



# Scrutiny

Newsletter of the Canadian Council of Public Accounts  
Volume II, Issue I, Fall 2000

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## Committee Reports Published

The **House of Commons** Standing Committee on Public Accounts tabled 14 reports, including reports on important issues such as:

- Management and administration of shared accountability programs, i.e. the National Child Benefit and Employability Assistance for Persons with Disabilities (Human Resources Development Canada)
- Management and administration of funding arrangements between the Department of Indian and Northern Affairs Canada and First Nations
- Non-compliance with conditions, and inadequate monitoring, with respect to the pre-licensing use of an anti-malarial drug (Department of National Defence, Health Canada)
- Efforts to improve the administration and management of activities related to the reintegration of offenders into Canadian society (Correctional Services Canada)
- The Public Accounts of Canada 1998-99
- The Office of the Auditor General of Canada's Annual Performance Report for the period ending March 31<sup>st</sup>, 1999
- Management of the contracting-out of non-core services to the private sector (Public Works and Government Services Canada, Department of National Defence)
- Collaborative arrangements relating to Phase II of the Canada Infrastructure Works Program, and follow-up of the audit pertaining to Phase I of the program
- The use of Advanced Contract Award Notices in sole-source contracting for professional services
- Elementary and Secondary Education (Indian and Northern Affairs Canada)
- New governance arrangements and their challenges to the principle of parliamentary control and accountability (i.e.) the Canadian Adaptation and Rural Development Fund

In the spring of 1999, the **Yukon** Standing Committee on Public Accounts tabled a report on the Y2K issue.

### **Nunavut's** Standing

Committee on Government

Operations and Services

contributed to the May 2000

"Joint Report of the Standing Committees of the Legislative Assembly of Nunavut on the 2000-2001 Budget and Departmental Business Plans of the Government of Nunavut".

**Alberta's** Standing Committee on Public Accounts tabled its annual report, outlining its membership and meeting schedule.

The **Québec** National Assembly's Committee on Public Administration submitted two reports on accountability, in December 1999 and June 2000. The reports summarize the work of the committee on the effectiveness of the administrative management of government departments and public bodies, and make a series of recommendations with a view to supporting the departments and bodies in their continued management improvement efforts. In addition, the committee heard 9 accountability cases, including 2 in the health care sector. The committee heard testimony from 15 deputy ministers and chief executive officers, and made 31 recommendations.

The Standing Committee on Public Accounts of the Legislative Assembly of **Ontario** presented 3 reports over the past 12 months. The first report (Sessional Paper No. 92, was the committee's Annual Report for 1998, which was presented and debated April 4, 2000.

The second report (Sessional Paper No. 121), presented and debated June 8, 2000, concerned the Andersen Consulting Contract. The third report regarding Provincial Personal Income Tax Revenue and Related Credits and Reductions (Sessional Paper No. 142) was presented and debated June 22, 2000.

## Committee Reports Published (continued)

**Newfoundland's** Standing Committee on Public Accounts has completed its Annual Report, which will be tabled when the House reconvenes.

In **British Columbia**, the Select Standing Committee on Public Accounts tabled 5 reports over the last year, addressing the following issues:

λ Y2K preparedness of the British Columbia

- The Office of the Auditor General's operations for the year 1997/98
- The public accounts, financial systems and controls, and financial management for 1997
- Protection of drinking water sources
- Management of government travel

- Executive severance practices in the British Columbia public service
- Trucking safety
- During adjournment of the House, the committee has also deposited with the Clerk of the House its 4<sup>th</sup> Report of the 4<sup>th</sup> Session, entitled "Training and Development in the British Columbia Public Service".

**New Brunswick's** Standing Committee on Public Accounts is expected to table a report to the House early in the Third Session of the Fifty-fourth Legislative Assembly, which is anticipated to open later this fall.

