

Executive Council

Annual Report
2015-16



Executive Council

2015-16 Annual Report

Preface	1
Minister's Accountability Statement	2
Message from the Premier	3
Management's Responsibility for Reporting	4
Results Analysis	5
Ministry Overview	5
Discussion and Analysis of Results	7
Financial Information	11
Independent Auditor's Report	12
Annual Report Extracts and Other Statutory Reports	29

Note to Readers:

Copies of the annual report are available on the Executive Council website

www.alberta.ca/ministry-of-executive-council.cfm

**Executive Council
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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Planning and Transparency Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 20 ministries.

The annual report of the Government of Alberta contains ministers' accountability statements, the consolidated financial statements of the province and *Measuring Up* report, which compares actual performance results to desired results set out in the government's strategic plan.

On October 22, 2015 (and/or February 2, 2016), the government announced new ministry structures. The 2015 -16 ministry annual reports and financial statements have been prepared based on the new ministry structure.

The Ministry of Executive Council is comprised of programs formerly in the Ministries of Executive Council and International and Intergovernmental Relations.

This annual report of the Ministry of Executive Council contains the minister's accountability statement, the audited financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- **other financial information as required by the *Financial Administration Act* and *Fiscal Planning and Transparency Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report.**

Premier's Accountability Statement

The ministry's annual report for the year ended March 31, 2016, was prepared under my direction in accordance with the *Fiscal Planning and Transparency Act* and the government's accounting policies. All of the government's policy decisions as at June 3, 2016 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Original signed by

Honourable Rachel Notley
Premier

Message from the Premier

Executive Council has a critical role in coordinating policy development and strategic decision-making across government, engaging with the public to tell Alberta's story, promoting a dynamic and innovative public service, and advancing Alberta's intergovernmental priorities. This report provides highlights of Executive Council's key activities and achievements for the 2015-16 fiscal year.

Our government has been actively working to realize an ambitious vision for Alberta. We have launched our Climate Leadership Plan that will define Alberta as one of the world's most progressive energy producers. Led by the newly created ministry of Economic Development and Trade, we are taking action to diversify Alberta's markets and support the growth of new and traditional industries. And, while responsibly managing public finances, we are protecting and strengthening the public services that Albertans value, such as health care, education, and supports for the vulnerable.

Effective coordination and decision-making have an important role to play in delivering on our priorities as well as responding to the unexpected challenges that impact our province. As our government makes progress on our commitments, we will depend on Executive Council's ability to be nimble, innovative and strategic.

I look forward to working with Executive Council and with the Alberta Public Service to realize an inspiring future defined by long-term economic and social prosperity that benefits all Albertans.

Original signed by

*Rachel Notley
Premier*



Management's Responsibility for Reporting

The Ministry of Executive Council includes the department of Executive Council.

The executives of the ministry have the primary responsibility and accountability for the ministry. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the ministry rests with the Premier, President of Executive Council. Under the direction of the Premier, I oversee the preparation of the ministry's annual report, including consolidated financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.
- Understandability – the performance measure methodologies and results are presented clearly.
- Comparability – the methodologies for performance measure performance are applied consistently for the current and prior years' results.
- Completeness – goals, performance measures and related targets match those included in the ministry's Budget 2015.

As deputy minister, in addition to program responsibilities, I am responsible for the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, the President of Treasury Board and Minister of Finance and the President of Executive Council the information needed to fulfill their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Fiscal Planning and Transparency Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executives within the Ministry.

Original signed by

*Marcia Nelson
Deputy Minister of Executive Council
June 3, 2016*

Results Analysis

Ministry Overview

Executive Council supports the Premier and Cabinet, ensures effective strategic planning and coordinated policy development across government, provides leadership to the Alberta Public Service, communicates with Albertans, and advances Alberta's intergovernmental priorities.

Office of the Premier

The Office of the Premier provides support for the Premier in a variety of areas, including strategic advice, media relations, stakeholder engagement, correspondence, scheduling, and issues management. The Office is led by the Chief of Staff.

Deputy Ministers' Office

The Deputy Ministers' Office assists the Deputy Minister in providing advice and support to the Premier on policy and organizational issues. The Deputy Minister serves as the Clerk of Executive Council and Secretary to Cabinet and the head of the Alberta Public Service. The Office also supports the Associate Deputy Minister.

