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AN AUDITOR GENERAL WHO IS BOTH INDEPENDENT AND ACCOUNTABLE: WORKING EFFECTIVELY WITHIN ALBERTA'S WESTMINSTER MODEL DEMOCRACY

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Executive Summary

- Canadian legislative assemblies, responsible for holding governments accountable for spending and the stewardship of public resources, rely heavily on the services of effective auditors general.
- The mandates for most Auditors General in Canada include performance audits (called system audits in Alberta), which are checks that governments are examining their performance and striving to achieve value for money through systems that measure and report on the economy, efficiency, and effectiveness of their policies and programs.
- In recent years, Alberta's Auditor General broadened his mandate by pushing system audits beyond critiques of government systems of evaluation and reporting into criticisms of the policies and programs government meant to measure and even into a medium to propose policy and program alternatives. He has impinged on government's policy making role.
- Similarly, the Auditor General essentially bypassed the legislative assembly and reported directly to Albertans, for example, releasing reports to the media at the same time that he shared them with the assembly.
- One result of the above trends is the erosion of Alberta's Westminster model of governance in which ministers are individually and collectively responsible to the legislative assembly and all members are responsible to the people of the province who elected them as their representatives.
- A contributing factor is a lack of an accountability process for the Office of the Auditor General: the legislative assembly's processes to review that office's annual work plan, budget request, and report on activities and performance are less rigorous than those for the entities the office audits and the processes do not evaluate that office's performance or provide feedback. Furthermore, legislative assembly members who have attempted to improve the office's effectiveness and ensure accountability have had their concerns or questions reframed as attempts to encumber the Auditor General.
- Alberta's Office of the Auditor General has recently increased its profile significantly, but its effectiveness has decreased dramatically. Not long ago, Alberta governments annually accepted 90 to 100 per cent of Auditor General recommendations but last year, that fell to 77 per cent. Likewise, the Auditor General cannot conceal a disconnect with the assembly he was meant to serve: only 32 of 82 members responded to his survey asking if they valued his work.
- The legislative assembly should take immediate action to improve the effectiveness of the Office of the Auditor General to help members hold government accountable. The assembly should clarify the mandate and establish a non-partisan process to provide oversight and improve accountability without compromising the independence of future auditors general.

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Purpose

Alberta's all-party Standing Committee on Legislative Offices will soon recommend to the legislative assembly an individual to be appointed for a fixed term as Alberta's Auditor General. The members of the legislative assembly, who are responsible for holding the government accountable for its spending and stewardship of public resources, rely heavily on an effective Auditor General. This paper is intended to spark a timely and necessary discussion on the mandate for Alberta's next Auditor General, and how that mandate should be executed. Recommended discussion topics conclude the paper.

Introduction

Good government is important to every citizen. Government sets the conditions that affect everything from food and water to work and recreation. People rely on government to educate their children and to provide health services whenever they or loved ones are ill. Today, government is also expected to take the lead on protecting the environment for future generations (Forsey, 1980).

Canada's ranking above other countries and praise from new citizens are testaments to the fact that Canadians and Albertans have considerable reason to be proud of their form of government. Of course, all Albertans, and especially those within the Province's system of government, must be vigilant to ensure that the province's principles of good government do not erode through poor practice.

Alberta is governed on the Westminster model in which ministers are individually and collectively responsible to the legislative assembly and the members of that assembly are responsible to the people of the province who elected them as their representatives. Power is assigned to ministers along with the responsibility to report on its use: "This obligation to answer for actions taken forms the basis of an accountability relationship between the government", through the legislative assembly, to its citizens (Gregory, Jones, Drover, Fitsmaurice, & Macleod, 2000, p. 1).

A number of legislative assembly committees, positions, and procedures ensure ministers and others with power examine and explain their choices. One of the key committees is the Standing Committee on Public Accounts which reviews the activities and performance of all government ministries and agencies. This all-party committee, chaired by a member of the official opposition, helps the legislative assembly hold the government accountable for its spending of public money and its stewardship of public resources. Among the most notable and important of the positions is that of Auditor General and his or her independent office, which assures the legislative assembly, through the public accounts committee, that government reports on the Province's activities and performance are accurate and meaningful.

