

LEGISLATIVE ASSEMBLY OF ALBERTA

## Standing Committee on Public Accounts

### **Report of the Standing Committee on Public Accounts Audit-focused Meetings**



Thirty-First Legislature  
First Session  
May 2025

Standing Committee on Public Accounts  
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**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

May 2025

**To the Honourable Ric McIver  
Speaker of the Legislative Assembly  
of the Province of Alberta**

I have the honour of submitting, on behalf of the Standing Committee on Public Accounts, the Committee's report on its trial of audit-focused meetings reviewing reports of the Auditor General, to the Legislative Assembly of Alberta.

Sincerely,

*(original signed by)*

Irfan Sabir, MLA  
Chair, Standing Committee on Public Accounts

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## MEMBERS OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

### 31st Legislature, First Session

Hon. Irfan Sabir, MLA  
Chair  
Calgary-Bhullar-McCall (NDP)

Garth Rowswell, MLA  
Deputy Chair  
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Court Ellingson, MLA  
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Jennifer Johnson, MLA  
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Brandon G. Lundy, MLA  
Leduc-Beaumont (UC)

Myles McDougall, MLA  
Calgary-Fish Creek (UC)

Marie F. Renaud, MLA  
St. Albert (NDP)

Hon. Marlin Schmidt, MLA  
Edmonton-Gold Bar (NDP)

## 1.0 EXECUTIVE SUMMARY

This report provides an overview of the new audit-focused meeting process adopted by the Standing Committee on Public Accounts (the “Committee”) on a trial basis. The audit-focused meetings focus on a recent report of the Auditor General of Alberta in order to follow up on the recommendations of the Auditor General and see what progress the relevant Ministry has made towards implementing the recommendations. This focus on specific audit reports contrasts with the Committee’s regular meetings, which focus on the invited Ministries’ most recent annual reports and any outstanding recommendations of the Auditor General.

On January 8, 2025, the Committee decided to hold three audit-focused meetings during the Committee’s 2025 spring and fall meeting schedule. On February 25, 2025, the Committee selected the report entitled *Surface Water Management: Report of the Auditor General July 2024*<sup>1</sup> to review at its first audit-focused meeting, which was held on April 29, 2025.

At its meeting on April 29, 2025, the Committee directed Research Services of the Legislative Assembly Office to draft a report (pursuant to Standing Order 53(2)) to inform the Assembly of its recent decision to trial audit-focused meetings and the process it has adopted for these meetings.

## 2.0 NEW TRIAL PROCESS

This section briefly describes the mandate and regular meeting process of the Committee and then describes the Committee's new trial process for audit-focused meetings.

### 2.1 Regular Meeting Process of the Committee

Pursuant to Standing Order 53(1), the public accounts and all reports of the Auditor General are permanently referred to the Committee as they become available. Pursuant to Standing Order 52.011(3), on November 21, 2023, the Committee established a Subcommittee on Committee Business (the "Subcommittee"), which is tasked with considering certain Committee business and making recommendations to the Committee.

The Committee meets weekly during sessions of the Legislative Assembly and sometimes also outside of session. Following its regular process, before the start of each sitting of the Assembly the Subcommittee meets with the Auditor General to discuss which Ministries to invite before the Committee during the upcoming sitting. The time since a Ministry last appeared before the Committee is one of the main criteria used by the Subcommittee to determine which Ministries to recommend to the Committee to invite, often prioritizing those Ministries with the longest period of time since last appearing before the Committee. The Subcommittee then reports its recommendations to the Committee regarding which Ministries to invite and the sequencing of when the Ministries are to appear before the Committee. The Committee debates the recommendations and may propose changes or accept the recommendations, ultimately determining which Ministries to invite and when by passing a motion.

The Committee's usual two-hour meetings involve asking questions of the invited Ministry regarding the value-for-money and performance reporting on the programs and initiatives in the Ministry's most recent annual report. Committee members also ask questions of the invited Ministry regarding any outstanding recommendations from the Auditor General of Alberta for the Ministry. The Committee follows an agreed-upon speaking rotation, which allots blocks of speaking time to each caucus.

