AHS Public Performance Reporting

Alberta Health Services

Report of the Auditor General

December 2025

Auditor General
OF ALBERTA

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OF ALBERTA

Brandon Lunty, MLA
Chair
Standing Committee on Legislative Offices

On behalf of my office, I am transmitting the *AHS Public Performance Reporting Performance Audit* to the Members of the Legislative Assembly of Alberta, under the *Auditor General Act*.

W. Doug Wylie FCPA, FCMA, ICD.D
Auditor General of Alberta

Edmonton, Alberta
December 2025

Contents

Related Reports:

- *Better Healthcare for Albertans (May 2017)*

Appointed under Alberta's *Auditor General Act*, the Auditor General is the legislated auditor of the *Consolidated Financial Statements of the Province of Alberta* and most provincial agencies, boards, commissions, and regulated funds. The audits conducted by the Office of the Auditor General report on how government is managing its responsibilities and the province's resources. Through our audit reports, we provide independent assurance to the 87 Members of the Legislative Assembly of Alberta, and the people of Alberta, that public money is properly accounted for and provides value.

Report Highlights

Why We Did This Audit

Alberta Health Services (AHS) managed $19 billion dollars of public money to provide healthcare to 4.7 million Albertans in the 2023 fiscal year.

We did this audit to see if AHS was communicating its performance to Albertans in an accurate, credible, and high-quality way.

What We Looked At

We looked at AHS's public performance reporting including its annual report, and its reporting to Albertans on the commitments of the Healthcare Action Plan for the 2023 fiscal year—the period of April 1, 2022 to March 31, 2023.

We Found

- Public reporting on the Healthcare Action Plan was inconsistent with what was committed to, inconsistent from report to report, and had instances where selected numbers were the most favourable.
- AHS did not comply with provincial law by not publishing its business plan for the 2023 fiscal year, and the business plan for 2024 was published 300 days into the fiscal year.
- Authoritative documentation and policy guiding health authority public performance reporting was either outdated or non-existent.

We Recommend

We recommend that the Department of Primary and Preventative Health Services:[1]

- implement a provincial healthcare system performance reporting framework
- update and clarify the 2005 accountability documents guidelines
- ensure provincial health entities have policies and procedures aligned with provincial guidance
- maintain mandatory legal registers for provincial healthcare entities
- improve records management processes

We recommend that Acute Care Alberta:

- develop policy and procedure and resolve reporting control weaknesses

Conclusion

We conclude, based on our audit criteria, that AHS had processes to measure and report to Albertans on its performance but not all these processes were effective, and improvements can be made at AHS, and across the restructured health system.

Why our Findings Matter to Albertans

Alberta is undertaking the biggest change to the health system in over a decade, creating multiple new health care entities and promising improved performance and better results for Albertans.

Effective, credible, and accountable public performance reporting is the only way Albertans will know if the change is working. Learnings from this report can help to ensure the restructured health care system is capable of high-quality public reporting.

[1] The Ministry and Department of Primary and Preventative Health Services was created on May 16, 2025, replacing relevant portions of the former Ministry and Department of Health, including its accountabilities for cross-sector policy.

Background

Public Performance Reporting

Governments are large and complicated; as a result, it can be challenging for taxpayers and people who receive services to understand if government organizations are working well and achieving their goals. Public performance reporting has developed over time as a key way for governments to communicate and explain performance to taxpayers and stakeholders.

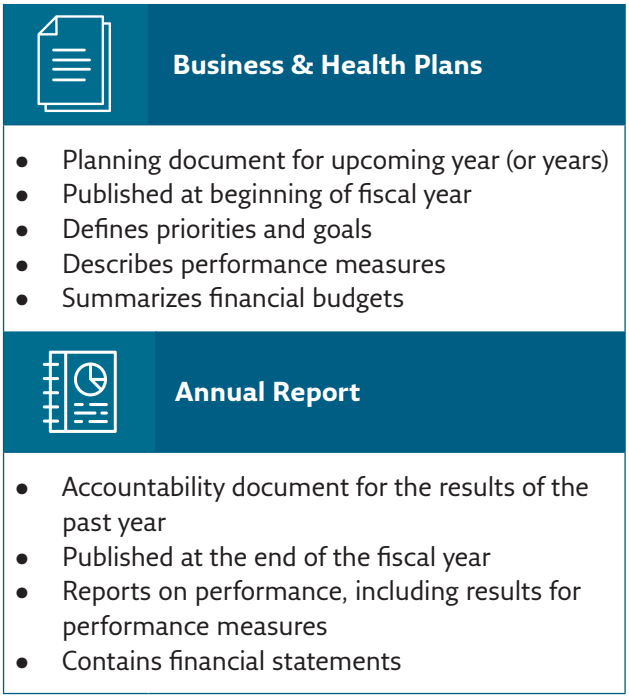
Performance reporting is, fundamentally, a process that most people would recognize from their daily life. They set a goal they want to achieve, decide how to measure progress against that goal, set targets to track progress, and then measure and report the results.

