

**CANADIAN COUNCIL OF
PUBLIC ACCOUNTS COMMITTEES/
CANADIAN COUNCIL OF
LEGISLATIVE AUDITORS
ANNUAL CONFERENCE**

Hosted by the Legislative Assembly of Ontario

**Niagara-on-the-Lake, Ontario
August 21–23, 2005**



**CONSEIL CANADIEN DES
COMITÉS DES COMPTES PUBLICS /
CONSEIL CANADIEN DES
VÉRIFICATEURS LÉGISLATIFS
CONFÉRENCE ANNUELLE**

Organisée par l'Assemblée législative de l'Ontario

**Niagara-on-the-Lake, Ontario
du 21 au 23 août 2005**

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Program

Monday 22 August 2005

9:00 a.m. – 9:15 a.m.

Joint CCPAC/CCOLA Opening Ceremonies

9:15 a.m. – 10:30 a.m.

Joint CCPAC/CCOLA Opening Session

Topic: Prescription for Excellence: Innovation is the Cure for what Ails Medicare

Guest Speaker: Dr. Michael Rachlis, M.D.; Private Consultant, Health Policy Analysis

11:00 a.m. – 12:00 p.m.

Second Business Session

Topic: Governance in the Public Service of Canada – Ministerial and Deputy Ministerial Accountability

Chair: Hunter Tootoo, MLA, Chair, Standing Committee on Government Operations and Accountability (Nunavut)

Presenters:

John Williams, MP, Chair, Standing Committee on Public Accounts (House of Commons, Ottawa)

David Christopherson, MP, Member, Standing Committee on Public Accounts (House of Commons, Ottawa)

Hon. Walt Lastewka, MP, Member, Standing Committee on Public Accounts (House of Commons, Ottawa)

12:00 p.m. – 1:30 p.m.

Joint Luncheon with CCOLA delegates

Topic: Canadian Council of Health Services Accreditation – A Key Health Care Accountability Tool

Guest Speaker: Ms. Wendy Nicklin, President and CEO, Canadian Council of Health Services Accreditation

1:30 p.m. – 3:00 p.m.

Third Business Session

Topic: Reports from Jurisdictions

Chair: Norm Sterling, MPP, Chair, Standing Committee on Public Accounts (Ontario)

Presenters:

Nunavut

Newfoundland and Labrador

Prince Edward Island

Quebec

House of Commons, Ottawa

British Columbia

Yukon

New Brunswick

3:30 p.m. – 5:00 p.m.

Fourth Business Session

Topic: Reports from Jurisdictions (*continued*)

Co-Chairs:

Norm Sterling, MPP, Chair, Standing Committee on Public Accounts (Ontario)

Ron MacKinley, MLA, Chair, Standing Committee on Public Accounts (Prince Edward Island)

Presenters:

Ontario

Nova Scotia

Saskatchewan

Manitoba

Alberta

Northwest Territories

Nigeria

Tuesday 23 August 2005

9:00 a.m. – 10:00 a.m.

Joint CCPAC/CCOLA Session

The John J. Kelly Forum

Topic: Results of CCAF's Research on Parliamentary Oversight – Committees and Relationships

Presenters:

Michael Eastman, CCAF

Libby MacRae, CCAF

Dan Rubenstein, CCAF

Jean-Paul Gobeil, CCAF

10:30 a.m. – 12:00 p.m.

Joint CCPAC/CCOLA Session

The John J. Kelly Forum – Breakout Groups and Reporting Back

Programme

Lundi 22 août 2005

9 h 00 à 9 h 15

Cérémonie d'ouverture mixte CCCCPC et CCVL

9 h 15 à 10 h 30

Séance d'ouverture mixte CCCCPC et CCVL

Sujet : Excellence sur ordonnance : l'innovation est le remède aux maux de l'assurance maladie

Conférencier : Dr. Michael Rachlis; expert-conseil indépendant, analyste des politiques de la santé

11 h 00 à 12 h 00

Deuxième séance de travail

Sujet : La gouvernance dans la fonction publique du Canada – Obligation ministérielle et sous-ministérielle de rendre des comptes

Présidence : Hunter Tootoo, député; président, Comité permanent des activités gouvernementales et de la reddition de comptes (Nunavut)

Intervenants :

John Williams, député; président, