

Standing Committee on Public Accounts

2017 Report of the Standing Committee on Public Accounts

Twenty-Ninth Legislature
Fourth Session

March 2018



Standing Committee on Public Accounts

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LEGISLATIVE ASSEMBLY
ALBERTA

STANDING COMMITTEE ON PUBLIC ACCOUNTS

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DEPUTY CHAIR:
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DR. BOB TURNER, MLA

March 2018

To the Honourable Robert E. Wanner
Speaker of the Legislative Assembly of Alberta

As Chair of the Standing Committee on Public Accounts I have the honour of submitting this report relating to the Committee's activities for 2017 for consideration by the Legislative Assembly.

Sincerely,

[original signed by the Chair]

Scott J. Cyr, MLA
Bonnyville-Cold Lake
Chair, Standing Committee on Public Accounts

c. Robert Reynolds, Q.C., Clerk of the Legislative Assembly of Alberta

**Members of the Standing Committee on Public Accounts
29th Legislature – 2017**

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Cameron Westhead, MLA
Banff-Cochrane (NDP)⁹

¹ Wildrose Party and Progressive Conservative Party amalgamated on July 22, 2017 as the United Conservative Party (UCP)

² Deputy Chair until March 15, 2017

³ Appointed Deputy Chair March 15, 2017

⁴ Appointed December 12, 2017

⁵ Committee member until December 12, 2017

⁶ Appointed December 12, 2017

⁷ Committee member until December 12, 2017

⁸ Appointed December 12, 2017

⁹ Committee member until December 12, 2017

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I. INTRODUCTION

The mandate of the Standing Committee on Public Accounts is to review the public accounts of the Province of Alberta and ministry annual reports through the process of asking questions with respect to the expenditures of Government departments and reviewing the Auditor General's reports.

The Standing Committee on Public Accounts comprises a Chair, who is a Member of the Official Opposition (United Conservative Party - UCP) and a Deputy Chair, who is a Member of the Government caucus (New Democratic Party - NDP). The composition of the remaining 13 members at the close of 2017 includes one Independent Member, with the balance of the membership proportionate to the number of seats held by the NDP and UCP in the Assembly.

The public accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Management Act*. The public accounts consist of the annual report of the Government of Alberta and the annual reports of each of its ministries.

The 2016-2017 annual report of the Government of Alberta contains accountability statements and the consolidated financial statements of the province. Measuring Up, which measures and reports on performance, compares actual performance results with the desired results set out in the Government's business plan.

The annual reports for the ministries for the year ended March 31, 2017, contain ministers' accountability statements, the audited consolidated financial statements of the ministries, and a comparison of actual performance results and the desired results set out in the ministries' business plans. These reports are provided to committee members and to caucus research staff once the reports are tabled on a date following the reporting deadline of June 30th.

II. MANDATE AND SCOPE

- The mandate of the Public Accounts Committee includes reviewing and reporting on the public accounts of Alberta, all reports of the Auditor General of Alberta, and other matters which may be referred to the Committee by the Assembly. Its mandate extends to all public entities funded by Government, including agencies, boards and commissions.
- The Committee calls on senior department officials and/or officials of agencies, boards, and commissions and such others as may be necessary to fulfil its mandate.
- The Committee sets its own agendas and may sit whether or not the Assembly is in session.
- All reports of the Auditor General stand permanently referred to the Public Accounts Committee.
- The Committee may report to the Assembly on a particular matter or generally with respect to its body of work, and the Government shall respond to a substantive report of the Public Accounts Committee within 150 days of the date on which the Committee reports.

III. ACTIVITIES

The Committee's 2017 schedule included two out-of-session meetings in January and February 2017, seven meetings during the 2017 spring session, and additional out-of-session meetings: one in June, two in September, and one in October 2017. The Committee completed its 2017 schedule with seven meetings during the 2017 fall session.

At its September 7, 2017, out-of-session meeting the Committee chose to depart from its general meeting format for the purpose of reviewing the Auditor General's special report *Better Healthcare for Albertans: A Report by the Office of the Auditor General of Alberta, May 2017*. The Auditor General referred to the report as a "call to action to those who govern, operate and use the healthcare system to act immediately" to address long-standing barriers to achieving a patient-centered integrated public health care system in Alberta. In addition to the Auditor General, officials from the Ministry of Health, Alberta Health Services, the Alberta Medical Association, and the College of Physicians & Surgeons of Alberta participated in this meeting.

The Auditor General assisted in guiding discussions related to four primary topics addressed in *Better Healthcare for Albertans*: the case for integrated health care, the current structure of public health care in Alberta, integration of physician services, and transforming care through the information systems. The Committee chose not to follow its usual time allotment format for questions to encourage the flow of discussion by all participants.