Alberta's Auditor General has two duties: assurance audits and system audits, which are often referred to as performance or value-for-money audits in other jurisdictions. The former has always been a part of the job; the latter was added just over 30 years ago (see Appendix A).

Assurance audits combine attest audits and compliance audits. Attest audits are a check that the audited financial statements were prepared in accordance with generally accepted accounting principles which are employed by municipal, provincial, and federal governments and that funds were spent for the intended purposes. Compliance audits are a check that the ministry or other body audited followed its governing laws, rules, regulations, and procedures (Etverk, 2002; Gibbins, 2000).

System audits are harder to define, but, at root, they are a check that the government is examining its performance and striving to achieve value for

money through systems that measure and report on the economy, efficiency, and effectiveness of its public-resource management and programs (Aucion, 1998). Although this definition may seem straightforward, system audits have been defined and practiced differently in different jurisdictions, and they have evolved since introduced in federal and provincial legislation in the late 1970s. Thirty years later, there are still no common methodologies and the standards for undertaking systems audits leave broad latitude to the auditors who must exercise professional judgment in defining their audit objectives and scope. Judgment is needed, in large part, given the wide ranging nature of government activities selected for system audits by the federal Auditor General and some provincial Auditors General (Canadian Institute of Chartered Accountants, 2010).

This is a topic that has been explored by others, such as Aucion and Sutherland, who have long observed an evolution of the role of the Office of the Auditor General in the federal parliament, and who contend that the current Auditors General's expansion of their role threatens the conventions of responsible government. Alberta must now be at the forefront of this examination because in recent years Alberta's Auditor General, like the federal and some provincial Auditors General, has broadened his mandate to the point it usurps the roles of the elected members of the legislative assembly. An expanding definition of system audits was one vehicle Alberta's Auditor General used to broaden his mandate. The other was the mission statement adopted previously by his office:

“to identify opportunities and propose solutions for the improved use of public resources, and to improve and add credibility to performance reporting, including financial reporting, to Albertans” (*Office of the Auditor General Business Plan 2010-13, 2009, p.1*).

To “propose solutions for the improved use of public resources” is an extremely broad interpretation of the legislative mandate set out in Section 19 of Alberta's *Auditor General Act*. This section requires the Auditor General to call the legislative assembly's attention to situations in which accounting and management control systems to ensure economy and efficiency, or procedures to measure and report on the effectiveness of programs, are absent or inadequate, or were disregarded. It does not require or even give the Auditor General authority to propose ways the government, in his or her opinion, could better use public resources. Yet it is through this interpretation of his mandate that Alberta's Auditor General pushed system audits in the last few years beyond critiques of government systems of evaluation and reporting, into criticisms of the policies and programs the government meant to measure and even into a medium to propose policy and program alternatives.

This poses serious challenges to the roles previously established in Alberta's Westminster model of government, not the least of which is that the Auditor General attempted to perform two incompatible tasks. At times, he acted in his traditional role as an auditor, helping the Public Accounts Committee hold

the government accountable, by exposing when government had not properly administered, safeguarded, or accounted for public resources, or when its accounting or management control systems were insufficient. At other times, he acted like a management consultant, reviewing not only government accounting and management control systems, but policies and programs, and, when he found fault with those, proposing solutions by recommending how they or their delivery could be improved. These reviews and the resulting advice, delivered as recommendations in his report under the banners of various system audits, should not have been called audits at all because they were unlikely to benefit from the same rigor and unable to stem from the objectivity applied to the more established tradition of attest audits. More significantly, when presented as a numbered recommendation in his report, the Auditor General's proposal on how the policy or program could be improved shifted from advice to a prescribed solution. This is the crux of the incompatible, and some say confusing, nature of the Auditor General's recently doubled role in Alberta's accountability system: he acted as both watchdog and problem solver. Of course, even if it were possible for an individual to fill those two roles concurrently, it remains inappropriate. Auditors General are accomplished individuals able to provide good advice, but by promoting his or her personal solution through a recommendation to influence policy or program design, he or she undermines Alberta's Westminster-model democracy. The public have entrusted decision making, not to the appointed Auditor General, but to the elected members of the legislative assembly and the government.