The importance of knowing that tax dollars are well-managed and achieving meaningful results is obvious. That is why accurate, credible, and high-quality government public performance reporting matters. Alberta Treasury Board and Finance has published guidance to promote high-quality public reporting.

Reporting Performance for the Provincial Health System

About 40 cents of every tax dollar spent in Alberta goes towards health care. For the last 15 years, Alberta Health Services (AHS) managed most of that spending. Provincial law[2] required AHS to prepare and publish two key documents that support public performance reporting—a business plan and an annual report.

A different provincial law[3] required AHS to develop a "Health Plan," with more details about its strategy and how it will measure performance. Historically, AHS prepared and published its business and health plans together.



Historically, AHS reported its performance measure results in its annual report at the end of each fiscal year.

Fiscal 2023 and the Healthcare Action Plan

On November 17, 2022, the government responded to concerns over AHS's performance by dismissing the board of directors at AHS and announcing the "Healthcare Action Plan."

The announcement was made with clear commitments to report back to Albertans.

[2] In the 2023 fiscal year, the *Fiscal Planning and Transparency Act* required this. The *Act* has since been amended and retitled the *Sustainable Fiscal Planning and Reporting Act*.

[3] In the 2023 fiscal year, the *Regional Health Authorities Act* required this. The *Act* was amended by the *Health Statutes Amendment Act, 2024*.

Significant Governance and Leadership Changes in 2022–2023

In the 18 months surrounding the 2023 fiscal year, AHS had—to that point—an unprecedented degree of change in governance and leadership. Specifically, AHS had:

- two ministers of health
- the addition of a minister and Ministry of Mental Health and Addiction[4]
- its incumbent board of directors dismissed, an official administrator[5] put in place for several months, followed by a new board of directors
- three CEOs
- the attrition of nearly two-thirds of its executive leadership

These governance and leadership functions all have significant roles in public performance reporting processes at AHS. They review and provide editorial content, as well as other input, for business plans and annual reports. More critically, they also provide the approvals needed to complete and publish these key public accountability documents.

[4] A large part of AHS's operations at the time dealt with mental health and addictions services, so AHS had significant accountabilities to this new Minister and the new Ministry and Department.

[5] An "Official Administrator" is normally a single person who sits in place of, and holds the same governance responsibilities as, a board of directors.

Detailed Findings and Recommendations

Healthcare Action Plan: Public Reporting Inconsistent and Not High-Quality

Context

On November 17, 2022, the Premier, Minister of Health, and the newly appointed Official Administrator of AHS held a joint press conference. They committed to considerable improvements in AHS's performance.

The Premier, Minister, and Official Administrator committed to publicly reporting progress on 10 performance measures, organized around four key priority areas. These commitments were echoed in press conferences, on websites, in billboard and bus advertisements, and in mailers distributed by AHS and the Department of Health across the winter of 2022-2023.

AHS published two updates on the Healthcare Action Plan in the first half of 2023:

- the "90-Day Report" in February
- the "April Update" at the end of April

The Department of Health and Minister played roles in editing and providing comments on these reports before their publication.

Healthcare Action Plan Performance measures November 2022

Priority 1:	1. 911 to ambulance arrival time 2. Patient offload times at emergency department 3. Number of calls "stepped down" from 811 Health Link 4. Less-urgent calls handled by EMS
Priority 2:	5. Emergency room wait times for care
Priority 3:	6. Utilization rate of AHS operating rooms 7. Surgeries occurring within clinically approved wait times 8. Surgery wait times
Priority 4:	9. Health service wait times 10. Access to health professionals

Criteria

AHS should have processes to:

- ensure its performance reporting and measures are aligned with its strategic priorities and mandate
- define performance measures and their methodologies
- collect and analyze current, complete, and accurate information for its performance measures
- publicly report on its results through performance measures

Our findings

Key findings

Public reporting on the Healthcare Action Plan:

- was inconsistent with what was committed to, and inconsistent from report to report
- had published numbers showing selectivity
- lacked features of high-quality public performance reporting

Inconsistencies Identified in Healthcare Action Plan Reporting

	November 2022 Commitments		February 2023 90-day report		April 2023 Update report
Priorities changed	Priority 4: Develop long-term reforms	Changed to →	Priority 4: Empower frontline workers	Changed to →	Priority 4: Improving patient flow throughout the healthcare continuum
Key performance measures not reported on	Measure 2) Patient offload times at ED	Not Reported			
	Measure 4) Less-urgent calls responded by EMS				
	Measure 6) Utilization of AHS operating Rooms				
Inconsistent metrics reported	Measure 7) Surgeries occurring within clinically acceptable wait times	Changed to →	Patients who have been waiting at least *three times longer* than clinically appropriate	Changed to →	% pediatric & % cardiac patients waiting within clinically recommended surgical target
Additional metrics, not identified as key, added		Many examples, such as “Number of new beds added”			

Reporting did not match commitments

In the preceding table, we show that in both the February and April 2023 public reports on the Healthcare Action Plan, the reporting did not speak to many of the key performance measures committed to in November 2022. Forty per cent of the measures described at the press conference and in related publications were not reported as committed. Three of the ten measures were not reported at all, while one was reported in a way that was inconsistent with the original commitment.

