



Second Session – Forty-Third Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Public Accounts

Chairperson
Mr. Kelvin Goertzen
Constituency of Steinbach



Vol. LXXIX No. 7 - 6:30 p.m., Tuesday, October 28, 2025

MANITOBA LEGISLATIVE ASSEMBLY
Forty-Third Legislature

Member	Constituency	Political Affiliation
ASAGWARA, Uzoma, Hon.	Union Station	NDP
BALCAEN, Wayne	Brandon West	PC
BEREZA, Jeff	Portage la Prairie	PC
BLASHKO, Tyler	Lagimodière	NDP
BRAR, Diljeet	Burrows	NDP
BUSHIE, Ian, Hon.	Keewatinook	NDP
BYRAM, Jodie	Agassiz	PC
CABLE, Renée, Hon.	Southdale	NDP
CHEN, Jennifer	Fort Richmond	NDP
COMPTON, Carla	Tuxedo	NDP
COOK, Kathleen	Roblin	PC
CORBETT, Shannon	Transcona	NDP
CROSS, Billie	Seine River	NDP
DELA CRUZ, Jelynn	Radisson	NDP
DEVGAN, JD	McPhillips	NDP
EWASKO, Wayne	Lac du Bonnet	PC
FONTAINE, Nahanni, Hon.	St. Johns	NDP
GOERTZEN, Kelvin	Steinbach	PC
GUENTER, Josh	Borderland	PC
HIEBERT, Carrie	Morden-Winkler	PC
JOHNSON, Derek	Interlake-Gimli	PC
KENNEDY, Nellie, Hon.	Assiniboia	NDP
KHAN, Obby	Fort Whyte	PC
KINEW, Wab, Hon.	Fort Rouge	NDP
KING, Trevor	Lakeside	PC
KOSTYSHYN, Ron, Hon.	Dauphin	NDP
LAGASSÉ, Bob	Dawson Trail	PC
LAMOUREUX, Cindy	Tyndall Park	Lib.
LATHLIN, Amanda	The Pas-Kameesak	NDP
LINDSEY, Tom, Hon.	Flin Flon	NDP
LOISELLE, Robert	St. Boniface	NDP
MALOWAY, Jim	Elmwood	NDP
MARCELINO, Malaya, Hon.	Notre Dame	NDP
MOROZ, Mike, Hon.	River Heights	NDP
MOSES, Jamie, Hon.	St. Vital	NDP
MOYES, Mike, Hon.	Riel	NDP
NARTH, Konrad	La Vérendrye	PC
NAYLOR, Lisa, Hon.	Wolseley	NDP
NESBITT, Greg	Riding Mountain	PC
OXENHAM, Logan	Kirkfield Park	NDP
PANKRATZ, David	Waverley	NDP
PERCHOTTE, Richard	Selkirk	PC
PIWNIUK, Doyle	Turtle Mountain	PC
REDHEAD, Eric	Thompson	NDP
ROBBINS, Colleen	Spruce Woods	PC
SALA, Adrien, Hon.	St. James	NDP
SANDHU, Mintu, Hon.	The Maples	NDP
SCHMIDT, Tracy, Hon.	Rossmere	NDP
SCHOTT, Rachelle	Kildonan-River East	NDP
SCHULER, Ron	Springfield-Ritchot	PC
SIMARD, Glen, Hon.	Brandon East	NDP
SMITH, Bernadette, Hon.	Point Douglas	NDP
STONE, Lauren	Midland	PC
WASYLIW, Mark	Fort Garry	Ind.
WHARTON, Jeff	Red River North	PC
WIEBE, Matt, Hon.	Concordia	NDP
WOWCHUK, Rick	Swan River	PC

**LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON PUBLIC ACCOUNTS**

Tuesday, October 28, 2025

TIME – 6:30 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Kelvin Goertzen (Steinbach)

**VICE-CHAIRPERSON – MLA Jim Maloway
(Elmwood)**

ATTENDANCE – 7 QUORUM – 6

Members of the committee present:

*Mr. Brar, MLA Dela Cruz, Messrs. Ewasko,
Goertzen, MLAs Maloway, Redhead, Mrs. Stone*

Substitutions:

MLA Redhead for MLA Compton

APPEARING:

Tyson Shtykalo, Auditor General of Manitoba

WITNESSES:

Ann Ulusoy, Secretary to Treasury Board

*Brenda Feng, Assistant Deputy Minister for
Treasury Board Secretariat and Provincial
Comptroller*

*Sean Savage, Chief Operating Officer, Fleet
Management Services*

*Ann Leibfried, Assistant Deputy Minister / Executive
Financial Officer, Finance*

MATTERS UNDER CONSIDERATION:

*Auditor General's Report – Physicians' Billings,
dated January 2021*

*Auditor General's Report – Automatic Vehicle
Location Management Systems, dated June 2021*

*Auditor General's Report – Follow Up of Previously
Issued Recommendations, dated February 2024*

Physicians' Billings

*Automatic Vehicle Location Management
Systems*

*Auditor General's Report – Follow Up of Previously
Issued Recommendations, dated February 2025*

Physicians' Billings

* * *

The Vice-Chairperson: Good evening. Will the Standing Committee on Public Accounts please come to order.