Those two groups, each of which is examined in this paper, are among those with roles at risk when an Auditor General infringes upon them by exercising a too-generous interpretation of system audits. While ministers and the larger government are positioned where they should readily recognize this, some may say that with a change in Auditor General, there is no longer cause for concern. That is an error encouraged by the fact that it is easier to see and focus on criticism of one Auditor General's approach than it is to analyze and address the structural weakness in Alberta's system. Similarly, within the full legislative assembly to whom an Auditor General is meant to be accountable, some may echo those reporters and critics of recent governments who say that there was never cause for concern. They may even believe that it is essential for the Auditor General to criticize government policy and champion alternatives in a province where they believe opposition members lack the numbers and resources to fully fill that role. The individuals who believe they benefit from an Auditor General who takes this approach have yet to weigh his or her help in their daily work against the erosion of Alberta's system of good governance. Still, a few from each and every political party will likely maintain that an Auditor General who is free to set his or her own mandate and processes is ideal. Make no mistake. It would be another error to delay action until the day all members of the legislative assembly conclude that their roles have been subsumed into that growing office. The time to clarify or refine the Auditor General's mandate is now.

In April 2009, for the first time in Alberta's history, Treasury Board, on behalf of the Government, rejected some of the recommendations in the Auditor General's report with this statement: "Policy matters are outside the purview of the Auditor General" ("Response to the Auditor General," 2009, p. 162). Answering questions, the Treasury Board President stated that the Government had repeatedly asked the Auditor General to stay away from public policy issues (Cryderman, 2009). Despite this, the Auditor General made recommendations resulting from system audits that moved beyond critiquing the evaluation systems used to report on the results of government policies and programs to criticizing government policy and program decisions, and even promoting alternatives, including the design and levels of support for existing and potential new programs. Such actions are, inarguably, functions of government.

Two examples of the Office of the Auditor General proposing programs and services for government to provide, and instructing government on how best to deliver, are information technology security and mental health services.

The system audit on information technology security was based on a review of the different ways that government data can be accessed (*Report of the Auditor General of Alberta*, 2008). The Auditor General used the results to prepare constructive criticism on the Province's systems to determine the security of information in its custody, but went on to recommend government create a central security office "to oversee (develop, communicate, implement, monitor and enforce) all aspects of information security" (*Report of the Auditor General of Alberta*, 2008, p. 53). The Auditor General also described the duties of the office he envisioned. These included the "responsibility to protect the information assets of the government" and necessitated "the power to enforce [...] controls" (*Report of the Auditor General of Alberta*, 2008, p. 55). He even specified that this new office ought to report to executive council.

In this example, the Auditor General did not focus on the goal of strengthening the systems government uses to measure and ensure the security of its information assets, but rather prescribed how Government organize and allocate resources to deliver information security. He would have gained an understanding of government's security system as he investigated the subject, and he would have possessed or contracted information technology expertise to complete the audit, which would have enabled him to offer constructive advice on improving security. But by turning a specific approach into a numbered recommendation, the Auditor General tried to determine how government responded to the issues raised in his audit, deciding for Albertans how electronic information should be protected within government. The Auditor General was not elected to make or revise such decisions.

Interestingly, the Government stated that it accepted the Auditor General's recommendation, but is now only appointing a director of information security within Service Alberta ("Response to the Auditor General," 2009). When an Auditor General oversteps his or her mandate and imposes on government's decision-making role, any government is likely to disregard his or her advice,

by rejecting it, or else simply failing to fully implement the recommendation. The latter, as in this case, lets the government evade a rush of criticism by the Auditor General and those that support his or her recommendation, and also gives a false impression of the Auditor General's effectiveness.