The ten action plan measures announced in November 2022 were set without first checking with AHS if it was possible to reliably evaluate or report them. Some performance measures committed to—such as "Patient offload times at emergency departments"—did not exist at all prior to the announcement, and AHS lacked the data, reliable methods, or both needed to report results. AHS needed to work with the department to determine what was possible and develop new measures to try to meet the commitments.

As the preceding table also shows, we found that the name and description of the fourth priority area, originally announced as "Develop long-term reforms", changed from November 2022 to February 2023, and then again for the public reporting in April 2023.

Some measures showed selectivity

We found differences when comparing publicly reported numbers with internal reporting from the same time periods. Further investigation showed some numbers selected for public reporting made performance look better than it actually was.

Records of when and from where the data was sourced for the public reports were not kept by AHS, as is its normal practice for annual performance reporting. The sources were also not noted in the public reports, as is common practice in performance measurement. We evaluated the accuracy of the public reporting by cross-referencing publicly reported numbers to internal reporting and other AHS data.

For example, the April 2023 action plan report showed EMS response times had significantly improved—particularly for remote EMS, where the report indicated wait times reduced from over 60 minutes to just 39.6 minutes.

We traced the EMS numbers to a single week in mid-April, when the wait times for remote EMS temporarily dipped to 39.6 minutes from a consistent weekly average of around 63 minutes.[6]

High-quality performance reporting lacking

Comparing the Healthcare Action Plan reporting to recognized public reporting standards, including those developed by Alberta Treasury Board and Finance, showed areas in which the public reporting did not reflect characteristics of effective performance reporting (see Appendix A), including:

- no information to help report users understand the performance measures, such as:
  - definitions of the measures
  - how the numbers were calculated
  - when and from where the data supporting the numbers came
  - clear comparisons against targets or benchmarks
  - analysis or discussion of where results lagged targets
  - inconsistent presentation of measurement information and results from report to report
- no discussions of assumptions, capacity, and cost of initiatives being measured
- exclusively narrative-type reporting which tilted consistently towards the positive

The reporting also lacked clear information about who was responsible for the reports themselves. Over the course of our audit, we noted AHS increasingly distanced itself from these reports—at times referring to them as "the Department [of Health]'s reports." Yet, the reports have AHS logos, were published on AHS websites, and were communicated by the Official Administrator of AHS.

[6] The reason for this big single-week drop is the relatively small total number, or "population," of remote EMS calls, particularly in a brief period like one week. For example, assume that 10 EMS calls were responded to significantly more quickly than usual in each of the Remote EMS and Urban EMS settings in a given week. Because Remote EMS handles far fewer total calls than Urban EMS, the 10 quicker responses would bring the average wait time for Remote EMS down significantly more than it would for Urban EMS. It is an example where small changes or outliers in data can have an outsized impact on results because of the way small numbers affect measures like averages or rates. This is why every framework for public performance reporting requires measure definitions and showing how numbers are calculated in public reporting.

Lack of records management for reporting

The experienced team at AHS responsible for the annual public performance reporting process (discussed below) was not involved in the Healthcare Action Plan public reporting. And, by summer 2024, 14 months since the last public reporting on the Healthcare Action Plan in April 2023, all those who could meaningfully speak to the reports' preparation, editorial and content decisions, or publication were no longer employees of AHS.

We also asked for records that could support the reporting and its contents and found that no records of it were available.

Business Plan: Non-compliance and Delays in Required Publishing

Context

The *Fiscal Planning and Transparency Act*[7] governed basic accountability and transparency reporting in the Government of Alberta.

The *Act* required all provincial government organizations—including organizations like AHS[8]—to publish their financial and operational plans for the upcoming year in the form of a business plan.

Criteria

AHS should have processes to:

- ensure its performance reporting and measures are aligned with its strategic priorities and mandate

Our findings

Key findings

- AHS did not follow provincial law by not publishing its business plan for the 2023 fiscal year.
- AHS published the following year's business plan in late January 2024, 300 days into the fiscal year.
- Non-mandatory publication of other accountability reporting has decreased in recent years.
- Other non-compliance with legislation was found in publication of key accountability documents.

Fiscal 2023 business plan not published

AHS's internal timelines targeted publication of its business plan in June of the relevant fiscal year ended March 31. In fiscal 2023, this means AHS's business plan should be published in June 2022.

AHS had prepared its draft of the fiscal year ended March 31, 2023 business plan and provided it to the Department of Health for review by May 2022, following its normal timelines. Drafts of the plan were then shared back and forth between the Minister's office, the Department of Health, and AHS across the summer and fall of 2022.

