Legislative Assembly of Alberta

The 31st Legislature
First Session

Standing Committee on Public Accounts

Tuesday, November 21, 2023
10 a.m.

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Standing Committee on Public Accounts

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Rowswell, Garth, Vermilion-Lloydminster-Wainwright (UC), Deputy Chair

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Pam Appelman	Chief of Staff to the Auditor General

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Philip Massolin	Clerk Assistant and Director of House Services
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10 a.m. **Tuesday, November 21, 2023**

[Ms Pancholi in the chair]

The Chair: Good morning, everyone. I'd like to call this meeting to order and welcome everyone to the first meeting of the Standing Committee on Public Accounts for the 31st Legislature.

My name is Rakhi Pancholi, the MLA for Edmonton-Whitemud and chair of this committee. As we begin, I would like to invite members, guests, and LAO staff at the table to introduce themselves. We'll go this way. We'll start with the deputy chair.

Mr. Rowswell: Garth Rowswell, MLA for Vermilion-Lloydminster-Wainwright.

Ms de Jonge: Chantelle de Jonge, MLA for Chestermere-Strathmore.

Mr. Lunty: Brandon Lunty, MLA for Leduc-Beaumont.

Ms Armstrong-Homeniuk: Jackie Armstrong-Homeniuk, MLA, Fort Saskatchewan-Vegreville.

Ms Lovely: Jackie Lovely, Camrose constituency.

Mr. Wylie: Doug Wylie, Auditor General.

Ms Appelman: Pam Appelman, chief of staff to the Auditor General.

Mr. Schmidt: Marlin Schmidt, Edmonton-Gold Bar.

Mr. Haji: Sharif Haji, Edmonton-Decore.

Ms Sorensen: Rhonda Sorensen, manager of communications services with the LAO.

Mr. Bhurgri: Abdul Aziz Bhurgri, research officer.

Ms Robert: Good morning, everyone. Nancy Robert, clerk of *Journals* and committees.

Mr. Huffman: Good morning. Warren Huffman, committee clerk.

The Chair: Okay. Before proceeding further, as this is the first meeting of the committee for the 31st Legislature, I'd like to discuss remote participation in committee meetings. As many of you may know, because I'm sure you all read it in great detail, section 6 of the Legislative Assembly Act permits participation in a committee "by means of telephone or other communication facilities that permit all Members participating in the meeting to hear each other if all the members of the committee consent." Our committee meeting rooms are equipped to facilitate meeting participation by telephone and by videoconference.

If this is something that we want to permit, then this committee may wish to pass a motion, which needs to be passed unanimously – I just want to highlight that there has to be a unanimous motion – to approve remote participation by members for the duration of a Legislature. I would note that such a motion would not preclude the committee from determining that in-person attendance at specific meetings is required. In those cases, a motion would be considered at the end of a particular meeting requesting the attendance in person of members at a subsequent meeting. Do we have any members participating remotely right now? No, we do not. Okay.

So I'm going to put it open to the floor. Would any member like to move a motion? We have proposed language around this participation. I'll ask somebody if they would like to move this motion.

Ms Armstrong-Homeniuk: I'll move the motion.

The Chair: I see MLA Armstrong-Homeniuk. MLA Armstrong-Homeniuk would like to move it. Would you mind reading it into the record?

Ms Armstrong-Homeniuk: That

> the Standing Committee on Public Accounts consent, for the purpose of section 6 of the Legislative Assembly Act, to remote participation by any member in the committee's meetings held at the designated committee meeting rooms in the Queen Elizabeth II Building during the 31st Legislature unless the committee carries a motion in advance of a meeting that remote participation of members is not permitted at that meeting.

The Chair: Do we have any discussion on this motion?

Okay. Seeing none, we'll go to a vote. All in favour of the motion, please. Any opposed? Okay. Thank you. That motion is carried.

Mr. Huffman: Unanimously.

The Chair:

> It is passed unanimously.

With that decision made, we'll now do introductions for those – well, I don't think we actually have anybody joining us by teleconference or videoconference, so I'll skip that.

I will note that another member has joined, so perhaps I'll just wait for her to get her mic on. Introduce yourself for the record.

Ms Ganley: Kathleen Ganley, Calgary-Mountain View.

The Chair: Thank you very much.

Okay. No substitutions for today.

