

Standing Committee on Public Accounts

Report on 2012 Activities

Twenty-Eighth Legislature
First Session
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Standing Committee on Public Accounts

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To the Honourable Gene Zwozdesky
Speaker of the Legislative Assembly
of the Province of Alberta

The Standing Committee on Public Accounts of the Legislative Assembly of Alberta has the honour of submitting this report relating to its 2012 activities for consideration by the Legislative Assembly.

[ORIGINAL SIGNED BY CHAIR]

Rob Anderson, MLA
Airdrie
Chair, Standing Committee on Public Accounts

**MEMBERS OF THE
STANDING COMMITTEE ON PUBLIC ACCOUNTS**

28th Legislature, First Session, 2012

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Chair
Airdrie (W)

David Dorward, MLA
Deputy Chair
Edmonton-Gold Bar (PC)

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Calgary-East (PC)

Joe Anglin, MLA
Rimbey-Rocky Mountain House-Sundre (W)

Deron Bilous, MLA
Edmonton-Beverley-Clareview (ND)

Pearl Calahasen, MLA
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Fort Saskatchewan-Vegreville (PC)

Rick Fraser, MLA
Calgary-South East (PC)

Yvonne Fritz, MLA
Calgary-Cross (PC)

Jason Hale, MLA
Strathmore-Brooks (W)

Kent Hehr, MLA
Calgary-Buffalo (AL)

Darshan Kang, MLA
Calgary-McCall (AL)

Bridget Pastoor, MLA
Lethbridge-East (PC)

Sohail Quadri, MLA
Edmonton-Mill Woods (PC)

Janice Sarich, MLA
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Richard Starke, MLA
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TABLE OF CONTENTS

I. INTRODUCTION	1
II. MANDATE AND SCOPE.....	2
III. ACTIVITIES.....	3
IV. SCHEDULE OF STANDING COMMITTEE MEETINGS.....	5
V. CCPAC/CCOLA CONFERENCE	6
i. ATTENDANCE	6
ii. CONFERENCE TOPICS	7
iii. OVERALL IMPRESSIONS	9

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 by asking questions with respect to the expenditures of government departments and to review the Auditor General's tri-annual and other reports.

The Standing Committee on Public Accounts comprises a Chair who is a Member of the Official Opposition (Wildrose) and a Deputy Chair who is a member of the government caucus (Progressive Conservative). The composition of the remaining 19 members is proportionate to the number of seats held by each party in the Assembly.

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

The 2010-2011 and 2011-2012 annual reports of the Government of Alberta contain an accountability statement and the consolidated financial statements of the province. The Measuring Up report provides a comparison of the actual performance results and the desired results as set out in the government's business plan.

The annual reports for the ministries for the years ended March 31, 2011, and March 31, 2012, 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.

II. MANDATE AND SCOPE

Pursuant to Government Motion 23, passed on November 27, 2008, an expanded scope and mandate of the Standing Committee on Public Accounts became permanent, including the following:

- 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 any other matter referred to it from time to time by the Legislature. Its mandate extends to all public entities funded by government, including agencies, boards and commissions.
- The Committee may call and question ministers, senior department officials or officials of agencies, boards and commissions of government and such others as may be necessary for the full pursuit of its duties.
- The Committee shall set its own agenda and may sit whether or not the House is in session.
- Necessary resources will be provided for staffing to ensure adequate support for the Committee's expanded mandate.
- All reports of the Auditor General shall stand permanently referred to the Public Accounts Committee.
- The Committee may report to the House, and the government shall respond to a report of the Public Accounts Committee within 150 days of the date on which the Committee reports.

III. ACTIVITIES

In 2012, the practice of deputy ministers and department officials appearing before the Committee without the minister in attendance has continued. The Auditor General and his staff continued to attend and participate in all Committee meetings.

The 2011-2012 annual report of the Government of Alberta and the ministries' annual reports were released in June 2012. The release of reports of the Auditor General followed in July 2012 and October 2012.

Following the Alberta general election on April 23, 2012, the Public Accounts Committee held one meeting in May 2012. The Committee held one meeting out of session in September 2012, as well as an orientation seminar that same month with the Canadian Comprehensive Auditing Foundation (CCAF) in order to familiarize committee members with Public Accounts best practices from across Canada. The Committee then held five meetings during the fall 2012 sitting of the Alberta Legislature.

As the result of the annual Canadian Council of Public Accounts Committees conference held in Iqaluit, Nunavut in August 2012, discussion with other Public Accounts committees and meetings and discussion with the CCAF, the committee focused on creating an environment wherein a more non-partisan culture could emerge. The following are changes implemented by the Committee in an effort to move in that direction.

The Committee moved a motion to create an all-party informal working group consisting of the Chair, Deputy Chair, a representative from the Liberal and New Democrat caucuses respectively, as well as the Committee Clerk, Committee Research Services and the Auditor General. This informal working group was tasked with making recommendations to the Committee regarding the scheduling of presenters, as well as other matters.