When the Minister of Health dismissed the AHS board of directors in mid-November 2022, the plan had still not been approved. The new Official Administrator of AHS then asked for further changes, with later drafts being discussed between January and March 2023.

Correspondence we reviewed between the Minister and AHS noted the legal requirement to publish the plan. But we found the fiscal year 2023 business plan was never published, contravening the *Fiscal Planning and Transparency Act*.

Fiscal 2024 plan published after long delay

The next fiscal year's business plan had similar delays. The Minister approved the 2024 business plan, and AHS received approval from the Department of Health to publish it in late January 2024—over 300 days into the fiscal year.

[7] The *Fiscal Planning and Transparency Act* was revised in 2023, including an updated title: the *Sustainable Fiscal Planning and Reporting Act*. The period covered by our audit was before the 2023 amendment to the *Act*.

[8] These organizations are called "accountable organizations" in the *Act*.

Other public performance reporting decreased since 2021

AHS has reduced the amount and type of other, non-mandatory performance reporting to the public.

Until 2023, AHS had published its annual health plan together with its business plan every year since its formation. The health plan outlines AHS's critical areas of performance, and performance measures and targets it will report on in the annual report.

Until 2021, AHS published a quarterly report on its financial and operational performance. This quarterly public reporting was based on reporting AHS must provide to the Minister of Health. In 2021, at the direction of the Minister, this reporting changed from quarterly to semi-annually.[9] In a letter approving the 2023 fiscal year business plan, which we reviewed, the Minister asked AHS not to publish the now semi-annual report to "ensure clarity and consistency of messaging." AHS has not made interim results reporting public since then.

Other non-compliance with legislation found

While conducting our audit, we also found two areas of non-compliance with legislation.

First, AHS business plans for the fiscal years ended March 31, 2024 and March 31, 2025 did not comply with the *Sustainable Fiscal Planning and Reporting Act* because they cover only one year and do not include plans for "the fiscal year and at least 2 subsequent fiscal years" as section 5(2) of the *Act* requires.

Second, we noted that AHS was not in compliance with requirements of the *Alberta Public Agencies Governance Act* because it had not published the October 2022 version of the Mandate and Roles document.

Annual Report: Quality and Consistency Reduced by Insufficient Guidance and Policy

Context

Many frameworks, standards, and guidelines are available to support high-quality public performance reporting from government organizations.

These guidance sources have minor differences, but all agree on the importance of key features, including:

- Outcomes-focus: Ensuring measures look at outcomes[10] and not inputs or processes
- Consistency: Measuring the same things across multiple periods of time
- Fiscal impacts: Ensuring measures consider dollars spent to achieve results
- Transparency: Describing how to calculate a measure and determine a result
- Comparability: Setting targets and using relevant benchmarks to measure actual performance against
- Impartiality: Analyzing and discussing results compared to targets or benchmarks, and any lessons learned, in an unbiased and objective way

Alberta Treasury Board and Finance has distilled these key principles down into guidance for all Government of Alberta organizations.

There are also specific standards and accepted best practices for reporting on performance in healthcare. Examples include the "Value-Based Health Care System," "Balanced Scorecard," and "Quadruple Aim" systems. The Canadian Institute for Health Information (CIHI) and Health Quality Alberta also set many leading practices. AHS recognizes and has said it endorses many of these standards and practices.

[9] The "Alberta Health Services – Mandate and Roles Document" is a key governance document jointly authorized by the AHS Board Chair and Minister of Health and required by the *Alberta Public Agencies Governance Act*. AHS and the Minister updated this document in October 2022, including changing the interim accountability reporting requirement from quarterly to semi-annual reporting.

[10] The concept of measuring "outcomes" can be hard to think about in the abstract, but is important to understanding performance measurement. Assume we are talking about golf, and you have set a goal of hitting longer drives. Measures that are relevant to that goal might include average drive distance, per cent of tee shots in the fairway, or average number of shots to the green on long par five holes—these are all examples of "outcome measures." Measures that would not tell you as much about the length of your drive might include how many tees you went through in a round or how many buckets of balls you hit at the driving range (examples of what are called "input measures"), or the measured head speed of your driver during your swing (a "process measure")—interesting statistics and all are related to driving golf balls, but they do not tell you about the outcome you want: whether or not you are driving the ball further.

Criteria

AHS should have processes to:

- ensure its performance reporting and measures are aligned with its strategic priorities and mandate
- define performance measures and their methodologies
- collect and analyze current, complete, and accurate information for its performance measures
- publicly report on its results through performance measures

Our findings

Key findings

- AHS's role in setting its own performance measures relative to the Department of Health and Minister was unclear and not documented.
- Authoritative documentation and policy guiding AHS performance reporting was either outdated or non-existent.
- Reporting of performance measures did not consistently align with standards and best practices.
- Process weaknesses we observed were flagged years earlier by AHS internal audit.

