



Legislative Assembly of Alberta

The 29th Legislature
Fourth Session

Standing Committee
on
Public Accounts

Treasury Board and Finance

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The 29th Legislature
Fourth Session**

Standing Committee on Public Accounts

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

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Standing Committee on Public Accounts

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Darren Hedley, Assistant Deputy Minister, Strategic and Business Services
Corey Hogan, Managing Director, Communications and Public Engagement
Mark Parsons, Assistant Deputy Minister, Economics and Fiscal Policy
Lorna Rosen, Deputy Minister
Bryce Stewart, Assistant Deputy Minister, Budget Development and Reporting

Public Service Commission

Lana Lougheed, Deputy Minister

8:30 a.m.

Tuesday, December 4, 2018

[Mr. Cyr in the chair]

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

My name is Scott Cyr, the MLA for Bonnyville-Cold Lake and the chair of this meeting. I'd like to ask the members, staff, and guests at the table to introduce themselves for the record, starting on my right with the deputy chair.

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

Mr. Dreeshen: Hello. Devin Dreeshen, MLA for Innisfail-Sylvan Lake.

Mr. Hunter: Grant Hunter, Cardston-Taber-Warner.

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

Mr. Gotfried: Good morning. Richard Gotfried, MLA, Calgary-Fish Creek.

Mr. Clark: Good morning and best of the season, everyone. Greg Clark, MLA, Calgary-Elbow.

Mr. Hogan: Corey Hogan, managing director, Alberta communications and public engagement office.

Mr. Hedley: Darren Hedley, assistant deputy minister, strategic and business services, Treasury Board and Finance.

Ms Lougheed: Lana Lougheed, Public Service Commission.

Ms Rosen: Lorna Rosen, Deputy Minister of Treasury Board and Finance.

Mr. Stewart: Bryce Stewart, assistant deputy minister, budget development and reporting.

Mr. Parsons: Mark Parsons, assistant deputy minister, economics and fiscal policy.

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

Mr. Ireland: Good morning. Brad Ireland, Assistant Auditor General.

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

Ms Renaud: Marie Renaud, St. Albert.

Dr. Turner: Bob Turner, Edmonton-Whitemud.

Ms Littlewood: Jessica Littlewood, representing the beautiful rural constituency of Fort Saskatchewan-Vegreville.

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

Ms Payne: Good morning. Brandy Payne, MLA, Calgary-Acadia.

Mr. Nielsen: Good morning, everyone. Chris Nielsen, MLA for Edmonton-Decore.

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

Mrs. Sawchuk: Good morning. Karen Sawchuk, committee clerk.

The Chair: Thank you. We have one member teleconferencing in. Ms Kazim, would you put your name into the record, please?

Ms Kazim: Sure. Good morning. Anam Kazim, MLA for Calgary-Glenmore.

The Chair: Thank you very much, Ms Kazim.

We have one substitution today: Mr. Dreeshen for Mr. Panda.

I have a few housekeeping items to address. Please note that the microphones are operated by *Hansard*. Set your cellphones and other devices to silent for the duration of the meeting. The committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and video stream and transcripts of the meeting can be accessed via the Legislative Assembly website.

Moving on to the approval of the agenda, I will be presenting a motion on behalf of the committee working group for the committee's consideration under other business. Time permitting, we will consider the committee's draft report on activities in 2018 under other business as well.

Are there any changes or additions to the agenda? Seeing none, would a member like to move that the agenda for the December 4, 2018, meeting of the Standing Committee on Public Accounts be approved as distributed? Mr. Nielsen. Any discussion on this motion? All in favour? Any opposed? On the phone? Thank you. The motion is carried.

Approval of the minutes. Do members have any amendments to the November 27, 2018, minutes? If not, would a member move that the minutes of the November 27, 2018, meeting of the Standing Committee on Public Accounts be approved as distributed? Mr. Clark. Any discussion on the motion? All in favour? Any opposed? On the phone? Thank you. That motion is carried.

I would like to welcome our guests who are here on behalf of the Ministry of Treasury Board and Finance to address the outstanding recommendations from the office of the Auditor General as well as the ministry's 2017-2018 annual report. Members should have the research report prepared by research services, the Auditor General briefing document as well as the status of the Auditor General recommendations document, completed and submitted by the ministry.

The committee welcomes opening remarks not exceeding 10 minutes. Ms Rosen, will you take the lead in this respect?

Ms Rosen: I will.

The Chair: Go ahead, please.

Ms Rosen: Thank you and good morning to everyone. I appreciate this opportunity to discuss the Treasury Board and Finance 2017-18 annual report and the outstanding recommendations from the Auditor General. We will of course answer any questions that you have.

First off, before I begin my financial update, I want to take this opportunity to inform you of improvements that will be made to the government's year-end financial reporting for the next fiscal year. We are adding information such as the revenues and expenses of each ministry to the consolidated financial statements, that are included in the government of Alberta annual report.

Second, we are removing redundant information from the 21 ministry and department annual reports. Key financial information related to ministry activities and programs will be retained in the ministry annual reports. The office of the Auditor General has reviewed the proposed changes and agrees that key financial

information is still being retained. This will also allow the office of the Auditor General to focus its audit efforts on the consolidated financial statements and performance auditing.

Now I'd like to move on to Treasury Board and Finance's 2017-18 annual report. You will note that for the year ended March 31, 2018, the total revenue for the ministry was \$25.9 billion, \$230 million higher than budget. Ministry revenue came in at \$329 million, or about 1 per cent, higher than the prior year. The decline from budget in income tax revenue of \$872 million was offset by investment income being \$923 million higher than budget, due largely to strong financial market performance.

Alberta received nearly \$10.8 billion in personal income tax revenue and also received \$7.5 billion in revenue from several tax and revenue programs administered by Treasury Board and Finance, including corporate income tax, fuel tax, tobacco tax, insurance tax, the carbon levy, and the tourism levy. Net income from government business enterprises was \$144 million higher than budget, with net income from ATB being up \$185 million, offset by a \$38 million lower than budgeted income for AGLC.

On the expenses front, total expenses for the ministry were \$387 million under budget, primarily due to an overall greater recovery in the pension provisions due to a stronger than anticipated investment performance. Other significant variances included investment, treasury, and risk management expenses that were \$62 million higher than budget due to increases to AIMCo's external investment fees and performance compensation. Consumer rebates for the climate leadership plan totalled \$301 million, \$109 million lower than budgeted due to a combination of timing between budget and actual payouts, amounting to \$75 million, and \$34 million in lower rebates than we had forecasted. Debt servicing is \$47 million lower than budget, mainly due to the timing of borrowing.

