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3 Session, 26 Legislature

Report of the Select Standing Committee on Public Accounts

LEGISLATIVE ASSEMBLY OF ALBERTA

2006 Activities

26th Legislature, Second Session
(Spring and Summer Sittings)





Committee Clerk
Select Standing Committee on Public Accounts
801 Legislature Annex
Edmonton, AB
T5K 1E4
(780) 427-1348
corinne.dacyshyn@assembly.ab.ca



LEGISLATIVE ASSEMBLY
ALBERTA

March, 2007

To the Honourable Ken Kowalski
Speaker of the Legislative Assembly
of the Province of Alberta

The Select Standing Committee on Public Accounts has the honour to submit this Report relating to the **Second Session of the 26th Legislature** (Spring and Summer Sittings) for consideration by the Legislative Assembly.

The Report pertains to activities of the 2006 Select Standing Committee on Public Accounts.

A handwritten signature in blue ink that reads "Hugh MacDonall".

Hugh MacDonald, MLA
Edmonton-Gold Bar
Chair
Select Standing Committee on Public Accounts

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

26th Legislature, Second Session, 2006

Hugh MacDonald, MLA
Chair
Edmonton-Gold Bar (L)

Doug Griffiths, MLA*
Deputy Chair
Battle River-Wainwright (PC)

Rev. Tony Abbott, MLA
Drayton Valley-Calmar (PC)

Laurie Blakeman, MLA
Edmonton-Centre (L)

Bill Bonko, MLA
Edmonton-Decore (L)

Dr. Neil Brown, MLA***
Calgary-Nose Hill (PC)

Harry Chase, MLA
Calgary-Varsity (L)

Ray Danyluk, MLA
Lac La Biche-St. Paul (PC)

Dave Eggen, MLA
Edmonton-Calder (ND)

George Groeneveld, MLA**
Highwood (PC)

Art Johnston, MLA
Calgary-Hays (PC)

Fred Lindsay, MLA
Stony Plain (PC)

Dr. Ted Morton, MLA
Foothills-Rockyview (PC)

Ray Prins, MLA
Lacombe-Ponoka (PC)

Dave Rodney, MLA
Calgary-Lougheed (PC)

George Rogers, MLA
Leduc-Beaumont-Devon (PC)

Len Webber, MLA
Calgary-Foothills (PC)

*Replaced George VanderBurg, MLA as Deputy Chair on April 11, 2006

**Replaced Frank Oberle, MLA on April 11, 2006

***Appointed to the Committee on April 11, 2006

I. INTRODUCTION

The mandate of the Select Standing Committee on Public Accounts is to review the Public Accounts of the Province of Alberta (Ministry Annual Reports) by asking questions of Ministers of the Crown with respect to expenditure items in their Departments, and to review the Auditor General's annual report.

The Select Standing Committee on Public Accounts is comprised of an Opposition Chair, a Government Deputy Chair, 11 Government Members, 3 Liberal Opposition Members, and 1 New Democrat Member.

During the Spring and Summer Sittings of the Second Session of the 26th Legislature (March 1, 2006 to August 30, 2006) the Committee held 13 meetings on the **2004-2005 Public Accounts** and the **2004-2005 Auditor General's Report**.

The Public Accounts 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, the annual reports of each of the 24 Ministries, as well as any supplementary schedules, statements, explanations and financial statements that the Minister of Finance may require.

The **2004-2005 and 2005-2006 Annual Reports of the Government of Alberta** contain an accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the Government's business plan, including the *Measuring Up* report.

The annual reports for the **Ministries for the year ended March 31, 2005** contain Ministers' accountability statements, the audited consolidated financial statements of the Ministries and a comparison of actual performance results to desired results set out in the Ministries' business plans.

Each Ministry annual report also includes:

- ◆ financial statements of entities making up the ministry including departments (all departments combined form the General Revenue Fund), regulated funds, provincial agencies and Crown-controlled corporations;
- ◆ other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of financial statements, to the extent that the Ministry has anything to report; and
- ◆ financial information relating to accountable organizations and trust funds.

II. COMMITTEE ACTIVITIES

During the Spring and Summer Sittings of the Second Session of the 26th Legislature (March 1, 2006 to August 30, 2006) the Committee held 13 meetings on the **2004-2005 Public Accounts** and the **2004-2005 Auditor General's Report**.

In March 2006, the Committee debated a series of procedural motions, and then tabled a Report in the Legislative Assembly urging that the Public Accounts **and all reports of the Auditor General of Alberta**, when tabled in the Assembly, immediately stand referred to the Standing Committee on Public Accounts; and that the Standing Committee consider the guidelines of the Canadian Council of Public Accounts as the framework to be used in future discussions and guidelines for the Committee. The recommendations were not debated by the Assembly during the Spring or Summer sittings.