Roles and responsibilities are unclear

We found confusion in the basic roles and responsibilities for setting AHS's critical areas of performance and how it measures its results.

AHS balances the priorities of its board of directors,[11] the departments of Health and Mental Health and Addiction, and ministers of Health and Mental Health and Addiction. Each of these parties can have different, and potentially conflicting, priorities and preferences.

It is not documented how AHS should navigate these potentially competing interests to strategically plan and set priorities, which standards to follow for public performance reporting, or how to select performance measures.

AHS management developed its own internal guidance to help them recommend performance measures to those making the decisions. However, the need remains for clear, consistent, and authoritative guidance for the entire health sector to follow in setting strategy and developing and reporting to the public on performance measures.

This report is not the first time an external review has pointed out this problem. In our 2017 *Better Healthcare for Albertans* report, we noted regular problems with accountability for results and confused roles and responsibilities across the provincial healthcare system. The 2019 *Alberta Health Services Review*[12] made two recommendations to the Department of Health to improve and clarify accountability and coordination between itself and AHS.

2019 Alberta Health Services Review recommendations

Accountability interface → *"Strengthen the accountability interface between Alberta Health and AHS to clarify responsibilities, put in place a coordinated annual planning process, and develop an effective performance management framework."*

Assignment of senior leadership → *"Consider assigning a senior leader within Alberta Health with primary responsibility for strengthening and managing the accountability interface between Alberta Health and AHS."*

[11] Or the Official Administrator, as was the case for four months of the 2023 fiscal year.

[12] See: https://www.alberta.ca/alberta-health-services-review.

In the early 2010s, shortly after the formation of AHS, the Minister of Health recognized problems in the loosely structured way that health system performance was being reported between the Department of Health, AHS, and other entities in the health system. The Minister commissioned a framework to resolve this issue, and in December 2013 the *Health System Outcomes and Measurement Framework*[13] was published.

Despite its age, the framework is comprehensive, specific, and well-regarded by the experts we spoke with. But we found the framework was never used by the department or AHS.

Only required guidance outdated, policy non-existent

The only piece of guidance that AHS must follow in its annual performance reporting processes is older than AHS itself—the Department of Health's 2005 *Guide to Health Authority Accountability Documents*.

The degree of change in the provincial healthcare system since 2005 leaves the guide badly outdated. For example, the document references legislation, entities, and processes which have not existed for more than a decade. This makes it hard to apply it to the health system and AHS as it currently exists.

AHS had no policy governing its performance reporting processes. We found that processes used by AHS were largely consistent, at least within each year, but this consistency was due to experienced staff and convention.

Reporting misses elements of standards

In several key areas, annual performance reporting in the 2023 fiscal year did not meet the standards of high-quality reporting. Among a more extensive list provided in Appendix A (page 14), we found AHS's performance reporting in its fiscal year 2023 annual report did not:

- integrate financial information, or include measures of fiscal performance
- consistently provide analysis and discussion of results—commonly called "variance analysis"
- provide clear, numeric targets for all performance measures

We also found that the use of health system-specific public reporting standards to guide public performance reporting was different from prior years.

Process weaknesses found by internal audit still exist

We found several process weaknesses and instances where key control steps did not happen as planned (see Appendix A). Many of the key control weaknesses we found had been flagged previously by AHS internal audit.

Overall, these weaknesses were isolated and the numbers in the 2023 fiscal year annual report were verifiable, current, and credible.

The root causes and why they matter

Times of significant change, especially in publicly accountable organizations like AHS, create greater need for credible, timely, and transparent public reporting. Accountability systems must be robust enough to withstand stress and transition, with clearly defined, well-documented roles, responsibilities, and safeguards to ensure compliance with legislation and the maintenance of transparency to Albertans.

Clear and thorough policy, guidance, and documentation helps prevent problems during periods of instability and ensures that critical, legislated accountability processes—like performance reporting—are not dependent on the experience and strength of a handful of key individuals.

AHS management recognizes the challenges posed by limited guidance and policy, and acknowledges difficulties in meeting all elements of high-quality reporting standards. As AHS does not function as an arm's-length agency, it lacks unilateral authority to define its critical areas of performance and reporting methods.

NEW Recommendation:
Implement a provincial healthcare system performance reporting framework

We recommend that the Department of Primary and Preventative Health Services implement an authoritative framework for all provincial healthcare system performance reporting to the public.

[13] See: https://open.alberta.ca/publications/health-system-outcomes-and-measurement-framework

NEW Recommendation:
Update and clarify the 2005 accountability documents guidelines

We recommend that the Department of Primary and Preventative Health Services update and replace the 2005 *Guide to Health Authority Accountability Documents* to clarify:

- legislative requirements
- minimum public reporting standards
- roles and responsibilities
- which performance reporting frameworks and other guidance are to be followed

and ensure that its guidance applies to all public performance reporting from organizations in the provincial healthcare system.