I'll now focus on the outstanding recommendations from the office of the Auditor General and detail how our ministry is working to implement them. Treasury Board and Finance had 17 outstanding recommendations. Four related to tax and revenue administration have been fully implemented and cleared by the Auditor General. Five more have been implemented and are either waiting for the follow-up audit or the follow-up audit has been completed and we are waiting on a follow-up report from the Auditor General. Of three recommendations related to pension governance, two will not be implemented due to a change in the governance of the pension plans through Bill 27, and the AG has confirmed that the last recommendation is not required. The remaining five recommendations relate to the economy and efficiency of cash management. The department has been working hard on those recommendations and will be finalizing implementation coincidental with the implementation of the new ERP system.

Just to give a little bit more detail on those recommendations, there are three recommendations that concern budget, spending, and performance measurement. First, in July 2012 the OAG recommended the improvement of the ministry annual report process. The department worked closely with planning and reporting staff across government to improve annual reporting. The second recommendation deals with improving performance measure reporting guidelines and standards. On this, too, the department has completed significant work and has fully implemented the recommendations. The third recommendation relates to results analysis reporting and is also fully implemented. The follow-up audit for these recommendations is complete, and we are waiting for a follow-up audit report from the OAG.

On pension policy, the office of the Auditor General provided a set of recommendations regarding public-sector pension plans in February 2014. The first two relate to recommendations given the

Minister of Finance's role as the trustee and administrator of the plans. With the recent tabling of Bill 27, Joint Governance of Public Sector Pension Plans Act, the minister will no longer be the trustee for three of the public-sector pension plans. These plans would be subject to the Employment Pension Plans Act and will be subject to the regulation of Alberta's superintendent of pensions. If passed, the anticipated transition date to the new model of joint governance is March 1, 2019.

8:40

On the remaining recommendation, concerning sustainability support processes, from February 2014, the OAG has since confirmed that it no longer applies as the recommendation refers to bills from the previous government that did not pass into law.

Regarding the enterprise management system, the recommendation from October 2014 was fully executed in April 2018 and is currently awaiting a follow-up audit from the OAG in that we have updated the framework to reflect enhancements to the process that were completed over the past two years, and it is now an essential element of the business planning cycle within Treasury Board and Finance.

In response to the OAG's recommendation that we evaluate cash management for efficiency and economy, we are working to transform the consolidated cash investment trust fund. The proposed transformation will change the structure from a trust relationship that generates investment returns to a deposit structure that pays interest to participants. We expect that this plan will be ready in the first quarter of 2019-20.

While incremental improvements have been implemented related to the recommendation regarding government-controlled entities only being provided cash when needed, we are continuing to plan for further improvements as we take advantage of the review processes associated with the new enterprise resource planning system. Earlier this fall the government signed a contract to implement a new enterprise resource planning system, which includes an integrated treasury management system to address the February 2016 recommendation on the use of IT solutions to manage cash. The new system should be online for the second quarter of 2019-20.

Next, on the recommendation regarding payment based on agreement requests, from October 2017, we advised the OAG on December 20, 2017, that we were ready for a follow-up audit.

Tax and revenue administration. The final recommendations from the OAG come from October 2014, focusing on the collection of outstanding corporate taxes, and from October 2015, focusing on improving compliance systems for unfiled corporate income tax returns. The office of the Auditor General conducted a follow-up review and confirmed full implementation of these recommendations.

This concludes my formal remarks, and I along with my colleagues would be pleased to answer your questions.

The Chair: Thank you, Ms Rosen.

I'd like to move on to the Auditor General for his comments. You have five minutes, sir.

Mr. Wylie: Thank you, Chair. The deputy has done a very thorough job of going through the outstanding recommendations, so I'm not going to spend a lot of time. I will pause, though, given the comments made, and just make a couple of comments.

With respect to our work on results analysis and performance reporting, we are at the finalization stage of that audit, so it's very likely that we'll be able to be in a position to publicly report in February 2019 on that audit.

On the cash management and oversight systems of the public-sector pension plans, we certainly look forward to working with the department to see it through to the successful implementation of those recommendations. I noted that the deputy had indicated that with the passing of the bill there might be a view that those recommendations have been implemented. Our staff will be reviewing all of the recommendations, Chair, and will be looking at the risks that we identified in that report and assessing those risks, just as we would with any other follow-ups. We'll certainly consider the impact of the legislative changes, but I wouldn't say that it's necessarily implemented. We certainly will want to do our due diligence and follow-up.

Last night, in prepping for this meeting and reading the prior material, I actually noted where the former Auditor General also made a note as he was involved in the preparing of this report. On page 18 of our 2014 report he says, "These recommendations will continue to be relevant even if responsibility for implementing them needs to shift if the current governance structure of the plans changes." On page 42 of the same report there's a quote from him saying, "So while alternative governance structures can be implemented, changes to the governance structure alone would not be the sole solution." Chair, I just wanted to alert the committee that we will be following up on that as well.

That concludes my comments. Thank you.

The Chair: Thank you, Mr. Auditor General.

The committee will follow the current time allotment format for questions. The first and second rotations will be nine minutes each for members of the Official Opposition and the government members, followed by four and a half minutes for the third-party member. The third rotation provides five minutes each for the members of the Official Opposition and the government members. Time permitting, following these rotations we will hear from any independent, FCP, Liberal, or PC members in attendance wishing to participate. If none are in attendance, this time rotation will be equally distributed among the Official Opposition, the government members, and the third-party members, with the final few minutes designated for any outstanding questions to be read into the record and to consider any other business.

We ask that officials at the table as well as those seated in the gallery provide their name before responding to questions. This is for the benefit of those listening online and those that are recording *Hansard*.

I will now open the floor to questions from members. Mr. Barnes.

Mr. Barnes: Thank you, Mr. Chair. Thanks to everyone for being here today and for your work for Albertans.

I'd like to start with page 90, the statement of financial position. Under liabilities for 2017 the people of Alberta ended up \$50,700,000,000 in debt. On March 31, 2018, that had grown to almost \$68 billion. When I look at one of the outstanding recommendations from the Auditor General, outstanding since February 2016, when it comes to evaluating cash management for efficiency and economy, the Auditor General's department recommended that your department "evaluate how it can use . . . liquidity within government-controlled entities to reduce government debt and minimize borrowing costs, and implement mechanisms to utilize excess liquidity."