We have a few housekeeping items to address before we turn to the business at hand. Please note that the microphones are operated by *Hansard* staff, so you do not need to turn them on and off yourself. Committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and videostream and transcripts of the meetings can be accessed via the Legislative Assembly website, and those participating by videoconference are encouraged to please turn on your camera while speaking and mute your microphone when not speaking. Members participating virtually who wish to be placed on a speakers list are asked to message the committee clerk, so Warren, and those in the room should signal the chair or committee clerk, just raising a hand or some other way of noting. Please set your cellphones and other devices to silent for the duration of the meeting.

A draft agenda for today's meeting was made available to all members. Did anybody have any changes or additions to the draft agenda?

Okay. If not, would someone like to move a motion to approve the agenda?

Ms Lovely: So moved.

The Chair: Moved by MLA Lovely. Any discussion on the motion?

Seeing none, all in favour? Any opposed? That motion is carried.

This is where you're going to have to listen to me talk for a little bit. My apologies right now. This is our first meeting, so I'd like to provide members with a little bit of information about the committee, its mandate, and meeting procedures. With respect to the mandate, the mandate of this committee is derived from Standing Order 53(1), which states that the "Public accounts and all reports of the Auditor General shall stand permanently referred to the Public Accounts Committee as they become available." This means that ministry annual reports and business plans, government of Alberta consolidated financial statements, and reports issued by the Auditor General may be considered by the committee. The

relevant documents will be made available online on the committee's internal website prior to a meeting being scheduled.

With respect to the meeting schedule the committee may hold meetings when the Assembly is in session or adjourned but cannot meet during a period of prorogation or during the hours when the Assembly is sitting. The Public Accounts Committee typically meets on Tuesday mornings. The committee will agree upon a meeting schedule, which will determine the order that the ministries will be invited to appear before the committee, and we'll discuss that a little bit more under section 5 of the agenda.

Meeting procedures. When the committee meets to review a ministry's annual report, the ministry, typically represented by the deputy minister and other ministry officials, will make some opening remarks, followed by comments by the Auditor General. Afterwards we'll have a question-and-answer period for members with the ministry officials. Officials may agree to provide written follow-up responses to questions asked at the meeting. The committee may also consider making recommendations to the Assembly based on what is heard at the meeting.

With respect to recorded votes, after the chair has conducted a vote, known as a voice vote, on a motion and has announced whether the motion is carried or defeated, a member may request a recorded vote. The process for conducting a recorded vote has been modified a bit since the last Legislature to more closely follow how divisions are conducted in the Assembly. The chair will ask all members in the room in favour of a motion to raise their hand, and the committee clerk will state their name and record their vote. Those in the room opposed to the motion will then be asked to raise their hand for the committee clerk to state their name and record their vote. The chair then asks those participating by videoconference who wish to vote to turn on their camera. The committee clerk calls the names of those with their cameras on to state their vote and then records it. The chair will ask any members who have not voted and wish to do so to state their name and vote. Anyone teleconferencing should vote at this time. Finally, the committee clerk tallies the vote and reports the totals for and against the motion to the chair, who declares whether the motion was carried or defeated. Please note that in accordance with Standing Order 32(5) members may abstain from voting.

Temporary substitutions are Standing Order 56(2.1). A member who may be unavailable for a meeting of the committee may designate another member who is not on the committee to substitute for them. Standing Order 56(2.1) outlines the process for substitution of committee members. Section 56(2.1) says that

> a temporary substitution in the membership of a standing or special committee may be made upon written notification signed by the original Member and filed with the Clerk and Committee Chair, or through an email communication sent directly from the original Member to the Clerk and Committee Chair, provided such notice is given
>
> (a) on a business day, not less than 24 hours prior to the meeting for the substitution of the Chair or Deputy Chair, and
>
> (b) prior to the scheduled start of the meeting for the substitution of any other Member.

An e-mail substitution template is available through OurHouse, and the committee clerk can provide the template upon request. The substitution form must be sent from the committee's own Legislative Assembly e-mail address. Alternatively, the member may submit a letter that they have signed to provide notification of the substitution. A staff member or another member cannot authorize a temporary substitution on behalf of a committee member. When substitutions occur, it is the responsibility of the original committee member to ensure the substitute has been provided with all the necessary meeting material.

Any Member of the Legislative Assembly who is not a committee member or official substitute may attend and participate in committee meetings, but they may not move motions or vote.

Committee support. The committee is supported by staff from the Legislative Assembly Office, including Warren Huffman, the committee clerk; Nancy Robert, the clerk of *Journals* and committees; and Rhonda Sorensen, manager of communications services. I'd ask each of them to provide a brief overview of their role in supporting this committee, and I'll start with our committee clerk, Warren Huffman.

