



# The Alberta Teachers' Association

11010 142 Street NW, Edmonton, Alberta T5N 2R1

T 780-447-9400 or 1-800-232-7208

F 780-455-6481

[www.teachers.ab.ca](http://www.teachers.ab.ca)

Jason C Schilling  
President

Darrin A Bauer  
Vice-President

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2019 11 19

# COPY

## MOST URGENT

Mr Doug Wylie, FCPA, FCMA, ICD.D  
Auditor General of Alberta  
8th Floor, 9925 109 Street NW  
Edmonton AB T5K 2J8

Dear Mr Wylie

The Alberta Teachers' Association (ATA) is a cosponsor of the Alberta Teachers' Retirement Fund (ATRF). It is in my capacity as President of the ATA and on behalf of over 82,000 plan members, 48,000 of whom are active teachers, that I am writing to urgently request that you initiate an immediate review of provisions in Bill 22, *Reform of Agencies, Boards and Commissions and Government Enterprise Act, 2019*, that would place the assets of the ATRF under the exclusive management of the Alberta Investment Management Corporation (AIMCo).

The decision to place \$18 billion in ATRF assets under the control of AIMCo was made without prior consultation with ATA (or, apparently, ATRF) before the government announced its intentions in the budget address delivered on 2019 10 24. While staff of the President of Treasury Board and Minister of Finance have stated that Minister Toews is in possession of a business case supporting the government's position, it appears that this business case was authored by AIMCo and it has yet to be released to concerned parties or the public. Since the government's intentions became a matter of public controversy, it is apparent that there is little consensus around this issue: ATRF and AIMCo have been reporting very different metrics and results, and over 15,000 current and retired teachers have sent e-mail messages to the Minister and their own Members of the Legislative Assembly expressing their deep concern.

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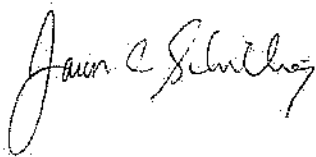
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Given the lack of prior consultation, the contested claims of ATRF and AIMCo, the magnitude of the funds involved and the vocal opposition of ATRF contributors/beneficiaries, it makes sense for the Auditor General, as the designated auditor for both AIMCo and ATRF, to immediately undertake an independent review of the proposed transfer of ATRF asset management to AIMCo. Specifically, I am requesting that you use the authority granted to you under the *Auditor General Act* to assess whether AIMCo's assumption of management control over ATRF assets is in the interests of the plan's beneficiaries (teachers) and in the interests of the plan sponsors (Government of Alberta and ATA), whether it would detract from the ATRF's ability to meet its fiduciary responsibilities, whether AIMCo is sufficiently independent from interference by governments of the day and what risks might be associated with/mitigated by the centralization of fund management.

Mr Wylie, I make this request with the deepest respect for your office and out of very real concern that the Government of Alberta is embarking on a course of action that may cause irreparable harm to the ATRF and to the interests of members of the Alberta Teachers' Association, past, present and future. Your immediate intervention and the conclusions of your investigation would provide objective guidance and assurance to all parties affected by this matter. You will appreciate that, with the impending passage of Bill 22 and the short timeline envisioned in the legislation for implementing the AIMCo takeover, time is of the essence.

Should you have any questions, please do not hesitate to contact me.

Yours sincerely



Jason C Schilling  
President

JCS/pm

cc The Honourable Travis Toews, President of Treasury Board and Minister of Finance  
Dennis E Theobald, Executive Secretary, ATA  
Sandra Johnston, Chair, ATRF  
Rod Matheson, Chief Executive Officer, ATRF  
Lorna McIlroy, President, Alberta Retired Teachers' Association (ARTA)  
Daniel Mulloy, Executive Director and Chief Executive Officer, ARTA  
Provincial Executive Council, ATA