Back to the almost \$68 billion that we were in debt on March 31, schedule 10, which I believe is on page 113. If I could ask for your attention there, this shows that of the \$68 billion in debt, the debt that is from six to 21 years is still approximately at the same amount that it was in 2017, but your department has greatly increased the short-term borrowing. That seems a little bit counterintuitive to me

because interest rates have increased in the last little while. Can I ask what your department's philosophy is on that and how that relates to the outstanding Auditor General recommendation, please?

Ms Rosen: I'm actually going to ask Mr. Lowell Epp to come up to the microphone and respond to that, Mr. Chair.

Mr. Epp: The reason we have increased our short-term borrowing substantially is that we have a policy that suggests that we should be at between a 5 and 20 per cent floating rate on our short-term interest rates. To stay within that policy, we've needed to increase our short-term borrowing.

Mr. Barnes: Thank you, Mr. Epp. So you've increased short-term borrowing from \$24 billion to \$33 billion, and of the \$68 billion that we're in debt, that's about 50 per cent in total.

Mr. Epp: I don't have those figures in front of me. Something like that would be for provincial corporations.

Mr. Barnes: Is it the kind of thing that you re-evaluate from time to time as interest rates and central rates change?

Mr. Epp: Yes. We re-evaluate that frequently.

Mr. Barnes: Thank you. Thank you very much. I want to switch gears now to corporate taxes and personal taxes. On page 105 it shows that personal income taxes collected in 2017 were almost \$11 billion, \$10.7 billion; corporate taxes, \$3.6 billion. Then the government and your department budgeted for \$3.9 billion in corporate taxes, but corporate tax revenue fell to \$3.3 billion. It appears to be two years in a row that corporate taxes have fallen, and we missed our target of \$3.9 billion by almost \$600 million. Could I ask: how does that relate to the taxation increases? How does it relate to cash management? Have we done any assessments as to the reason why corporate taxation has fallen so dramatically?

8:50

Ms Rosen: Yes, we have done analysis with respect to why corporate income taxes fell in 2017-18. As you know, at that time the economy was still in recovery mode. One of the circumstances that presents itself when you are in a downturn in the economy is that corporations have a fair amount of flexibility with respect to taxation in terms of either carrying losses backwards or forward. This is one of the most variable pieces of our income, and we just got the estimates a little wrong in terms of trying to figure out where we would land given the volatility that we experienced in those two years.

Mr. Barnes: Thank you, Ms Rosen. So now three years of decline in corporate taxation: does that not look like a trend? I understand that in the personal income tax there was an adjustment where in the Q2 release more taxation came in than had been booked before. Is it possible that three years later we'd be changing the corporate taxation number? Would there be an adjustment done?

Ms Rosen: I'm going to let Mr. Parsons answer the question as to the difference in how we actually calculate corporate income tax estimation and personal income tax estimation because I think that that actually addresses your question, Mr. Barnes.

Mr. Barnes: I'm sorry, Mr. Parsons. My time is so limited. Could you provide that answer in writing to us, please?

Mr. Parsons: Sure. Absolutely.

Mr. Barnes: Thank you very much.

I want to now move on to page 111, schedule 7, loans and advances. I want to talk about the one to the Balancing Pool in particular. It appears that \$232 million was outstanding from the Balancing Pool to the people of Alberta, March 31, 2017. Now we have \$803 million owed to us at an effective rate of 1.33, which is considerably beneath the 2.3 that the province of Alberta, the people of Alberta, just borrowed money at. Could somebody give me a quick explanation as to the reason for the increase of \$600 million and how the people of Alberta receive that money back?

Thank you.

Mr. Epp: The increase in borrowing reflects the fact that the Balancing Pool had losses and needed to finance those losses during the year. The reason why the interest rate is so low is because they borrow for the short term, like, three months at a time, and keep rolling that debt over.

Mr. Barnes: Is that because the expectation is that they'll pay it in three months or fairly quickly?

Mr. Epp: No. That's because that's what their management has requested.

Mr. Barnes: Okay. So does that expose the people of Alberta to further risk if interest rates rise?

Mr. Epp: It exposes the Balancing Pool to further risk if interest rates rise.

Mr. Barnes: Okay. Mr. Epp, thank you.

Same schedule, same page, ATB Financial. ATB had an obligation to the people of Alberta on March 31, 2017, of \$2.89 billion, and now it's \$4.6 billion, a substantial increase of \$1.7 billion, give or take. Could I ask for an explanation on that and, if you don't mind, in 30 seconds: how does the relationship work between Treasury and ATB?

Mr. Epp: ATB has a number of sources of funding. Their deposits will vary from time to time, and they will ask us to borrow on the short-term markets and to lend that money to them to make up for short-term funding shortfalls.

Mr. Barnes: Okay. Thank you, Mr. Epp.

The Chair: Thank you. Can you submit that response in writing, please? Okay.

Moving on to Dr. Turner.

Dr. Turner: Thanks, Chair, and thank you very much to all of you that have come out this morning. This is a very important topic. The February 2014 report of the Auditor General of Alberta included the systems audit of the Department of Treasury Board and Finance's oversight system for Alberta's public-sector pension plans, and there were three recommendations.

Recommendation 1 was that there should be standards for the public sector pension plan boards to establish funding and benefit policies with:

- tolerances for the cost and funding components
- alignment between plan objectives and benefit, investment and funding policies [as well as]
- pre-defined responses when tolerances are exceeded.

Given that recommendation my first question is: with the upcoming governance changes that are under way relating to public-sector pension plans, what will be the impact of this recommendation?

Ms Rosen: Thank you very much, Dr. Turner, for the question. With respect to three of the pension plans – LAPP, PSPP, and SFPP – the governance model is changing. Now, we actually had done a very significant body of work on the recommendations from the Auditor General and actually had improved working with those pension boards, their risk management processes, and their governance processes, and I have to assume that those improvements to those processes will carry through to the new governance structures that are going to be in place. What we're basically doing is taking the pension plans out of the government's purview. They are going to become independent from government and will be governed by the employers and the employees, which will then require a new structure. The work that we did I think is still valid, and I do believe that those pension plans will still fall back on the work that was done to actually implement the recommendations in the first place.

Dr. Turner: Okay. Thank you very much. Just maybe as a short supplementary, in recommendation 1 it says that there be "alignment between plan objectives... investment and funding policies." I wonder if you could give us some more information on what effect the governance changes would have on making sure that we have that alignment.

