

Standing Committee on Public Accounts – November 19, 2024

Technology and Innovation

Supplementary Responses

Question	Response
<p><u>Question 1: Mr. Schmidt</u> On page 54 of the Alberta Innovates report executive compensation is discussed. It states that in 2023 the CEO received total compensation of \$737,000. Can the department break that down into base salary, cash benefits, and noncash benefits?</p> <p>Confirm whether or not Alberta Innovates was complying with the regulation?</p> <p>Can the department explain why the CEO was approved for this astronomical salary increase?</p> <p>Can the department tell us why the base salary for the CEO in 2024 exceeded the regulated limit of \$431,000?</p>	<ul style="list-style-type: none"> • Alberta Innovates is a separate legal entity and corporation established pursuant to the <i>Alberta Research and Innovation Act</i>. Under the <i>Alberta Research and Innovation Regulation</i>, the board of directors is responsible for the appointment of the CEO, including setting the CEO’s powers, duties and functions and compensation. <ul style="list-style-type: none"> ○ The board is also responsible for setting the CEO’s compensation pursuant to requirements in legislation, including the <i>Reform of Agencies, Boards and Commissions Compensation Act</i> (RABCCA). ○ All other elements of the CEO’s employment, including the preparation of their employment contract and compliance with applicable legislation and legal obligations, are the responsibility of Alberta Innovates as the employer of the CEO. • Alberta Innovates former CEO’s base salary was compliant with the <i>Reform of Agencies, Boards and Commissions Compensation Act</i> (RABCCA) and the applicable regulation and Ministerial Orders thereunder. <ul style="list-style-type: none"> ○ In July 2022, the Minister of TBF issued Minister Order 22/2022 approving the request of the Alberta Innovates board to increase the CEO’s base salary to \$431,720. ○ In March 2023, the Minister of TBF issued Ministerial Order 23/2023 permitting increases to base salaries for eligible agency, board and commission positions by 1.25 per cent as of January 2023, followed by a 1.5 per cent increase as of September 2023. ○ The former CEO received a base salary that totalled \$428,719 in 2022-23 and \$440,930 in 2023-24. • The former CEO’s total compensation in 2022-23 was \$737,229, which included a base salary of \$428,719, cash benefits of \$295,275 and \$13,235 in non-cash benefits. Cash benefits included vacation payouts, car allowance, travel and living expenses, payments in lieu of pension, and employee health care expense accounts
<p><u>Question 2: Mr. Schmidt</u></p>	<ul style="list-style-type: none"> • Alberta Enterprise Corporation is a separate legal entity and corporation established pursuant to the <i>Alberta Enterprise Corporation Act</i>. The board of directors has the power to engage employees