### 2.2 New Trial Process for Audit-focused Meetings

On November 19 and 29, 2024, the Subcommittee met with the Auditor General of Alberta to discuss the meeting schedule for the 2025 spring session. The Subcommittee discussed recommending, on a trial basis, a Committee meeting schedule that would include meetings to be held during the spring and fall session that are dedicated to reviewing certain identified recent reports of the Auditor General.

Following the Subcommittee's report to the Committee, the Committee met on January 8, 2025, and agreed, on a trial basis, to dedicate two of its meetings during the 2025 spring session and one of its meetings in the 2025 fall session to reviewing certain reports of the Auditor General of Alberta. During that meeting, the Committee also instructed the Subcommittee to recommend two reports of the Auditor General for its review during the 2025 spring session.

On January 22, 2025, in preparation for determining the Committee's new audit-focused meeting process, the Subcommittee received a cross-jurisdictional scan prepared by Research Services. This cross-jurisdictional scan examined how public accounts committees in Ontario, Quebec, Newfoundland and Labrador, and the House of Commons schedule, conduct, and report on audit-focused meetings, as well as whether and how the committees conduct follow-up activities. The scan found that public accounts committees of the scanned jurisdictions receive briefings from their auditors general, request research from committee or library staff prior to the audit-focused meetings, may issue recommendations related to the auditors generals' reports, and produce substantive reports on their audit-focused meetings. Some

jurisdictions, such as the House of Commons and Newfoundland and Labrador, have additional follow-up meetings to track the progress being made to implement the recommendations.

The Subcommittee met on January 27, 2025, with the Auditor General of Alberta to determine the reports of the Auditor General to be recommended to the Committee for review during the Committee's audit-focused meetings during the 2025 spring sitting of the Assembly.

In its subsequent report to the Committee, considered by the Committee at its meeting on February 25, 2025, the Subcommittee recommended that the Committee review the report of the Auditor General entitled *Surface Water Management*, released in July 2024, during its first audit-focused meeting on April 29, 2025, and that the Committee invite officials from the Ministry of Environment and Protected Areas and the Alberta Energy Regulator to speak to the report and present their respective action plans, if available.

The Subcommittee also recommended that during audit-focused meetings the Committee vary the process it follows during regular meetings of the Committee. The varied process would include inviting all relevant entities to respond to the Auditor General's report at the meetings; hearing opening remarks from the Auditor General followed by the Ministry's response; a question-and-answer format in which each member of the Committee is allowed a main question and a follow-up question, alternating between the Government and Opposition caucuses; and allocating an additional 15 minutes after the question-and-answer portion concludes to determine whether to hold an additional meeting to conduct deliberations on the Committee's review of the audit report, potentially resulting in recommendations made to the Assembly. The main procedural differences between the regular and audit-focused meetings are who is invited, the order in which the invitees and the Auditor General provide opening remarks, the question-and-answer format, and the possibility of making recommendations.



### 3.0 AUDIT-FOCUSED MEETING TRIAL

As noted, for the first audit-focused meeting the Committee reviewed the report of the Auditor General of Alberta entitled *Surface Water Management*. The following provides an overview of the Auditor General's recommendations from this report and a brief discussion of the lines of questioning posed by the Committee regarding the Auditor General's recommendations.

#### 3.1 Surface Water Management: Report of the Auditor General July 2024

The Auditor General of Alberta made three main recommendations to the Ministry of Environment and Protected Areas in his *Surface Water Management* report, which are summarized here.

