

Response to the Auditor General – 2005-06

Every year the Auditor General prepares an annual report on the scope and findings of the work carried out by the Office of the Auditor General. The following are the numbered recommendations in the Auditor General's 2005-06 Annual Report and the government's response to each of them.

AUDITOR GENERAL'S RECOMMENDATIONS	GOVERNMENT'S RESPONSE
<p>Drinking Water</p> <p>1. Approvals and registrations</p> <p>We recommend that the Department of Environment make its system to issue approvals and registrations more effective by:</p> <ul style="list-style-type: none"> • Strengthening supporting processes such as training, manuals, checklists, and quality control for approvals and registrations, • Ensuring that applications are complete and legislatively compliant, • Documenting important decisions in the application and registration processes, • Processing applications and conversions promptly, • Maintaining consistency in the wording of approvals and registrations across the province, and • Following up short-term conditions in approvals. <p>2. Inspection system</p> <p>We recommend that the Department of Environment improve its drinking water inspection processes by:</p> <ul style="list-style-type: none"> • Applying the same inspection frequency targets to all waterworks regulated by the Environmental Protection and Enhancement Act, • Ensuring inspectors receive sufficient training in waterworks systems and operations, • Revising documentation tools and practices, including making them more risk focused, and • Informing operators promptly of inspection results, ensuring operators respond appropriately, and concluding on each inspection. <p>3. Waterworks operators</p> <p>We recommend that the Department of Environment, working with its drinking water partners, update its strategies to deal with the Province's needs for certified water treatment operators.</p>	<p>Accepted. During the next two years, the Department will update manuals and internal forms, improve documentation practices, and implement a process to follow-up on short-term approval conditions.</p> <p>Accepted. During the next two years, the Department will update manuals and internal forms, formalize inspection training and update inspection frequency targets.</p> <p>Accepted. The Department will enhance its support of this program.</p>

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<p>4. Information systems</p> <p>We recommend that the Department of Environment improve the information systems used to manage its drinking water businesses by:</p> <ul style="list-style-type: none"> • Updating EMS forms and improving reporting capacity, • Coordinating regional, district, and personal information systems to avoid overlap and encourage best practice, and • Using data to improve program effectiveness and efficiency. 	<p>Accepted in principle. During the next two years, the Department will update forms and coordinate regional systems.</p>
<p>5. Supporting Environment's drinking water goals</p> <p>We recommend that the Department of Environment ensure that its legislation, programs, and practices support its new drinking water goals. This includes:</p> <ul style="list-style-type: none"> • Clarifying how approvals will move facilities towards current standards, • Delivering central initiatives that enhance the drinking water program, • Determining how the Department should promote policy initiatives such as regionalization, including the financing of those initiatives, • Establishing how the Department can partner with others while mitigating the risks inherent in partnering, and • Reinforcing a "beyond compliance" mindset with Department staff. 	<p>Accepted. The Department will continue to review and update its legislation, programs and business practices. In addition, the Department will continue to work with Infrastructure and Transportation to provide funding for regional water distribution systems.</p>
Food Safety	
<p>6. RHA food establishment inspection programs</p> <p>We recommend that the regional health authorities improve their food establishment inspection programs. In particular, regional health authorities should:</p> <ul style="list-style-type: none"> • Inspect food establishments following generally accepted risk assessment and inspection frequency standards, • Ensure that inspections are consistently administered and documented, • Follow up critical violations promptly to ensure that food establishments have corrected those violations, • Use their enforcement powers to protect Albertans from the highest risk food establishments, and • Periodically reinforce independence and conflict of interest policies amongst public health inspectors. 	<p>Accepted. Health and Wellness will be meeting with the Regional Health Authorities to generate a plan regarding the inspection of food establishments. Development of a provincial strategy and policies would assist in clearly outlining expectations for inspection frequency standards and follow up of critical violations. It is important to note however, that there is generally no accepted practice for how often certain establishments should be inspected.</p>

