

## **REPORT OF THE PUBLIC BOARD MEETING FEBRUARY 2010**

The Alberta Health Services Board met on February 21, 2010 at the Glenrose Rehabilitation Hospital in Edmonton. The following is an account of the motions that were passed at the meeting. A summary is released following each Board meeting and posted on the AHS external and internal websites. The meeting can also be viewed in its entirety from a link on the [www.albertahealthservices.ca](http://www.albertahealthservices.ca) website. If you have any questions regarding these reports, please do not hesitate to contact the Board Office at [ahsb.admin@albertahealthservices.ca](mailto:ahsb.admin@albertahealthservices.ca) or at 1-866-943-1120.

### **MAIN ITEMS OF DISCUSSION**

#### **2010 United Nurses of Alberta (UNA) Negotiations Guiding Principles**

The collective agreement between Alberta Health Services and the United Nurses of Alberta expires on March 31, 2010. Guiding Principles have been developed to support the negotiations.

The Alberta Health Services Board approved the following Guiding Principles for United Nurses of Alberta Negotiations:

- We will make sure we have as many nurses as we need working in the appropriate places in Alberta. Patient care, safety and high quality health services are our highest priorities.
- Alberta will be competitive with other provinces, ensuring that we attract and retain nurses.
- We want to organize and manage the workforce to optimize the skills, function and expertise of nurses.
- We want to engage nurses in the process of improving access, improving quality and safety, and assuring the sustainability of the system.

#### **Risk Based Year Internal Audit Plan**

The Alberta Health Services Board approved a Risk Based 3-Year Internal Audit Plan (April 2010 – March 2013). The 3-year Internal Audit rolling plan was put forward for endorsement by the Audit and Finance Committee. Key elements included:

- A review of priorities outlined in AHS Strategic Direction 2009-2012, and supporting plans, such as Strategic Directions for Research, Quality and Patient Safety Strategic Outline, Human Resources Strategy, and Information Technology Strategy.
- The Audit project proposed in the PricewaterhouseCoopers Internal Audit Report dated February 2009.
- Opinions and information presented by senior management.
- The initial, draft risk register developed through the Enterprise-Wide Risk Management process.
- Audits conducted in the past three years and follow-up requirements.

- A review of standards, publications and articles regarding key factors to be considered in internal auditing.

The Risk Based 3-Year Internal Audit Plan includes a schedule of the proposed internal audit engagements for the upcoming fiscal year, as well as for fiscal years 2011/2012 and 2012/2013. The plan will be revisited through each year to ensure that each project continues to be relevant and consistent with the organization's goals, and will be presented to the Audit and Finance Committee for approval on an annual basis.

### **Selection of Investment Manager**

On November 23, 2009, Alberta Health Services issued a formal RFP for the procurement of investment management services. Vendor submissions were evaluated based on four key criteria: 1) transition plan, 2) experience, 3) process and performance, and 4) pricing.

Vendors meeting the minimum criteria in all categories were invited to present to the Evaluation and Selection Committee, consisting of senior members of the AHS Finance management team.

The RFP process concluded and the Evaluation & Selection Committee recommended Phillips, Hager & North (PH&N) as the preferred vendor. PH&N offers an experienced team in both transition and portfolio management, and a system of strong internal controls, superior client service, and established systems / processes to meet Alberta Health Services' investment objectives. PH&N obtained the highest scoring in the three technical categories, as well as offering competitive value relative to other providers.

The Alberta Health Services Board approved the selection of Phillips, Hager & North as Alberta Health Services' Investment Manager.

### **Banking Resolution Amendments**

Since the passing of the March 25, 2009 resolution to allow all financial accounts which were held in the names of previous health authorities to be changed in the name of Alberta Health Services, and to designate certain signing officers to execute financial transactions, a need to increase the number of signing officers responsible for signing banking and related documents on behalf of AHS was determined. All banking related documents require two signatures for proper authorization. The additional officers would provide efficiencies and signing coverage due to position vacancies, geographic limitations, travel, and vacation.

It was proposed that the following positions be added to the original six signing authorities:

Director, Debt & Investment Management;  
Vice President – Financial Reporting; and  
Vice President – Financial Planning.