Ms Rosen: I think that what I can say with respect to that, Dr. Turner, is that we worked quite significantly on the investment management agreements between AIMCo and the pension plan boards and government, and the investment policies that every pension plan board is required to develop actually do then work towards the alignment of those policies with their risk appetite and with the objectives that they're trying to attain. Most of the pension plans have, of course, a long-term horizon and long-term objectives, so they actually have an ability, perhaps, to invest in a wider variety of investments than do those that are not looking at a longer term horizon. I think that the work that was done will serve them in good stead going forward, and I do believe that there is significant alignment and that there is significant alignment demonstrated in those policies.

Dr. Turner: Thank you very much.
I'll pass to MLA Renaud.

Ms Renaud: Thank you. I'm going to change gears a little bit. Efficient cash management and compliance play an important role in these uncertain economic times. The OAG identified in their 2016 report that the Department of Treasury Board and Finance ought to improve their compliance system specifically related to unfiled corporate income tax returns, and evaluation into how excess liquidity within government-controlled entities can be utilized to reduce government debt and minimize borrowing costs was recommended. Can you provide us with an update on how such implementation mechanisms have been established in order to utilize the excess liquidity?

Ms Rosen: Mr. Ian Ayton is going to respond.

Mr. Ayton: Good morning. Ian Ayton from tax and revenue, Treasury Board and Finance. The recommendation that you're referring to is dealing with our unfiled tax returns by corporations. What we've done is that we've revamped our whole filing compliance program, including default assessments. So in that particular case, when somebody doesn't file, we will file based on the information that we have, actually file a return for them, and then proceed to collect that money.

9:00

Ms Renaud: Great. Further to the issue of efficient cash management what has been done regarding the OAG recommendation from 2016 to evaluate the consolidated cash investment trust fund? Have opportunities been pursued as it related to increasing the use of the consolidated cash investment trust or the potential modification of its current structure in order to ensure that it maintains its status as a relevant cash management tool?

Mr. Epp: Lowell Epp, Treasury Board and Finance. What we have done so far is to consult with participants in the CCITF as to their needs and what they need from the banking system. We have done a legal review of CCITF. It's a very complex contract with the CIBC and all of the participants, so disassembling that whole structure is a very complex enterprise. Finally, with the new treasury management system coming in, we expect to have tools to manage the replacement for the CCITF if that replacement is actually recommended and accepted by the minister.

Ms Renaud: Thank you.

I'm going to pass my time over to MLA Littlewood.

Ms Littlewood: Thank you very much. How much time do I have left, Chair?

The Chair: One minute 50 seconds.

Ms Littlewood: I'll just ask my first question, then. It's my understanding that the OAG report from 2017 made recommendations as relates to the Department of Treasury Board and Finance and that their application of policy is when they make recommendations to the Treasury Board committee. Specifically, I'm interested in the recommendation that focuses on times when recommendations are made to approve a payment based on agreement request. Would you be able to provide me with an update as it relates to this recommendation?

Ms Rosen: Mr. Bryce Stewart will answer that question.

Mr. Stewart: Thanks, Lorna. The department reviewed the payment based on agreement process as well as existing policy advice in corporate accounting policy documents. Those documents will guide discussion on whether we take requests from ministries for performance based on agreement, PBAs, into Treasury Board for its review and decision. So any rationale on the decision on whether the request will be taken to Treasury Board will be documented by the Treasury Board secretariat. The plan and processes were implemented on December 20, 2017, and the Auditor General's advice is that the department is ready for a follow-up audit. There haven't been any requests for PBAs subsequent to it being implemented.

Ms Littlewood: Thank you. I don't think I'm going to get enough time to ask my next question, so I'll just wait till the next round.

The Chair: Okay. Thank you very much.

Mr. Clark.

Mr. Clark: Thank you very much, Mr. Chair. Thank you, all, for being here. I'm going to start with the Auditor General's recommendation from February 2014 about the pension sustainability support process, in particular cost and stress testing. But first I'm going to ask: what is Alberta's current unfunded pension liability? Just ballpark.

Mr. Hedley: I'll get the exact number for you, but it's roughly around \$9 billion.

Mr. Clark: Okay. Is that an improvement over the past? I mean, are we trending to fully fund that at some point? Is there a schedule in place?

Ms. Rosen: Yes. It is improving. You may have noticed, Mr. Clark, that we actually have a line item in the budget called pension provisions, where we actually increased the liabilities. In the last few years that's actually been a pension recovery as opposed to a pension provision, which actually means that our liabilities are reducing. In fact, in our results from '17-18 we had budgeted for I believe \$139 million recovery, and we actually came in at a \$502 million recovery, so quite a significant increase in recovery. I do need to say, though, that a tremendous amount of that is due to the positive market investment climate.

Mr. Clark: That's exactly what I was going to – you anticipated my next question. What is the impact of what looks like the end of the bull market as well as a rising interest rate environment on our ability to fund those pensions fully?

Ms Rosen: Actually, the active pension plans are all in and around that 98 to 100 or even more than 100 per cent funded. Where the provisions apply most significantly is to the pre-1992 pension liabilities that were taken on by government, in particular the teachers' pension plan, because that was the largest. In terms of the investments that the pension plan boards are doing, they're going to have to consider if the investment market changes whether or not they want to reflect that in any way in a change in their policy and perhaps reduce their reliance on equities. I think that that sort of goes to the other question that was asked about alignment. It's not that you set a policy and then you just let it stay. You have to be cognizant of the environment and the investment climate. You have to monitor that on a regular basis and determine what fits with what you're trying to achieve in terms of your returns.

Mr. Clark: Right. Thank you.

I'm just going to move on, then, to other questions surrounding that rising interest rate environment, in particular debt servicing. Have you stress tested Alberta's debt-servicing amounts based on higher interest rates? And what do you think the impact of that is likely to be?

Ms Rosen: Yes, we have. We pay very close attention to the Bank of Canada and what they're signalling that they're going to be doing. Not only do we stress test when we budget; we actually budget based on what we think the interest rate environment will be, not what the interest rate environment is when we're actually developing the budget. So we do take into consideration what the Bank of Canada has signalled in terms of rate increases and what potential impact that might have for the environment that we're in.

Mr. Clark: How about future credit-rating downgrades impacting debt-servicing costs. Have you factored that in?