The Auditor General's mental health delivery system audit culminated in recommendations to "create provincial standards for mental health services," "provide supportive living programs," "strengthen integrated treatment for clients with severe concurrent disorders (mental health issues combined with addiction issues)," and "reduce gaps in mental health delivery services" through a range of strategies, from adding "mental health professionals at points of entry to the system" to developing "specialized programs in medium-sized cities" (*Report of the Auditor General of Alberta*, 2008, pp. 162, 164, 168, 171).

This list was the result of sampling patient files, interviewing select management and workers, conducting focus groups with users and their family members, and issuing an electronic survey over the Internet to members of the Alberta Medical Association who practice in the field (*Report of the Auditor General of Alberta*, 2008). Of course, users, their family members, and workers in the mental health system would be expected to advocate for increasing staff, enhancing existing services, and adding new programs. What was unexpected was that the Auditor General went far beyond making recommendations on the systems government uses to measure the economy, efficiency, or effectiveness of its delivery of mental health services, and incorporated these views into recommendations for new and improved programs with no discussion of the impact on related government decisions, and with no explanation of the cost to taxpayers. That imbalance makes clear why only the government was elected to make decisions on policy, programs, and public expenditures, and why, according to the Treasury Board President, the Government was within its rights to reject the Auditor General's recommendations ("Response to the Auditor General," 2009).

The Auditor General's shift, in the last few years, to criticizing government policies and programs, and to suggesting new policies, challenged not only government's policy making role, but also the related principle of ministerial responsibility. Power is vested in the premier and the individual ministers that form cabinet on the condition that they are accountable to the larger legislature. A professional civil service provides these ministers with expert advice, but it is the ministers who make, publicize, and stand accountable for all decisions. Despite this, Alberta's Auditor General, in recent years, chose instead to address ministry employees.

When publishing his views on public agency executive compensation, the Auditor General appealed to the head of Alberta's public service:

"We recommend that the Deputy Minister of Executive Council [...] assist public agencies and departments by providing guidance on executive compensation practices for all public agency senior executives." (*Report of the Auditor General of Alberta*, 2009, p. 23)

The Deputy Minister of Executive Council lacks the authority to suggest or set levels of compensation for public agency executives. The governing boards of public agencies are appointed by the ministers responsible for those agencies or by cabinet upon the recommendation of the appropriate minister. The authority to provide guidelines on compensation through ministers rests with Treasury Board. The Auditor General should have directed his recommendation at those who possess the authority and responsibility to act, i.e., ministers. To address the head of the public service instead again undermines the government by undermining its key players.

There are other examples, such as the Auditor General's criticism of the Government's decision not to increase oil and gas royalties. Speaking to the media, the Auditor General, critical of the Government's decision, blamed that inaction on the Alberta Department of Energy senior management, including the deputy and assistant deputy ministers. "What was needed," the Auditor General told reporters, "was just leadership" (McLean, 2007). Public servants have a responsibility to get the best possible information into the hands of ministers but not to make decisions and take action, independently, and even in opposition to those made by Alberta's elected representatives. The Auditor General's criticism of the government's decision not to adjust the royalty rates should have been directed at the minister responsible for that decision.

While the Auditor General criticized the public service, as above, he also praised it at times. Ironically, the praise pitted public servants against the government they served. Following the Treasury Board president's statement that the Government felt the Auditor General was commenting inappropriately on policy, the Auditor General said that, as he understood it, senior bureaucrats approved of his recommendations, and "I will become very conscientious if I feel the bureaucracy is being muzzled" (Cryderman, 2009). Public servants cannot defend themselves against personal criticism, nor can they speak their minds in reaction to praise that claims they disagree with a decision made by government, however, the larger problem here is that directing recommendations at public servants once again bypasses ministers and this undermines the principle of ministerial responsibility essential to Alberta's Westminster-model democracy. While a strong, independent Auditor General is a necessity, that independent office has to respect the role of ministers and the government.