At the conclusion of this meeting the Committee passed the following motion:

that the Standing Committee on Public Accounts direct Research Services to draft a report pursuant to Standing Order 53(2) for circulation to committee members and that the Chair and Deputy Chair be authorized to approve the final report and further that the report endorse *Better Healthcare for Albertans: A Report by the Auditor General of Alberta*, and urge the Ministry of Health to devise and table a master implementation plan for the integration of healthcare in Alberta.

The Committee's Report Respecting *Better Healthcare for Albertans: A Report by the Office of the Auditor General of Alberta, May 2017*, was the first substantive report by the Public Accounts Committee issued pursuant to Standing Order 53(2). The report was tabled intersessionally on October 12, 2017, and can be accessed via the Legislative Assembly website at: www.assembly.ab.ca and through the Legislature Library.

The Committee met with the Auditor General and his staff in January and November to receive briefings on reports released by that office and in February and October to discuss general business matters. The Committee also met with the Canadian Audit and Accountability Foundation (CAAF) in October to do an update on best practices for effective meetings of Public Accounts Committees.

The Committee working group, comprising the Committee Chair, Deputy Chair, Research and Committee Services, and the Office of the Auditor General, met periodically during this reporting period to discuss and recommend schedules for meetings with ministries, including agencies, boards, and commissions reporting to the ministries, and to highlight any potential issues of interest to the Committee.

The working group also considered the matter of the availability of briefing materials for Committee Members and caucus research staff prior to a scheduled meeting. The working group made a recommendation, accepted by the Committee at its November 15, 2017, meeting, that briefing documents be available two weeks prior to a scheduled committee meeting and that Research Services and the Office of the Auditor General also provide oral briefings for caucus research staff two weeks prior to a scheduled meeting.

Research Services, which provides non-partisan research support to Committees of the Assembly, and the Office of the Auditor General continued to provide oral research briefings for the Committee prior to scheduled meetings with ministries, including any agencies, boards, or commissions reporting to the ministry. The Committee continued its practice of receiving the research briefings during closed pre-meeting briefings with committee members.

The proceedings of the Standing Committee on Public Accounts are open to the public. Audio and video coverage of Committee meetings is streamed live on the Internet, and meetings are recorded by *Alberta Hansard*. Transcripts can be accessed via the Legislative Assembly website at www.assembly.ab.ca and through the Legislature Library.

SCHEDULE OF COMMITTEE MEETINGS

Meeting Date 2017	Appearance/Topic
January 24	Office of the Auditor General (OAG) <i>[Briefings on July 2016 Reports (2); October 2016 Report; business session]</i> Environment and Parks <i>[Outstanding Recommendations from the OAG; Ministry Annual Report 2015-16]</i>
February 28	Treasury Board and Finance; Infrastructure; Transportation <i>[Outstanding Recommendations from the OAG; Ministry Annual Report 2015-16]</i> Children's Services <i>[Systems to Deliver Child and Family Services to Indigenous Children]</i> OAG <i>[business session]</i>
March 7	Executive Council; Public Affairs Bureau <i>[Outstanding Recommendations from the OAG; Ministry Annual Report 2015-16]</i>
March 14	Agriculture and Forestry <i>[Outstanding Recommendations from the OAG; Ministry Annual Report 2015-16]</i>
May 2	Community and Social Services <i>[Systems to Manage the Assured Income for the Severely Handicapped (AISH) Program]</i>
May 9	Agriculture and Forestry <i>[Agriculture Financial Services Corporation—Systems to Manage the Lending Program]</i>
May 16	Health <i>[Outstanding Recommendations from the OAG; Ministry Annual Report 2015-16]</i>
May 23	Labour <i>[Evaluating Occupational Health and Safety Systems (follow-up)]</i>
May 30	Economic Development and Trade <i>[Outstanding Recommendations from the OAG; Ministry Annual Report 2015-16]</i>
June 6	Committee business meeting
September 6	Treasury Board and Finance <i>[Consolidated Financial Statements 2016-17 / Measuring Up]</i>
September 7	Health; Alberta Health Services; Alberta Medical Association; College of Physicians and Surgeons of Alberta <i>[Report by the Auditor General May 2017—Better Healthcare for Albertans]</i> Energy <i>[Outstanding Recommendations from the OAG; Ministry Annual Report 2016-17]</i>

Meeting Date 2017 <i>[continued]</i>	Appearance/Topic <i>[continued]</i>
October 11	Justice and Solicitor General <i>[Funding Sustainable and Cost-Effective Legal Aid Services; Progress Report on Control Systems at the Office of the Public Guardian and Trustee; Outstanding Recommendations from the OAG; Ministry Annual Report 2016-17]</i>
	Service Alberta <i>[Outstanding Recommendations from the OAG; Ministry Annual Report 2016-17]</i>
October 31	Treasury Board and Finance <i>[Outstanding Recommendations from the OAG; Ministry Annual Report 2016-17]</i>
November 7	Labour <i>[Outstanding Recommendations from the OAG; Ministry Annual Report 2016-17]</i>
November 14	Municipal Affairs <i>[Outstanding Recommendations from the OAG; Ministry Annual Report 2016-17]</i>
November 15	Office of the Auditor General <i>[Briefing on October 2017 Report]</i>
November 28	Indigenous Relations <i>[Follow-up on First Nations Development Fund Grants]</i>
December 5	Seniors and Housing <i>[Outstanding Recommendations from the OAG; Ministry Annual Report 2016-17]</i>
December 12	Treasury Board and Finance; Public Service Commission <i>[Outstanding Recommendations from the OAG; Ministry Annual Report 2016-17]</i>