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<p>Page 63 of the Alberta Enterprise Corporation indicates that their CEO's base salary up to March 31, 2024, was \$288,000. The compensation regulation caps the CEO's salary at \$249,000. There were no published ministerial orders that I could find that exempted the CEO from the compensation framework in place in 2023. Can the department confirm that the CEO's salary does not comply with the compensation regulation?</p>	<p>for the purposes of carrying on the business of the Corporation and may determine their terms of employment.</p> <ul style="list-style-type: none"> ○ Accordingly, all elements of the CEO's employment, including the preparation of their employment contract and compliance with applicable legislation and legal obligations, are the responsibility of Alberta Enterprise Corporation as the employer of the CEO. ● Alberta Enterprise Corporation's CEO's base salary complied with RABCCA and the applicable regulation and Ministerial Orders thereunder. <ul style="list-style-type: none"> ○ In March 2023, the Minister of TBF issued Ministerial Order 23/2023 permitting increases to base salaries for eligible agency, board and commission positions by 1.25 per cent as of January 2023, followed by a 1.5 per cent increase as of September 2023. ○ For the Alberta Enterprise Corporation CEO, this equated to a maximum base salary of \$256,341. ● The AEC CEO received a base salary of \$255,533 in 2023-24.
<p><u>Question 3: Mr. Schmidt</u> What aspects of the Alberta Innovates CEO or the Alberta Enterprise Corporation CEO payment justified their pay increase?</p>	<ul style="list-style-type: none"> ● TBF Ministerial Order 23/2023 permitted increases to base salaries for eligible agency, board and commission positions by 1.25 per cent as of January 2023, followed by a 1.5 per cent increase as of September 2023. <ul style="list-style-type: none"> ○ Alberta Innovates and Alberta Enterprise Corporation are responsible for assessing the performance of their respective CEOs. The boards of directors opted to increase the CEOs' base salaries to the new maximum permitted under TBF Ministerial Order 23/2023.
<p><u>Question 4: Mr. Schmidt</u> How was AltaML selected for the grant paid by Technology and Innovation? Who were the other companies that applied to receive this grant?</p>	<p>Under the Ministerial Grants Regulation, departments may make grants to organizations for any purpose related to a program, service or other matter under the administration of the Minister on any terms or conditions the Minister considers appropriate. In April 2022, Service Alberta, in collaboration with Jobs, Economy and Innovation (JEI) established the grant agreement with AltaML to develop a lab to create government solutions powered by AI and develop a talent pipeline of AI and machine learning personnel in the province. While the official PAC record notes that a competitive process was used, this statement was made in error. The grant agreement was provided in alignment with the Ministerial Grant Regulation. The agreement was in support of the Alberta Technology and Innovation Strategy, Goal 1: Increase the depth of Alberta's technology and innovation talent pool. Initiative: Establish a public sector artificial intelligence (AI) lab, with the Alberta government as the anchor tenant, to develop talent, produce new AI solutions for the government, and enable innovators to create commercialization opportunities. AltaML had the expertise and infrastructure to deliver on the desired outputs.</p>

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<p><u>Question 5: Mr. Ellingson</u> With the 10,700 households that had contribution agreements signed or projects to cover them in '22-23, in '23-24 how many of those projects had completed construction and the percentage of those households that gained access in '23-24?</p> <p>In 2023-24, of the five that are completed, you would know how many households would be reached by those five projects?</p>	<p>In 2023-2024 three projects were completed from the 10,700 households. The three projects had and estimated 1700 households or 16% of the 10,700 households.</p> <p>In 2023-2024 of the five cumulative completed projects, there are an estimated 10,200 households reached. This included the three projects from above.</p>
<p><u>Question 6: Mr. Ellingson</u> Before '23-24, out of 429 communities, how many were connected to the SuperNet?</p>	<p>All of the 429 communities were connected to and actively using SuperNet prior to 2023-2024.</p>
<p><u>Question 7: Mr. Ellingson</u> On page 29 in the scaleup and GAP program: the 327 companies referenced, attracting \$282 million, which was an increase of \$147 million. So Alberta Catalyzer is the preaccelerator program as a part of scaleup and GAP. How many of the 327 companies were Alberta Catalyzer, and how many were with the other four accelerators as part of the program? Out of the 327, can you tell us how many of those 327 were located in Alberta or relocated to Alberta as part of the scaleup and GAP program?</p>	<ul style="list-style-type: none"> • The Annual Report provides outcome information only for Alberta company participants. During the 2023/24 fiscal year, 327 Alberta companies participated in Scaleup GAP. Of these companies: <ul style="list-style-type: none"> ○ 207 attended the Alberta Catalyzer Pre-Accelerator; ○ 16 attended the SVG Thrive Academy Pre-Accelerator; ○ 23 attended the 500 Global Accelerator; ○ 61 attended the Plug and Play Accelerator; ○ 19 attended the TELUS Community Safety and Wellness Accelerator; and ○ 1 attended the SVG Thrive Accelerator. • Alberta companies attracted the entirety of the \$282 million in investment after graduating from one of the Scaleup GAP accelerators. • Between September 2021 and November 2024, nine (9) non-Alberta companies registered in Alberta after participating in the Scaleup GAP program, and five (5) have relocated their headquarters to Alberta.