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<p>7. RHA food safety information systems</p> <p>We recommend that the regional health authorities, supported by the Department of Health and Wellness, improve their automated food safety information systems. This includes:</p> <ul style="list-style-type: none"> • Enhancing system management, security, and access control, • Ensuring data consistency, • Ensuring that service level agreements are in place, and • Developing reporting capacity for management and accountability purposes. 	<p>Accepted. Health and Wellness is currently working with the Regional Health Authorities on an initiative that is developing outcome measures/reporting requirements for environmental health. This project includes food safety as a component of environmental health. The final report is due at the end of December 2006.</p>
<p>8. Compliance with permitting legislation</p> <p>We recommend that the regional health authorities ensure that their food establishment permitting practices comply with legislation and are efficient.</p>	<p>Accepted. Health and Wellness will be meeting with Regional Health Authorities to generate a plan regarding food establishment permitting practices.</p>
<p>9. Alberta Agriculture's surveillance program</p> <p>We recommend that the Department of Agriculture, Food and Rural Development improve the administration of its food safety surveillance program. This includes:</p> <ul style="list-style-type: none"> • Documenting its prioritization processes, • Involving partners in the prioritization of projects, • Ensuring conditions for the approval of specific projects are met and final approval recorded, • Capturing costs for large projects, • Monitoring the impact of surveillance projects, and • Considering whether regulatory support for the program is required. 	<p>Accepted. The Department has implemented a risk-based priority setting and project tracking process. This includes a system for documentation and approval tracking, and continues to be refined to better involve stakeholders in the process (stakeholder communication plan will be available by April 2007). Costs for larger surveillance projects are being tracked utilizing financial tools available to the Department. As better tools become available, the accuracy will improve. Outcomes of surveillance projects are assessed to determine if interventions are warranted and the impacts of these interventions will be assessed.</p>
<p>10. Alberta Agriculture's inspection and investigation programs</p> <p>We recommend that the Department of Agriculture, Food and Rural Development improve its inspection and investigation programs by ensuring:</p> <ul style="list-style-type: none"> • It considers a broader range of enforcement tools, • Inspections are up-to-date, and • Practices for complaints, incident reports, and held tags are consistent. 	<p>Accepted. The Department has initiated the development of a proposed <i>Agricultural Product (Food) Safety and Quality Act</i> and will be undertaking extensive consultations with stakeholders in 2007 on its development. Consideration will be given to the inclusion of additional enforcement authorities or tools. A new audit program in provincially licensed meat facilities has been implemented to enhance inspection effectiveness.</p> <p>Regular timely inspections, incident reports, and held tags directives are now in place to ensure consistency in actions by all staff in the Regulatory Services Division.</p>

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<p>11. Integrated food safety planning and activities</p> <p>We recommend that the Departments of Health and Wellness and Agriculture, Food and Rural Development, in cooperation with the regional health authorities and federal regulators, improve integrated food safety planning and cooperation on food safety activities and initiatives. This includes:</p> <ul style="list-style-type: none"> • Each provincial ministry defining its own food safety policies, objectives, and measures, • Coordinating provincial food safety policies and planning so initiatives are integrated, • Ensuring provincial approaches align with initiatives being developed through federal/provincial/territorial committees, • Improving day-to-day coordination of provincial food safety activities, • Encouraging the joint application of HACCP and HACCP related programs in Alberta, and • Improving cooperation and working relationships among provincial and federal partners such as the First Nations and Inuit Health Branch and the Canadian Food Inspection Agency. 	<p>Accepted. As members of Canada Alberta Partners in Food Safety, Health and Wellness (H&W) and Agriculture and Food (AF) work closely with the federal government and the Regional Health Authorities (RHAs) on issues such as meat and dairy inspection; food safety training programs; Hazard Analysis Critical Control Point (HACCP) implementation; co-ordination of responses in food safety emergencies and laboratory services; and improve and integrate food safety activities and objectives. AF is further defining and strengthening its objectives and measures for its goal "Continued excellence in food safety" (next revision June 2007), and H&W is currently working with the RHAs to develop outcome measures for food and other areas under the Environmental Health Reportable Measures Initiative (final report in December 2006). H&W and AF are working to ensure that government policies are aligned with Federal/Provincial/Territorial initiatives.</p>
<p>12. Accountability</p> <p>We recommend that the Departments of Health and Wellness and Agriculture, Food and Rural Development further develop their capacity for food safety accountability in Alberta. This includes ensuring that information systems can produce the accountability information that the two ministers need, both for individual ministerial accountability and for integrated cross-ministry purposes.</p>	<p>Accepted. Agriculture and Food (AF) is upgrading and expanding its data systems to improve data management, analysis and ability to share animal health and food safety data (multiple projects envisioned through 2010).</p> <p>The current Environmental Health Reportable Measures Initiative will provide recommendations regarding the necessary data element requirements, and a proposed Environmental Health Strategic Plan will include a review of the existing data systems and future program needs as a first step in developing the system needed to address accountability. Health and Wellness and AF will focus on developing measures to demonstrate the effectiveness of the food safety system and improve ministerial accountability through the development of an Alberta Safe Food Strategy.</p>
<p>Reforestation</p>	
<p>13. Performance information</p> <p>We recommend that the Department of Sustainable Resource Development produce appropriately timed reforestation performance reports to confirm the effectiveness of its regulatory activities.</p>	<p>Accepted. By March 2007, the Department will develop appropriate reforestation progress reports that will be used to assess performance.</p>