Committee Substitution

The Vice-Chairperson: Before we begin our business today, I'd like to inform the committee that we have received the following membership substitution for this meeting only: MLA Redhead for MLA Compton.

* * *

The Vice-Chairperson: I would also like to inform the committee that a resignation letter from Mr. Guenter as Chairperson, as a member of the committee, was received. Mr. Goertzen is now the replacement PAC member for the remainder of this Legislature.

And therefore, before the committee can proceed with the business before it, it must elect a new Chairperson. Are there any nominations?

So Mr. Ewasko?

Mr. Wayne Ewasko (Lac du Bonnet): Thank you, Mr. Acting Chairperson for the time being. I recommend MLA Goertzen to be the Chair.

The Vice-Chairperson: Mr. Goertzen has been nominated. Are there any other nominations?

Hearing no other nominations, Mr. Goertzen, will you please take the Chair.

The Chairperson in the Chair

The Chairperson: Thank you to members of the committee, and I hope you bear with me as a rookie Chairperson in—this evening as we move through this process.

One final housekeeping item—I'd like to table the following document: responses from the Department of Housing, Addictions and Homelessness to questions from the Standing Committee on Public Accounts meeting on May 26, 2025.

The meeting has been called to consider the following reports: the Auditor General's Report—Physicians' Billings, dated January 2021; the Auditor General's Report—Automatic Vehicle Location Management System, dated June 2021; the Auditor General's Report, Follow Up of Previously Issued Recommendations, dated February 2024—Physicians' Billings, Automatic Vehicle Location Management System; Auditor General's Report, Follow Up of Previously Issued Recommendations, dated February 2025—Physicians' Billings.

Are there any suggestions from the committee members as to how long we should sit this evening?

MLA Jim Maloway (Elmwood): Mr. Chair, I would suggest we sit for an hour and then revisit at that time.

The Chairperson: MLA Maloway has suggested that we sit for one hour and then revisit at this time.

Is that acceptable to the committee? *[Agreed]*

We will sit for one hour and then revisit at that time.

In what order does the committee wish to consider the reports?

MLA Jelynn Dela Cruz (Radisson): Chronological.

The Chairperson: It has been suggested by MLA Dela Cruz that we consider the reports in a chronological order. For clarity of the committee, that will be the physicians' report first, followed by the report on VEMA. Is that agreed? *[Agreed]*

So at this time, I'll ask the committee if there is leave for all the witnesses who are in attendance this evening to speak and answer questions on the record if desired. Is that agreed? *[Agreed]*

I'd like to remind everyone that questions and comments must be put through the Chair using third person vernacular as opposed to directly to members and witnesses.

Before we proceed, I'd like to inform all in attendance of the process that is undertaken with regards to outstanding questions.

At the end of every meeting, the research clerk duly and dutifully reviews the Hansard for any outstanding questions that the witness commits to provide an answer to at a future time and will draft a questions-pending-response document to send to the deputy minister of the department or other witnesses. Upon receipt of the answers to those questions, the research clerk then forwards the responses to every

PAC member and to every other member recorded as attending that meeting.

We will now consider the report and chapters on Physicians' Billings.

Does the Auditor General wish to make an opening statement? Please proceed.

Mr. Tyson Shtykalo (Auditor General): First, I'd like to introduce a staff member I have with me today with respect to this report. I'm joined by James Wright, who is the engagement leader on this particular report.

Mr. Chair, this report was initially discussed by the committee in June of 2022, and I had provided some comments at that time. Since then, my office has issued two follow-up reports related to this report, one in February of 2024 and most recently in March 2025.

As of our last follow-up, five of the six recommendations included in the report had been implemented or resolved. The one recommendation still in progress relates to publishing the results of physician audits.

Like to thank everyone for their co-operation and assistance during the audit and I'd also like to thank my audit team for their due diligence and hard work in completing the report as I look forward to the discussion on the report today.

The Chairperson: Committee thanks the Auditor General for the opening statement.

Does the Secretary to Treasury Board wish to make an opening statement? And, if so, please introduce your staff.

Ms. Ann Ulusoy (Secretary to Treasury Board): Good evening. It's Ann Ulusoy, Secretary to Treasury Board. I would like to thank the committee for the opportunity to provide brief comments on the matters under consideration today.

I'd like to introduce my colleagues. Sitting at the table with me are Brenda Feng, Provincial Comptroller; Sean Savage, executive director of Fleet Management Services, acting on behalf of Brenda DeSerranno, deputy minister of Public Service Delivery; and Ann Leibfried, assistant deputy minister and executive financial officer for Manitoba Finance, acting on behalf of Matt Wiebe, acting deputy minister of Finance.

* (18:40)

Both reports have been heard before, so I would like to just wrap it up by saying Treasury Board Secretariat welcomes the Auditor General's reports and the recommendations, and we're committed to continuing consideration to completing the outstanding recommendations.

Thank you.

The Chairperson: Thank you, Secretary to the Treasury Board, and thank you to the staff for joining us and for your work on this particular report.

The floor is now open for questions from committee members.