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<p>Of the \$282 million in venture capital or capital that was attracted by those companies, what's the dollar amount attracted by companies that are located in or relocated to Alberta through scaleup and GAP?</p> <p>How many companies did we successfully, like, relocate to Alberta from another location through the scaleup and GAP program?</p>	
<p><u>Question 8: Mr. Ellingson</u> You noted in the report a 40 per cent increase from the province in research funding. Out of that \$1.192 billion attracted by Alberta's post secondaries, what percentage was provincial and what percentage was federal and what percentage was industry?</p> <p>Of the federal funding that was provided, that \$1.192 billion, which you'll provide the answers to, I'll also ask what percentage of those federal funds had no matching with provincial dollars?</p>	<p>Of the \$1.192 billion sponsored research revenue, 36% came from the federal government, 21% from the provincial government, and 13% from industry. The remaining 30% is comprised of revenues from non-profit, endowment, other government (municipal, other provinces, international).</p> <p>In 2022-23 the approximate percentage of federal funding that does not require provincial matching is 94%. This is close to the 5-year average of 93%. Minor fluctuations are due to the timing of competitions and release of funding across fiscal years.</p>
<p><u>Question 9: Ms. Renaud</u> MyAlberta e-services, with some projects consisting of one product. Others may have a few iterations or a range. What is the total number of projects and associated products?</p> <p>Maybe more specifically, as an example, the Ministry of Seniors, Community and Social</p>	<p>During the 2023-24 fiscal year, Technology and Innovation (TI) completed four projects and released 18 new products, including:</p> <ul style="list-style-type: none"> • Property Registration Payments (Municipal Affairs) • Two new services related to Applications for Barrier-free Relaxation (Municipal Affairs) • Two new services related to International Fire Service Accreditation Congress Pro Board Certificates (Municipal Affairs) • Alberta Firefighter Certification Program (Municipal Affairs)

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<p>Services. Could you tell me how many products are currently available in that ministry?</p>	<ul style="list-style-type: none"> • Alberta Advantage Immigration Program’s Tourism and Hospitality Stream Application Fee (Immigration and Multiculturalism) • 10 new reports from the Office of the Chief Medical Examiner that are only available to families who express interest in purchasing a report (Justice) • Class 1 Road Test Condition Code Removal for drivers who pass the Class 1 road test in a vehicle with a manual transmission and later pass a second condensed Class 1 road test in a commercial truck with a manual transmission (Transportation and Economic Corridors) <p>Seniors, Community and Social Services (SCSS) has not released any products through eServices. SCSS social benefit programs usually provide payments to Albertans, whereas eServices provides an easy way to pay for government services. TI has worked with SCSS to release several modern digital services, including the Online Assured Income for the Severely Handicapped (AISH) Application, Income and Employment Supports, Funeral Benefits, Appeals Digital Service, Housing and Homelessness Digital Service, Family Support for Children with Disabilities Digital Service, and Housing Digital Service.</p> <p>Information about Technology and Innovation’s IMT Policy Program is publicly available here: IMT Policy</p>
<p>Question 10: Ms. Renaud Next, performance measure 1(b) discussed the number of web pages viewed by all users of the open government portal. Now, the ministry notes reporting on this measure has changed, and the ministry now reported reports page views as opposed to site visits. Given the change in methodology for performance measure 1(b), can the ministry clarify if the information in the table called Total Number of Visits to Open Government Portal on page 21 reports site visits or individual pages? Explain why that change was necessary?</p>	<p>1(b)i -The metric reports the number of times a user visits a page on the website. Google Analytics 4 refers to this as pageviews. The pageviews reported is the total number of individual pages viewed by all users.</p> <p>1(b)ii -In August 2023, the statistical tool Universal Analytics was end of life and required upgrading to Google Analytics 4. There was a significant discrepancy between how the two tools reported site visits, requiring an adjustment to the statistic being reported. A more consistent reporting metric between the two tools was pageviews. The metric being reported was changed to pageviews and previous actuals were restated based on the pageviews metric.</p>