Accountability to the legislative assembly, and through its members to the public, is the centerpiece of Alberta's Westminster model. Just as ministers, individually and collectively as cabinet, must account to all elected members on their use of their delegated authority, the Auditor General also reports to the legislative assembly. However, recent trends signal that the office can bypass even this all party forum.

The procedure for the Auditor General to report his or her activities is less rigorous than most of the entities he or she audits (see Appendix B). Each year, the Auditor General prepares a plan on what is to be audited. The Auditor General noted that he selected items for his system audits from issues raised during attest audits, issues identified by members of the legislative assembly or by members of the public, issues being covered by the media, and issues being examined by other Auditor General offices (Legislative Assembly of Alberta, 2009; *Annual Report of the Auditor General of Alberta Volume 1, 2007*). An Auditor General presents his or her audit plan to an audit committee, which consists of up to seven independent accountants, business leaders, or other qualified people appointed by government, but this committee is only an advisory body. The Auditor General also presents a three-year business plan, a proposed budget, and a list of planned system audits to the Standing Committee on Legislative Offices, which consists of 11 members of the legislative assembly with representation from all parties. Committee members ask questions, but do not debate or approve the Auditor General's goals and strategies, performance measures, or audit plan. In fact, the Auditor General often started work on items in his plan before he met with the committee.

One of the shortcomings of the above process is that the Auditor General's budget request is part of a limited review. Furthermore, reaction following the committee's November 2008 meeting demonstrated that any attempt to question the focus, growth, or expenses of the Auditor General's office can be portrayed as the Government's attempt to restrict the Auditor General (Audette, 2009).

A second shortcoming is the fact that the all-party Standing Committee on Public Accounts is without input into the items the Auditor General chooses for system audits. On behalf of the legislative assembly, this committee works to hold ministers to account. It also reviews and reports to the assembly on all reports of the Auditor General. Arguably, it is this committee that essentially commissions the Auditor General's reports, and so the Auditor General should be obligated to hear and act on the committee's advice. Failing that, an Auditor General should at least recognize the committee's knowledge of his or her work, as well as the committee's insight into the reporting habits of various ministries, and ask the committee for an opinion. Similarly, at the conclusion of the audit cycle, the Auditor General reviews his or her report or reports on completed audits, plus a report on the activities and performance of his or her office, with the committee. Under the expanded mandate it was given in November 2008, the committee now has an opportunity to take a more active role in guiding

the Office of the Auditor General (*Report of the Standing Committee on Public Accounts*, 2009), but has, to date, not done so. Committee members only ask questions; they do not debate or formally approve reports.

The Auditor General's media persona highlights another problem concerning accountability and the Office of the Auditor General. An Auditor General's role is to report to the legislative assembly, but the trend is to use news conferences less as a supplement than a replacement. In fact, Alberta's Auditor General, in recent years, regularly held news conferences to release his reports, and he gave media interviews at the same time that he provided his report to his clients--the members of the legislative assembly. The Auditor General delivered his findings and recommendations, and legislative assembly members reacted. Had the legislative assembly first received the report they ordered, members from all parties could instead communicate to the public, through the news media and other venues, their plans to address points of weakness. The media should be able to ask the Auditor General about his or her report; the media can help communicate the findings to the public. But the various arguments for the Auditor General being the first in front of television cameras ignores the implications for the members of the legislative assembly, which are his or her clients. Some have argued that such strategies purposely promote the "servants" of parliament, such as an auditor, to parliament's "masters" (Smith, 2004, p. 25). That may overstate the case, but the Auditor General's use of media, the text on his office's website claiming that his duty is to report to both the members of the legislative assembly and the people of Alberta, and his summation that his office exists to serve Albertans ("About us," 2007), all signal a disregard for the role of the legislative assembly.