Mr. Huffman: Thank you, Madam Chair. Just to give a brief overview of my role, as you said, I work with the Legislative Assembly Office, and I'm the committee clerk for the Public Accounts Committee. There are two components to my role. The first is as a procedural adviser to the committee, and I attend all committee meetings and subcommittee meetings to assist members with procedural advice as required. The other part of my role is to handle administrative matters for the committee, so I help co-ordinate meetings, prepare draft agendas and minutes, and other meeting materials. I'm also the administrative contact person for the committee with the general public, ministry officials, and the office of the Auditor General.

Thank you.

10:10

Ms Robert: Thank you, Madam Chair. Good morning again, everybody. Most of you know me, but for those who don't, I work with Warren and the other committee clerks to support the committees in their work in terms of providing administrative and procedural support in order for committees to be able to operate.

The other thing I'll touch on is the research support that the Legislative Assembly Office has typically provided to this and other committees. Since 2007 research and committee services has been providing written and oral research work to this committee for each of the ministries or other entities that appear before it. We review the annual report, and we work with the Auditor General to come up with possible issues that we think might be worth highlighting for the committee, and we also propose possible lines of inquiry the committee may wish to undertake when meeting with a ministry. On that note, it's, of course, up to the committee as to whether you want to continue with this type of written and oral research and briefings, so I'll just leave that there.

Thank you.

The Chair: Thank you, Ms Robert.

I just want to follow up on Nancy's comments about the research briefings. For those who haven't been a member of the Public Accounts Committee before – my apologies. I'm just going to pause for a second because I do see that another member has joined us. I just want to give you the opportunity, Member, to introduce yourself.

Mr. McDougall: Myles McDougall, MLA for Calgary-Fish Creek.

The Chair: Thank you, MLA McDougall.

On the topic of the research briefings, for those who haven't been a member of the Public Accounts Committee before, the research briefings are generally, you know, written briefings, and then there's the opportunity to have a short meeting briefing ahead of time. I can just say as a former member of the committee that they generally can be quite useful, just as some guidelines, of course. They do not in any way prescribe what questions or guide what questions the committee members actually ask, of course – that's your privilege to do so – but it can provide some background.

So we can decide at this time that we would like to have those research briefings prepared ahead of each time that a ministry

comes in, and then, you know, we can always revisit that if there's any discussion or feeling that that's not useful. But I think that at this time it might be useful for us as a committee to sort of decide that we would like to get those briefings going forward. I just will open that up to see if anybody has any thoughts or comments on that.

Mr. Rowswell: I think we're good. They're good things to do. Yeah.

Ms Lovely: You know, I think it's good to have the information ahead of time, and I appreciate you offering that for us.

The Chair: Anybody from the Official Opposition? Any concerns with providing research briefings? I see none.

I don't think we have to pass a formal motion on this, but we can simply maybe direct that we would like to proceed with research briefings ahead of those meetings with the ministries. As I said, we can always revisit that.

Thank you, Nancy. Did you have anything else that you wanted to add?

Ms Robert: No. That was it unless anybody has any questions.

The Chair: Wonderful. Then maybe we'll go on to Abdul. Is it Abdul?

Mr. Bhurgri: It's just Rhonda.

The Chair: It's just going to be Rhonda. Sorry. My apologies.

Ms Sorensen: He's welcome to speak on my behalf.

Thank you, Madam Chair. Communications services provide support to the committees of the Assembly through public engagement or media relations. With this particular committee our primary role is in just ensuring notification of the meetings to the public and the media, and we do that primarily through social media. However, if there are any other needs that this committee has, we're happy to step in and provide advice or support in any way the committee needs.

The Chair: Thank you, Ms Sorensen. I think I'm already realizing I'm going to have to get into the habit of actually calling people by their proper names, not just doing first names. I'll get out of that. It'll happen with time. Thank you very much for that, Ms Sorensen.

We'll move on now to our office of the Auditor General. The Auditor General, Doug Wylie, and his staff attend Public Accounts Committee meetings to address their reports on and recommendations to the ministries. They will also respond to questions from the committee in this respect. At this time I would like to ask the Auditor General to provide a little bit more information on his role with respect to this committee.

Mr. Wylie: Thank you very much, Chair. It's great to be with you, and it's great to see some familiar faces around the table. I was asked to provide you with a very, very brief overview of what the office of the Auditor General does and how we might interact with this committee, so I'm going to be focusing on what I hope will be areas of mutual interest and where we can work together in the coming months.

