

# July 2015 Recommendations

We conducted our audits in accordance with the *Auditor General Act* and the standards for assurance engagements of the Chartered Professional Accountants of Canada.

This report contains 11 recommendations to government. The repeated recommendations have been made because we do not believe there has been sufficient action taken to implement our previous recommendations. We also state that 11 prior recommendations have been implemented.

As part of the audit process, we provide recommendations to government in documents called management letters. We use public reporting to bring recommendations to the attention of Members of the Legislative Assembly. For example, members of the all-party Standing Committee on Public Accounts refer to the recommendations in our public reports during their meetings with representatives of government departments and agencies.

The auditor general is the auditor of every ministry, department, regulated fund and provincial agency. Under the *Government Organization Act*, ministers are responsible for administering departments and provincial legislation. Deputy ministers are delegated responsibility to support the minister in his or her role, and to act as the chief operator of a department. Ministers may also establish any boards, committees or councils they consider necessary to act in an advisory or administrative capacity for any matters under the minister's administration. A minister is responsible for oversight of the work and actions of the department and any provincial agencies under his or her administration. However, we make our recommendations to departments and provincial agencies rather than to the minister directly given the delegated operational responsibilities and that they are in the best position to respond to and implement our recommendations. With respect to recommendations related to ministerial oversight of a provincial agency, we generally make the recommendation to the department supporting and providing advice to the minister.

We believe all of the recommendations in this report require a formal public response from the government. In instances where a recommendation has been made to a board-governed organization, we expect the organization to implement the recommendation and report back to its respective government ministry as part of proper oversight of the organization. By implementing our recommendations, the government will significantly improve the safety and welfare of Albertans, the security and use of the province's resources, or the oversight and ethics with which government operations are managed.

## Reporting the status of recommendations

We follow up on all recommendations. The timing of our follow-up audits depends on the nature of our recommendations. To encourage timely implementation and assist with the planning of our follow-up audits, we require a reasonable implementation timeline on all recommendations accepted by the government or the entities we audit that report to the government. We recognize some recommendations will take longer to fully implement than others, but we encourage full implementation within three years. Typically, we do not report on the progress of an outstanding recommendation until management has had sufficient time to implement the recommendation and we have completed our follow-up audit work. However, when we consider it useful for MLAs to understand management's actions, we will do a progress report.

## JULY 2015 RECOMMENDATIONS

We repeat a recommendation if we find that the implementation progress has been insufficient.

We report the status of our recommendations as:

- **Implemented**—We explain how the government implemented the recommendation.
- **Repeated**—We explain why we are repeating the recommendation and what the government must still do to implement it.

On occasion, we may make the following comments:

- **Satisfactory progress**—We may state that progress is satisfactory based on the results of a follow-up audit.
- **Progress report**—Although the recommendation is not fully implemented, we provide information when we consider it useful for MLAs to understand management's actions.

## SYSTEMS AUDITING—NEW AUDITS

### Environment and Parks—Systems to Manage Grazing Leases

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#### **RECOMMENDATION 1: CLARIFY OBJECTIVES, BENEFITS AND RELEVANT PERFORMANCE MEASURES**

We recommend that the Department of Environment and Parks define and communicate the environmental, social and economic objectives it expects grazing leases should provide all Albertans as well as relevant performance measures to monitor and ensure those objectives are met.

#### **Implications and risks if recommendation not implemented**

Without clearly defined objectives and relevant performance measures for grazing leases on public land in Alberta, the department cannot ensure those objectives are being met, or that Albertans are receiving the benefits they should.

Further, without relevant performance measures and effective systems to monitor and analyze them, the department cannot know what it must do to improve its processes to better manage grazing leases on behalf of Albertans.

### Environment and Parks and the Alberta Energy Regulator—Systems to Ensure Sufficient Financial Security for Land Disturbances from Mining

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#### **RECOMMENDATION 2: IMPROVE PROGRAM DESIGN**

We recommend that the Department of Environment and Parks, as part of its regular review of the Mine Financial Security Program:

- analyze and conclude on whether changes to the asset calculation are necessary due to overestimation of asset values in the methodology
- demonstrate that it has appropriately analyzed and concluded on the potential impacts of inappropriately extended mine life in the calculation

#### **Implications and risks if recommendation not implemented**

If there isn't an adequate program in place to ensure that financial security is provided by mine operators to fund the conservation and reclamation costs associated with their mine operations, mine sites may either not be reclaimed as intended or Albertans could be forced to pay the reclamation costs.

If incentives are not in place to reclaim lands as soon as reclamation is possible, mine sites may remain disturbed for longer than necessary and Albertans face a larger risk that they will end up having to pay the eventual reclamation costs.

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#### **RECOMMENDATION 3: IMPROVE PROGRAM MONITORING**

We recommend that the Alberta Energy Regulator, as part of its enterprise risk assessment process, develop and execute on a risk-based plan for its Mine Financial Security Program monitoring activities to ensure it is carrying out the appropriate amount of verification.

#### **Implications and risks if recommendation not implemented**

Without an effective and timely monitoring program, necessary adjustments to security amounts may not be promptly identified, which increases the risk that Albertans will end up having to pay for the conservation and reclamation of mine sites.

## SYSTEMS AUDITING—FOLLOW-UP AUDITS

### Environment and Parks—Systems to Manage the Specified Gas Emitters Regulation

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#### **RECOMMENDATION 4: CLARIFY SGE REGULATION GUIDANCE DOCUMENTS—REPEATED**

We recommend for a third time that the Department of Environment and Parks clarify the guidance it provides to facilities, verifiers, offset project developers and offset protocol developers, to ensure they consistently follow its requirements to achieve the Alberta government's emission reduction targets.