In addition, any new financial matters require at least one of the two signing officers to be at a Vice President level or higher.

It should be noted that the named officers must exercise all rights, powers, and authorities relating to financial matters in accordance with the bylaws and statutes that govern Alberta Health Services, including the Borrowing Bylaw, and Investment Bylaw.

The Alberta Health Services Board approved the necessary Banking Resolution Amendments.

### **Third Quarter Investment Report**

The Alberta Health Services Board approved the Third Quarter Investment Report.

Currently, investment management practices across the former entities continue to be mixed, and managed by various investment managers and brokers. As part of the third quarter reporting, a consolidated summary of the former entities' investment portfolios has been completed as well as a summary of Alberta Health Services Internal Audit's review of the detailed transactional investment manager reports for the third quarter, required for ratification in compliance with the Alberta Health Services Investment Bylaw.

### **Lloydminster LTC Project – Land Purchase**

The Alberta Health Services Board approved the purchase of 10.15 acres of land, legally described as: Plan 0928995, Block 32, Lot 9 (as part of SW 35-49-1-W4), for the amount of \$2.5M from the City of Lloydminster, for current and future development of Continuing Care spaces; subject to Ministerial approval and funding from total Provincial Support funds.

As part of the plan to increase continuing care capacity in Lloydminster and as per Alberta Health Services' agreement with the City of Lloydminster, the servicing of the land has been completed and Alberta Health Services is now fulfilling its commitment to purchase the serviced land from the City.

### **Third Quarter Financial Reports**

The Alberta Health Services Board approved the Third Quarter Financial Reports. The forecast is as of January 25, 2010.

The key results of the third quarter financial reports are as follows:

(millions)	YTD Actual	YE Forecast	YE Budget
Operating deficit	\$378	\$812	\$885
Accumulated deficit	\$767	\$1,238	\$1,273
Unrestricted cash	\$191	\$(612)	\$(921)

The reports can be viewed on the Alberta Health Services website at:  
<http://www.albertahealthservices.ca/1421.asp>.

## **Sale of Additional Northtown Seniors Housing Condominiums in Wetaskiwin, Alberta**

Approval for the sale of 14 units of Alberta Health Services–owned Northtown Seniors Housing Condominiums in Wetaskiwin to the Good Samaritan Society was received from the Alberta Health Services Board on May 28, 2009, and subsequent approval by the Minister of Health and Wellness was received on September 15, 2009. Between the time of the original request for decision and February 2010, an additional seven units have been bought back.

An endorsed Offer to Purchase for the sale of the originally approved fourteen and the additional seven for a total of twenty-one Northtown Seniors Housing Condominiums along with the “buy-back” option on the remaining sixteen units has been finalized.

The Alberta Health Services Board approved:

- (1) The request to the Minister of Health and Wellness seeking approval to sell an additional 7 Northtown Seniors Condominiums in Wetaskiwin to Good Samaritan Society for the total price of \$1,022,000.
- (2) The transfer of Alberta Health Services interests in the housing condominium development to the Good Samaritan Society subject to the adjustments in accordance with and upon the terms and conditions set out in the proposed Sale Agreement. (The sum of the original approval of \$2,080,400. + \$1,022,000 +\$30,000 = Total estimated proceeds to AHS of \$3,132,400.)

The Board delegated authority to the President and Chief Executive Officer to complete all transactions related to Alberta Health Services’ interests in this development.

## **Amendments to Health Advisory Council Bylaw and Charter**

During the course of developing the structure and reporting requirement of Health Advisory Councils, it became clear the role of Health Advisory Councils should be more specifically defined. The Health Advisory Committee has identified the need to update both the Bylaw and Charter to ensure the advisory role of Health Advisory Councils is clear and to better define the opportunities of Health Advisory Councils to engage with the Health Advisory Committee of the Board.

The Alberta Health Services Board approved the amendments to Health Advisory Council Bylaw and Charter.

## **OTHER BOARD ACTIVITIES IN EDMONTON**

In addition to the public meeting, the Board met as a Committee of the Whole, held a reception with Health Advisory Council 7, and toured the Glenrose Rehabilitation Hospital.

The next Public Board Meeting is scheduled to be held in Lethbridge on March 25, 2010. Please check the Alberta Health Services website for further information.