Ms Rosen: I'm going to ask Mr. Epp to respond to the credit-rating issue. As an introduction in terms of the credit rating I absolutely will say that a downgrade can have an impact on the cost of our debt. More significant is our investor relations and how we actually market that debt to the international investment community. To bear that out, we actually did have a downgrade last year, and subsequent to that downgrade our cost of debt actually went down a little bit because of the good program that we have in place.

Mr. Epp.

The Chair: Would you respond in writing to that question, Mr. Epp? Thank you.

Okay. Moving on to Mr. Dreeshen.

Mr. Dreeshen: Thank you very much, officials, for your presentation and the time here today. In the 750-page annual report there isn't a mention of the oil price differential. In the minister's message it is referenced. Could you maybe elaborate on what was the government's differential at budget 2017-18 and what was the final differential number for fiscal year 2017-2018?

Ms Rosen: Can you just give us one minute to find out?

Mr. Dreeshen: Sure. Yeah. Not a problem. I know, DM Rosen, in your opening remarks you were talking about timing and reporting of timing, and sometimes there is a lag. I'm just assuming if, maybe, the oil price differential accounting might have fallen into that lag time of reporting.

Ms Rosen: In terms of when we report on the differential, of course, we budget for an average differential for the year, and typically where that differential landed over the course of the year is not something that is contained in the actual financial reporting because it is more an input into the budgeting process. That's why you'll find it more in the fiscal plan. It's one of the inputs that we consider when we actually do budget nonrenewable resource revenue. It's something that we look at internally, but I'm not sure that we actually report the difference between what we budgeted on and what the actuals were and the differential for the year. Maybe that's something we could follow up on and respond to in writing.

Mr. Dreeshen: Sure. That would be great.

Mr. Parsons: I can supplement.

Mr. Dreeshen: Sure. Please.

9:10

Mr. Parsons: The differential was slightly narrower than we were projecting in Budget 2017. In '17-18 the differential was forecast at \$16 a barrel in US dollars. The actual differential came in around \$14.50. So if you look at WCS pricing, it's very close overall in Canadian dollars. The budget had \$51.30, and WCS in Canadian dollars was \$50.40.

Mr. Dreeshen: Now that markets have obviously shifted, do you have an updated projection for the differential for the fiscal years 2018-19 and 2019-20?

Mr. Parsons: Yes. I can speak to that because Minister Ceci just released the second-quarter update on Friday. As part of that update we did include an updated differential forecast. As of second quarter the differential is now forecast at \$29.25, again U.S. dollars, light heavy, and that's up from the budget forecast of \$22.40.

Mr. Dreeshen: I understand that somewhere along the line it was reported that the impact to Alberta's treasury is going to be about \$210 million for every \$1 of the oil price differential. I don't imagine that that is actually linear because, again, it's averaged throughout the year. Can you explain how much the Alberta treasury is impacted by each dollar of the differential?

Mr. Parsons: I'll use Budget 2018 numbers. We do publish fiscal sensitivities on WTI, the differential, the Canadian dollar. I will stress that these are all all-else-equal sensitivities, holding production and everything else, and they work for very small

changes but not larger changes. On the differential it's \$210 million per dollar, again, for very small changes, holding all else equal.

Mr. Dreeshen: Is there a metric for capacity and the price differential that you're aware of, you know, of kind of: an extra hundred thousand barrels per day added would adjust the rate of the price differential? I know at an earlier committee we talked about how about \$20 per barrel is just kind of a typical price capacity factor that's always just incorporated.

Mr. Parsons: The differential, I mean, is very volatile, especially when you're out of pipeline capacity, and that's exactly what we've observed now. It depends on whether you're on what we call rail economics or pipeline economics. When you have sufficient pipeline capacity, you have a differential that can range somewhere between \$10 and \$20, maybe around \$15 with full pipeline access. Of course, we do not have sufficient pipeline access now, which is why we're seeing differentials in the high \$20s and even \$30s, and, you know, in October we were in the \$40s. Don't expect to get down to that \$15 range until we have sufficient pipeline access. That's exactly why we'll have wide differentials until we have the major pipelines come through – line 3, TMX, or KXL – in the budget forecast.

Mr. Dreeshen: Could you elaborate more on the rail side of that? You were talking about the two different price differentials that you would have or the capacity that you'd have with pipeline and rail.

Mr. Parsons: Like what kind of differentials would you expect when you're moving oil by rail? Again, this is more Alberta Energy, but I'll provide kind of a high-level response on this. Under rail economics you would expect a differential around sort of that \$20 to \$30 range; \$25 would be something you would expect. It depends on whether you're on full-cost rail or variable-cost rail, but that's normally what you would expect under rail economics.

Mr. Dreeshen: Ultimately, kind of high level, a focus on pipelines would be ideal over rail by an easy factor of \$10.

Mr. Parsons: That's correct. It's significant.

Mr. Dreeshen: And \$10 times the \$210 million: we're getting up there in hits to the Alberta treasury.

Ms Rosen: That's absolutely true. But takeaway capacity of any kind, rail or pipeline, is better than no takeaway capacity at all. There's a better impact on Alberta's treasury if we actually can get the oil to market, whether it's by rail or by pipeline, than if we can't get it there at all.

Mr. Dreeshen: Shifting gears again – sorry – the government was aware of the impending oil price differential crisis early in the spring. This goes kind of to that timing question. That's when they began discussion with industry on how to address the impending crisis that we're now in. If the government was aware of the coming differential crisis back then, why didn't the annual report mention it at all?

Ms Rosen: I'm not sure about the timing of our understanding there. In the spring differentials were actually \$13, \$14, which is why even in this very high-priced differential environment right now we can still say that we're going to average \$29, \$25 for the year because for the first six months of the year our differentials were actually quite reasonable, under \$20. Where the higher differential came to be a concern was actually towards the end of the summer. I have to say that the blowout of the differential in

October to a high of \$52 came as somewhat of a shock even to Treasury Board and Finance.

Mr. Dreeshen: Just to shift gears again onto pensions, that was raised earlier across the way. For the Alberta Investment Management Corporation under the heading Pension and Disability Plans it states:

The Corporation participates in two multi-employer public sector pension plans, [obviously] the Management Employees Pension Plan (“MEPP”) and the Public Service Pension Plan (“PSPP”). The Corporation also participates in a defined contribution pension plan and a defined contribution supplementary retirement plan, established for employees hired after the formation of the Corporation on January 1, 2008.