Office of the Lieutenant Governor

The Ministry provides support to the Office of the Lieutenant Governor to enable the Lieutenant Governor to execute the ceremonial, constitutional and public functions of the role.

Cabinet Coordination and Corporate Services

The Cabinet Coordination and Corporate Services division is responsible for the day-to-day operations of Executive Council. The division is comprised of the following major entities:

- **Cabinet Coordination Office (CCO)** is responsible for organizational and administrative support to Cabinet and its key committees as well as advice on committee governance, structures and functions. CCO provides strategic agenda setting and development, facilitating information flow to decision makers, recording minutes and communicating meeting outcomes.
- **Operations and Machinery of Government (OMG)** supports and monitors the implementation of approved policy, programs and projects, across government, through the production of situation reports, monitoring, and issues management. OMG also delivers advice on the structure and function of government and collaborates with ministries to coordinate public agency appointments for consideration by Cabinet.
- **Protocol Office** supports state, official, working and private visits to Alberta. Internally, the Protocol Office leads domestic ceremonies, including swearing-in of Cabinet, management of Government House, the Federal Building and McDougal Centre and provides secretarial support to the Alberta Order of Excellence. By serving as the point of introduction for diplomats and other key visitors, the Alberta Protocol Office enhances Alberta's profile on the global stage.
- **Corporate Services** serves a critical function to the ministry. Corporate Services provides Human Resources support in the areas of recruitment, training and employee relations, Finance and

Administration services including business planning and monitoring and reporting on spending, coordination of FOIP and records management and information and technology support and services.

Policy Coordination Office

- Policy Coordination Office (PCO) works in partnership with the Cabinet Coordination Office to support delivery of the government's policy and legislative agenda. Working with the Premier's Office, PCO assists in the coordination of the government's annual legislative and other Throne Speech priorities. PCO works in partnership with all ministries to develop policy options to align to government's agenda and coordinates the system to review and approve government regulations. Overall, PCO plays an essential challenge function for ministries to ensure high-quality decision documents are provided to Cabinet and its committees.

Intergovernmental Relations

Intergovernmental Relations (IGR) coordinates Alberta's leadership and participation within the Canadian federation to advance the goal of a federal system that best serves the needs of Albertans and Canadians. IGR is responsible for supporting the Premier's intergovernmental agenda, missions and meetings. This includes advancing Alberta's interests at intergovernmental forums, including the Council of the Federation, the New West Partnership, the Western Premiers' Conference and meetings with the Prime Minister or other Premiers. Given the federal and interprovincial dimensions of major energy infrastructure projects, IGR has also been highly active in promoting the importance of market access for Alberta's natural resource exports.

Public Affairs Bureau

The Public Affairs Bureau (PAB), through leadership and co-ordination across ministries, provides clear and open government communications with Albertans on priorities, policies and programs. By providing opportunities for Albertans to share their views with government, PAB facilitates a robust two-way dialogue that informs and shapes decision-making. PAB also communicates with other governments and stakeholders to represent Alberta's interests nationally and to promote Alberta as the best place to live, work, invest and visit.

The PAB provides news release distribution and media monitoring, provides technical support for major announcements, and manages the Government of Alberta corporate identity.

Discussion and Analysis of Results

1. The government's agenda and decision-making are supported and implemented

Executive Council has a crucial role to play in supporting the strategic planning, policy development and decision-making functions necessary to advance government's agenda on behalf of Albertans. In 2015-16, key activities and initiatives related to this outcome include:

- The Policy Coordination Office provided policy advice and support through the substantive structural and staffing changes required during a governmental transition. Key outcomes for 2015-16 include:
 - Providing secretariat services to five Cabinet Committees, including a new Climate Leadership Policy Committee. These services include preparing Committee chairs; coordinating agendas and decision documents for Committee consideration; and working with Cabinet Coordination Office to produce official meeting records;
 - Established, in partnership with the Director of House Business, a process to proactively solicit ministries' legislative proposals to better coordinate an annual legislative agenda for the government; and
 - Increased Government of Alberta policy professionals' understanding of the Cabinet policy development and approval process through workshops and the launch of a revamped Policy InSite website.
- Cabinet Coordination Office (CCO) supported an effective transition of government by providing advice on the structure and function of Cabinet and Cabinet Committees. CCO also facilitated timely and effective government decision-making through its operational and logistical support to Cabinet and its Committees. Key outcomes for 2015-16 include:
 - Developing resources and informational material to support government transition;
 - Facilitating the establishment of five new Cabinet Committees;
 - Continuing to refine scheduling, agenda tracking and other tools and services in support of an effective and efficient Cabinet process.
- A new Government Operations unit was established within the ministry to work across government to support the timely and coordinated implementation of priorities, programs and major projects.
- Machinery of Government provided research and analytical support for several structural changes that aligned departmental responsibilities with government's priorities.
- The Public Agency Secretariat (Secretariat) worked toward developing a new standardized and centralized recruitment process for public agency appointment opportunities, including resources and consistent templates for use across government. The Secretariat continued to advise ministries on best practices for public agency governance.

2. Alberta's policy interests within Canada are advanced

Intergovernmental Relations, as part of Executive Council, leads the coordination of Alberta's economic, resource, environmental, social, and fiscal policies and activities as they relate to other governments within Canada. The ministry works with other ministries across the Government of Alberta to develop collaborative approaches and expand multilateral and bilateral partnerships.

In 2015-16, the ministry supported the Premier, Ministers, and Deputy Ministers at almost 180 multilateral and bilateral meetings or conferences. These meetings facilitated progress for Alberta's policy objectives on a range of issues including energy, climate change, Indigenous relations, healthcare, education, and immigration. Intergovernmental Relations also reviewed approximately 508 agreements between the Government of Alberta and other governments. A total of 282 proceeded to signature.

Key highlights of major intergovernmental meetings and initiatives include:

- Two **Council of the Federation meetings** occurred in July 2015 and March 2016. The Canadian Energy Strategy was released, a key priority for Alberta, and Premiers focused on strengthening the economy and increasing employment opportunities for Canadians.
- The **Western Premiers' Conference** was held on June 1, 2015 to discuss the fiscal challenges facing jurisdictions due to fluctuating commodity prices and other pressures.
- A **First Ministers' Meeting** took place in November 2015 ahead of the 21st Conference of the Parties Paris Climate Conference (COP21). Prime Minister Trudeau also met with Premiers in March 2016 to discuss climate change, indigenous issues, and the economy.
- Almost 20 Premier-level **bilateral meetings** occurred in 2015-16, including meetings with Premier Couillard (Quebec), Premier Gallant (New Brunswick), Premier Clark (British Columbia) and Premier Wynne (Ontario). These meetings focused on priorities such as climate change leadership, energy development and market access.

The Alberta Protocol Office has a key role in supporting intergovernmental relations nationally and internationally by supporting high-profile incoming missions. Examples from 2015-16 include:

- Official visits to Alberta were made by seven Heads of Mission, including the U.S. Consul General and six Ambassadors.
- Two delegations celebrating sister-province anniversaries: Gangwon, Korea and Hokkaido, Japan— Alberta's two longest sister province relationships. Both visits featured the signing of a renewed Memorandum of Understanding.
- A U.S. Governor (Missouri) that included the signing a Memorandum of Understanding affirming Alberta and Missouri's growing economic partnership.
- A Heads of Mission economic visit with a focus on best practices and tools for advancing women's entrepreneurship.

Alberta continues to be an attractive destination for notable visitors from around the world, including Her Royal Highness, Princess Astrid of Belgium, and a joint Nordic/Baltic visit organized around the Canadian Finals Rodeo.

3. Albertans receive clear and coordinated government communications

Executive Council assures Albertans received comprehensive, consistent and co-ordinated information to help them be aware of and engage with their government about programs and services that matter most to them. The Public Affairs Bureau provided support to ministry communications, facilitated cross-government communication programs and initiatives, and promoted best practices in communications across government.

In 2015-16, cross-government communication on major initiatives, policy decisions and strategies included Alberta's Climate Leadership Plan, the Royalty Review, announcements of new programs to support families and communities, flood prevention, job creation, economic diversification and province-wide consultation that resulted in Budget 2016—The Alberta Jobs Plan.