I might pose a question, then: use the Chair's prerogative as we await members to form other questions.

In terms of looking back retrospectively, what perspective does Treasury Board have on the improvement of compliance when it comes to the billing for physicians, recognizing it's probably about a billion dollars that is billed a year. There are complex—there are some complex billing issues, and—but most are probably routine.

Would it be your perspective from Treasury Board that it has improved in terms of compliance since this issue was first brought to light, at least publicly, by the Auditor General? *[interjection]*

Sorry, this is an error of a rookie Chair. So I'm going to have to recognize you first.

Ms. Ulusoy: This audit was prepared and finalized when the auditing function was under the Department of Health, Seniors and Long-Term Care. Subsequent to the audit, the audit function has moved to Treasury Board Secretariat under the Department of Finance to—for arm's-length ability to audit the physicians without, you know, interfering with functioning of the insured benefits function.

After the transfer to TBS, the internal audit department—a group under the internal audit department has implemented risk-based audits. So rather than random sampling, now risk-based; so this is based on the number of patients seen, the days that are billed, that are holidays and other examples like that—where, you know, the likelihood of the billings are questionable—are picked and looked at.

There has been some legislative changes back in 2021 and 2022 as well. The Regional Health Authorities Amendment Act and—was proclaimed in force and it included the amendments to Health Services

Insurance Act that enforces audit and oversight functions.

The act clarified the authority of inspectors to audit claims submitted by the fee-for-service professionals, confirm the minister's authority to make a determination of overpayment based on audit results and establish that physicians may refer the overpayment to the dispute resolution mechanism under the master agreement with Doctors Manitoba and minister may recover overpayments through agreement, including by set off against the future revenues. Previously, the Province did not have that ability. Also, the act requires practitioners to retain documentation specified by the regulation.

Since then a high number of audits were initiated and completed and the findings have been significantly higher than the previous arrangement prior to the act.

That's my general comments.

The Chairperson: Thank you for the response. I'll do a follow-up and then turn it over to my colleagues. Forgive me sometimes, because it's difficult to hear in the Chamber, which sometimes can be called an echo chamber.

But in terms of where there are overbillings or maybe inappropriate billings, it would be my assumption that the vast, vast majority of them would be some administrative error or just really not anything intentional.

But in those cases where there are overbillings, what is the success in retrieving the funds? Have we seen a significant improvement on that in the last couple of years?

Ms. Ulusoy: We have concluded, first of all, the type of overbillings are due to three reasons: one is administrative errors, or lack of clarity on the tariff; secondly—you know, secondly it's interpretation of what the tariff covers, which may change from physician to physician, and certainly it may be bad faith. So an error does not necessarily mean there is a problem with the issue, and we find that majority of the errors are in the first two categories.

The numbers are very high. We have approximately over 3,000 practitioners or doctors billing the Manitoba Health and the number of claims are more than 35 million claims per year. So each transaction is a claim.

We were able to audit 128 physicians and a physician audit, the number may seem small, but a physician

audit consists of hundreds of billings that take place over a number of months. So it could be a very high number.

And we have, all told, 128. We have preliminary findings on 82 of them and final findings on 64 of them. All but one has been recovered. The only one that has not recovered is one that's under arbitration right now.

The Chairperson: Thank you for that response.

MLA Dela Cruz: Honourable Chairperson, congratulations.

I understand that this is—that we have the honour of all being at the first committee meeting that the member is able to chair, so I think that's pretty special for each of us sitting here.

But I'd also like to thank those who have taken the time to prepare for this meeting and to spend time with us here today and opening themselves up to questions from us.

Kind of building off of the last question from our honourable Chairperson, I'm wondering if the secretary can maybe elaborate on any trends in these administrative errors that they may have found.

* (18:50)

Ms. Ulusoy: Any findings with respect to lack of clarity or—of the billing codes is referred back to the Department of Health to clarify and, you know, issue guidance and correct in the next round of collective agreements. So those go back to the Department of Health for correction and clarity.

With respect to—I'm just going to request a minute.

With respect to trends in the findings, the most overwhelming, overriding trend is the, you know, interpretation errors and lack of good documentation, which makes it very difficult for the audit unit to get the information. It extends the time period for the audits.

The Chairperson: And for the follow-up, MLA Dela Cruz?

MLA Dela Cruz: Follow-up on a slightly different tangent, and thank you for your response.

I, you know, have a lot of family who work on the front lines of health care and understand that yes, there is a number of things that they've got to juggle at a single time. It's a matter of, yes, figuring out exactly how we mitigate things like that in the future, where because of a misunderstanding or misinterpretation,

we end up with nearly \$1 billion that we've got to recover.

So on recommendation 3 in particular, and given that the office of the Provincial Comptroller—their agreement with recommendation 3 to publish physician audit results and its acknowledgement as well that, quote, unquote: consideration will be given to the appropriate level of disclosure necessary to ensure public accountability and transparency is balanced with the protection of the privacy of the physician and the physician's practice and any non-disclosure clauses as a result of the arbitration process.

What specific concrete steps have been taken since the report's release in January 2021 to address and finalize these considerations regarding the appropriate level of disclosure?