#### **Implications and risks if recommendation not implemented**

Without robust systems that ensure the validity of emission offsets, facilities may not be meeting their compliance obligations.

Without clear guidance, effective monitoring and consistent treatment of *SGE Regulation* participants, the government will not achieve the emission reductions it expects from this program.

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#### **RECOMMENDATION 5: ENSURE OFFSET PROTOCOLS MEET NEW STANDARD AND IMPROVE TRANSPARENCY—REPEATED**

We again recommend that the Department of Environment and Parks implement processes to ensure that all approved protocols adhere to its protocol development standard.

#### **Implications and risks if recommendation not implemented**

If protocols do not conform to the same standard, the department does not have a level playing field for assessing offset projects or assurance that the offset claims are legitimate.

Without a robust process to regularly evaluate the industry's level of adoption for practices that reduce or remove emissions, the department may be allowing facilities to claim commonly adopted activities as offsets.

### Health and Alberta Health Services—Systems to Manage the Delivery of Mental Health Services

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#### **RECOMMENDATION 6: USE ACTION PLAN AND PROGRESS REPORTING TO IMPLEMENT STRATEGY**

We recommend that the Department of Health:

- use an action plan to implement the strategy for mental health and addictions
- monitor and regularly report on implementation progress

#### **Implications and risks if recommendation not implemented**

Without following a clear and measurable path toward integrated healthcare services, there is a risk that the department and AHS will expend their efforts on incremental changes and basic maintenance of the existing system without making the needed comprehensive and significant changes which have been identified.

## JULY 2015 RECOMMENDATIONS

Without an effective means to measure and analyze the results from projects associated with strategy implementation, it is difficult to determine if, and how, these efforts are actually integrating the current disjointed model of mental health and addictions care and service delivery. Regular detailed public reporting is required for transparency and accountability, and is necessary to demonstrate to Albertans what actual results are being achieved from strategy implementation and how these are improving delivery of mental health and addiction services to the public.

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### **RECOMMENDATION 7: INTEGRATE MENTAL HEALTH SERVICE DELIVERY AND ELIMINATE GAPS IN SERVICE**

We recommend that Alberta Health Services for its own community and hospital mental health and addictions services:

- work with physicians and other non-AHS providers to advance integrated care planning and use of interdisciplinary care teams where appropriate for clients with severe and persistent mental illness who need a comprehensive level of care
- improve availability of mental health resources at hospital emergency departments
- improve its system to monitor and ensure community mental health clinics comply with AHS's expectations for treatment planning and case management
- improve its process to identify and evaluate good operational practices used by local mental health and addictions staff, and deploy the best ones across the province

#### **Implications and risks if recommendation not implemented**

Without integrated service delivery, coordinated care planning and service providers acting as one team, the healthcare system may not meet the needs of mental health and addictions patients. The needs of patients at rural emergency departments may also not be met if they cannot receive a level of support and assessment comparable to that offered in larger urban centres.

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### **RECOMMENDATION 8: IMPROVE INFORMATION MANAGEMENT IN MENTAL HEALTH AND ADDICTIONS**

We recommend that Alberta Health Services make the best use of its current mental health and addictions information systems by:

- providing authorized healthcare workers within all AHS sites access to AHS mental health and addictions clinical information systems
- strengthening information management support for its mental health treatment outcomes measurement tools

#### **Implications and risks if recommendation not implemented**

If care providers do not have timely access to relevant health information at the point of care, they may not be able to meet the care needs of their patients and help them stay on the right care path.

Lack of effective clinical information management compromises AHS's ability to evaluate patient outcomes, assess performance of care providers, and direct resources to treatments and programs that are best for the patients.

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**RECOMMENDATION 9: COMPLETE ASSESSMENT AND DEVELOP WAITLIST SYSTEM FOR ALBERTANS WHO NEED COMMUNITY HOUSING SUPPORTS**

We recommend that Alberta Health Services in supporting the work of the cross-ministry housing planning team established under the mandate of the Minister of Seniors:

- complete its assessment and report on gaps between supply and demand for specialized community housing support services for mental health and addictions in the province
- develop a waitlist management system to formally assess the housing support needs of AHS's mental health hospital and community patients and coordinate their placement into specialized community spaces funded by AHS

**Implications and risks if recommendation not implemented**

If patients with serious mental health and addictions problems do not receive appropriate housing supports, any treatment success gained in the hospital or community will be jeopardized.

**Transportation—Systems to Manage the Structural Safety of Bridges**

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**RECOMMENDATION 10: IMPROVE CONTRACTING FOR LEVEL 1 BRIDGE INSPECTIONS—REPEATED**

We again recommend that the Department of Transportation improve its process to contract its visual inspections by documenting how it establishes criteria for assessing candidates and awards points for each criterion.

**Implications and risks if recommendation not implemented**

Without a rigorous, fair and transparent contract process, the department risks not obtaining the best services for the best price.

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**RECOMMENDATION 11: ASSESS WHETHER TO CONTRACT OUT PROGRAM DELIVERY—REPEATED**

We again recommend that the Department of Transportation regularly assess whether it should contract out inspections or do them itself.

**Implications and risks if recommendation not implemented**

Without a regular assessment of the costs and benefits of contracting out bridge inspections, the department does not know if it is getting value for the money it spends on these services.