NEW Recommendation:
Ensure provincial health entities have policies and procedures aligned with provincial guidance

We recommend that the Department of Primary and Preventative Health Services ensure that all publicly funded healthcare organizations develop policies and procedures for public performance reporting, and that those policies are aligned with provincial frameworks and guidelines.

CONSEQUENCES OF NOT TAKING ACTION

At least six new healthcare entities are being created in the refocusing of the Alberta healthcare system, and ultimately, they are accountable to the Albertans who fund them. Without clear, consistent, and current guidance, accountability reporting will not achieve the high-quality Albertans expect.

NEW Recommendation:
Maintain mandatory legal registers for provincial healthcare entities

We recommend that the Department of Primary and Preventative Health Services ensure that all entities in the provincial health system maintain up-to-date legal registers of applicable laws and regulations.

CONSEQUENCES OF NOT TAKING ACTION

We identified three instances of legislative non-compliance related to performance reporting. Without up-to-date legal registers, provincial healthcare entities are at risk of being non-compliant with the law.

NEW Recommendation:
Develop policy and procedure and resolve control weaknesses

We recommend that Acute Care Alberta[14] formalize its public performance reporting processes as written policy and procedures, and ensure these procedures resolve process weaknesses noted at Alberta Health Services.

CONSEQUENCES OF NOT TAKING ACTION

Informal processes, and reliance on implicit knowledge and the strength of key staff, leave the performance reporting system vulnerable to future stresses and changes.

NEW Recommendation:
Improve corporate records management

We recommend that the Department of Primary and Preventative Health Services direct all health system entities to develop systems to identify and retain relevant corporate and organizational records[15] for an appropriate time. This system should include records of key people after their term with their respective organizations.

CONSEQUENCES OF NOT TAKING ACTION

Health system entities receive public funding and are responsible for providing essential healthcare to every Albertan. Without improved records management practices, they cannot demonstrate the needed accountability for their recent organizational historic decisions and actions.

[14] Most of AHS's accountabilities for public reporting and public reporting functions have moved to the newly formed Acute Care Alberta health agency.

[15] Our audit considered only records and records management practices relevant to the scope of our audit of public performance reporting. We did not evaluate and our recommendation does not extend to other types of records maintained by AHS, including medical and health records.

About This Audit

Objective and Scope

The objective of our audit was to see if Alberta Health Services has effective systems to measure and report to Albertans on its performance against its strategic priorities and mandate.

Our audit focused on AHS's systems to measure and report publicly on its performance in meeting its priorities and mandate. This includes its processes to:

- develop relevant performance measures and ensure they are aligned with its priorities
- develop and document methodologies and processes to obtain data and other qualitative information for each measure that is current, complete, and accurate
- prepare and publish performance measurement information that is accurate, complete, and understandable to the public.

Our audit did not examine or conclude on:

- the process to set AHS's critical areas of performance
- internal performance reporting systems
- the role of the Department of Health in AHS's performance reporting

Our audit focused on the public performance reporting from January 1, 2022 to June 30, 2023—the 2023 fiscal year.

Audit Criteria

The main sources of our audit criteria are:

- Provincial legislation
- standards and guidelines for government performance reporting from Alberta Treasury Board and Finance
- Statement of Recommended Practice (SORP) 2 – *Public performance reporting* (CPA Canada)
- Accounting Standards Board (AcSB) of *Canada - Framework for Reporting Performance Measures*

Management of AHS acknowledged the suitability of the audit criteria on December 5, 2023.

Audit Responsibilities and Quality Assurance Statement

Management of Alberta Health Services (AHS) is responsible to publicly report on its performance.

We are responsible to express an independent conclusion on whether AHS has systems in place to measure and report publicly on its performance.