Ms. Ulusoy: First of all, the department is not looking at disclosing the names or the case details that may make the individual physicians identifiable. As I mentioned, a lot of the findings are interpretation errors or, you know, honest billing mistakes, so that's not something that the department is looking at doing.

In order to look at what the other provinces are reporting, we engaged in consultations with Health representatives and Legal Services Branch in Justice. And we have focused on the nature, type and level of detail permissible under the current legislation, current collective agreements and potential impact on relationships with the physician community and their representative bodies.

We have performed a jurisdictional scan and stakeholder consultation. We have looked at British Columbia, Alberta, Saskatchewan and Ontario. These jurisdictions, we found, vary in their approaches. Some only disclose audit results when only legally required. They do not voluntarily disclose it. Others release anonymized information for audits for—with significant findings only—not everything but significant findings only. And some publish annually summarized anonymous results like total of number of audits and total findings and total of hours and funds recovered.

So Finance acknowledges that level of transparency expected by the public needs to be aligned with the privacy concerns of the physicians and the sensitivities of the relationship with Doctors Manitoba. So Finance is carefully considering how to balance these competing interests.

We are looking at finalizing our consultations and starting public disclosure by '26-27 fiscal year.

Mr. Ewasko: Thank you, Mr. Chair; and through you to the Secretary to the Treasury Board, thank you for those answers; I think you checked off the boxes for a few other additional questions. But beyond public disclosure, the response also noted that the value of communicating audit findings, so, profession-wide, for educational purposes as well.

What specific mechanisms or strategies are being developed to disseminate these educational insights to physicians across the province, even as the broader public disclosure framework for audit results is being finalized?

And I do understand, in your previous answer, that you've also—have sought that legal advice, plus also have spoken to physicians and also Doctors Manitoba. So with that being considered.

Ms. Ulusoy: Beyond the public disclosure, it's really important that our findings are professionally distributed for education purposes so a broader group of physicians do not repeat the same administrative errors or billing interpretation. So we have a number of existing and new mechanisms for that.

Existing mechanisms include the publicly available Manitoba Physician's Manual, which contains detailed tariff descriptions, rules of application and contact information for physicians and their administrative staff. And a careful read of the information in Manitoba Physician's Manual is a lot of guidance for billing physicians.

Manitoba Physician's Manual is updated with the collective agreements and new information that points to lack of clarity. The claims processing solution website is a website that provides up-to-date resources such as billing information for health providers, billing bulletins, frequently asked questions and direct contact information for support. And this is an easier venue for us to clarify items that have not been clear before.

These tools ensure physicians have access to the information needed to bill accurately and in accordance with the provincial requirements. We have a joint Physician Services Agreement committee. This committee comprises of representatives from Doctors Manitoba and Department of Health, Seniors and Long-Term Care. This group plays a key role in the ongoing modernization of the Manitoba Physician's Manual and, by consensus, they recommend updates to tariff descriptions and billing rules.

So the information and the findings from the audits are forwarded to the joint Physician Services

Agreement committee for consideration and discussion, and presumably, a consensus and an update.

Individual audits have educational value; a lot of the physicians use the same billing companies and once there's a finding that points to an administrative error or clarification of the intent of the tariff, typically the billing companies adjust their practices to other physicians as well. And I trust that physicians also are sharing the audit experiences with their colleagues, within their clinics, creating informal peer-to-peer learning opportunities that support the profession-wide information dissemination.

And as a future strategy—this is something we have not started yet—we would like to share, consider sharing the publication of anonymized summarized audit findings on the Internet and intranet platforms with respect to communicating the information to a broader base of physicians. But that final one has not been actioned yet.

Thank you.

The Chairperson: Follow-up question, MLA Ewasko?

* (19:00)

Mr. Ewasko: So through you to the secretary-treasurer—or secretary to the Treasury: so in regards to the billings made by the overbillings, or whatever, by any, you know, on the recommendation No. 3, as we've seen over the last few years—and I believe the secretary has answered a bit of this—but as we continue to see the numbers hopefully start to get in more of a line where there's not so many out-of-practice type of billings, I guess, what it—would be the timeline on that?

And how would the Health Department be reporting back to the public without necessarily disclosing the physicians that are actually—and I'm going to call it an infraction, but I don't really mean infraction because we know that at times these billings happen inadvertently. So what would be the timeline on that?

I know earlier, your timeline, seeing how the implementation of publishing physician audit results would be '26-27. Do you see this being a yearly report from the Department of Health as far as, you know, here's the total amount of billings throughout the year, and this is how many we're trying to recoup, and this is how many—how much we have recouped? Hopefully that's concise enough.

Ms. Ulusoy: So the '26-27 disclosure of the audit findings refers to the type of findings and, you know,

number of physicians or—it's a very high level. We do not have any plans to come back to this committee with the actual numbers—

The Chairperson: Sorry. We're going to get you to start again because it didn't sound like your mic was on.

So we'll indicate that the Secretary to the Treasury Board has the floor and we'll make sure your audio is working.

Proceed. That was a practice run for you.

Ms. Ulusoy: So the '26-27 time frame is for a summary reporting that is yet to be decided and framed by the legal advice and issues that I have identified as under consideration. And it will be a high-level report that doesn't include numbers or names of the physicians.