The Bureau issued 693 news releases between April 1 and December 31, 2015. There were 3.8 million visits to the Alberta.ca website and videos posted by the Bureau were viewed 764,085 times. To support government announcements in 2015-16, the Bureau staffed 470 government events and news conferences and coordinated more than 110 advertising campaigns ranging from a single insertion in a weekly paper to a multi-faceted approach with TV, online, social media, print and radio. Major campaigns, such as Budget 2016, reached more than 80% of Albertans.

Executive Council

Financial Statements
March 31, 2016

Financial Information

Independent Auditor's Report	12
Statement of Operations	13
Statement of Financial Position	14
Statement of Changes in Net Debt	15
Statement of Cash Flows	16
Notes to the Financial Statements	17
Schedule 1 - Expenses – Directly Incurred Detailed by Object	24
Schedule 2 - Lapse/Encumbrance	25
Schedule 4 - Salary and Benefits Disclosure	26
Schedule 5 - Related Party Transactions	27
Schedule 6 - Allocated Costs	28

Independent Auditor's Report

To the Members of the Legislative Assembly

Report on the Financial Statements

I have audited the accompanying financial statements of the Ministry of Executive Council, which comprise the statement of financial position as at March 31, 2016, and the statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ministry of Executive Council as at March 31, 2016, and the results of its operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Original signed by Merwan N. Saher FCPA, FCA

Auditor General

June 3, 2016

Edmonton, Alberta

**MINISTRY OF EXECUTIVE COUNCIL
STATEMENT OF OPERATIONS
Year ended March 31, 2016**

	2016		2015
	Budget	Actual	Actual (Restated)
<i>(in thousands)</i>			
Revenues			
Premiums, Fees and Licences	\$ -	\$ 3	\$ 2
Other	-	8	42
	-	11	44
Expenses - Directly Incurred (Note 2(b) and Schedules 1, 2 and 4)			
Programs			
Office of the Premier / Executive Council	14,785	15,093	12,434
Intergovernmental Relations	3,473	3,144	3,745
Public Affairs	6,815	6,172	6,474
	25,073	24,409	22,653
Annual Deficit	\$ (25,073)	\$ (24,398)	\$ (22,609)

The accompanying notes and schedules are part of these financial statements.

**MINISTRY OF EXECUTIVE COUNCIL
STATEMENT OF FINANCIAL POSITION
As at March 31, 2016**

	2016	2015 (Restated)
	<i>(in thousands)</i>	
Financial Assets		
Cash and Cash Equivalents	\$ 4	\$ 12
Accounts Receivable	12	3
	<u>16</u>	<u>15</u>
Liabilities		
Accounts Payable and Accrued Liabilities	<u>3,080</u>	<u>2,559</u>
Net Debt	<u>(3,064)</u>	<u>(2,544)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 4)	<u>179</u>	<u>238</u>
Net Liabilities	<u>\$ (2,885)</u>	<u>\$ (2,306)</u>
Net Liabilities at Beginning of Year	\$ (2,306)	\$ (4,526)
Annual Deficit	(24,398)	(22,609)
Net Financing Provided from General Revenues	23,819	24,829
Net Liabilities at End of Year	<u>\$ (2,885)</u>	<u>\$ (2,306)</u>

Contingent Liabilities and Contractual Obligations (Notes 5 and 6).

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF EXECUTIVE COUNCIL
 STATEMENT OF CHANGE IN NET DEBT
 Year Ended March 31, 2016

	2016		2015
	Budget	Actual	Actual (Restated)
	<i>(in thousands)</i>		
Annual Deficit	\$ (25,073)	\$ (24,398)	\$ (22,609)
Amortization of Tangible Capital Assets (Note 4)	60	59	60
Net Financing Provided from General Revenue		23,819	24,829
Increase/Decrease in Net Debt		(520)	\$ 2,280
Net Debt at Beginning of Year		(2,544)	(4,824)
Net Debt at End of Year		\$ (3,064)	\$ (2,544)

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF EXECUTIVE COUNCIL
STATEMENT OF CASH FLOWS
Year ended March 31, 2016