IV. CCPAC/CCOLA CONFERENCE

Joint conference of Canadian Council of Public Accounts Committees (CCPAC) and Canadian Council of Legislative Auditors (CCOLA)

This report is submitted on behalf of the following Members of the Legislative Assembly of Alberta who attended the Canadian Council of Public Accounts Committees (CCPAC) conference in Fredericton, New Brunswick from September 10 to 12, 2017.

i. Attendance

Scott Cyr, MLA	Chair
Lorne Dach, MLA	Deputy Chair
Dr. Sarah Amato	Research Officer, Research and Committee Services
Karen Sawchuk	Committee Clerk

ii. Conference Sessions

- **Institutions of Truth and Integrity in our “Post-Truth” Age**

Speaker: Dr. Tom Bateman, Political Scientist at St. Thomas University and Member of the Auditor General of New Brunswick Strategic Advisory Committee

Dr. Bateman spoke of the deterioration in public confidence respecting political institutions and stressed the importance of the work of Public Accounts Committees and Auditors General as institutions of truth and integrity that transcend partisanship.

- **Effective Parliamentary Oversight: The Key to Delivering Value and Results for Citizens**

Speaker: Elizabeth Weir, Parliamentary Consultant, Lawyer, former Member of the Legislative Assembly of New Brunswick

Ms Weir addressed her experience as a Member and as a governance trainer internationally, and she spoke of the pivotal role that oversight committees play in ensuring that public funds are spent meeting approved public policy objectives and goals.

- **Climate Change Collaborative Audit by Federal and Provincial Auditors General**

Speaker: Julie Gelfand, Commissioner of the Environment and Sustainable Development, Office of the Auditor General of Canada

Ms Gelfand provided an overview of the climate change audit undertaken by federal and provincial Auditors General.

- **Panel Discussion: Benchmarks and Questioning for Effective PAC Meetings on Public Accounts (audited financial statements and government non-financial performance reporting)**

Panel: Michael Pickup, Auditor General, Nova Scotia
 Scott Cyr, MLA, Chair, Public Accounts Committee, Alberta
 Merwan Saher, Auditor General, Alberta

The panellists highlighted their respective practices with respect to questioning witnesses in Public Accounts Committee meetings. All agreed that the work of the research staff in support of their committees, as well as the information provided through the Offices of Auditors General, was invaluable. Mr. Cyr provided an overview of Alberta's practice of sending outstanding recommendations from the Office of the Auditor General to the ministry invited in advance of the meeting. The outstanding recommendations document along with the Research Services briefing, the Auditor General briefing as well as premeeting oral briefings assists the Committee during the questioning of witnesses.

- **Accountability in Action: Good Practices for Effective Public Accounts Committees**

Speakers: John Reed and Dr. Lesley Burns
 Canadian Accountability and Audit Foundation (CAAF)

*Mr. Reed and Dr. Burns presented the CAAF's latest research publication, *Accountability in Action: Good Practices for Public Accounts Committees*. The publication drew from global research on existing best practices along with input from the CAAF expert advisory committee, comprising PAC Members (current and former), legislative auditors, oversight committee support staff, and academics.*

- **Round-table Working Session: PAC Members and Auditors General, Committee Support Staff**

Conference delegates met in small groups and shared experiences, lessons learned, and challenges faced while sustaining good practices.

- **A number of general CCPAC business sessions were held**

- Updates to the CCPAC Constitution**
- Chairs, Deputy Chairs, PAC Members: open dialogue**
- Clerks/Researchers: open dialogue**
- Election of Board of Directors**

- **Committee on Public Administration, National Assembly of Quebec**

Speaker: Sylvain Gaudreault, Member, National Assembly of Quebec

Mr. Gaudreault advised that the Committee on Public Administration was celebrating its 20th anniversary in 2017, and spoke of the Committee's work.

- **Panel discussion: cross-party collaboration**

**Panelists: Hon. Kevin Sorenson, MP, Alberta, Chair, Standing Committee on Public Accounts
Trevor Holder, MLA, New Brunswick, Chair, Standing Committee on Public Accounts**

The panellists discussed the importance of collaboration with Members from other parties in fostering an effective public accounts committee.

Closing Remarks and Invitation from the Prince Edward Island Delegation to Attend the CCPAC/CCOLA Conference in September 2018.