With respect to the actual findings, The Financial Administration Act has been changed in 2022 and established a Treasury Board Audit Committee, which is an independent committee made up of independent members as well as public service members that provide oversight to internal audit function as well as the particular unit that is under internal unit and that audits the doctors' billings. The reports are regularly reported to TBAC, Treasury Board Audit Committee, and regular reports go to the Treasury Board for updates on a less frequent basis.

But, again, due to the, you know, public nature of this committee, we do not—we have not planned to report back any particulars to the Public Accounts Committee at this time.

MLA Maloway: I'm making an assumption here that, prior to the Province bringing in the SAP system as its ERP back in the '90s, that we're all on paper, right? So the government would be getting its billings from the physicians' offices, and it would be paper and it'd be mounds of paper, and there would probably be a lot of, you know, missing money, or could be—it would be a big problem.

What we did find when we brought in the SAP system was we had an example of a person well known in this town who owed PST to the provincial government, but was getting business grants from another department of the government. And that was the—part of the beauty of that SAP system was that it weeded stuff like this out.

So I make an assumption here that the story just gets better with time; that nowadays you have a—you know, the doctors are all hooked up now. At least I don't see too many paper files in my doctors' offices

any more. So they're electronically submitting, and then Manitoba Health has probably got an electronic backup as well.

I don't know whether you—using any AI in all of this, but I know Revenue Canada has a program that, you know, has parameters, and if the expenses are a little too high in one area of your business, the alarm bells start coming off and the auditors start showing up at your office.

So if they have a system like that for many years now, presumably you have something like that too. So not, you know, understanding how it totally works, I just wanted to know what your comments would be about that. Like, are things improving over where they were before?

Ms. Ulusoy: Health, Seniors and Long-Term Care is using a system to receive the billings and then reviews them. So the insured benefits unit that manages the billings work on a completely, you know, electronic system, and based on that review the payments are issued.

With respect to the audit review, we would definitely, in the future, benefit from AI. There is, in fact, a lot of great software out there that allows databases to run and identify any problems or inconsistencies with respect to the billings and generate a report in a fraction of the time that, you know, humans and actual auditors can do.

So we are looking into and looking forward to using—being able to use more AI in the future.

MLA Maloway: I'd like to know, at this point, is 100 per cent of the physicians on electronic systems now, or—there must be some outliers somewhere in the province that are still paper-based. Yes or no?

Ms. Ulusoy: My understanding is all of the billings are electronic. There is no manual paperwork, but the process of audit, where we receive the detailed files and physicians' notes, is a fairly manual process. It's requested from the physicians and they provide the information on, you know, scanned and uploads manner, with—still requiring the auditors to look at individually.

* (19:10)

The Chairperson: We have a virtual member who wishes to ask a question, so I will ask MLA Brar to please unmute yourself and ask your question.

Mr. Diljeet Brar (Burrows): Thank you, Chair, and welcome to the chair.

My question is regarding one of the findings of the report that talks about the lack of structural–structured training program for staff. So my question is: What has changed since the report came out? Is there any structured training program available now? If so, how it has impacted the system?

Ms. Ulusoy: Finance has developed–TBS has developed and implemented the standardized training program for audit staff that are responsible for the physicians' audits. The program covers the full audit cycle, technical and practical aspects of the risk-based audit approach.

Fee-for-service contract requirements: you can appreciate the audit staff needs to understand the fee-for-service schedule really well in order to establish whether the billings are appropriate and key deliverables outlined in the Manitoba Physician's Manual.

So it's training on both Physician's Manual and fee-for-service tariffs, but also professionally on the audit cycle, the technical and practical aspects of the risk-based audit approach.

To support the consistency and the procedural fairness, TBS has also created standardized templates for each stage of the audit process, so all of the audits are documented in the same way with the same type of information and backups. They guide audit execution but also serve as effective training tools, allowing the auditors–new auditors–during the on-boarding and educational process.

The Chairperson: MLA Brar, do you have a follow-up question?

Mr. Brar: I don't have a follow-up on the same, but I have another point that I wanted to clarify.

The report noticed that the overpayments were rarely collected wherever they were found. What was the reason why the overpayments were not collected?

Ms. Ulusoy: The fees were not clear because, first of all, the findings were at a lower level. The previous audit approach when the Auditor General completed the audit was based on random sampling, and you can appreciate over 35 million–30 million–transactions for, you know, very high number of physicians, over 3,000 physicians, random sampling does not necessarily yield exceptions and findings that are material. So the findings were not material at the first place.

Secondly, the risk-based approach allows us to focus on areas that have the more, higher likelihood of finding irregularities like, you know, a physician billing–I'm–for example, 200 patients a day, or billing

patients on a whole day type of approach. So because the department–the unit is looking at higher risk areas at this time, the findings are higher.

With respect to the ability to collect, previously the authority of the inspectors to audit the claims and the minister's authority to make a determination on overpayments based on audit findings was not cleared.

Back in 2021, The Regional Health Authorities Amendment Act, formerly bill 10, received royal assent, and the act enabled the department, the audit unit, to pursue the overpayments on behalf of the minister.