	2016	2015 (Restated)
	<i>(in thousands)</i>	
Operating Transactions		
Annual Deficit	\$ (24,398)	\$ (22,609)
Non-cash Items Included in Net Operating Results		
Amortization of Tangible Capital Assets (Note 4)	59	60
	<u>(24,339)</u>	<u>(22,549)</u>
(Increase) Decrease in Accounts Receivable	(9)	-
(Decrease) Increase in Accounts Payable and Accrued Liabilities	521	(2,280)
Cash (Applied to) Operating Transactions	<u>(23,827)</u>	<u>(24,829)</u>
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 4)	-	-
Cash (Applied to) Capital Transactions	<u>-</u>	<u>-</u>
Financing Transactions		
Net Financing Provided from General Revenues	23,819	24,829
Cash Provided by (Applied to) Financing Transactions	<u>23,819</u>	<u>24,829</u>
Increase (Decrease) in Cash and Cash Equivalents	(8)	-
Cash and Cash Equivalents at Beginning of Year	12	12
Cash and Cash Equivalents at End of Year	<u>\$ 4</u>	<u>\$ 12</u>

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF EXECUTIVE COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016**

NOTE 1 AUTHORITY

The Ministry of Executive Council (the ministry) operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Ministry of Executive Council.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the President of Treasury Board and Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net financing provided from general revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenue

All revenues are reported on the accrual basis of accounting.

Expenses

Directly Incurred

Directly incurred expenses are those costs the ministry has primary responsibility and accountability for, as reflected in the government's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets,
- pension costs, which are the cost of employer contributions for current service of employees during the year, and

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Incurring by Others

Services contributed by related other entities in support of the ministry's operations are not recognized and are disclosed in Schedule 4 and allocated to programs in Schedule 5.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of Cash and Cash Equivalents, Accounts Receivable, Accounts Payable and Accrued Liabilities are estimated to approximate their carrying values because of the short term nature of these instruments. Fair values of loans are not reported due to there being no organized financial market for the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair value with sufficient reliability.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets of the ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Accounts Receivable

Accounts receivable are recorded at the lower cost or net recoverable value. A valuation allowance is recorded when recovery is uncertain.

Liabilities

Liabilities are present obligations of a government to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Non-Financial Assets

Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- (a) are normally employed to deliver government services;
- (b) may be consumed in the normal course of operations; and
- (c) are not for sale in the normal course of operations.

Non-financial assets of the ministry are limited to tangible capital assets.

Tangible Capital Assets

Tangible capital assets of the ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Amortization is only charged if the tangible capital asset is put into service.

(c) Change in Accounting Policy

A net debt presentation (with reclassification of comparatives) has been adopted for the presentation of financial statements. Net Debt is measured as the difference between the ministry's financial assets and liabilities.

The effect of this change results in changing the presentation of the Statement of Financial Position and adding an additional Statement of Change in Net Debt/Net Financial Assets.

(d) Future Accounting Changes

In June 2015 the Public Sector Accounting Board issued these following accounting standards:

- **PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective April 1, 2017)**

PS 2200 defines a related party and establishes disclosures required for related party transactions. PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. Management is currently assessing the impact of these standards on the financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

- **PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)**

PS 3210 provides guidance for applying the definition of assets set out in Financial Statement Concepts, Section PS 1000, and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; PS 3380 defines and establishes disclosure standards on contractual rights. Management is currently assessing the impact of these standards on the financial statements.

- **PS 3430 Restructuring Transactions (effective April 1, 2018)**

This standard provides guidance on how to account for and report restructuring by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities. Management is currently assessing the impact of these standards on the financial statements.

- **PS 3450 Financial Instruments**

In June 2011 the Public Sector Accounting Board issued this accounting standard effective April 1, 2019. The ministry has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier. Adoption of this standard requires corresponding adoption of: PS 2601 Foreign Currency Translation; PS 1201 Financial Statement Presentation; and PS 3041 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments. Management is currently assessing the impact of these standards on the financial statements.

NOTE 3 PROGRAM TRANSFER/GOVERNMENT REORGANIZATION *(in thousands)*

Program Transfer

Effective April 1, 2015, responsibility for funding the communication directors and assistant directors' positions was transferred from the ministry to the ministries where they had previously been seconded.