In June, the Committee held meetings outside of Session with the Chairs and key officials from two Government-funded agencies, the Alberta Alcohol and Drug Abuse Commission and the Northern Alberta Development Council. The Committee's records going back to the early 1970s do not show any other out-of-session meetings, or meetings where the Minister was not ultimately accountable for the responses.

III. SCHEDULE OF SELECT STANDING COMMITTEE MEETINGS

The meetings of the Select Standing Committee on Public Accounts during the Second Session of the 26th Legislature were scheduled as follows:

<u>Meeting Date</u>	<u>Appearance/Topic</u>
<u>(2004-2005 Fiscal Year Reports)</u>	
March 1, 2006	Committee Business Meeting
March 8, 2006	Hon. Mr. Harvey Cenaiko Solicitor General and Minister of Public Security
March 15, 2006	Hon. Ms Iris Evans Minister of Health and Wellness
March 22, 2006	Hon. Mr. Guy Boutilier Minister of Environment
April 5, 2006	Hon. Mr. David Hancock Minister of Advanced Education
April 12, 2006	Hon. Mr. Gene Zwozdesky Minister of Education
April 26, 2006	Hon. Mr. Mike Cardinal Minister of Human Resources and Employment
May 3, 2006	Hon. Mr. Luke Ouellette Minister of Restructuring and Government Efficiency
May 10, 2006	Hon. Mr. Gordon Graydon Minister of Gaming
May 17, 2006	Hon. Mr. Ty Lund Minister of Infrastructure and Transportation
June 6, 2006	Alberta Alcohol and Drug Abuse Commission (AADAC) Northern Alberta Development Council (NADC)
August 30, 2006	Hon. Mrs. Yvonne Fritz Minister of Seniors and Community Supports

The Committee's schedule did not allow for examination of these **2004-2005 annual reports** (in alphabetical order):

Alberta **Aboriginal Affairs and Northern Development**, Annual Report, 2004-2005

Alberta **Agriculture, Food and Rural Development** Annual Report 2004-2005/Agriculture
Financial Services Corporation Annual Report 2004-2005

Alberta **Children's Services** Annual Report 2004-2005

Annual Report **Community Development** for the fiscal year ended March 31, 2005

Alberta **Economic Development** 2004-2005 Annual Report

Alberta Ministry of **Energy** 2004-2005 Annual Report

Executive Council Annual Report 2004-2005

Alberta **Finance** 2004-2005 Annual Report

Annual Report Alberta **Government Services** 2004-2005

Alberta **Innovation and Science** Annual Report 2004-2005

International and Intergovernmental Relations Annual Report 2004-05

Alberta **Justice** Annual Report 2004-2005

Alberta **Municipal Affairs** 2004-2005

Ministry of **Sustainable Resource Development** 2004-2005 Annual Report

The proceedings of the Select Standing Committee on Public Accounts were and are open to the public. All meetings were recorded by *Alberta Hansard*. Copies of the transcripts may be found on the Legislative Assembly website at www.assembly.ab.ca, in the Legislature Library, or by calling the Committee Clerk at (780) 427-1348.

IV. CONFERENCE ATTENDANCE

Report on Attendance at Re-Energize Summit on Results Based Management Victoria, British Columbia from May 8 to 9, 2006

This report is submitted on behalf of the following Members of the Legislative Assembly of Alberta who attended the Re-Energize Summit on Results Based Management in Victoria, British Columbia from May 8 to 9, 2006:

From the Standing Committee on Public Accounts: Doug Griffiths, MLA, Deputy Chair; and Art Johnston, MLA, Member.

The Summit sessions were:

- Opening Keynote Speaker: Setting the Foundation:** the evolution of results-oriented government; and general areas of opportunity, and challenge, given the public sector environment today and looking forward.
- Finding the Political Champions: How are Political Leaders using Information on Performance?** The role of service (business) plans and annual reports in informing politicians and constituent interests; and making the linkages between political decisions and information on performance.
- Enhancing Accountability in Social Sectors: Building from the Learnings in the Alberta Education System** - insights and innovations in advancing accountability within social service sectors and across institutions and agencies.
- Interjurisdictional Experiences:** Innovations and Approaches for Advancing Results-Oriented Government at Executive and Management Levels.
- Alignment of Public Accountability with Organizational Planning and Reporting: Can We Achieve the "Line of Sight"?**
- Governance: Adopting a Results-Oriented Approach to Governance of Agencies and Boards.**
- Looking Through the Letter Box: Client Service and Employee Measures.**
- Building and Maintaining a Culture that Supports a Results-Oriented Government: Renewing a Vision and Values for the Alberta Public Service.**
- Experiences in the Use of Performance-based Agreements and Relationships with Regional Authorities.**
- Considering the Role of Assurance: What is the Role of Assurance in Advancing Results-Oriented Government?**

- **Looking to the Future:** highlights and observations based on conference presentations and discussions, leveraging the lessons and knowledge gained in the continued practices of results-oriented government.