## Significant Procedural Issues Arising in Committees/Amendments to Standing Orders Governing Committee Procedure

On April 27, 2000, the Legislative Assembly of **Saskatchewan** amended the *Standing Orders* to permit temporary membership substitutions on a per meeting basis, upon the written consent of a permanent member of the committee.

## Significant Administrative Innovations

Because the **House of Commons** Standing Committee on Public Accounts is not able to hold hearings on all audits contained in the Auditor General's reports, a follow-up procedure has been utilized to ascertain what actions have been taken in response to audits. Prior to the summer recess, correspondence is sent from the Chair to all deputy ministers of audited departments who did not have the pleasure of appearing before the committee. Their answers are reviewed to determine whether or not the committee should take further action. In the fall of 1999, it was determined that responses received from 4 departments were unsatisfactory, and deputy ministers were contacted to request further information. Information gathered through this process is shared with the Auditor General, who uses it in the conduct of follow-up audits which are performed within 2 years of the initial audit. A similar process is used to follow up on the results of each report tabled by the committee - comprehensive government responses to those reports are reviewed to determine whether all recommendations have been considered, and all requested information has been provided. Further contact is made with deputy ministers in instances where gaps are discovered.

On April 4, 2000, **British Columbia's** Select Standing Committee on Public Accounts approved a similar follow-up process to allow it to track the progress made by government in dealing with recommendations of the Auditor General and

the Committee. The new streamlined procedure involves the committee receiving written progress reports from government organizations, generally 6 months following the committee's consideration of an issue, and determining if any further committee work is required, either in the form of written follow-up or further oral testimony. Committee staff have developed a database which will enable the status of all committee and Auditor General recommendations to be tracked, as well as the tracking of all other work related to the Select Standing Committee on Public Accounts.

In June 2000, **Québec's** Committee on Public Administration embarked on a pilot project concerning electronic notification of committee work. Prior to embarking on the project, some 50 notices on paper were required to be sent out. However, for work covering the period September to December 2000, committee members and other persons concerned were notified of committee work by means of a single electronic mail. The level of readership (99%) of the electronic notification indicates that the initiative seems promising.

During the past year, **Newfoundland's** Standing Committee on Public Accounts decided to publish its annual report as separate reports on each matter considered, rather than issuing a single volume report dealing with all hearings held by the committee.



## Significant Auditor General Reports Published

The Auditor General of **Canada** tabled 2 reports: September – November 1999 and April 2000, containing 32 chapters.

**Alberta's** Auditor General tabled his annual report for the year ended March 31, 2000.

The Auditor General of **Québec** tabled 3 reports. The first two reports ("Report to the National Assembly for the year 1998-99", and "Report to the National Assembly for the year 1999-2000") concerned resource optimization audits done in certain government departments. As well, a special report was published concerning the auditing of the financial statements of the Government of Québec for the fiscal year ended March 31, 1998. By law, the Auditor General may make a special report to the Assembly on any matter that, in the opinion of the Auditor General, is too important or urgent to await the presentation of his or her next annual report. Due to recurring delays in the publication of the public accounts by the Department of Finance, and the sizeable reserves recorded by the Auditor in the evidence of conformity issued in respect of the public accounts, the Auditor decided to present a special report to the Assembly prior to the date of presentation of his next report.

The Provincial Auditor of **Ontario** presented his 1999 Annual Report (Sessional Paper No. 1) on November 16, 1999.

The Auditor General for **Newfoundland** published his 1999 Report on Reviews of Departments and Crown Agencies, for the period ending March 31, 1999.

On February 17, 2000, in anticipation of legislation to amend the province's *Provincial Auditor Act*, **Saskatchewan's** Provincial Auditor issued a special report to the Legislative Assembly regarding changes to the Act.

