



# Alberta Health Pure North Grants



## Executive Summary

February 2018

### Who

Alberta Health

### What

Performance audit

### When

We conducted our field work between July and October 2017.

### Learn More

[health.alberta.ca](http://health.alberta.ca)

## Why we did this audit

In December 2013, the department awarded a \$10 million grant to Pure North S'Energy Foundation (Pure North) to increase enrolment in its seniors' wellness and prevention outreach program. The program included nutritional supplementation and lifestyle advice for participants. The department also awarded \$4.2 million to Pure North in October 2016 to support a primary care clinic led by nurse practitioners. The clinic was part of the department's pilot initiative to expand the role of nurse practitioners in the province.

On May 5, 2017 we were asked by a Member of the Legislative Assembly to investigate the granting process and merits of grants awarded to Pure North. We indicated we would examine these grants to assess whether the Department of Health followed its granting processes.

Our objective was to assess the adequacy of the Department of Health's grant processes to award the \$10 million grant to Pure North in December 2013, and the \$4.2 million grant in October 2016. This review included examining the department's processes around conflict of interest and determining whether those processes were followed.

We did not audit the rationale for awarding the grants, such as the medical merits of the programs.

## What we concluded

We concluded that the Department of Health did not follow its grant processes to award the 2013 grant to Pure North.

The department did follow its grant processes to award the 2016 grant to Pure North.

We also concluded that the department's processes around conflict of interest need improvement.



## Why this is important to Albertans

Albertans expect government to adhere to the highest ethical standards. If department grant processes are not followed, public resources could be wasted and program objectives not achieved.

## What we examined

In this audit we examined:

- the department's policies and procedures for its granting process
- the department's policies and procedures on conflicts of interest
- the grant agreements for the 2013 and 2016 Pure North grants
- documentation created by the department to support entering into and monitoring the Pure North grant agreements
- required reporting to the department from Pure North

## What we found

Relating to the 2013 Pure North grant agreement, we found:

- The department did not follow its grant policy when it awarded the 2013 grant to Pure North.
- The department did not establish appropriate performance measures and reporting requirements in the grant agreement.

Related to the 2016 Pure North grant agreement, we found:

- The department followed its grant policy when it awarded the 2016 grant to Pure North.
- The department does not have a central process to manage potential conflicts of interest once they have been disclosed.

- It was only after the former deputy minister signed the Pure North grant agreement that he disclosed he had a potential conflict of interest.
- The department's supplementary code is not clear on the disclosure responsibilities of a deputy minister.
- The department terminated the 2016 Pure North grant early without cause in accordance with the terms of the grant agreement.

## What needs to be done

We recommend that the department improve its conflict of interest processes by:

- improving the supplementary code to clearly outline the disclosure requirements of the deputy minister
- centrally managing conflicts in the department to ensure adherence to the conflict of interest policies
- providing advice to department staff on conflict of interest matters when necessary

The department may benefit from formally designating one or more individuals to provide advice within the department when potential conflicts of interest arise.

## Consequences of not taking action

The department could suffer significant reputational damage if Albertans believe grant awards are influenced by potential conflicts of interest.

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[oag.ab.ca](http://oag.ab.ca)

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