The other benefit of the audit is–sorry, the change in legislation is physicians now have two choices. They either pay or they go to the arbitration route. That's very clear with respect to the agreements.

The Chairperson: One final question for Madam Secretary from the Chair.

This obviously focused on physician billing, very significant part of the Department of Health, and probably more broadly in government there are other examples where there's significant billings into government.

Does the unit in Treasury Board audit other significant areas of billing coming into government, and could you provide some examples of what those are? *[interjection]*

The Chairperson: Secretary to the Treasury Board.

Ms. Ulusoy: Internal audit division performs the risk analysis on an annual basis and looks at different aspects of the, you know, organizational, operational and financial risks that need to be audited.

And that audit plan is approved by the Treasury Board Audit Committee and overseen–the audits are overseen by the TBAC. So if there are any areas other than physicians' billings, that would come through the–for a plan of the internal audit department.

The Chairperson: Seeing no other questions or comments, I now put the question on the physicians' billings report in chapters.

Auditor General's Report–Physicians' Billings, dated January 2021–pass.

This report is accordingly passed.

Does the committee agree to complete consideration of the chapter, Physicians' Billings, within the Auditor General's Report–Follow Up of Previously Issued Recommendations, dated February 2024–pass.

This chapter is accordingly completed for consideration.

Does the committee agree to complete consideration of the chapter, Physicians' Billings, within the Auditor General's Report-Follow Up of Previously Issued Recommendations, dated February 2025—pass.

This chapter is accordingly completed for consideration.

I wonder if there is a will to reconsider the time that the committee agreed to sit to. It had agreed to sit for one hour, then reconsider. As we're about to enter into the consideration of a new report by the Auditor General, I am open to further consideration on how long the committee will sit.

MLA Maloway: Mr. Chair, I suggest we sit for another 30 minutes beyond the 10, so another 40 minutes from now.

The Chairperson: MLA Maloway is suggesting that we sit for an additional 40 minutes from the current time.

Is that agreed upon? *[Agreed]*

We will now consider the report and chapter on Automatic Vehicle Location Management Systems.

Does the Auditor General wish to make an opening statement?

Mr. Shtykalo: I'd like to introduce a staff member I have with me today with respect to this report. Today I am joined by Grant Voakes, who is the engagement leader on this audit.

Mr. Chair, in 2018, the government approved a cross-government monitoring and reporting system of its light-duty fleet vehicles. This included the installation of automatic vehicle location, or AVL devices, on all fleet vehicles and the use of the related data. AVL devices transmit vehicle information such as speed and location to a cloud server.

* (19:20)

Some of the goals of this program were to increase the safety of employees, find ways to reduce environmental impacts and find operational and financial efficiencies.

In this audit, we set out to determine whether the AVL data from the fleet vehicles was being used to maximize operational and financial efficiencies.

Mr. Chair, to hold drivers accountable for their driving behaviour, expectations should be clearly

defined and communicated; likewise, if entity staff are expected to monitor AVL data, they need to know what constitutes driver non-compliance. We found policies did not clearly define expected driver behaviour, nor was there a universal definition for driver non-compliance. The AVL policy, for example, gave no threshold for how far above the posted speed limit was considered non-compliant behaviour.

Many entities reported regular monitoring AVL data and identifying instances of non-compliant driver behaviour. For example, a monitoring report used by one department showed 188 speeding incidents for the same vehicle in a one-month period.

Although the data monitoring showed non-compliance, there were no clear consequences for non-compliance. As well, minimal follow-up and remedial actions were taken when non-compliant behaviour was found.

In addition, we found that there was no central authority to ensure the program achieved the intended financial and operational efficiencies.

Lastly, there was no reporting process to enable central monitoring, nor was there any public reporting or documentation of efficiencies gained through the implementation of the AVL devices.

This report includes eight recommendations to improve monitoring and follow-up actions for driver non-compliance, as well as establishing stronger oversight and reporting mechanisms for the program. I encourage Treasury Board Secretariat to work with all departments and agencies with fleet vehicles to act on these recommendations and resolve the risks identified by this audit.

Like to thank the many government officials and staff that we met with during our audit for their co-operation and assistance, and I'd like to thank my audit team for their hard work in completing the report.

Thank you.

The Chairperson: Thank the Auditor General for their opening statement and for their and their office's work on this report.

Does the Secretary to the Treasury Board wish to make an opening statement and introduce any further staff that they have with them on this report?

Ms. Ulusoy: I will, yes.

The automatic vehicle location management has been around since 2018, and the report dated June 2021

examined the use of the AVL information from vehicle and equipment management agencies' fleet vehicles for maximizing operational and financial efficiencies.

The AG report resulted in a total of eight recommendations: three recommendations to core government entities and that includes spatial operating agencies, Department of Families, Transportation and Infrastructure and Environment and Climate Change that has a high number of vehicles taken as samples; and four recommendations to the Treasury Board Secretariat as a central agency to serve as the information collection and follow-up oversight role.

Three of the eight recommendations were implemented as of September 30, but work is in progress for the remaining five recommendations.