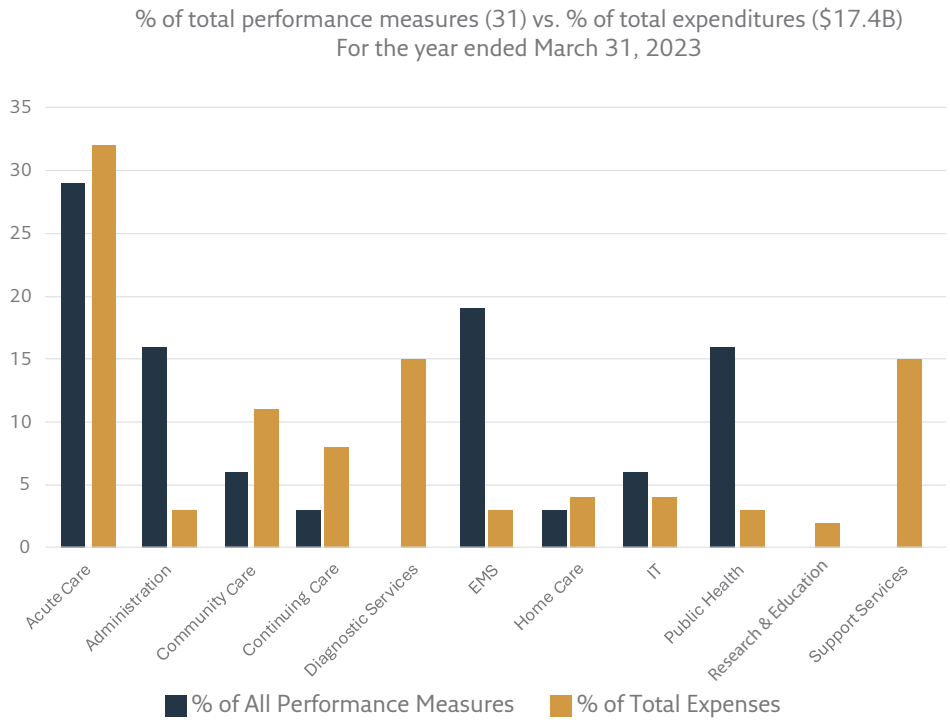
All work in this audit was performed to a reasonable level of assurance in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001—Direct Engagements, set out in the CPA Canada Handbook— Assurance. The Office of the Auditor General applies Canadian Standard on Quality Management 1, which requires the Office to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. The office complies with the independence and other ethical requirements of the Chartered Professional Accountants of Alberta Rules of Professional Conduct, which are founded on fundamental principles of integrity and due care, objectivity, professional competence, confidentiality and professional behaviour.

Appendix A:
Details of Quality Reporting Standards Not Met and Control Deficiencies Identified

Comparing 2023 Annual Report to Performance Reporting Standards

Our audit procedures involved analyzing AHS's Annual Report for the 2023 fiscal year performance reporting against Alberta Treasury Board and Finance standards and other recognized standards for high-quality public performance reporting. We found that AHS could improve its reporting in several ways to better meet these standards.

Where is AHS measuring performance?



Annual Report FY 2022 (18 total measures)	Annual Report FY 2023 (31 total measures)	Annual Report FY 2024 (28 total measures)	
Measure Measure	Measure Measure	Measure Measure	Consistent all three years (2)
Measure Measure Measure	Measure Measure Measure		Consistent FY 2022 to 2023 (3)
	Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure	Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure	Consistent FY 2023 to 2024 (15)
Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure	Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure	Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure Measure	Not consistent with other years (13-2022, 11-2023, 11-2024)

Our analysis found:

- not all material areas of AHS operations and mandate were covered by performance measures[16]
- AHS did not have any measures of financial information, fiscal performance, or results as a factor of dollars spent
- many measures used targets such as "Stabilize" or "Improve" rather than clear, numeric targets[17]
- measures were not consistent from year-to-year, and the report did not explain the changes from one year to the next—for example, between fiscal 2022 and 2024, only two measures were consistent across all three years[18]
- no discussion was provided to help readers understand the decision to use a November 2022 baseline for several metrics in an annual performance report focused on year-over-year performance
- written discussion or analysis where actual results missed targets or benchmarks—commonly called "variance analysis"—was not provided for all measures
- the use of national-level benchmarks for relevant measures was significantly reduced from the prior 2022 fiscal year's annual report[19]
- the reporting did not have a discussion of lessons learned or adaptations resulting from observed results—particularly where results were not meeting targets

We also found that AHS used data filtering in two ways in the public performance measures: "90th percentile" measures and reporting on the "16 largest sites." The performance reporting did not provide other data disaggregation that might help annual report readers to better evaluate performance at disaggregated levels.

16 Management told us that, while they measure across their scope of services internally, they cannot be consistent in their public performance measures because they must follow government priorities.

17 AHS told us they believe targets like "Improve" are appropriate and quantitative because AHS used an internally defined threshold of three per cent improvement. We note that this three per cent threshold is not described anywhere in the annual report, so public readers of the report would not be able to know this. We found all measures with public-facing targets like "Improve" had clear, numeric targets in internal performance reporting systems.

18 The year-to-year change in measures is largely driven by changes in government priorities, as we describe earlier. AHS keeps a suite of measures used in past annual reports on its website. It calls these "Monitoring Measures."

19 In the 2024 fiscal year annual report measures, there is significantly more benchmarking to national comparators. This is another example where changes can happen due to the lack of clear, consistent guidance for health system performance measurement, and the lack of role clarity and authoritative guidance. All of which reduce the consistency of processes like selecting measures for performance reporting.