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<p>14. Performance information</p> <p>We also recommend that the Department of Sustainable Resource Development:</p> <ul style="list-style-type: none"> • Strengthen its quality control process for performance information, and • Re-examine whether achieving the target for reforestation rate in harvested areas indicates satisfactory reforestation. 	<p>Accepted. The Department will add procedures to the small operator manual to clarify responsibilities for reporting reforestation activities. In 2006-2007, the Department will include a procedure in its Forest Operations Monitoring Protocol to cross check the results from regeneration surveys with the data in the Alberta Regeneration Information System. A procedure will also be added to help ensure all cutblocks harvested and their subsequent treatments are entered into the Alberta Regeneration Information System. In 2007-2008, the Department will initiate a review of the appropriateness of the reforestation performance measure.</p>
<p>15. Monitoring and enforcement</p> <p>We recommend that the Department of Sustainable Resource Development strengthen its monitoring of reforestation activities by:</p> <ul style="list-style-type: none"> • Bringing more rigour to the review of forestry operator plans, • Making its field inspection program more effective, and • Promptly identifying and correcting non-compliance with legislation. 	<p>Accepted. The Department will continue work to increase the efficiency and effectiveness of its monitoring and enforcement of reforestation activities. In 2006-2007, the Department will complete a Forest Operations Protocol that will include a comprehensive, risk-based reforestation monitoring component. The Department will also strengthen the enforcement component in its reforestation training courses and will strengthen processes to promptly identify non-compliance with legislation.</p>
<p>16. Forest Resource Improvement Association of Alberta</p> <p>We recommend the Department of Sustainable Resource Development enter into a memorandum of understanding with the Forest Resource Improvement Association of Alberta to clarify the Department's accountability expectations.</p>	<p>Accepted. By March 2007, the Department will work to develop a memorandum of understanding with the Forest Resource Improvement Association of Alberta to clarify expectations and reporting requirements. The agreement will also clarify the Department's role in the monitoring of the Forest Resource Improvement Association of Alberta in relation to specific programs administered by the Association.</p>
<p>Regional Health Authority Global Funding</p>	
<p>17. Defining goals and performance measures</p> <p>We recommend that the Department of Health and Wellness clarify the goals and performance measures for its Regional Health Authority Global Funding methodology.</p>	<p>Accepted in principle. Regional Health Authority (RHA) funding allocation goals will be clearly articulated in written documentation and communicated to RHA Chief Executive Officers for feedback and discussion (by March 2007). Performance indicators for measuring how well the key goals are being achieved will also be set to the extent possible.</p>

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<p>18. Non-formula funding adjustments</p> <p>We recommend that the Department of Health and Wellness analyze the non-formula funding adjustments to ensure their consistency with the goals of Global Funding. Issues arising from this analysis should be resolved.</p>	<p>Accepted. The Department will analyze and document, on an annual basis, all non-formula funding adjustments to ensure their consistency with the objectives of Global Funding.</p>
<p>19. Data improvement</p> <p>We again recommend that the Department of Health and Wellness continue to improve the data used in the Regional Health Authority Global Funding calculations. (1997-1998 – No. 27)</p>	<p>Accepted. The Department will continue its ongoing efforts to ensure the quality and timeliness of data used in the regional health authority funding allocation methodology.</p>
<p>20. Funding communications</p> <p>We recommend that the Department of Health and Wellness improve the timeliness of its funding communications to the regional health authorities.</p>	<p>Accepted in principle. When possible, Regional Health Authorities will be informed of their preliminary or actual budget allocation in sufficient time to allow for the finalization of their annual health plans.</p>
<p>21. Coordination of capital and operating decisions</p> <p>We recommend that the Department of Health and Wellness ensure that capital and operating funding decisions for regional health authorities are coordinated.</p>	<p>Accepted in principle. It is recognized that health infrastructure projects have significant implications for the operational funding requirements of health regions. Health and Wellness will work with regions to develop a policy framework for ensuring that adequate operational resources will be available for new facilities.</p>
Cross-Ministry	
<p>22. IT project management</p> <p>We recommend that the Deputy Minister of Restructuring and Government Efficiency provide guidance to Deputy Ministers and their Chief Information Officers on their responsibilities for overseeing information technology projects.</p>	<p>Accepted. Restructuring and Government Efficiency introduced these recommendations to the Chief Information Officers (CIO) Council in July 2006 from which a CIO sub committee was established to define and direct efforts necessary to ensure clarification and recognition of project sponsors' responsibilities for information technology project management. The sub committee will meet and an action plan will be established to ensure awareness of the Auditor General recommendations and to develop roles and responsibilities of each ministry.</p>