Consider also that once an Auditor General has effectively circumnavigated the legislative assembly, no one is left to guide his or her performance. In Alberta, the Auditor General's recent self-evaluations have barely been examined. A cursory look reveals many of the same weaknesses his office identified in ministry measurement systems. Most of the Auditor General's performance measures focused on activity rather than results. Two that stand out as valid measures of his overall effectiveness are "the percentage of members of the legislative assembly," to whom he is meant to be accountable and for whom he has prepared his reports, that "believe [his] work is valuable" and "the percentage of [his] primary recommendations accepted" (*Office of the Auditor General Business Plan 2010-13*, 2009, pp. 7-8).

That acceptance rate fell last year to 77 per cent, and, as discussed earlier, the percentage that will be implemented is likely to be even smaller. Compare that to the fact that between 1997 and 2002 the Government in Alberta not only accepted, but fully implemented, over 93 per cent of the Auditor General's numbered recommendations (*Annual Report of the Auditor General of Alberta Volume 2*, 2007; *Results Analysis, Financial Statements and Other Performance Information*, 2009). During that period, Alberta had an Auditor General who was equally critical of government. He did not hesitate to discuss his criticism with the media, as necessary, though he did not necessarily discuss with them each and every criticism. An Auditor General's criticism of government through a

media release outlining his or her findings can stimulate public debate and public debate can prompt government to act on the Auditor General's recommendations. However, studies suggest that the audited organization's perception of the auditor, such as his or her fairness and expertise, and the results that the organization anticipates if they were to act on his or her recommendations, such as additional benefits for their clients or a cost savings, are much more likely than public debate to determine whether or not they accept the auditor's recommendations (Etverk, 2002). In Alberta, the Auditor General's office increased its profile significantly in recent years, but its effectiveness, by its own performance measure, dramatically decreased (*Results Analysis, Financial Statements and Other Performance Information, 2009*).

Likewise, the Auditor General reported that 94 per cent of legislative assembly members valued his work, but only 32 of 82 responded to his survey (*Results Analysis, Financial Statements and Other Performance Information, 2009*). Over 60 per cent of members were silent. All members need to speak up now to guide future Auditors General to good performance and to reclaim the legislative assembly's full and central role in the province's Westminster-model democracy.

Conclusion

Even people who have reservations about the province's system of government would be hard pressed to find a more stable democratic structure complete with the freedoms and opportunities afforded Albertans. All citizens, then, along with their representatives, while free to disagree with specific government decisions, should respect Alberta's Westminster model and be vigilant in protecting its principles.

The importance of an effective Office of the Auditor General is immeasurable. An Auditor General is a crucial component in a system designed to hold government accountable for its actions. In fact, Alberta's Westminster model can only benefit from a strong, independent Auditor General committed to his or her role.

At the same time, the recent trend to interpret system audits as an opportunity not to critique government's systems of measuring its performance, but to criticize government decisions, and even promote alternative policies, is contrary to the principles of Alberta's democracy. These actions impinge on the roles of government and the legislative assembly. The Auditor General's mandate is, at root, to inform the legislative assembly, through assurance and system audits, the extent to which government reports on its activities and performance are accurate and meaningful. The responsibility for proposing and criticizing policy inarguably rests with the elected members of the legislative assembly.

It may be that some Albertans share the view expressed in an October 4, 2008, *Edmonton Journal* editorial:

"in a jurisdiction with a tiny, poverty-stricken legislative minority and few media voices that dare to substantively question government miscues, we are lucky indeed to have an active Auditor General's office."

It may be that some Albertans encouraged him to take actions that went beyond his mandate. And it may be that future appointees will not take this approach. In absence of action by the Legislative Assembly to clarify the mandate and provide oversight of the office, future Auditors General may interpret their mandate in very different ways.

The role, mandate, and acceptable approaches for future Auditors General must be defined at this crucial time. The Legislative Assembly needs to provide some means of oversight and performance measurement to ensure the Auditor General effectively fulfills the mandate of the office, and only that mandate. Albertans deserve an Auditor General who is both independent and accountable, working in concert with a government and a legislative assembly who have taken the necessary actions to also preserve their roles.