**British Columbia's** Auditor General published 10 reports within the past year, entitled:

- "A Review of the Fast Ferry Project: Governance and Risk Management" (October 1999)
- "Forest Renewal BC: Planning and Accountability in the Corporation; The Silviculture Programs" (October 1999)
- "Report on the Preparedness of the Government of British Columbia in Dealing with the Year 2000 Problem" (October 1999)
- "Social Housing: The Governance of the British Columbia Housing Management Commission and the Provincial Rental Housing Corporation; The Management of Social Housing Subsidies" (November 1999)
- "Pulp and Paper Mill Effluent Permit Monitoring; Standards of Conduct in the Education and Health Sectors; Status of Public Accounts Committee Recommendations Relating to Prior Years' Compliance Audits" (November 1999)
- "Special Report - Financial Administration of Vote 1: Report Issued to the Speaker of the Legislative Assembly as Chair of the Legislative Assembly Management Committee" (January 2000)
- "Report on Government Financial Accountability for the 1998/99 Fiscal Year: Parts I and II" (February 2000)
- "Towards a More Accountable Government: Putting Ideas Into Practice" (March 2000)
- "1999/2000 Annual Report of the Auditor General of British Columbia: Auditing in the Public Interest" (June 2000)
- "Fostering a Safe Learning Environment: How the British Columbia School System is Doing" (June 2000)

The Auditor **General of New Brunswick** tabled his 1999 *Report of the Auditor General of New Brunswick (Volumes I and II)*.

## Significant Comptroller General Reports Published

In response to a request made by **Saskatchewan's** Standing Committee on Public Accounts in November 1998, that province's Comptroller tabled a document entitled "A Process for Achieving Appropriate Public Disclosure for Government Organizations" on June 22, 2000.



## Matters Currently Under Review

**Ontario's** Standing Committee on Public Accounts is currently writing reports concerning the Family Responsibility Office – Attorney General (Section 3.01 of the 1999 Provincial Auditor's Annual Report), and Provincial Highway Maintenance – Transportation (Section 3.14 of the 1999 Provincial Auditor's Annual Report).

**Saskatchewan's** Standing Committee on Public Accounts has been engaged in a review of the process used for appointment of a Provincial Auditor, following the resignation of Wayne Strelloff, British Columbia's new Auditor General. During its consideration, the committee has also been examining other proposed changes to the *Provincial Auditor Act*, as advocated by both the Office of the Provincial Auditor and the Minister of Finance's Provincial Auditor Advisory Committee. In considering the Provincial Auditor's special report on the matter, as well as a document prepared by the Provincial Auditor Advisory Committee, the committee heard testimony in June 2000 from the province's Acting Provincial Auditor, Fred Wendel (previously Deputy Provincial Auditor for Saskatchewan), and members of the advisory committee. These documents dealt with important issues affecting the appointment process and mandate for the Provincial Auditor, as well as the operating principles of the Standing Committee on Public Accounts. For example, a major recommendation proposed by the advisory committee was to formally establish that committee in an advisory role to the Standing Committee on Public Accounts, to assist with selection of a new Provincial Auditor, review of the Provincial Auditor's budget and annual report, provide advice on other issues, and facilitate discussion and resolution of issues between the Provincial Auditor and the Department

## Items of Interest

In March 1999, the **House of Commons** Standing Committee on Public Accounts established a Sub-committee on International Financial Reporting Guidelines and Standards for the Public Sector. The committee met 7 times between November 1999 and May 2000, in order to discuss sub-committee business and to hear testimony from witnesses representing the Canadian Comprehensive Auditing Foundation, the Institute on Governance and the Office of the Auditor General. In May 2000, the sub-committee travelled to Washington D.C., and met with representatives of various international financial institutions and the U.S. Congress. The sub-committee plans to submit a final report to the Standing Committee on Public Accounts for tabling in the House in the fall of 2000.

of Finance and Crown Investments Corporation. The Standing Committee on Public Accounts has not yet come to any conclusions on these issues.

**British Columbia's** Select Standing Committee on Public Accounts is currently drafting reports regarding Auditor General reports reviewed within the last year, regarding issues such as the management of woodlot licences (Ministry of Forests), planning, accountability and silviculture programs in Forest Renewal BC, governance and risk management of the fast ferry project, and social housing.