Can you just explain what the last sentence actually refers to? Is that a pension plan for AIMCo employees, and if not, who would fall under the defined contribution plan?

Mr. Hedley: AIMCo when it was first created was . . .

The Chair: Thank you. Would you respond in writing, please?

Mr. Hedley: Can do.

The Chair: Thank you very much, sir.

Ms Littlewood.

Ms Littlewood: Thank you very much, Chair. The annual reports that we have give us some insight into the operations and management of any given organization, ministry, or department that we have within the government, but in 2012 there was an OAG report that made a recommendation as it relates to Treasury Board and Finance and your continued efforts to improve annual reporting. Of course, there was a direct focus on the way in which the annual report actually identifies performance measure vacancies and the way in which explanations are developed for variances in said reporting. What is the current status of this recommendation that was made about five years ago?

Mr. Hedley: Out of that recommendation the ministry’s capacity for target setting and variance reporting has substantially improved. Ministry business planning standards were augmented to include a comprehensive section on performance measurement, target setting, types of targets, and the linkage of business plans to annual reports. Subsequently Treasury Board and Finance staff report an annual reduction in the number of ministry planners who, when questioned, are unable to explain performance measures in their draft business plan submitted to Treasury Board and Finance for review.

My staff also provided training workshops and templates for ministries to properly identify and discuss performance variances from targets in the annual reports in a more substantive way than they had previously. In addition, a measuring performance reference guide was prepared by my staff, which outlines the best practices on developing performance measures, target setting, and variance analysis in the public reports.

Guidance was added to the annual reporting standards to analyze how performance measures, results, and reporting on variances use 10 guiding principles for variance analysis. These principles include making use of data breakouts by gender, income level, age, rural/urban, and so forth to better understand variances. Comparing performance measures over time with similar organizations, looking for commonalities and differences, and examining the performance results of multiple measures together obtain a comprehensive perspective on ministry performance.

Annual report compliance conducted by TBF in 2016 and 2017 showed that the overwhelming majority of ministry annual reports now contain ministry performance measures and variance information where previously annual reports did not. On October 31, 2017, the OAG audit plan was finalized with TBF, and the follow-up audit combined with 2012 recommendations 10 and 11 and 2014 recommendation 1 proceeded. That follow-up audit has commenced.

9:20

Ms Littlewood: Thank you.

As a follow-up to the question regarding preparation processes for identifying significant performance measure variances and developing explanations for these variances for reporting, the OAG made another recommendation to Treasury Board and Finance regarding their annual reporting. The focus of other recommendations relating to the annual reporting referenced approval processes and recommendations to improve the process where senior management sign off summaries of a given year’s performance measure variances as well as significant variance assessments. What has been done regarding these critical approvals and sign-offs?

Mr. Hedley: Treasury Board and Finance created a working group of ministry representatives who developed guidance materials – examples of best practices, of performance measure results variance analysis, and templates – to aid ministries in conducting their variance analysis. The working group gave presentations and held workshops for all the ministries to attend. Annual report compliance reviews conducted in both 2016 and 2017 showed that the majority of ministry annual reports now consistently contain performance measure variance information that was not previously completed. A sampling of completed ministry variance analysis templates from ministries found that variance analysis is now reviewed by senior management, when it had not been prior to the implementation of those new processes. A survey of ministry planning and reporting representatives conducted by TBF in 2015 found that ministry staff were very satisfied with the level of support provided by the staff in Treasury Board and Finance.

Again, as previously mentioned, these recommendations have been fully implemented as of the fall of 2017 and are now with the office of the Auditor General for review.

Ms Littlewood: Thank you very much.

Of course, it’s critical that each department be held to a high standard in all regards, particularly as it relates to reporting of performance measures, so in order to continue to meet these high standards of reporting across government, the OAG made a recommendation in 2012 to the Department of Treasury Board and Finance as it relates to identifying variance in such reporting as well as performance measure target setting. What’s the status of this recommendation, and how was the current status arrived at, if you’ve been able to accept that and have it ready?

Mr. Hedley: As previously mentioned, we have completed our review and implemented a number of measures in terms of guidance to ministries and workshops for ministries in performance measures. We’ve done our analysis to follow up to make sure that those business planners are able to explain those variances. Again, the senior management teams of various departments are actually doing a review of those results, and, as I mentioned previously, the Auditor General is currently following up with the audit.

Ms Littlewood: Thank you.

I’ll pass the rest of my time to MLA Payne.

Ms Payne: Good morning. Thank you. I'm kind of dovetailing with the previous question regarding performance measure reporting. The Auditor General report focused a portion of the recommendation in this regard specifically on the preparation of the results analysis. Of course, vital to any performance measure reporting is that the analysis of the findings is critical towards meaningful implementation of the findings. So I was curious. What specifically has been done to ensure that said results are prepared in such a way as to allow for the appropriate analysis?

Mr. Hedley: Treasury Board and Finance has provided guidance and feedback to ministries on the results analysis in their annual reports. We've, as previously mentioned, established an annual report standards committee of ministry representatives, and we update our ministry annual report reporting standards with a framework of guiding principles of results analysis. Principles include: unbiased reporting, including management's perspective on performance, and outlining for the reader steps that will be taken to improve those measures when needed.

We've held numerous workshops with ministries on the results, including presentations by staff from the office of the Auditor General, co-ordinated peer-review exercises amongst ministries of their 2014-15 annual reports, speaking with all ministry executive teams on general principles of good results analysis, and conducted reviews of the annual reports for 2015-16 and 2016-17, preparing compliance reports for improvement for every ministry. As previously noted, we have completed our work there, and it's with the office of the Auditor General for follow-up audit.

Ms Payne: Thank you for that.

How much time do we have left?

The Chair: Seven seconds.

Ms Payne: I will save my next question for the next round in that case.

The Chair: Thank you very much.

Now let's move on to Mr. Clark.

Mr. Clark: Thank you, Mr. Chair. You know, I do want to pick up on that whole question about performance measures in the business planning cycle because I think it's one of the most important things. It doesn't get a lot of headlines, frankly, but it's incredibly important in terms of how we as legislators do our job but also, I think, probably just as important how ministries actually execute their work. What I want to ask you about is just that process. Like, how does that actually sort of work from your perspective? I see from the Auditor General's comments here dating back to 2012 – I know that recommendation is now ready to be reviewed, but it looks like it's about connecting performance measures and variances. What I want to ask, though, is: to what degree do you provide input and feedback to ministries around the relevance of their particular performance indicators that we see in the annual reports and the budget?