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<p>Question 11: Ms. Renaud Key objective 1.2 discusses the ministry’s goals of modernizing infrastructure and service delivery approaches. I note on page 17 that the ministry led efforts to design citizen-centred government services to collaboratively deliver modern digital services in partnership with 16 ministries. Could you table a list of those 16 ministries and the criteria used for selecting those 16 ministries?</p>	<p>TI worked with the following 16 ministries to plan, design, and build modern digital services of varying size and complexity:</p> <ul style="list-style-type: none"> • Advanced Education • Agriculture and Irrigation • Children and Family Services • Energy and Minerals • Executive Council • Forestry and Parks • Indigenous Relations • Jobs, Economy and Trade • Justice • Mental Health and Addiction • Municipal Affairs • Public Safety and Emergency Services • Seniors, Community and Social Services • Service Alberta and Red Tape Reduction • Transportation and Economic Corridors • Treasury Board and Finance <p>TI evaluates ministry initiatives against Treasury Board’s capital plan criteria, their overall impact to Albertans, and department readiness.</p>
<p>Question 12: Mr. Ellingson Earlier in the introduction, Deputy Minister, you talked about CyberAlberta and how you’ve got over 500 partners now in CyberAlberta. So the Canadian Internet Registration Authority also has a cybersecurity program that works across the country. They also have partnerships here in Alberta, so I’d like to hear in a written response your relationship with CIRA and if you’re working</p>	<p>The Canadian Internet Registration Authority (CIRA) provides some cybersecurity services like Domain Name Service (DNS) protection and Cybersecurity Awareness Training (CAT). These services are a fee-for-service, and the Government of Alberta does not currently procure these services as security controls are already in place to secure our environment and digital services, including a fully developed internal awareness program.</p> <p>The Government of Alberta's digital services cybersecurity controls align to the National Institute of Standards and Technology Cyber Security Framework (NIST CSF) standards, which are also followed by the Government of Canada.</p>

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<p>together with CIRA on your cybersecurity program.</p> <p>We had a question earlier on accessibility, and I think you made reference, ADM, to an Internet kind of standard that you're following in accessibility. The government of Canada does have a national standard for accessibility for ICT products, and that aligns with a European standard. That only applies to programs delivered by the government of Canada. I'm curious if the Internet kind of protocols or the protocols or standards that you're using in the department align with the national standard of Canada.</p>	
<p>Question 13: Ms. Renaud Page 13 notes the implementation of "fraud detection tools that helped identify and prevent the disbursement of over \$4 million in fraudulent student aid disbursements and affordability program claims." First question: how many student aid claims were found to be fraudulent? Number two: how many affordability program claims were found to be fraudulent? Number three: how many suspected fraud claims were reversed? And how did the ministry arrive at \$4 million specifically, and was this after verifying all claims that were indeed fraudulent?</p>	<p>Q1 - How many student aid claims were found to be fraudulent? Cybersecurity provides the log of actions taken by the fraud detection service to ministry customers, including Student Finance Services, with a recommendation to investigate the specific incidents of suspicious activity. Cybersecurity is not privy to the results of Student Finance's investigations.</p> <p>Q2 - How many affordability program claims were found to be fraudulent? Approximately one hundred and fifty affordability program claims were identified as fraudulent based on information provided by fraud detection tools and were not paid out.</p> <p>Q3 - How many suspected fraud claims were reversed? Of the suspected claims identified by fraud tools, which were all investigated, none were reversed.</p> <p>Q4 - How did the ministry arrive at \$4 million specifically, and was this after verifying all claims that were indeed fraudulent? In the first two months of use, ministry customers estimated a \$4 million cost avoidance value based on the fraud tool's findings. Cybersecurity offers this service and notifies the individual business unit</p>

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	of the discovered suspicious activity for review. The fraud detection tool continues to observe similar volume of usage over the time of its use with some degree of variability.