In **New Brunswick**, by tradition, all government departments appear annually before the Standing Committee on Public Accounts of the Legislative Assembly for review. Departments are represented by their deputies and senior staff. Ministers do not appear. Generally the committee meets when the House is not in session. Committee meetings are open to the public, except for *in camera* sessions to allow for deliberations leading to a report to the House. During the past year, the committee has been meeting jointly with the Standing Committee on Crown Corporations to receive and review the *1999 Report of the Auditor General of New Brunswick*. On December 7, 1999, Auditor General Daryl Wilson appeared before the committee to present Volume I of his report and answer questions posed by committee members. The two committees met jointly again on February 22, 2000 to discuss Volume II of the report. A total of 11 meetings were held from January to March 2000, to review the public accounts, annual reports and financial statements of the various government departments for the fiscal year 1998/99. Another 4 meetings were held in September to complete the committee's mandate.

A parliamentary committee reform project underway in **Québec** has noted the convincing results obtained by that province's Committee on Public Administration, created in April 1997. In addition to the regular accountability work already done by that committee, it will be intensifying its monitoring of previous work, and reconvening any public office holders concerned if need be. For example, in the fall of 2000, the committee will consider the Public Curator, and the fund to combat poverty through reintegration into the labour market. The activities of the committee have required an increase in research requirements. Over the past year, the amount of research service the committee requires of the National Assembly's Research Department has increased from 1.5 to 2.5 person-years.



## Forthcoming Business

The **House of Commons** Standing Committee on Public Accounts will consider reports of the Auditor General of Canada scheduled to be tabled in the House in October and December 2000.

In late 2000/early 2001, **Nunavut's** Standing Committee on Government Operations and Services will be reviewing Nunavut's first set of public accounts, and the Auditor General of Canada's first report on audits related to Nunavut.

During the upcoming fall session, **Alberta's** Standing Committee on Public Accounts plans to conduct regular meetings with the Auditor General, Provincial Treasurer and cabinet ministers to review the Auditor General's annual report, and the ministry annual reports.

The National Assembly of **Québec's** Committee on Public Administration will be resuming its activities in September 2000, and will hear 8 accountability cases regarding 6 departments convened in June 2000. In December, the committee will plan its activities for the period January to June 2001.

The Standing Committee on Public Accounts in **Ontario** is planning to conduct further review of sections of the 1999 Provincial Auditor's Annual Report.

**Newfoundland's** Standing Committee on Public Accounts will be meeting in the fall of 2000 to hold hearings on issues raised in the most recent annual report of the Auditor General.

In **Saskatchewan**, the Standing Committee on Public Accounts will be resuming its consideration of matters related to the Provincial Auditor, such as appointment of a new Provincial Auditor, changes to the *Provincial Auditor Act*, and the necessity of an Audit Advisory Committee.

The Select Standing Committee on Public Accounts of the Legislative Assembly of **British Columbia** will be meeting throughout the fall and early winter 2000 to resume its consideration of the Auditor General's report concerning the 1998/99 Public Accounts, as well as to discuss items such as earthquake preparedness, safety in B.C.'s schools, the operations of the Office of the Auditor General for 1999/00, and the monitoring of credit unions and trust companies (*Financial Institutions Act*).

### Useful Websites

#### Accounting and Auditing Organizations:

Canadian Institute of Chartered Accountants - <http://www.cica.ca>  
Institute of Chartered Accountants in Australia - <http://www.icaa.org.au>  
United Kingdom Accounting Standards Board - <http://www.asb.org.uk>  
United Kingdom Auditing Practices Board - <http://www.apb.org.uk>  
Association of Chartered Accountants in the U.S. - <http://www.acaus.com>