There was also a motion passed encouraging the Committee to prioritize issues raised in the reports of the Auditor General. This allowed the committee to make use of the information in those

reports, which can help in the formation of relevant questions for the various agencies, boards, commissions and ministries appearing before the Committee.

The Public Accounts Committee continued to receive research briefings from Research Services, which provides non-partisan research support to this and other committees of the Assembly. The briefings contained background information on the agency, board, commission, or Ministry appearing before the Committee but also focused on various program areas, the knowledge of which the Committee may find useful for its meetings with the Government of Alberta entities. The briefings satisfied Committee research requests or were reflective of Research Services' efforts to single out areas that warranted further investigation. Based on the information gathered, Research Services' briefings also suggested questions which Committee members may have wanted to ask of the Government officials who appeared before the Committee. Prior to each Public Accounts meeting in the fall, the Auditor General and Research Services provided an *in-camera* briefing concerning their respective reports and the entity appearing at the forthcoming meeting. In these briefings, both the Auditor General and Research Services highlighted notable areas of concern and recommended particular lines of inquiry to Committee members.

The Committee moved to an allocation of time format, with government members allocated 50% of the available time for questions and opposition members the other 50%. Of the opposition's time, the official opposition was allocated 50%, the Liberal Caucus 25%, and the New Democrats 25%. Time blocks were a move from the traditional format of one question and one supplementary, allowing committee members the opportunity to ask more questions in a series in order to get more complete responses.

The Committee also requested that questions unable to be answered at the time by those appearing at the meeting should be followed up on in writing. Written responses were directed to be sent to the committee clerk for distribution to committee members.

SCHEDULE OF STANDING COMMITTEE MEETINGS

The meetings of the Standing Committee on Public Accounts in 2012 were held as follows:

<u>Meeting Date</u>	<u>Appearance/Topic</u>
May 30, 2012	Organization meeting
September 24, 2012	Organization meeting
October 24, 2012	Alberta Health, and Alberta Health Services
October 31, 2012	Alberta Education
November 7, 2012	Alberta Treasury Board and Finance
November 28, 2012	Alberta Transportation
December 5, 2012	Alberta Enterprise and Advanced Education

The proceedings of the Standing Committee on Public Accounts are open to the public. Gavel-to-gavel coverage of the audio of Committee meetings is streamed live on the Internet, and all meetings are recorded in *Alberta Hansard*. Copies of the transcripts may be seen on the Committee's website at www.assembly.ab.ca/committees/publicaccounts or in the Legislature Library.

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 Iqaluit, Nunavut, from August 19 to 21, 2012.

i. Attendance

From the Standing Committee on Public Accounts:

Rob Anderson, MLA, Chair

David Dorward, MLA, Deputy Chair

Mike Allen, MLA, Committee Member

Jason Hale, MLA Committee Member

The Canadian Council of Public Accounts Committees conference was attended by parliamentarians, researchers, committee clerks and other professionals from jurisdictions across Canada and the Canadian House of Commons, and included international guests and observers. This conference is held at the same time as the annual conference of the Canadian Council of Legislative Auditors (CCOLA), and the two groups shared several business sessions.

Mr. Merwan Saher, CA, Alberta Auditor General, and Mr. Doug Wylie, CMA, Assistant Auditor General from Alberta, attended as CCOLA delegates.

ii. Conference topics

Joint Sessions:

Opening Ceremonies

Facilitators: Ron Elliott, Chairperson, Standing Committee on Oversight of Government Operations and Public Accounts, Legislative Assembly of Nunavut
Michael Ferguson, Auditor General of Canada

Overview of New Developments in PAC and AG Community

Facilitators: Paul Lohnes, President and CEO, CCAF-FCVI Inc.
Geoff Dubrow, Principal Associate, CCAF-FCVI Inc.

Guest Speaker – Ms Sheila Watt-Cloutier, O.C.

Ms. Watt-Cloutier is an Officer of the Order of Canada and the recipient of the first Governor General's Northern Medal. Ms. Watt-Cloutier served as the Canadian President of the Inuit Circumpolar Conference (ICC) from 1995 to 2002. She served as the International Chair of the ICC from 2002 to 2006. In 2007, she was nominated for the Nobel Peace Prize.

Introduced by: Ron Elliott, MLA, Nunavut

Challenges of the Three Northern Legislatures

A panel discussion on the unique challenges facing Canada's three Northern legislatures, all of which are served by the Auditor General of Canada. Panelists are provided overviews of their respective jurisdictions' PAC environments and share best practices in relation to oversight activities in small legislatures.

Chair: Paul Lohnes, President and CEO, CCAF-FCVI Inc.

Panelists: Daryl Dolynny, Members, Standing Committee on Government Operations, Legislative Assembly of the Northwest Territories
Ron Elliott, Chairperson, Standing Committee on Oversight of Government Operations and Public Accounts, Legislative Assembly of Nunavut

Jan Stick, Member, Standing Committee on Public Accounts, Yukon Legislative Assembly

Michael Ferguson, Auditor General of Canada

Best Practices in Orientation Programs for New Members of Public Accounts Committees

A facilitated discussion on the role of the Auditor General and legislative staff in designing and delivering orientation programs for new members of Public Accounts Committees. The business session will include an electronic voting exercise to assess current orientation needs and practices, a survey of orientation materials and a CCAF analysis of current practices.