NOTE 3 PROGRAM TRANSFER/GOVERNMENT REORGANIZATION (Cont'd)
(in thousands)

Government Reorganization

Effective April 1, 2015, the responsibility for Intergovernmental Relations was transferred to the ministry from the ministry of Economic Development and Trade.

Comparatives for 2015 have been restated as if the ministry had always been assigned with its current responsibilities.

Net liabilities on March 31, 2015 are made up as follows:

Net liabilities as previously reported	\$ (2,070)
Transfer from the Department of Economic Development and Trade	(236)
Net liabilities at March 31, 2015	<u>\$ (2,306)</u>

Net debt on March 31, 2015 is made up as follows:

Net debt as previously reported	\$ (2,308)
Transfer from the Department of Economic Development and Trade	(236)
Net debt at March 31, 2015	<u>\$ (2,544)</u>

NOTE 4 TANGIBLE CAPITAL ASSETS
(in thousands)

	Computer Software	
	2016 Total	2015 Total
Estimated Useful life	5 years	
Historical Cost		
Beginning of Year	\$ 298	\$ 298
Disposals	-	-
	<u>\$ 298</u>	<u>\$ 298</u>
Accumulated Amortization		
Beginning of Year	60	-
Amortization Expense	59	60
	<u>119</u>	<u>60</u>
Net Book Value at March 31, 2016	<u>\$ 179</u>	
Net Book Value at March 31, 2015		<u>\$ 238</u>

NOTE 5 CONTINGENT LIABILITIES*(in thousands)*

The ministry is not involved in any legal matters where damages are being sought. The ministry has not been named in any legal claims (2015 - no claims).

NOTE 6 CONTRACTUAL OBLIGATIONS*(in thousands)*

Contractual obligations are obligations of the ministry to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	<u>2016</u>	<u>2015</u>
Obligations under contracts	\$ 167	\$ 234

Estimated payment requirements for each of the next two years and thereafter are as follows:

Obligations under Contracts

	<u>Total</u>
2016-17	\$ 155
2017-18	12
Thereafter	-
	<u>\$ 167</u>

NOTE 7 BENEFIT PLANS*(in thousands)*

The ministry participates in the multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$2,785 for the year ended March 31, 2016 (2015 – \$3,034). Ministries are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2015, the Management Employees Pension Plan reported a surplus \$299,051 (2014 – surplus \$75,805), the Public Service Pension Plan reported a deficiency of \$133,188 (2014 – deficiency \$803,299) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$16,305 (2014 – deficiency \$17,203).

The ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2016, the Bargaining Unit Plan reported a surplus of \$83,006 (2015 – surplus \$86,888) and the Management, Opted Out and Excluded Plan a surplus of \$29,246 (2015– surplus \$32,343). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 8 SUBSEQUENT EVENTS
(in thousands)

In May 2016, wildfires seriously affected Fort McMurray and surrounding communities. The government is in the process of providing financial assistance for uninsurable loss and damage through its Disaster Recovery Programs (DRP). The DRP is administered and funded by Alberta Emergency Management Agency through the authority of the Disaster Recovery Regulation.

The Province, subject to certain criteria, may recover part of the above costs from the federal government through the Disaster Financial Assistance Arrangement, pending approval through its Order in Council.

The financial impact on the government (ministry) may be significant but is uncertain at this stage.

NOTE 9 COMPARATIVE FIGURES

Certain 2015 figures have been reclassified to conform to the 2016 presentation.

NOTE 10 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the senior financial officer and the deputy minister.

