

# Office of the President and CEO, Capital Health Authority

## 2005 – 2008 Expenses

April 25, 2014

### Statement by Sheila Weatherill, former President and CEO of Capital Health

I am providing this statement on the pending release by Alberta Health Services of expense records of the Office of the President and CEO of the Capital Health Region for the calendar years 2005-2008, at which time I held that office. This is in response to three requests, under Alberta's Freedom and Information and Protection of Privacy Act (FOIP), for the disclosure of those expense records.

This statement, and the supporting report by a chartered accounting firm, is to inform and assure the public that all of these CEO Office expenses were incurred to conduct the assigned and mandated business of Capital Health. They were approved by the Capital Health Board, were within the approved annual budget and they complied with the mandate of the CEO Office. None of these public expenditures were of personal benefit to me. Decisions made, during these years, were made solely for the purpose of continually improving the organization.

It is important that the public have confidence that these expenditures were appropriate. Given the extensive information and detail contained in these documents, and the fact that the data was up to seven years old, the entire file has been reviewed in detail to confirm that the expense records complied with the mandate and policies of my office, and were duly approved.

The expense records provided to me by Alberta Health Services are composed of 1,296 photocopied pages of receipts, credit card statements and payment requisitions for the four years. The volume of these records makes the process of understanding the context, relevance and meaning of this information difficult. The documents include duplication, and are incomplete in some aspects, which can convey overstated and inaccurate information.

#### Accounting Review

To provide an independent and professional review of the records, I engaged the chartered accountant firm of Kenway Mack Slusarchuk Stewart LLP (KMSS) to tabulate, summarize and report on the expense information and documentation. The KMSS report is available [here](#).

#### Total expenditures and categories

According to the KMSS review, the expenses for the CEO Office averaged approximately \$36,765 per year, totalling about \$147,060 for the four years. However, some of these costs were non-Capital Health expenses that were reimbursed by third parties, resulting in a lower total and average, as noted below. For clarity and organizational purposes, the KMSS report details four categories of expenses: Office, General management and administration, Stakeholder relations and foundation activities and Travel outside the Capital Health Region. These categories are defined in the KMSS report and in APPENDIX 1.

<b>Expenses – Office of the President and CEO, Capital Health Authority</b>		
	<b>2005-2008 (\$)</b>	<b>Annual Average (\$)</b>
Office	16,588	4,147
General management and administration	58,374	14,594
Stakeholder relations and foundation activities	27,819	6,955
Travel outside the Capital Health Region	44,277	11,069
Sub-total before third party reimbursements	147,059	36,765
Third party reimbursements (not included in records) <sup>1</sup>	(11,739)	(2,935)
<b>Total</b>	<b>135,320</b>	<b>33,830</b>

1. As noted in the KMSS report, the \$147,059 total includes \$11,739 for travel costs that were reimbursed by non-Capital Health organizations. Therefore the average annual expenses were about \$33,830, or \$135,320 for the four years.

The KMSS report states that of the 46 unique payment requisitions, all but one, or 98 percent, contained appropriate signoffs by the Board Chair, Vice Chair for Capital Health, or Alberta Health Services after May 2008. The reason for the missing signoff is unknown.

As noted in the KMSS report, credit card statements included some items of a personal nature. It was found that these items were identified, reconciled and fully reimbursed on a regular basis.

The expense records include some unique expenditures that, seen in isolation, warrant a contextual explanation of their purpose in the Capital Health mandate. They are noted APPENDIX 1.

The average annual CEO Office expenses during these four years were appropriate, proportional to the role of the office and in line with the expectations of the organization at the time.

### **Operating a leading Canadian health authority**

On an annual basis during 2005-2008, Capital Health invested about \$2.5 billion to deliver health care to about 1 million Alberta residents in the Capital region and to many others from northern Alberta in need of complex care, such as trauma and neurosurgery.

Beyond the day-to-day costs of the CEO Office operation, my office routinely covered incidental costs involved in stakeholder relations with external organizations, primarily other health regions, all municipalities served by Capital Health, foundations raising funds for Capital Health and universities and other post-secondary institutions. This role also included occasional requests from the Government of Alberta to assist with hosting government visitors and events.

Operating the health system during these years of rapid growth in Alberta's economy included providing the human and physical infrastructure to support the people served by Capital Health. My office covered incidental costs associated with the national and international recruitment of senior physicians and professional staff. We worked in a highly competitive environment to attract and, to the best of our ability, retain badly needed staff. The CEO Office also supported aspects of major infrastructure and technical investments, including pioneering NetCare – Alberta's digital health record, and creating the home base for the Western Canadian Children's Heart Network, the Mazankowski Alberta Heart Institute, the Eastwood Community Health Centre, the Lois Hole Hospital for Women and many others.

As CEO, I was also invited from time to time to contribute advice and assist organizations outside the Capital Health region, which involved travel costs, some of which was reimbursed by third-party organizations.

I am proud of my tenure as CEO at Capital Health, and of the staff and physicians I was privileged to work with. They displayed conscious dedication to moving Capital Health forward and making the public health system an asset to the people of Edmonton and Alberta.

Sheila Weatherill  
Edmonton

[sheila.weatherill.edm@gmail.com](mailto:sheila.weatherill.edm@gmail.com)

## **KMSS report definitions of expense categories**

### **Office**

General expenses incurred in running the office not specifically related to Weatherill. Expenses include items such as stationery supplies and office equipment, office catering, staff support, professional development, conferences and periodic subscriptions.

### **General management and administration**

Day-to-day expenses incurred by the CEO in carrying out management and administrative responsibilities including travel within the Capital Health Region, meeting costs, telephone, organizational memberships, parking, working meals. Also included are recruiting costs for some senior physicians and professional staff, covering airfare, accommodation, hosting (e.g. attending Edmonton events such as Oiler games or arts performances with potential candidates).

### **Stakeholder relations and foundation activities**

Expenses incurred developing and enhancing relationships with external organizations, primarily other health regions, universities and other post-secondary institutions, municipal governments served by Capital Health and foundations raising funds for Capital Health. Costs include event expenses, catering, and also include certain one-time costs, primarily associated with the naming and fund raising for the multi-million dollar Mazankowski Alberta Heart Institute.

### **Travel outside the Capital Health Region**

Travel expenses incurred by the CEO and staff for travel, accommodation and meals outside the Capital Health Region including travel to health regions in Alberta, meetings with vendors, with other provincial health and government officials, health research agencies, professional associations and federal government officials.

## **Unique expenditures**

### **Fund raising for the Mazankowski Alberta Heart Institute**

The CEO Office incurred certain one-time costs associated with the naming of and fund raising for the multimillion dollar Mazankowski Alberta Heart Institute. The University Hospital Foundation Capital Campaign raised more than \$50 million of donor support towards the Institute.

### **Ticket repaid**

In the course of the document review, a \$200 expenditure for a ticket to a public speech on health policy by a federal government minister was found. This expense has been repaid by Weatherill to the Alberta Treasury, \$220, which represents the ticket cost, plus inflation.

### **Recruiting with Edmonton Oiler tickets**

Edmonton Oiler tickets and other event tickets were provided, from time to time, to potential recruits including physicians, to visitors and others.

### **Vacation Cancelled**

Weatherill was reimbursed a non-refundable, vacation deposit when she was asked to stay in Edmonton to work on a potential restructuring of health regions in Alberta.

### **Severance agreement payment not an expense of the CEO Office**

The file from AHS includes a \$16,000 payment which was part of the severance agreement negotiated and paid in the fall of 2008 several months after Weatherill left Capital Health. This was not an expense of the CEO Office.