If you remember one thing from what I have to say in the next few moments, I hope it's this. The Standing Committee on Public Accounts, your committee, is a very important accountability mechanism within our parliamentary system. A very important accountability mechanism. Working together, we play an important role ensuring that Albertans have assurance that their taxes and resources are being spent as appropriated by the Legislative Assembly and that those relying on government programs and services are receiving the value for the money spent. I can't resist to do this; I'm going to apologize. Aristotle said way back in 350 BC that when "offices handle . . . public money, there must of necessity be another office which [reviews] and audits them." That's the role of our office. As an officer of the Legislative Assembly that's my mandate, to provide that independent audit function on behalf of all of the Legislative Assembly and on behalf of all of the people of Alberta. Now, while our history doesn't date quite as far back as Aristotle, we do go back to the origins of the creation of this great province, back to 1905.

So how do we help you in your role? Well, first and foremost, my office is going to provide you with independent, objective auditing of government's reporting of finances and performance. On behalf of all Albertans we audit the province's consolidated financial statements as well as those of the agencies, boards, and commissions that comprise the public sector here in Alberta. We do this to ensure that the information provided to you and, indeed, to all Albertans is appropriate, relevant, credible, and complete.

We also audit government programs to see if they're operating as intended. This involves examining how well these programs and services are being managed and delivered. We seek to answer questions such as: are the right processes in place, are they well designed, and are they achieving the goals as economically, efficiently, and effectively as possible? I'm just going to state at this point that where we fit into this accountability model is as follows. The government or the boards, organizations that we audit, the oversight and governance, set the policy and the strategy; management then puts in place processes to affect those policy and strategy directions; and then it's our role on behalf of all Albertans to assess whether those processes that have been put in place are ultimately effective to achieve the outcomes and the goals intended by those in oversight.

Through this audit work we'll see if there are areas requiring improvement, and then it's our role to provide recommendations where necessary for change. I'm going to pause, and I can't stress enough that the success of having our work and our recommendations acted on is ultimately dependent on the work of this committee. You see, while our mandate includes making recommendations for change, we cannot compel implementation. That's not the model in our Westminster parliamentary model that we have. In other jurisdictions in the world there is that case; the Auditor General is part of the judiciary, not part of the legislative branch of government. But in our Westminster model our role is to make recommendations only. We can't compel implementation.

This is where you come in, and it's my genuine hope that this committee will actively review and follow up on the status of the recommendations that we put forth. This committee has an absolutely critical role within our parliamentary system of ensuring the needed changes actually occur. In addition to following up on our recommendations, you will also review financial and nonfinancial performance information included in ministry annual reports, and you'll have an opportunity to discuss that performance information with management of whom you call before you. That's why I didn't sit in that section there, because that's where they come. That's the hot seat. Performance reporting is an increasingly important area of focus for my office. Performance reporting has long-standing and long-term benefits not only in terms of accountability but also by improving the attainment and achieving the attainment of organizational goals.

10:20

I hope that we will have a mutual, beneficial working relationship because I truly believe that we both play a crucial role in promoting and ensuring accountability. We both seek to determine whether financial resources are being effectively and efficiently used to the greatest benefit, and in the end it all comes back to our shared

parliamentary responsibility in promoting accountability and value in the public sector.

Thank you so much for your attention. As I said, it's great to see so many familiar faces, and we look forward to working with you in the coming months.

Thank you very much, Chair.

The Chair: Thank you, Mr. Wylie. We will anticipate some quoting of, you know, ancient Greek philosophers regularly going forward. I appreciate that very much.

Hon. members, the Standing Committee on Public Accounts is a committee of the Legislative Assembly that is required to establish a subcommittee on committee business in accordance with Standing Order 52.011(3). The purpose of a subcommittee is to meet and report to the committee on matters of the committee's business, which would include making recommendations about meeting scheduling and time allotments for speaking rotations during the question-and-answer portion of committee meetings with invited officials. The Auditor General and his staff participate in subcommittee meetings to provide support. Previous versions of the subcommittee have been comprised of typically two members, the chair and the deputy chair, and I would suggest that we may want to go this route again; however, that is ultimately up to the committee.

Do members, first of all, have any questions about this? We are required to establish a subcommittee. The suggestion is that it be, as in past practice, the deputy chair and the chair, but open to any discussion, comments, concerns on that.

As the standing orders formally require the committee to establish this subcommittee, I would entertain a motion to do just that. The committee clerk has prepared a suggested motion in respect to the subcommittee for the members' consideration. I'll ask him just to put it up on the screen there. Is there any member who would like to propose this motion? You might want to take a look at it first. Is anybody prepared to move this motion?

Ms Armstrong-Homeniuk: I'll move, Chair.

The Chair: Okay. MLA Armstrong-Homeniuk, would you mind reading it into the record?