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<p>Advanced Education</p>	
<p>23. Effective monitoring of employers providing apprenticeship training</p> <p>We recommend that the Department of Advanced Education improve its monitoring of employers providing apprenticeship training by:</p> <ol style="list-style-type: none"> 1. Improving the accuracy of its information on active employers, 2. Ensuring that its records of the visits by its staff to employers are available to its field staff and management, and 3. Improving its performance evaluation of staff carrying out these visits. 	<p>Accepted. The Department will ensure that its processes relating to the employer visits are improved by March 2007, including making field staff aware of past compliance issues at worksites and providing them with information about employers with the potential for training opportunities. The Department will also review criteria for evaluating field staff performance in relation to the achievement of program goals.</p>
<p>Agriculture, Food and Rural Development</p>	
<p>24. Verifying eligibility for Farm Fuel Benefit program</p> <p>We recommend that the Department of Agriculture, Food and Rural Development improve its administration of the Alberta Farm Fuel Benefit program by:</p> <ul style="list-style-type: none"> • Verifying information on completed program application forms, and • Requiring applicants to regularly renew their registration in the program. 	<p>Accepted. Plans and processes are well underway for a renewal that will commence in 2006. It is anticipated that the renewal process will be continuous with one-third of the registrants renewing their eligibility each year. A new partnership arrangement between the Department and the Agriculture Financial Services Corporation (AFSC) will involve AFSC in the renewal process. AFSC will be able to assist in the verification of applications by accessing information relating to the programs that they deliver such as the Canadian Agriculture Income Stabilization Program, production insurance and lending programs.</p>

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<p>Education</p>	
<p>25. School board budget process</p>	
<p>We recommend that Alberta Education improve the school board budget process by:</p> <ul style="list-style-type: none"> • Providing school boards as early as possible with the information needed to prepare their budgets (e.g. estimates of operating grant increases and new grant funding, and comments on financial condition evident from their latest audited financial statements), • Requiring school boards to use realistic assumptions for planned activities and their costs and to disclose key budget assumptions to their trustees and the Ministry, • Establishing a date for each school board to give the Ministry a trustee-approved revised budget based on actual enrolment and prior year actual results, and • Re-assessing when and how the Ministry should take action to prevent a school board from incurring an accumulated operating deficit. 	<p>Accepted in principle. Alberta Education is committed to working with representatives from school jurisdictions to ensure that school trustees and administrators are provided with comprehensive and timely information to enable them to make informed decisions that take into account local priorities and conditions while maintaining the integrity of provincial policies and priorities. The implications of the recommendations will be assessed in consultation with stakeholders. The Department will explore strategies to deal with the concerns identified to ensure implementation of effective and practical frameworks to enable informed decision making at a jurisdictional level.</p>
<p>26. Interim reporting – minimum standards and best practices</p>	
<p>We recommend that Alberta Education work with key stakeholder associations to set minimum standards for the financial monitoring information provided to school board trustees.</p> <p>We also recommend that Alberta Education work with key stakeholder associations to provide information to trustees about:</p> <ul style="list-style-type: none"> • The characteristics of a strong budgetary control system, and • Best practices for fulfilling financial monitoring responsibilities. 	<p>Accepted. Alberta Education will assist key stakeholder associations to establish minimum standards for interim reporting to trustees and to provide information to trustees about the characteristics of a strong budgetary control system and best practices for fulfilling their financial monitoring responsibilities. We expect to exercise a leadership role, while respecting the autonomy and assigned responsibilities of jurisdictional authorities. Given the diversity of school jurisdictions and the potential impact of this recommendation on boards and their administration, implementing this recommendation will require extensive consultation with stakeholders.</p>