Facilitator: Geoff Dubrow, Principal, CCAF-FCVI Inc.

Joint Interactive Voting Session

Brief presentations on best practices and solutions to key challenges.

An interactive session using voting technology to elicit participant views on PAC - AG collaboration and effectiveness. Based on CCAF Attributes of an Effective PAC.

Chair: Paul Lohnes, President and CEO, CCAF-FCCVI Inc.

Facilitator: Geoff Dubrow, Principal, CCAF-FCVI Inc.

Panelists: David Christopherson, Chair, Standing Committee on Public Accounts, House of Commons

Bruce Ralston, Chair, Select Standing Committee on Public Accounts, Legislative Assembly of British Columbia

Carol Bellringer, Auditor General of Manitoba

Jim McCarter, Auditor General of Ontario

Update on CCPAC

Closing Remarks and Invitation from Saskatchewan Delegation to Attend 2013 CCPAC/CCOLA Conference

CCPAC Breakout Sessions:

Chairs/Vice Chairs: Speak your Mind Session

PAC Members: CCAF-Facilitated Break-out Activity

Staff of PACs: Break-out Meeting

Effective Questioning (facilitated by CCAF)

A hands-on workshop that focuses on best practices in effective questioning during PAC hearings on AG reports. The workshop will include discussion of the role of Chairs and Vice/Co-Chairs in supporting effective questioning and a review of case studies and scenarios to identify best practices in dealing with witnesses.

iii. Overall Impressions

Please find attached the CCPAC report on behalf of Mr. David Dorward, MLA for Edmonton-Gold Bar; Mr. Mike Allen, MLA for Fort McMurray-Wood Buffalo; Mr. Rob Anderson, MLA for Airdrie; and Mr. Jason Hale, MLA for Strathmore-Brooks, representing the Alberta Standing Committee on Public Accounts.

**Report on Conference of Canadian Council of Public Accounts Committees
Iqaluit, Nunavut
August 19-21, 2012**

Arrived Sunday at noon, afternoon was a tour of the Iqaluit area, then a mixer reception where we met many delegates from other provinces, including the Auditor General of Canada, Mr. Michael Ferguson.

Monday morning we had a short briefing from the Canadian Comprehensive Audit Foundation (CCAF), focused on the differences between the various provinces, territories and feds.

We then had an hour keynote speech and Q & A with Ms. Sheila Watt-Cloutier OC. She spoke on the effect of three things on the Inuit way of life:

- poison in the food chain;
- ozone layer thinning; and
- global warming.

Her point was that there have been dramatic effects on the Inuit way of life. The Inuit use the ice to live their life. It is sad, and in fact a violation of their human rights to have these affects taken place. She commented that the Inuit themselves need to show an example and leadership and make sure they are not doing things that negatively affect the environment.

After that, we had a panel discussion on the challenges of the true northern legislatures. Nunavut, NWT and Yukon were represented. This was a good session, although not totally applicable to our situation in Alberta. Some of the dialogue was good however.

The afternoon started with a facilitated discussion on how other provinces and territories run their committees. Some discussion of the interaction between the committees and the auditors in each area ensued. After this, we had a very informative and interesting session where we as a group voted on a number of different opinions on how committees work. This was done electronically with each participant having a "clicker" and the discussion was really applicable to Alberta and very helpful.

Monday evening was an opportunity to network more, at a dinner hosted by a local hotel including a discussion with Mr. Geoff Dubrow of the Canadian Comprehensive Auditing Foundation. We confirmed that Geoff will be in Edmonton in early September to carry on discussions.

Tuesday morning the Chairs and Vice Chairs got together and the auditors and committee members separated into breakout rooms. This was a great chance to, in a smaller group to grill experienced committee folks as to their role and how they do their work. This conversation dominated the morning, although there was time for a short discussion of how to pose effective questions to witnesses before the committee. We then had an invite to the conference in Regina next year, and we were off to the airport.

Some discussion points/observations:

-The Alberta committee is the largest in the country, by quite a bit. This has implications on the number of questions that realistically can be asked in a session. At the conference we learned of how some committees limit the time by member, or by caucus, and how some committees go free form.

-We learned how the CCAF can do training of the committee...we will be exploring this option more in early September.

-We had a lot of discussion of the "mandate" of the committee and how that mandate varies around the country. Generally our system in Alberta is different than the rest of the provinces. Their focus is mostly on the Auditor General report, whereas our focus is on the various ministries and departments. This difference will be explored by our committee.

-We learned that most of the committees have a planning session "in camera". This helps to make the meeting go smoother, since committee members are on the same page.

STANDING COMMITTEE ON PUBLIC ACCOUNTS
2012 Annual Report