more smoothly. I wasn't expecting that there was going to be push-back on this specific part other than making a decision here.

Mr. Malkinson: Perhaps what I would suggest, then, is that we – Committee Clerk, what is the thing that's missing from my motion so that we can get something on the floor here?

Mrs. Sawchuk: It was just that the Public Service Commission be added as an invitee to the December 12 meeting.

Mr. Malkinson: That's fine. I understand that that was something from the working group, so that's fine. Sorry. I may have misunderstood that as I was motioning on the fly here.

The Chair: It is 8 o'clock, so I think we're . . .

Mr. Malkinson: I need another can of Pepsi, I think.

The Chair: Can we have the clerk read out the new proposed motion?

Mrs. Sawchuk: Okay. Moved by Mr. Malkinson that the Public Service Commission be added as an invitee to the meeting of the Standing Committee on Public Accounts scheduled for December 12, 2017, with the Ministry of Treasury Board and Finance and that the meeting proceed as scheduled if the House is still sitting and that if session adjourns prior to that date, the meeting be cancelled. That's the motion on the floor right now.

The Chair: Okay. Mr. Westhead, would you want to amend that? I do hear your concern that they're going to put a lot of effort into the preparation and that then we pull the rug from underneath them.

8:10

Mr. Westhead: Yeah. I don't think I'm prepared to make an amendment at this point in time, you know, with the clarity that we have received from having reread the motion. I'd like to hear from other members, if they also feel the same way, getting Treasury Board and Finance to prepare for this with the possibility that it might not occur, if other members see that as being problematic and not necessarily fair to the ministry.

Ms Miller: I've got a question. If we don't sit on the 12th and we move it into the winter/spring schedule, are we willing to lose one of the ones off this list?

The Chair: Usually what happens is that they get bumped forward, and we would be actually having the same debate at the end of that session as well. What happens is that you don't know how many days. Then usually what we do is that we have an out-of-session meeting during the summer sometime to deal with some of these ones that may overflow, which is what we had done in the previous year.

Mr. Barnes.

Mr. Barnes: Thank you. Just as information, my preference at this point is, I think, with Mr. Westhead, that we just go ahead on December 12. My second preference would be an amendment to Mr. Malkinson's motion, and that amendment would be that instead of cancelling Treasury Board and Finance, we move them to the next available slot. But, again, my preference is: please, let's go on December 12.

The Chair: Okay. Mr. Gotfried, you're on the list.

Mr. Gotfried: Thank you, Mr. Chair. Yeah. You know, my opinion is that we forge ahead with inviting Treasury Board and Finance for the 12th. If we so choose that but we don't move ahead with that, we bump them to the first available opportunity. We've always had this as a moving list of ministries that we're going to see. We don't always get through them all. We move them to the next one.

I think it's very important that we have an opportunity to see Treasury Board and Finance. This is the Public Accounts Committee. Treasury Board and Finance is key to much of what happens in terms of financial – in fact, nothing financial happens with the government unless it goes through Treasury Board and

Finance. I think it's important that we maintain them on the list with the Public Service Commission as well, and I would suggest that we just move ahead with this. It seems like it's getting much more convoluted than we've ever had, and I'd just like to see us proceed accordingly, move ahead when we've got conflicts, and continue on with the schedule as best we can.

Thank you.

The Chair: Was there any further comment on Mr. Malkinson's motion that is on the floor?

I believe we're at the question.

Mr. Dach: Can we reread it just so everybody is clear?

The Chair: Absolutely.

Mrs. Sawchuk: Moved by Mr. Malkinson that the Public Service Commission be added as an invitee to the meeting of the Standing Committee on Public Accounts scheduled for December 12, 2017, with the Ministry of Treasury Board and Finance and that the meeting proceed should the House still be in session and otherwise that the meeting be cancelled.

Mr. Barnes: Can I make an amendment?

The Chair: Absolutely, Mr. Barnes. Please.

Mr. Barnes: Thank you, Mr. Chair. Instead of "that the meeting be cancelled" I would propose that we make it "that Treasury Board and Finance and the Public Service Commission be moved to the first available slot in 2018."

Mr. Dach: Could I have a point of order for a moment here. I thought we had the question called. The motion was simply being reread, and the question had been called. Is it permissible to have an amendment at that point?

The Chair: I did call the question, and I think, Deputy Chair, that it is out of order.

Let's do a vote on the motion that Mr. Malkinson has put forward. All those in favour? All those against? On the phones? Okay. The motion is carried.

Okay. Next we have a suggested motion respecting the draft winter/spring 2018 meeting schedule, identifying the ministries and entities and the matters for consideration for meetings during the 2018 spring session. Of course, the dates will be filled in once the 2018 sessional calendar is released in January.

Would a member move the following motion, that

the Standing Committee on Public Accounts approve the draft winter/spring 2018 meeting schedule as distributed, with meeting dates to be added on release of the 2018 sessional calendar, and that the chair and deputy chair be authorized to make any changes to meeting dates as required to accommodate the 2018-19 main estimates meeting schedule.

Yes, Mr. Malkinson.

Mr. Malkinson: Mr. Chair, I would move that motion to try to get a slightly better batting average for these.

The Chair: I think you're going one for one there.

I have Mr. Malkinson moving the motion. I will open the floor to discussion.

Mr. Barnes: I'll make an amendment that if Treasury Board and Finance is unavailable for December 14, they're added to the list.

The Chair: The 12th?

Mr. Barnes: The 12th. I'm sorry.

The Chair: That's contrary to the decision that has been made. I'm going to rule that out of order. It is contrary to the last motion that was just passed.

Mr. Barnes: I would disagree, sir. I think there was a willingness to meet with Treasury Board and Finance provided we're here on December 12. When we're going to be here for these, this will give us an opportunity to meet with them. I don't think we didn't want to meet with them. It was just a question of whether we're here or not.

Mr. Gotfried: Mr. Chair, I'd like to also speak on that.

The Chair: Mr. Gotfried, please go ahead.

Mr. Gotfried: I concur with Mr. Barnes. We've said that if we're not sitting on December 12, that meeting would be cancelled. We didn't say that we would not meet with them again in the future. I

would suggest that Mr. Barnes's amendment to the motion should be accepted as something which is fresh and recognizes the request to have Treasury Board and Finance added onto the new list.

The Chair: Thank you, Mr. Gotfried. I have ruled this out of order.

Let's move forward with the motion that's been put forward by Mr. Malkinson. I will open the floor again to discussion.

Okay. I'll call the question on the motion. All those in favour? Those on the phones? Okay. Thank you. The motion is carried.

The committee will meet on Tuesday, November 28, with the Ministry of Indigenous Relations. The meeting is scheduled from 8:30 a.m. to 10 a.m., and the premeeting briefing is from 8 a.m. to 8:25 a.m.

Would a member move to adjourn this meeting? Ms Luff is actively waving her hand. All in favour? On the phones? The motion is carried.

Thank you. We're adjourned.

[The committee adjourned at 8:19 p.m.]