Ms Armstrong-Homeniuk: That

> the Standing Committee on Public Accounts establish a subcommittee on committee business to which the following applies: (a) the subcommittee will meet at the call of the chair to consider the business of the committee and report to the committee; (b) the subcommittee be composed of the following members: the chair as chair and the deputy chair as deputy chair; (c) the presence of all members of any subcommittee is necessary to constitute a meeting; (d) substitutions from the membership of the committee may be permitted on the subcommittee.

The Chair: Thank you.

Do we have any discussion? I'm looking at the table right now. Are there any proposed changes? Okay. Thank you. Any further discussion on this motion?

Okay. We'll go to a vote. All in favour, please say. Any opposed? Okay. I thank you.

> That motion is carried.

Okay. With that decided, I'll note for the committee that the first meeting of the subcommittee will be called soon to discuss the ministry meeting schedule and speaking rotation. When we talk about speaking rotation, we mean how we go back and forth with members. In the past, subcommittees have been supported by the research and committee services and the Auditor General and his staff. It is anticipated that this will continue with this committee of the Legislature.

Okay. Orientation sessions. At the start of previous Legislatures the LAO has organized a series of practical orientation sessions for new committee members to introduce them to the unique aspects of the Standing Committee on Public Accounts. Accordingly, I am proposing that this committee receive a similar orientation. We are suggesting to combine – there would typically be four sessions which we're talking about combining into three, but each will include a presentation and a question-and-answer component. The committee may decide to participate in any or all of these sessions.

The first session which we are suggesting, if the committee is in agreement, would actually take place right after this meeting adjourns. The first session would be presented by the LAO to introduce the mandate of the committee, what happens at committee meetings, techniques of effective questioning, and tips to assist members as they prepare for committee meetings.

Then the office of the Auditor General would facilitate a session to introduce the reporting of the Auditor General of Alberta, including performance audits and financial statement audit work and their work with this committee.

The next session would also be on public-sector financial information and would be provided by Treasury Board and Finance. It would include an introduction to the Alberta government consolidated financial statements and some tips on how to read the financial information in the ministry annual reports.

Then a final session would be facilitated by the Canadian Audit and Accountability Foundation and would focus on approaches to asking questions of ministerial officials. If the committee agrees, it would also include a presentation by a former member who was a Public Accounts Committee member during his tenure or her tenure. The CAAF is a not-for-profit organization which supports public-sector performance audit, oversight, and accountability and has provided similar sessions to previous Alberta public accounts committees and to other PACs across Canada. Each of these orientation sessions would be optional, conducted off the record, and open to all committee members and caucus research staff.

I'd like to open up if there is any discussion by members about the overview of these orientation sessions, any concerns, questions. We are just an agreeable bunch today. We're all still waking up and getting used to PAC.

Okay. If there are no comments, then I would ask committee members if there is any opposition to moving forward with these orientation sessions. Can we move forward with these orientation sessions? Any opposition? No? Okay.

Seeing and hearing none, the chair will be in contact about scheduling these sessions. We would anticipate that those first three sessions would be completed before the end of this fall sitting. However, as members are aware, the LAO is prepared to conduct the first session shortly after our meeting concludes this morning. The two orientations with the Auditor General and with Treasury Board and Finance could be held the same day, so we don't need to schedule two separate meetings for those. We're proposing taking those two orientation sessions from the Auditor General and Treasury Board and Finance and basically scheduling them back to back so that we don't have to come back multiple times.

The final session, with the CAAF, is recommended for after the committee has conducted a few meetings with ministries, so that may be in the new year. We can discuss that, whether or not we want to have that session about effective questioning before we begin hearing from ministries. Or do we want to have a couple of meetings with ministries and then have that orientation session on questioning? We can discuss

that perhaps, maybe at our next gathering. Maybe give some thought to that if you have views.

Okay. Actually, we're coming to the end of our formal first organizational meeting. Are there any other items for discussion under other business? No? Okay.

The date of the next meeting will be at the call of the chair, following a meeting with the subcommittee.

If there is nothing else for consideration – this is just, like, the easiest meeting we've had and probably will have – then would a member move that the formal meeting right now be adjourned?

Ms Lovely: So moved.

The Chair: Oh, it's a competition. I'm going to go with MLA Lovely because, you know, we're trying to be fair here. MLA Lovely has moved that the November 21, 2023, meeting of the Standing Committee on Public Accounts be adjourned. All in favour of this motion? Any opposed? That motion is carried. The meeting is adjourned.

[The committee adjourned at 10:29 a.m.]

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