Standards of high-quality public performance reporting focus on providing information that is maximally useful to a public reader of the report while still being reasonably understandable. There are many examples of other data disaggregation available to AHS, and AHS's internal data and analytics group routinely produce a wide variety of highly specific performance reports and dashboards for internal reporting purposes. Some possible examples that might be useful to a public reader might include showing performance in relevant measures between:

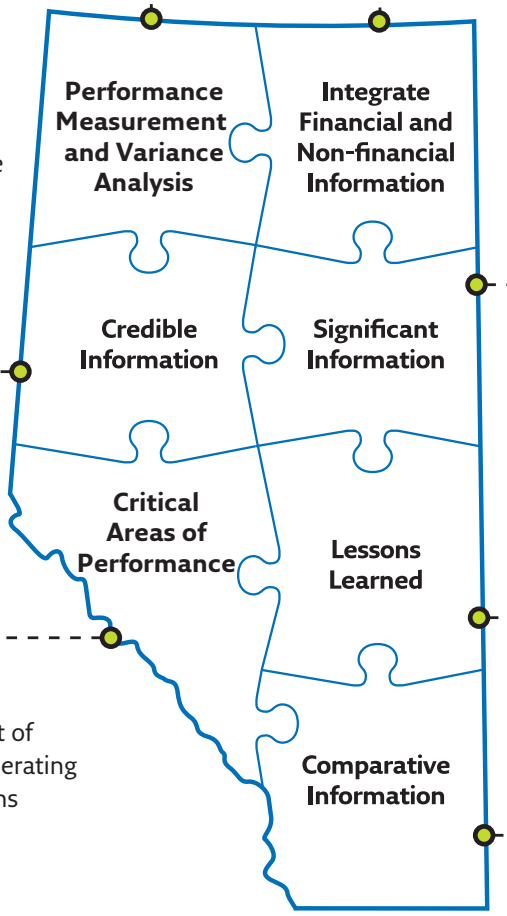
- different health service types and locations, such as:
  - services providers—such as between AHS and Covenant Health or other contracted service providers, such as chartered surgical facilities
  - rural and urban settings
  - smaller and larger facilities
- outcomes for different populations

We also point to the possible confusion for some readers from using a descriptive statistic like 90th percentile. While there is nothing methodologically wrong with its use, and AHS took steps to ensure comparative figures were also measured in this way, some grasp of statistics is required to fully understand and draw accurate inferences from information presented this way.

In past audits on public performance reporting in the Government of Alberta,[20] we have used a simplified framework to explain some of these concepts.

[20] See:
- *Reporting Performance Results to Albertans Followup, Report of the Auditor General—August 2019.*
- *An Analysis of Annual Performance Reporting by School Authorities, Report of the Auditor General—November 2024*.

Seven Characteristics of Effective Performance Reporting



Performance measurement and variance analysis

- A standard management tool used in assessing performance
- Explain significant performance measure variances between planned and actual results and prior results

Credible information

- Information that is accurate, fair, balanced and relevant

Critical areas of performance

- Factors that affect achievement of desired results including key operating risks and capacity considerations

Integration of financial and non-financial information

- Explain links between activities, outcomes, results and key strategies
- Relate costs to results achieved

Significant information

- Key commitments that link to ministry and government level outcomes
- Line of business and operating environment perspective

Lessons learned

- Intended followup actions and strategies

Comparative information

- Past performance on the organization and other similar organizations (where reasonably available)

Details of Process Weaknesses We Identified

We also did a detailed analysis of AHS's processes for performance reporting, including the controls it uses to ensure reporting is credible and high-quality, and the numbers are accurate. Overall, the processes were well designed, and we did not find any inaccuracies in the reporting (though we found that these processes are not well documented and not governed by any particular policy). But we brought the following process weaknesses to management's attention:

- not all documented descriptions of the methods used to determine performance measures were approved before the annual report was finalized
- final numbers for the report were not documented as reviewed and approved by someone with both the authority, and sufficient familiarity with the data and how the measure is calculated before the annual report was finalized
- written discussion or analysis to explain results of each measure was not reviewed by someone with adequate, direct, and discrete knowledge to confirm the accuracy of the written discussion or analysis
- processes were not sufficient to ensure numbers reported publicly were aligned when they were reported by different organizations or in different reports or data sets
- an audit trail or records of source system data outputs when the reports are generated were not kept for all measures
- not all measures had data flow diagrams[21] to compliment definitions of how measures are calculated
- minor differences between the internal calculations of measure results and what was published in the report were not caught in a few isolated cases[22]

AHS told us that it has already begun making process changes to resolve these weaknesses. We will evaluate its actions when we follow up on our recommendations.[23]

We provide this detailed summary in the hope that the new provincial health agencies and other organizations being set up in the refocused provincial healthcare system can use these lessons as they develop their own processes to ensure that their reporting is credible, accurate, and high-quality.

[21] These diagrams show how the raw data supporting the measure is accumulated from the source systems, including any filters or adjustments applied to it, *before* the measure is then calculated according to the data definition.

[22] Generally, these are human errors. We did not identify any differences that we would consider significant (we do not believe the differences were large enough to impact how a report reader understands the results) and we did not identify any evidence of systemic bias in these minor errors.

[23] Most of AHS accountabilities for public reporting and public reporting functions have moved to the newly formed Acute Care Alberta health agency.

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