VEMA, the former Vehicle and Equipment Management Agency, which was a spatial operating agency, has now folded into the core government under the Public Service Delivery division, and now is called Fleet Management Services. They provide government departments, agencies and Crown corporations with fleet vehicles, and their reorganization into the core government will allow them to have better central tracking along with other benefits on the AVL issue: better central tracking and oversight.

So I'd like to say the responsibility for oversight of the AVL, the recommendations previously directed to TBS, is now assumed by the Public Service Delivery Fleet Management Division.

The Chairperson: Thank you to the Secretary of the Treasury Board.

The floor is open for questions for members of the committee.

Members of the committee have questions?

Mr. Ewasko: I'm just sort of wondering, and this is sort of to you for a question: Are we going to go per recommendation or do you want to go global?

The Chairperson: I'd suggest we go global. I think it's typically easier for members, unless—I'm at the will of the committee.

Some Honourable Members: Agreed.

The Chairperson: Global discussion.

Mr. Ewasko: So thanks, everybody, for attending tonight.

So, on recommendation No. 2—it's the follow-up report comment regarding recommendation No. 2. So could the department elaborate on the reasons for

this gap on not following up on the idling incidents and outlining the plan to ensure comprehensive follow-up on all identified non-compliance, including idling by this department, Transportation and Infrastructure Department.

Ms. Ulusoy: I'm going to request Sean Savage to respond.

Mr. Sean Savage (Chief Operating Officer, Fleet Management Services): So we continue to monitor and manage idling. Idling obviously has a number of complexities in terms of the program delivery and the responsibilities that they have in managing their programs. Things like seasonal conditions are of importance when we're dealing and addressing idling; working on roadsides which require batteries to be charged to manage their emergency lighting and their cautionary lighting.

So, again, it is something that we acknowledge is prone to improvement, but obviously, considering there's 1,897 units with AVL devices across government and the breadth of services that it provides, there's a number of issues and complexities that we'll have to address in a case-by-case basis.

So we continue to progress that conversation across government, acknowledging some limitations, but are committed to reducing government's carbon footprint.

The Chairperson: Thank you for your response.

MLA Ewasko, a follow-up? No further follow-up from Mr. Ewasko.

MLA Dela Cruz: My question centres around recommendation 7. I'm wondering what progress has been made in establishing the routine collection of standardized department AVL information by the Treasury Board Secretariat, as outlined previously in recommendation 6 just before it. *[interjection]*

The Chairperson: Mr. Savage.

Mr. Savage: Oh, sorry.

We've made significant progress in the centralization of collection of data. So all of that information now flows into a centralized database. It is then, in turn, reported quarterly to the deputy ministers of each respective department alongside TBS.

That information, then, has spawned upon conversations in addressing improvements, creating accountabilities and ensuring that, you know, these vehicles are being used as effectively and efficiently as possible.

The Chairperson: Follow-up, MLA Dela Cruz?

MLA Dela Cruz: So a follow-up to that is: when can the first comprehensive government-wide analysis of these changes in driver behaviour be expected? And what will the key performance indicators included in the analysis be as well?

And maybe if you're—or sorry, if the secretary to the treasurer—Treasury Board is able to also maybe share some insights gained.

Ms. Ulusoy: We've been monitoring the changes in speeding occurrences, idling minutes, fuel consumption and GHG emissions over the past five years. I can say that total speeding occurrences have decreased by 66.3 per cent over the past five years, from 2019-20 to '23-24. That's the last year we have data for.

* (19:30)

Total over-idling minutes, unfortunately, has a small decrease—only 4.2 per cent. Because of the nature of the use of the different vehicles, the cold climate and some of the construction-related, transportation-related idling requirements, the decrease in that has only been 4.2 per cent.

The fuel consumption has a significant decrease, a 9 per cent decrease over a five-year period based on litres.

And, finally, total GHG emissions have decreased by 12.1 per cent since the implementation of the tracking.

The Chairperson: Further questions?

MLA Maloway: So you say there's 1,800 units currently under this AVL supervision. So what's the total number of units that the government has and why are the rest of them not on that system? Like, what's the difference between these vehicles, these 1,800, and the rest of the ones that you've got?

Mr. Savage: So the 1,897 will represent core government, but we also provide services to summary government and external clients. Those entities are not subject to the GMA, the General Manual of Administration, government's overarching policy document. So we have no ability to create an enforcement or a contractual obligation, if you will, with those other clients beyond core government.

So for the purposes of the AVL program, we're really speaking to core government but acknowledging this—the fleet of 2,600 units has roughly 1,900 core units. The remaining are summary government.

The Chairperson: Follow-up, Mr. Maloway?

MLA Maloway: So, then, are we getting good value for this? I'm assuming this AVL costs money to acquire and to process and to keep track of and so on. What sort of results are we gaining? I mean, is it worth—it's worth the expense to be doing this.

Ms. Ulusoy: The cost of the program is approximately \$600,000 annually to operate, but the program pays for itself for reasons outside of the fuel savings or, you know, the reduced speeding occurrences. It really encourages driver safety, safety of our own staff. It encourages the improvement of the government's reputation in cases where the driver may be misusing the vehicle.