#### Public Administration and Management Organizations:

Institute of Public Administration of Canada - <http://www.ipaciapc.ca>  
American Society for Public Administration - <http://www.aspanet.org>  
Institute of Public Administration Australia - <http://www.sunsite.anu.edu.au/community/ipaa/>  
The Commonwealth Association for Public Administration and Management - <http://www.capam.comnet.mt/>  
Public Management Research Centre (Canada) - <http://www.infoweb.magi.com/~pmrc/>

#### Miscellaneous:

Coalition for Effective Change (an alliance of associations representing current and retired U.S. federal managers, executives, and professionals) - <http://www.effective-change.org>



## New Chairs and Members

New members were appointed to **Ontario's** Standing Committee on Public Accounts on November 1, 1999, as follows:

- **John Gerretsen** (LIB/Kingston and the Islands; Elected Chair November 4, 1999)
- **John Cleary** (LIB/Stormont-Dundas-Charlottenburgh; Elected Vice-Chair November 4, 1999)
- **John Hastings** (PC/Etobicoke North)
- **Shelley Martel** (ND/Nicket Belt)
- **Bart Maves** (PC/Niagara Falls)
- **Julia Munro** (PC/York North)
- **Marilyn Mushinski** (PC/Scarborough Centre)
- **Richard Patten** (LIB/Ottawa Centre)

A general election was held in the **Yukon** on April 17, 2000. Membership of the Standing Committee on Public Accounts is as follows:

- **Trevor Harding** (Convenor)(NDP/Faro)
- **Peter Jenkins** (Yukon Party/Klondike)
- **Cynthia Tucker** (Liberal/Mount Lorne)
- **Eric Fairclough** (NDP/Mayo-Tatchun)
- **Scott Kent** (Liberal/Riverside)

It is anticipated that the committee's first meeting will be held in the late fall of 2000.

## New Auditors General

**British Columbia** has a new Auditor General. On March 15, 2000 **Wayne Strelieff** was appointed to the position. Prior to that, Mr. Strelieff served as Saskatchewan's Provincial Auditor from 1990 onward. He has also held positions with the Canadian Institute of Chartered Accountants and British Columbia's Treasury Board staff.

With the departure of Wayne Strelieff to British Columbia, **Fred Wendel** has assumed the position of **Saskatchewan's** Acting Provincial Auditor, as of May 2000.

**Peter Valentine** was recently re-appointed for a two-year term as Auditor General of **Alberta**, from March 1, 2001 to February 28, 2003.

## New Comptrollers General

In April 2000, former Deputy Minister of Agriculture **Frank Claydon** was appointed as Secretary of the Treasury Board and Comptroller General of **Canada**.

**Nathalie Tremblay** was appointed as **Québec's** Assistant Deputy Minister and Comptroller of Finance, Ministère des Finances, on November 15, 1999. Ms. Tremblay replaces André Fiset, who was appointed Deputy Minister of Revenue.

**Saskatchewan's** Standing Committee on Public Accounts has a new Chair and Vice-Chair. On February 29, 2000 **Ken Krawetz** (Saskatchewan Party/Canora-Pelly) was appointed Chair, while **Pat Lorje** (NDP/Saskatoon Southeast) was appointed Vice-Chair on June 1, 2000.

Membership on **British Columbia's** Select Standing Committee on Public Accounts has changed slightly within the past year, with new members **Dennis Streifel** (NDP/Mission-Kent) and **David Zirnhelt** (NDP/Cariboo South) being appointed on April 3, 2000, and newly-elected **Val Roddick** (Liberal/Delta South) being appointed on July 6, 2000.

**New Brunswick's** Standing Committee on Public Accounts was appointed on July 6, 1999, consisting of 9 government members, 4 members of the official opposition, and one NDP member. At the committee's first meeting of the 54<sup>th</sup> Legislative Assembly, held on August 12, 1999, **Sheldon Lee** (Lib/Charlotte) was elected Chair, and **David Jordan** (PC/Grand Lake) was elected Vice-Chair. During the committee's first meeting, members participated in an information and training session conducted by the Office of the Clerk with the participation of the Office of the Auditor General.