Mr. Griffiths and Mr. Johnston made the following observations and recommendations in the following excerpt from their report to the Chair of the Standing Committee on Public Accounts:

"Speakers were from across Canada as well as New South Wales. We identified with the first day's agenda as we listened to various speakers regarding the origins of accountability. In the morning Mr. Fred Dunn, Auditor General for the Province of Alberta, and [Mr. Griffiths] joined in a presentation about the political champions of the use of annual reports and annual performance measures....

Improving our understanding of the types of questions that could and should be asked at public accounts meetings and the effects of those questions, the types of performance measures that should be used and improved and the effects of those performance measures on the actions of the management and bureaucratic entities within government, was an incredible experience and of immeasurable value. [We] firmly believe that these sessions improve the effectiveness of public accounts members and the body in its entirety. We anticipate continued improvement in the effectiveness of the Public Accounts Committee with members' continued participation in these events...We would also recommend that:

1. When new Members are put on Public Accounts Committee, they should have at least a one-day orientation, which can be hosted by the Auditor General and his staff, to learn how to be most effective Members of the Committee; and
2. Any conference or training seminars should be attended by the Chair and Deputy Chair and at least two other members of the Committee, in order to enhance the professional development opportunities. We would, therefore, encourage [the Chair] to present a draft budget to the Special Standing Committee on Members' Services to reflect increased funding for 2007-08."

**Report on Attendance at Annual Joint Conference of Legislative Auditors (COLA) and Canadian Council of Public Accounts Committees (CCPAC)
Charlottetown, Prince Edward Island from September 10 to 12, 2006**

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 Conference in Charlottetown, PEI from September 10 to 12, 2006:

From the Standing Committee on Public Accounts: Doug Griffiths, MLA, Deputy Chair; and Fred Lindsay, MLA, Member.

From the Standing Committee on Legislative Offices: Janis Tarchuk, MLA, Chair; and Ivan Strang, MLA, Deputy Chair.

Corinne Dacyshyn, Public Accounts Committee Clerk, also attended the conference as a delegate.

The Canadian Council of Public Accounts Committees (CCPAC) Conference was attended by parliamentarians, researchers and Committee Clerks from across Canada and the Canadian House of Commons. This conference is held at the same time as the Annual Conference of the Canadian Council of Legislative Auditors (COLA), and the two groups share one joint business session and all networking activities. Mr. Fred Dunn, FCA, Alberta Auditor General, and Mr. Doug Wiley, Assistant Auditor General from Alberta, attended as COLA delegates.

The CCPAC Conference topics were:

- The John J. Kelly Forum (joint session with COLA delegates): Maximizing the Effectiveness of Public Accounts Committees**

Following introductory remarks by Michael Eastman, Executive Director of the Canadian Comprehensive Auditing Foundation (CCAF), an overview of CCAF research on effectiveness of public accounts committees followed, facilitated by a panel discussion.

A number of representatives from the provinces and territories joined in the discussion, and you could certainly see the number of differences in the ways that reviews of public accounts are conducted. The biggest variances seem to lie in the kinds of issues each committee is mandated to review, the number of members sitting on public accounts committees, and the number of committees which meet outside of legislative sessions.

The group reviewed a "Self-Assessment Guide for Public Accounts Committees" prepared by CCAF. The self-assessment guide includes draft strategies to maximize effectiveness of public accounts committees. It would be interesting to use this guide in our system.

- ❑ **Reports from Jurisdictions**
- ❑ **Warranting of Cabinet Documents in Nova Scotia**

Following the presentation, Cécile Vermette, MNA for Marie-Victorin, Québec, moved the following motion:

THAT the Canadian Council of Public Accounts Committees (CCPAC) express support for Nova Scotia's Public Accounts Committee in its efforts to acquire disclosure from Government departments and agencies; and that CCPAC urge the Nova Scotia Public Accounts Committee to follow through on this issue in conjunction with their Auditor General, to ensure that the public interest is protected.

Following discussion about who was eligible to vote, and whether the group had jurisdiction to address the issues raised, the motion was not put to a vote.

- ❑ **The Changing Role of the Select Standing Committee on Public Accounts in British Columbia**

Overall Impressions

"We thought this was a very effective conference from the point of view of learning:

- how different provinces ensure Government accountability by reviewing the public accounts; and
- how public accounts committees relate to their Auditor General, and address/follow up on issues raised in their Auditors' reports.

We feel that we cannot get away from the partisan review that we have in our system, but think it is important for us to move forward. We appreciated the opportunity to attend this worthwhile conference."