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<p>Energy</p> <p>27. Assurance on well and production data</p> <p>We again recommend the Department of Energy:</p> <ul style="list-style-type: none"> • Complete its risk assessment and evaluate the assurance obtained from the Petroleum Registry System and the Department's controls over well and production data, and • Communicate to the Alberta Energy and Utilities Board how much assurance, if any, the Department needs over the completeness and accuracy of well and production data. (2004-2005 – No. 28) 	<p>Accepted. The Department of Energy and the Alberta Energy and Utilities Board (EUB) have formed two joint committees to identify the volumetric data elements and evaluate the potential risk of those data elements in the calculation of royalty. The EUB will be advised of those data elements which are considered to have the highest risk to the accurate calculation of royalties.</p> <p>It should be noted, however, that in the Ministry's opinion, the calculation of royalty based on the production reported is in all respects materially accurate.</p>
<p>Environment</p> <p>28. Water well drilling</p> <p>We recommend that the Department of Environment improve its system to regulate water well drilling by:</p> <ul style="list-style-type: none"> • Ensuring that drillers and drilling companies meet approval requirements; • Implementing controls to ensure that water well drilling reports are: <ul style="list-style-type: none"> • Received on time, • Complete and accurate, and • Accurately entered into the Groundwater Information System; and • Obtaining assurance that water well drilling activities in the field meet legislated standards. 	<p>Accepted. The Department will update and enhance our processes related to water well drilling.</p>
<p>29. Contaminated sites information system</p> <p>We again recommend that the Ministry of Environment implement an integrated information system to track contaminated sites in Alberta. (2002-2003 – No. 12)</p>	<p>Accepted in principle. During the next three years, the Department will implement a system related to contaminated sites.</p>

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<p>Finance</p> <p>30. Supplementary Retirement Plans (SRPs)</p> <p>We recommend that the Department of Finance assess the annual and cumulative costs and risks associated with Supplementary Retirement Plans. Further, we recommend that the Department review the Treasury Board Directives to ensure that the amount disclosed as the total compensation of each senior executive includes Supplementary Retirement Plan benefits earned in the year.</p>	<p>Under review. Finance and Treasury Board are currently reviewing the recommendation and anticipate the review to be complete in 2007.</p>
<p>Health and Wellness</p> <p>31. 2005 Ministry annual report results analysis</p> <p>We recommend that the Ministry of Health and Wellness explain and quantify annually – in its annual report – key factors affecting health care costs.</p> <p>32. Performance measures</p> <p>We recommend that the Ministry of Health and Wellness link health costs to outputs for the Ministry as a whole – in its annual report.</p> <p>33. Analysis of physician billing information</p> <p>We recommend that the Department of Health and Wellness strengthen its processes to analyze and investigate anomalies in physician billing information. (2000-2001 – No. 17)</p>	<p>Accepted. Information presented can be improved to enhance accountability for health care costs. Adequacy of information for reporting is subjective and there is a need to balance between high level and detailed information.</p> <p>Accepted. Health and Wellness is presently working on a proposed new reporting structure as part of the three-year health authorities' plan that will improve cost disclosure and facilitate the linking of output measures to costs. This reporting structure will take into account the need to be consistent and cost effective in this accountability process.</p> <p>Accepted in principle. Health and Wellness has taken steps to acquire better analytical tools and more professional staff to facilitate the analysis and investigation of physician billing information.</p>

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<p>34. Information technology control environment</p> <p>We again recommend that the Department of Health and Wellness carry out a comprehensive risk assessment of its IT environment, and develop and implement an IT disaster recovery plan. (2001-2002 – No. 24)</p>	<p>Accepted in principle. Health and Wellness (H&W) is currently carrying out a comprehensive risk assessment, in the order of business plan priorities, of all of its approximately 134 critical information systems. H&W will have a partial disaster recovery plan operating by the end of this fiscal year and a full plan will be in place in approximately three years.</p>
<p>Regional Health Authorities</p>	
<p>35. Capital Health: Accurate financial information</p> <p>We recommend that management of Capital Health provide its Audit and Finance Committee with complete and accurate financial information.</p>	<p>Accepted. To ensure that estimates are as refined as possible, management is documenting the reason and methodology for all significant estimates. This will be reviewed and approved by a senior person within Capital Health management. Capital Health is reviewing, and where appropriate, updating its policies and procedures.</p>
<p>36. Calgary Health Region: Monitoring service provider compliance and performance</p> <p>We recommend that the Calgary Health Region monitor its contract service provider's performance using the service-level standards and reporting timelines that the Region and the contract service provider agreed to in May 2006.</p>	<p>Accepted. The Calgary Health Region is recruiting to fill five service manager positions to support the contract manager and to monitor service provider performance. The Calgary Health Region is presently working with its contract service provider to correct the deficiencies in services and reporting identified by the audit report.</p>
<p>Restructuring and Government Efficiency</p>	
<p>37. Physical security</p> <p>We recommend that the Ministry of Restructuring and Government Efficiency improve the environmental and security controls of the data centres it maintains.</p>	<p>Accepted. The Ministry has developed an evaluation template to be used to validate the security and environmental status of each ministry based server room in use across the Government of Alberta. Each server room will be assessed against this template and recommendations developed to bring each into security compliance.</p>