## New Committee Clerks

In January 2000, **Bernard G. Fournier** returned as Clerk of the **House of Commons** Standing Committee on Public Accounts.

On May 1, 2000, **Marie-Renée Beaulieu** replaced **Alain Major** as Committee Clerk to **Québec's** Committee on Public Administration. Mr. Major has been appointed as co-ordinator of the National Assembly's Committee Secretariat.

Effective October 1999, **Tonnia Grannum** is the new Committee Clerk to **Ontario's** Standing Committee on Public Accounts.

**Margaret Woods** will replace **Greg Putz** as Clerk to **Saskatchewan's** Standing Committee on Public Accounts in the fall of 2000.

## Selected Reports and Documents - International

### United Kingdom – Public Accounts Committee Reports

- Thirty-seventh Report, “The Office of Fair Trading: Protecting the Consumer from Unfair Trading Practices” (August 30, 2000)
- Thirtieth Report, “Compensating Victims of Violent Crime” (August 2, 2000)
- Twenty-second Report, “Highways Agency: Getting Best Value from the Disposal of Property” (June 15, 2000)
- Twenty-first Report, “Government on the Web” (June 14, 2000)

### United Kingdom - National Audit Office Publications

- “Supporting Innovation: Managing Risk in Government Departments” (August 17, 2000)
- “Financial Management of the European Union” (April 28, 2000)
- “Compensating Victims of Violent Crime” (April 14, 2000)
- “Good Practice in Performance Reporting in Executive Agencies and Non-Departmental Public Bodies”

### United States General Accounting Office Publications

- “Computer Security: FAA is Addressing Personnel Weaknesses, But Further Action is Required” (May 31, 2000)
- “Child Welfare: New Financing and Service Strategies Hold Promise, But Effects Unknown” (July 20, 2000)
- “On-Line Trading: Better Investor Protection Information Needed on Brokers' Web Sites” (May 9, 2000)
- “Homelessness: Barriers to Using Mainstream Programs” (July 6, 2000)
- “Sales Taxes: Electronic Commerce Growth Presents Challenges; Revenue Losses are Uncertain” (June 30, 2000)

### Australia – Public Accounts Committee Reports and Documents

- “Issues Paper for Follow-Up Inquiry into Environmental Accounting and Reporting”, Parliament of Victoria, Public Accounts and Estimates Committee (June 2000)
- “State Budget Estimates Information and Process in the Legislative Assembly”, Parliament of Western Australia, Public Accounts Committee (May 25, 2000)

### Australia – National Audit Office Publications

- “Commonwealth Assistance to the Agrifood Industry” (July 24, 2000)
- “The Management of Tax Debt Collection” (December 20, 1999)

# Contributors

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**Donald Forestell** – Clerk Assistant – Legislative Assembly of New Brunswick

**Bernard Fournier** – Committee Clerk – House of Commons

**Missy Follwell** – Deputy Clerk of the Assembly – Yukon Legislative Assembly

**Tonia Grannum** – Clerk of the Committee – Legislative Assembly of Ontario

**JoAnn McKerlie-Korol** – Clerk Assistant/Clerk of Committees – Legislative Assembly of Manitoba

**Elizabeth Murphy** – Clerk Assistant – Newfoundland and Labrador House of Assembly

**Gregory Putz** – Deputy Clerk – Legislative Assembly of Saskatchewan

## CCPAC 2000 Handbook

The new CCPAC Handbook for 2000 has been distributed to all Council members, and is also available on the CCPAC web site. The handbook contains useful information about the CCPAC, Canadian Public Accounts Committees' membership and staff, as well as conferences. Many thanks to Mary Newell at the Legislative Assembly of British Columbia's Office of the Clerk of Committees for her work on the new handbook.

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## Scrutiny

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*It is expected that two issues of Scrutiny will be published each year, and will be available in hard copy as well as on CCPAC'S newly re-designed website at: <http://www.ccpac.ca>*