Ms Rosen: Mr. Clark, of course, the performance results depend on what it is that you're actually trying to measure, right? What we don't determine, what we don't provide, I would say, advice and guidance to ministries on is what their priorities are because they set their priorities, and therefore they say: these are the most important things to the ministry, so this is what we're saying that our objectives are. But what we will provide them with assistance on, if they have a stated objective, is how you appropriately measure that in a way that would be meaningful to the broad-based

public. Because you want to have a measure that actually resonates with the public and is not just sort of insider baseball, one that you understand but that doesn't actually provide information more broadly.

Using different information, different techniques, we do benchmarking across the country with other governments because we all deliver the same suite of services. So we do, you know, look to see what others are reporting on and what kind of performance measurement they're utilizing. Then we try and aim for consistency in reporting because performance measurement really only works well if you have the same kind of objectives year after year and if you report on them year after year.

Mr. Clark: Yeah. I mean, one of my favourite things to do is estimates and this stuff. Anyway, I find it fascinating, but frankly it's very important.

I want to give you a specific example in looking at Health, and this is one that I've kind of asked the Minister of Health about a couple of times. One of their key strategies is: implement the Valuing Mental Health report. So there's Treasury Board and Finance – you see that key strategy – and then we go into performance measures and performance indicators, and the only two performance measures they have at all related to mental health are hospital readmissions after 30 days and emergency visits due to substance use. Treasury Board and Finance are not mental health experts, but I would look at those two things and say: well, this is a report publicly available that has many recommendations, and this feels like an overnarrow measure of that. Is that the sort of feedback that you provide to ministries, or is that my job?

Ms Rosen: I would suggest to you that it's probably both of our jobs. Yes, we do provide that kind of feedback, but we also ask questions because one of the challenges that we have with performance reporting is whether or not we have the data available. In particular, when you have a new initiative or a new plan, as you go along implementing that, have you actually considered what kind of performance metrics you are going to put in place, and are you in fact collecting the data that you would need in order to report on that accurately?

9:30

One of the other challenges that I would suggest to you that we have particularly in some of the social service areas like health or others is that the collection of the information can sometimes happen quite a ways after our annual report timelines are done, the collection and analytics associated. Would we have room for improvement? We have room for improvement in all of our performance measurements, but I do believe that what we have started to achieve is some consistency of approach across the GOA in how we actually look at performance measurement.

Mr. Clark: Good. Thank you.

The Chair: Well timed. Thank you very much.

Mr. Gotfried.

Mr. Gotfried: Thank you, Mr. Chair. Thank you to our presenters today for providing us insights. I just have some questions around the one-government transformation initiatives. On page 15 of the annual report it states that the Treasury Board and Finance "supported and participated in the Province's 'One Government' Transformation Initiatives, which are focused on modernizing the way the [Alberta Public Service] delivers corporate services." Also, in the annual report it talks about excellence in government accountability and strong and resilient financial foundations.

Despite these statements, currently only one ministry is following international best practices by aligning financial planning with performance measurement. If we are planning to modernize our corporate services, what efforts are being made to align business planning and performance measurement with financial planning and best accountability practices across the public service?

Ms Rosen: I actually believe that that was the impetus for the Auditor General's recommendations around performance measurement and results reporting, and I do believe that we have actually talked quite significantly about how we went about implementing those recommendations. We have looked quite broadly at best practices, and every year we look at best practices. Every year we actually change the standards for the reporting for business plans and for performance reporting. The reason that we do that is not just change for change's sake but because we're attempting to improve on an annual basis. I'm not sure, Mr. Gotfried, that I could add anything to what's already been said in terms of all of the steps that we have taken to actually make improvement in our business planning and performance measurement.

Mr. Gotfried: Ms Rosen, could you tell me how many ministries you feel are meeting international best practices with a return to aligning financial planning and performance measurement? How many ministries are you working with that you feel have reached a compliant level of doing so?

Ms Rosen: I would have to get back to you with respect to that.

Mr. Gotfried: Okay. I think that that's what Public Accounts is about, us getting reporting on the progress on reaching that type of a goal.

Given that there's a desperate need for full-time equivalents to push those to the front lines in the public service, what's been done to implement shared services agreements for those planning and performance measurement functions so the resources are more efficiently allocated?

Ms Rosen: We actually have been pursuing, on the one-government initiative, some rationalization of what we would term the corporate services. I'm actually going to look to Mr. Hogan or Ms. Lougheed to actually respond to that because they are two corporate service providers who are completed and well under way with respect to those initiatives.

Mr. Hogan: I'll take this, probably because the consolidation of communications is the furthest along. As part of the consolidation we identified savings targets, including FTE targets, to provide back to a general pool, that could be distributed to initiatives such as, well, front-line services – I don't need to go any further than that – as determined by Treasury Board and Finance as to where those would be best put to use. Every quarter we provide to Treasury Board and Finance, the department proper, the FTE account, what we're doing to reduce our FTE account, and what we're doing to save money.

Mr. Gotfried: All right. Thank you. In that light of providing some of those wraparound corporate services and from a one-government transformation perspective, with planning and performance measurement units essentially producing one business plan and one annual report each year, why do your ministries employ so many full-time staff individually, including directors and managers, for this amount of work, and is this model getting Albertans the best value for their dollars?

Ms Rosen: Mr. Gotfried, could I just ask for some clarification? Are you suggesting that we have too many FTEs devoted to the performance measurement and the business planning process?

Mr. Gotfried: No. I'm asking if you're cross-utilizing those staff across the different ministries so that you have the specialized staff to do that rather than having that same function duplicated.

Ms Rosen: We do have a specialized staff within Treasury Board and Finance that provides what I would call a leadership role or a leadership function. It's not significant enough to call it a centre of excellence, but we do have some expertise within Treasury Board and Finance that provides an advisory service. It's not one that I think you could actually centralize because in order to actually do effective business planning and performance measurement, you have to know a substantive amount about the business, so you need to then still keep those services within the business unit because they're the ones that know the most about that planning.

Mr. Gotfried: All right. Thank you.

The Chair: Thank you, Mr. Gotfried.
Ms Payne.