But also the data set is very comprehensive and helps us for future planning and acquisition of vehicles. Who is driving? How long? Are they driving in a small area or are they driving over a, you know, more lengthy area? Which areas are targets for or which type of units are targets for future electrification or going hybrid rather than going with traditional fuel?

So it's a great data analysis tool for future purchases, future planning of what type of vehicles to purchase and who gets to use a vehicle, and so the real value is the data value. But there's certainly a lot of value in reduced fuel costs and, you know, infringements.

MLA Maloway: So as you know, the vehicle manufacturers for the last 10 years or so installed their own monitoring devices, right, in the vehicles, and then now they all have readers available.

How does this differ with the program that you've got, and how does it kind of integrate into the car, or into the system?

Mr. Savage: So the manufacturers are, as of late, introducing AVL technology in the vehicles. It hasn't fully matured, and obviously with a fleet that is as broad as ours is, it's something that we're providing consideration to.

There's two components to it. There's the hardware component, the actual physical device, as well as the software, the technology in the back-end systems. So there may be opportunity in the future to integrate the software with the manufacturer-based platform or the hardware, but we're not quite there yet, acknowledging that our fleet is only replaced in a 'cyclical' fashion.

The Chairperson: One question I have for you regarding expectations for employees: and so you indicated that there was a reduction in those who were

speeding after this technology was put onto the VEMA vehicles. Now, there probably didn't need to be a department expectation on that; people know what the speed limit is and when they know they're being monitored they probably self-regulate somewhat as a result of that.

Idling might be more challenging, not just because of the weather, as you mentioned, but it might be difficult to know exactly what the expectation is for idling of a vehicle.

So to what extent has there been common, across the departments—not that every department is the same, and there's a difference between heavy and light vehicles—but what are the common expectations for government employees using VEMA vehicles, and is there follow-up with the individual employees if those expectations aren't met?

Ms. Ulusoy: I'm going to ask Mr. Savage to respond.

Mr. Savage: So the policy framework provides a fairly robust set of expectations for government employees. We do have a fleet vehicle eligibility checklist, which each employee who uses a fleet vehicle has to sign, and within the checklist has a number of policies that they need to read through and ensure that they commit to understanding their obligations.

As it deals with the remediation component, those matters are addressed individually by department in the same fashion that other human resource investigations or employee performance issues would be addressed.

So we are providing, again, a standardized or templated expectation. However, the remediation conversations are really a by-product of the individual circumstances, the severity or egregiousness of the infraction, as well as any outlying, you know, human resource concerns that that employee may or may not have on record.

The Chairperson: Thank you for that response.

The information is collected by the technology; it's—I'm assuming it's available by some sort of a dashboard or some sort of way, so it's already collected. Then it's up to the departments to make a decision on analyzing it and what to do with it.

But that information would be available to the public through freedom of information, would it not, as it's already collected?

* (19:40)

Ms. Ulusoy: I believe it would, under FIPPA.

The Chairperson: Other questions?

Mr. Ewasko: So through you to the secretary—so going through the recommendations that are there, there's still a few of them that are in progress. Forgive me if they have already answered this question, but what is the timeline to have all these recommendations implemented?

Ms. Ulusoy: With respect to the Auditor General's recommendations, they are considered implemented when the Auditor General is fully satisfied that they're implemented. So they may be at various stages of completion, but, you know, there may be exceptions. Its implementation date is the Auditor General's assessment of whether they are fully complied with.

The Chairperson: A question regarding—and maybe you answered this, and so I apologize if I missed it—but you made special recognition of the issues of speeding and idling, the issues of after-use hours for the vehicles, which I'm assuming was intended to try to mitigate or reduce the vehicles that are being used inappropriately, maybe on a personal basis, that were government-issued vehicles for government purposes.

Do you have data on that to the extent that after use—usage inappropriately is being curtailed?

Mr. Savage: So we do continue to monitor the use of vehicles for after-hours purposes. There is government provision for the use of these vehicles after hours.

However, there are a number of complexities to trying to manage after-hours utilization, recognizing that government isn't an 8 to 5 business; there are a lot of program areas that are responsible for program delivery after hours.

There are considerations with labour relations in consultation with the union in terms of monitoring employees for after-hours use of assets. So again, we acknowledge that there is some progress to be made in those conversations, but we continue to work towards improving the monitoring of after-hours use.

The Chairperson: Thank you for the response.

Are there further questions from the committee members?

Seeing no further questions or hearing other comments, I'll now put the question on the Automatic Vehicle Location Management Systems report in chapter.

Auditor General's Report—Automatic Vehicle Location Management Systems, dated June 2021—pass.

The report is accordingly passed.

Does the committee agree to complete consideration of the chapter Automatic Vehicle Location Management Systems within the Auditor General's Report—Follow Up of Previously Issued Recommendations, dated February 2024? *[Agreed]*

This chapter is accordingly completed for consideration.

Before the committee rises, I'd like to ask the members please leave behind copies of your reports so they may be used again for future meetings or properly recycled.

The hour now being 7:45, what is the will of the committee?

Some Honourable Members: Committee rise.

The Chairperson: Committee rise.

COMMITTEE ROSE AT: 7:45 p.m.

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