1. The Auditor General recommended that the department establish a process to identify when to develop, assess, and update water conservation objectives. The Auditor General identified the need for more consistent documentation of the evidence used to make water management decisions. The Auditor General also found that water conservation objectives are not retroactive and therefore do not apply to many licensees, which impacts the effectiveness of the objectives.<sup>2</sup>
2. The Auditor General recommended that the department improve licensing and compliance-monitoring processes, which are currently based on public complaints and self-reporting of water use by licensees. The Auditor General recommended that the department document its licensing and compliance decisions to ensure consistency and develop processes to verify the accuracy and completeness of licensees' water-use reporting.<sup>3</sup>
3. The Auditor General recommended that the department publicly report relevant and reliable information on managing surface water, including publicly releasing data on water usage, verifying the accuracy of the available data on water levels, and improving the usability of the available data on water allocations.<sup>4</sup>

#### 3.2 Audit-focused Meeting Trial on Surface Water Management

In preparation for its first audit-focused meeting on April 29, 2025, the Committee received an oral briefing from the Auditor General on his *Surface Water Management* report, as well as a written briefing prepared by Research Services on Government-negotiated water-sharing memoranda of understanding that were struck in spring 2024, both of which provided background information and suggested questions. Ahead of the meeting, the Ministry of Environment and Protected Areas provided the Committee with its implementation plan to address the Auditor General's recommendations.

During the meeting, the Committee heard from officials from the Office of the Auditor General, the Ministry of Environment and Protected Areas, and the Alberta Energy Regulator regarding the Auditor General's recommendations and the Ministry's plans to address these recommendations.

The Committee pursued several lines of questioning during the meeting, including:

- clarification on when and how water conservation objectives are developed and evaluated, the factors considered in this process, and how this process is documented by the department;
- how water conservation objectives apply to licensees;
- how decisions on the 10 per cent holdback on water licence transfers (authorized by s.83 of the *Water Act*) are made and documented;
- the need for and progress being made towards collecting and publishing current, reliable, and accurate data regarding water levels and flows, water allocations, and water usage for both department and public use;

- the role of senior licence holders in surface water management in the South Saskatchewan River basin, especially after the water-sharing memoranda of understanding were struck in 2024; and
- licence- and compliance-monitoring of the department and their effectiveness.

Towards the end of the meeting, the Auditor General also stated that a follow-up audit of the department's work to address the recommendations regarding surface water management would be conducted in the near future.

Following the two-hour meeting with department officials, the Committee discussed how the meeting went and decided it was satisfied that the ministry has an adequate implementation plan in place to address the Auditor General's recommendations. Therefore, the Committee decided not to meet to deliberate further because the Committee did not wish to make additional recommendations. The Committee determined that it would report to the Assembly regarding the audit-focused meeting process it has adopted and provide an overview of its first audit-focused meeting.

For a complete record of the Committee's meetings please consult the transcripts available at <https://www.assembly.ab.ca/assembly-business/committees/PA/meeting-transcripts>.

## 4.0 WHAT'S NEXT

At its meeting on May 6, 2025, the Committee decided that its second audit-focused meeting will be held on October 14, 2025, focusing on the report of the Auditor General entitled *Processes to Assess and Manage the Condition of Affordable Housing*,<sup>5</sup> released in November 2024. The Committee also decided that its third audit-focused meeting will be held on November 18, 2025, focusing on one of the Auditor General's upcoming reports on either the DynaLife contract for community lab services or Alberta Health Services procurement practices, depending on when the reports are released.

The Committee plans to evaluate its trial of audit-focused meetings in 2026 to determine whether the Committee will continue, change, or discontinue the audit-focused meetings.

## 5.0 NOTES

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<sup>1</sup> Auditor General of Alberta, *Surface Water Management: Report of the Auditor General July 2024*, [Edmonton: Auditor General of Alberta, July 2024].

<sup>2</sup> Ibid., pp. 4-9.

<sup>3</sup> Ibid., pp. 9-12.

<sup>4</sup> Ibid., pp. 12-13.

<sup>5</sup> Auditor General of Alberta, *Processes to Assess and Manage the Condition of Affordable Housing: Report of the Auditor General November 2024*, [Edmonton: Auditor General of Alberta, November 2024].