MINISTRY OF EXECUTIVE COUNCIL
 SCHEDULE TO FINANCIAL STATEMENTS
 EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT
 Year ended March 31, 2016

	2016		2015
	Budget	Actual	Actual (Restated)
	<i>(in thousands)</i>		
Salaries, Wages and Employee Benefits	\$ 21,785	\$ 20,703	\$ 20,303
Supplies and Services	3,148	2,906	3,463
Amortization of Tangible Capital Assets	60	59	60
Financial Transactions and Other (1)	80	741	(1,173)
	<u>\$ 25,073</u>	<u>\$ 24,409</u>	<u>\$ 22,653</u>

(1) Includes statutory salaries and valuation adjustments

MINISTRY OF EXECUTIVE COUNCIL
 SCHEDULE TO FINANCIAL STATEMENTS
 LAPSE/ENCUMBRANCE
 Year ended March 31, 2016

	Voted Estimate ⁽¹⁾	Adjusted Voted Estimate	Voted Actuals ⁽²⁾	Unexpended (Over Expended)
<i>(in thousands)</i>				
Program - Operational				
Office of the Premier/Executive Council				
1.1 Office of the Premier / Executive Council	\$ 11,931	\$ -	\$ 11,915	\$ 16
1.2 Office of the Lieutenant Governor	626		622	4
1.3 Corporate Services	2,168		2,088	80
	<u>14,725</u>	<u>-</u>	<u>14,625</u>	<u>100</u>
Intergovernmental Relations				
2 Intergovernmental Relations	3,473		2,837	636
	<u>3,473</u>	<u>-</u>	<u>2,837</u>	<u>636</u>
Public Affairs				
3 Public Affairs	6,815		6,227	588
	<u>6,815</u>	<u>-</u>	<u>6,227</u>	<u>588</u>
Total	<u>\$ 25,013</u>	<u>\$ -</u>	<u>\$ 23,689</u>	<u>\$ 1,324</u>
Lapse/(Encumbrance)				<u>\$ 1,324</u>

(1) As per "Expense Vote by Program" and "Financial Transaction Vote by Program" page of 2015-16 Government Estimates (October 2015).

(2) Actuals exclude non-voted amounts such as amortization and valuation adjustments.

Please note that the Voted Estimate and Actuals column will not agree to the Statement of Operations because it contains only the voted amounts whereas the Statement of Operations contains voted and non-voted amounts.

MINISTRY OF EXECUTIVE COUNCIL
SCHEDULE TO FINANCIAL STATEMENTS
SALARY AND BENEFITS DISCLOSURE

Year ended March 31, 2016

	2016			2015 (Restated)	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-cash Benefits ⁽³⁾	Total	Total
Senior Officials					
Deputy Minister ⁽⁴⁾	360,095	-	85,387	445,482	525,297
Associate Deputy Minister ^{(4) (12)}	251,414	12,864	63,584	327,863	-
Deputy Minister, Policy Coordination ⁽⁵⁾	308,488	17,684	71,144	397,316	266,347
Associate Deputy Minister, Intergovernmental Relations ⁽¹³⁾	41,314	2,373	12,473	56,160	-
Deputy Secretary to Cabinet ^{(4) (7)}	220,891	7,540	73,673	302,105	293,433
Managing Director, Public Affairs Bureau ^{(4) (6)}	213,580	460	58,443	272,483	349,114
Office of the Premier					
Chief of Staff ⁽⁷⁾	214,299	34,215	17,138	265,651	235,803
Deputy Chief of Staff ⁽⁹⁾	163,856	112,129	48,169	324,153	148,489
Director, Communications, Press Secretary ⁽¹⁴⁾	128,736	18,139	9,693	156,567	223,757
Director, Issues Management ⁽⁸⁾	137,318	-	39,128	176,446	-
Executives					
Assistant Deputy Minister, Intergovernmental Relations ⁽¹⁴⁾	168,032	15,416	42,832	226,280	278,526
Assistant Deputy Minister, Social Policy, Policy Coordination Office ^{(10) (17)}	148,801	-	39,070	187,871	-
Assistant Deputy Minister, Government Operations ⁽¹¹⁾	81,096	-	26,273	107,369	-
Assistant Deputy Minister, Community Policy and Regulations Coordination ^{(10) (18)}	88,605	-	29,325	117,930	-
Assistant Deputy Minister, Economic Policy, Policy Coordination Office ⁽¹⁰⁾	180,211	-	46,944	227,155	-
Assistant Deputy Minister, Strategic Communications and Engagement ⁽¹⁵⁾	183,320	-	48,846	232,167	234,369
Assistant Deputy Minister, Strategic Communications and Marketing ⁽¹⁵⁾	190,956	250	50,704	241,910	220,296
Chief of Protocol	152,583	-	40,506	193,089	183,571
Executive Director, Finance and Administration ⁽¹⁶⁾	50,063	-	15,198	65,260	-
Executive Director, Human Resources ⁽¹⁶⁾	60,362	-	18,191	78,554	-

(1) Base salary includes regular salary and earnings such as acting pay.