Ms Payne: Thank you. I'd like to continue on the previous line of questioning that I had around monitoring results. Guidance training and monitoring results are critical to the ongoing effectiveness of the department, and as a result the Auditor General report in 2014 made a recommendation focusing on the way in which the Department of Treasury Board and Finance ought to work closely with the Deputy Ministers' Council to ensure that high levels of training and guidance are provided, particularly when it comes to identifying, analyzing, and reporting on the results found in the ministry's annual reports. I was wondering if you could comment on the implementation of this recommendation and what sort of results have been seen from that.

Mr. Hedley: As previously mentioned, our staff has reached out and met with each of the executive teams across government to walk through the importance and general principles of good results analysis. There have been meetings with the Deputy Ministers' Council in terms of those overall guiding principles and support therein. As stated previously, we've set those guiding principles. We've got annual report standards, a committee of ministry representatives, again that constant refresh as new staff come on, getting them up to speed and working with them. As Deputy Minister Rosen had mentioned, we've got a small contingent of staff that focus on supporting and challenging staff.

Ms Payne: Obviously, a key component of compliance is that training, guidance, and monitoring, not only for annual reporting, but it also, I would argue, plays a vital role in monitoring ministry compliance with these standards. I was wondering if you could comment on the processes established to monitor such compliance via the Deputy Ministers' Council and within individual departments.

Mr. Hedley: In terms of those, again, as ministries work on their draft reports, staff in Treasury Board and Finance analyze that and report back to ministries in providing guidance and are available for discussions. The overall strategic plan and so forth would be discussed with the Deputy Ministers' Council, and again the Deputy Ministers' Council has approved the guiding principles.

Ms Rosen: Maybe I could just add a little bit to that. In terms of the process that we use every year, we actually take the updated standards to Treasury Board to get Treasury Board approval, and as

well the standards are circulated by the Deputy Minister of Executive Council to all of the deputy ministers to ensure that they're aware of the updates and that they reflect those in their planning activities. So it is an area where we expect leadership from deputy ministers, and we do actively engage them.

Ms Payne: Thank you.

Switching gears a little bit, identifying risks, developing risk management systems, and following up to ensure that future risks are mitigated are essential to the effective and efficient operation of Treasury Board and Finance and, I would argue, any organization. Initially there was a recommendation from the Auditor General in 2014, and it was repeated again in 2017. Any time their recommendations are repeated, it's a bit of a cause for concern. So I'd like to hear if there's an updated explanation and perhaps some rationale as to why this critical area was the focus of not just the initial recommendation but also a follow-up last year.

9:40

Ms Rosen: I'll take responsibility for that because it was as a result of a change in the deputy minister. I came in in May of 2016 with a little bit different suite of experience around business planning and results reporting. This is an area that I have a fair amount of experience in. We revisited the approach totally. We looked at whether or not the things that we had identified as our key risks were, in fact, our key risks. We had a series of half-day meetings with the executive team to ensure that we really did understand what it was that was crucial to our business and in particular from a strategic perspective.

Ms Payne: Thank you.

The Chair: Thank you for that answer.

We'll move on to questions read into the record. We'll start with the Official Opposition. Mr. Barnes.

Mr. Barnes: Thank you, Mr. Chair. On page 323 of the annual report, under the heading Pension and Disability Plans, in the fourth paragraph it says, "The Corporation does not have sufficient plan information on the MEPP/PSPP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting." Can you explain what you mean, that you lack sufficient information?

The Chair: Thank you, Mr. Barnes.

Mr. Carson.

Mr. Carson: Thank you. The Auditor General's report in 2016 recommended that an integrated treasury management system be implemented by the Department of Treasury Board and Finance in order to manage treasury functions and processes as well as the inclusion of government-wide cash pooling and management. Has this recommendation been fully implemented? If not, what steps have been taken to develop an integrated treasury management system?

The Chair: Thank you, Mr. Carson.

Mr. Clark.

Mr. Clark: Thank you. Further, I think, to the same recommendation around cash management: has any analysis been completed to evaluate the potential additional revenue that could be generated by consolidating cash management?

The Chair: Thank you.

To the Official Opposition? Thank you.

Dr. Turner.

Dr. Turner: Internal/external performance measures allow for a comprehensive approach to be taken in the process of collecting outstanding corporate taxes. Has the Department of Treasury Board and Finance been successful in the implementation of these measures based on the OAG report recommendation in 2014?

The Chair: Mr. Clark? Okay.

Are there any further questions from government? Okay. Thank you.

I'd like to thank the department officials who attended today and responded to the members' questions. We ask that the responses for outstanding questions from today's meeting be provided in writing and forwarded to the committee clerk within 30 days.

Let's move on to other business. The committee working group members wish to put forward a proposal to permit them to draft the 2019 spring meeting schedule for the committee's consideration via e-mail. Would a member move a motion in this respect? Then I will open the floor to discussion. A suggested wording for this motion would be that

the working group for the Standing Committee on Public Accounts draft a meeting schedule for the spring of 2019 for distribution to the committee members for review and that the chair and deputy chair be authorized to approve the final meeting schedule for the spring of 2019.

We have Mr. Nielsen. Is there any discussion on this motion? Okay. Any discussion from the phone? Okay. All in favour? Any opposed? On the phone? Thank you.

This motion is carried.

I also wish to note the receipt of a written response from Infrastructure to questions outstanding from the October 30, 2018, committee meeting as well as two attachments. In keeping with the committee's usual practice, these documents will be posted to the external committee website.

Is the committee prepared to consider the draft 2018 committee report on activities up to and including today's meeting? If so, would a member like to move a motion in this respect? Then I will open the floor to discussion. Okay. Mr. Nielsen. He's a popular fellow today.

A suggested wording for this motion would be that

the Standing Committee on Public Accounts approve the draft 2018 committee report as distributed.

Mr. Nielsen: It's amazing, Mr. Chair. You took the words right out of my mouth.

The Chair: What can I say? We're all of one mind for today.

Is there any discussion on this motion? Okay. Seeing none, all in favour? Any opposed? On the phone? Thank you.

The motion is carried.

I'd like to advise that we will table the report in the Assembly soon or intersessionally.

Are there any additional items for discussion under other business? Okay.

Seeing none, I will move on to the date for our next meeting. The committee will meet on December 11 with the Ministry of Advanced Education if the Assembly is sitting on that date. The committee meeting is scheduled from 8:30 a.m. to 10 a.m., and the committee's premeeting is scheduled for 8 a.m.

Would a member like to move that this meeting be adjourned? Okay. Ms Payne this time. All in favour? Any opposed? On the phone? Carried.

Thank you very much.

[The committee adjourned at 9:47 a.m.]