Recommendations

The legislative assembly should take steps to improve the effectiveness of the Office of the Auditor General in helping members of the assembly hold government accountable for its actions. However, these steps must not compromise the independence of the Auditor General. The following items in regards to the Auditor General's mandate, approach, and performance, require immediate discussion, debate, and decision.

1. The legislative assembly should clarify the mandate for Alberta's Office of the Auditor General. Whatever the assembly decides, that mandate must stem from a reasoned interpretation of Alberta's *Auditor General Act* and also be modern and complete by virtue of including a made-in-Alberta definition of system audits. The legislative assembly should also devise a mechanism to ensure future Auditors General adhere to the *Act* and chosen mandate.
2. The legislative assembly should create an annual process for the Auditor General to solicit various viewpoints and determine what he or she will audit. The assembly should also outline how the Auditor General should report results. This second task should result in guidelines on when and how the Auditor General is to engage the media. The assembly may decide that maintaining the Auditor General's independence limits the input to non-binding advice from key groups but more structured and mandatory processes warrant thorough consideration.
3. The legislative assembly should establish a process that is non-partisan and seen to be non-partisan, to approve the Auditor General's annual business plan and budget, and then track and regularly review the Auditor General's performance. Whether that body is a highly qualified and independent management board, a newly empowered audit committee, or another authority of the assembly's invention, the assembly should give it a mandate that will ensure both the independence and accountability of the Office of the Auditor General.

Historic Highlights of the Auditor General's Office in Canada and Alberta

- The House of Commons in Ottawa appoints an Auditor General; the legislative assemblies in each and every Canadian province and territory also appoint an auditor, as Alberta has done since it was established as a province in 1905.
- Alberta's Auditor General was originally called the Provincial Auditor and charged with confirming "the accuracy of financial statements and the propriety of government spending" through assurance audits (Gregory et al., 2000, p. 2).
- In 1976, Canada's Auditor General said that the federal government had "lost [...] control of the public purse" (Aucion, 1998, p. 8). In response, Canada expanded his mandate to include system audits.
- In 1978, Alberta also asked its Auditor General to analyze government "systems designed to ensure economy and efficiency," encouraging government to commit to "appropriate and reasonable procedures [...] to measure and report on the effectiveness of programs" (Auditor General Act, 1978).
- Since 1978, Alberta's Auditors General have also been entrusted with the latitude to "call attention to any other case that [...] should be brought to the notice of the assembly" (Auditor General Act, Revised Statutes of Alberta 2000, Chapter A-46, Current as of June 4, 2009, p.13).

Current Oversight of Alberta's Office of the Auditor General

- Every fall, the Auditor General reviews his three-year business plan and next-year budget with the all-party Standing Committee on Legislative Offices. The standing committee recommends a budget allocation to the Minister of Finance for inclusion in the Province's upcoming budget.
- The Office of the Auditor General creates an audit plan for the year. Currently, about 70–80 per cent of the office's resources are allocated to assurance audits and the balance is dedicated to system audits.
- The Office of the Auditor General shares this audit plan with an audit committee which meets with government representatives and the Auditor General to discuss any concerns with the plan. The committee does not have the mandate or power to insist on changes.
- The Office of the Auditor General completes its audits and reviews its draft findings and recommendations with the ministries and other bodies audited so that they can point out errors or inaccuracies. However, the Auditor General is not obliged to accept their corrections.
- The Auditor General shares his or her draft report with the audit committee which can again voice concern, but cannot require revisions.
- The Auditor General's office submits the final embargoed report to the standing committee, or, when the assembly is not sitting, to the Speaker of the House for distribution to all members of the legislative assembly.
- The Auditor General may hold a news conference after the report has been provided to members of the legislative assembly.
- The Auditor General and staff attend Public Accounts Committee meetings to comment on the audit of the ministry whose minister is before the committee to answer questions about the ministry's performance as outlined in its annual report.
- The Auditor General releases an annual report on the performance of his or her office. The Auditor General may be called to a Public Accounts Committee meeting to answer questions about this report.

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