(2) Other cash benefits include vacation payouts, lump sum payments and severance payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in other non-cash benefits.

(5) Position was occupied by two staff during the year and the position has been reclassified. 4.5 months reported as Deputy Chief, 2.5 months as Associate Deputy Minister and 7.5 months as Deputy Minister. Position occupied by 2 staff 2.5 months.

(6) Position was occupied by two staff during the year (6 months each), one in an acting capacity. Position title has been revised.

(7) Position was occupied by two staff during the year (10 months and 2 months).

(8) New position May 2015, no comparison for 2015.

(9) Position was occupied by three staff during the year (3 months, 5 months and 3 months).

(10) New positions reported, no comparisons for 2015.

(11) New position created in 2015, position occupied for 5.5 months, no comparison for 2015.

(12) New position created July 2015, no comparison for 2015.

(13) New position created January 2016, no comparison for 2015.

(14) Position was occupied for nine months and was previously reported under Economic Development & Trade.

(15) Position titles have been revised.

(16) Positions reclassified November 2015, no comparisons for 2015.

(17) Position was occupied by two staff during the year (1 month and 9 months).

(18) Position was occupied for 5.5 months.

**MINISTRY OF EXECUTIVE COUNCIL
SCHEDULE TO FINANCIAL STATEMENTS
RELATED PARTY TRANSACTIONS**

Year ended March 31, 2016

(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements. Related parties also include key management personnel in the ministry.

The ministry and its employees paid or collected certain taxes and fees set by regulation for premiums, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2016	2015
	(Restated)	
Expenses - Directly Incurred		
Other Services	\$ 301	\$ 252
Receivable from Other Government Departments	\$ 11	\$ 3

The ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 5.

	Other Entities	
	2016	2015
	(Restated)	
Expenses - Incurred by Others		
Accommodation	\$ 1,974	\$ 2,445
Business Services	934	1,174
Legal Services	275	351
	\$ 3,183	\$ 3,970

**MINISTRY OF EXECUTIVE COUNCIL
SCHEDULE TO FINANCIAL STATEMENTS**

ALLOCATED COSTS

Year ended March 31, 2016

(in thousands)

Program	2016					2015
	Expenses - Incurred by Others					Total Expenses (Restated)
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Legal Services ⁽³⁾	Business Services ⁽⁴⁾	Total Expenses	Total Expenses (Restated)
Office of the Premier/Executive Council	\$ 15,093	\$ 1,435	\$ 194	\$ 857	\$ 17,579	\$ 15,187
Intergovernmental Relations	3,144	143	58	77	3,422	4,342
Public Affairs	6,172	396	23	-	6,591	7,094
	<u>\$ 24,409</u>	<u>\$ 1,974</u>	<u>\$ 275</u>	<u>\$ 934</u>	<u>\$ 27,592</u>	<u>\$ 26,623</u>

(1) Expenses - Directly Incurred as per Statement of Operations.

(2) Costs shown for Accommodation on Schedule 4, allocated by square footage.

(3) Costs for Legal Services on Schedule 4, allocated by estimated costs incurred by each program.

(4) Costs shown for Business Services include charges for IT support, vehicles, internal audit services and other services on Schedule 4, allocated by costs in certain programs.

Annual Report Extracts and Other Statutory Reports

Public Interest Disclosure (Whistleblower Protection) Act

Section 32 of the *Public Interest Disclosure Act* requires the ministry to report annually on the following parts of the Act:

- (a) The number of disclosures received by the designated officer of the Public Interest Disclosure Office, the number of disclosures acted on and the number of disclosures not acted on by the designated officer;
- (b) The number of investigations commenced by the designated officer as a result of disclosures;
- (c) In the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing or the reasons why no corrective measure was taken.

In 2015-16, there were no disclosures of wrongdoing filed with the Public Interest Disclosure Office.

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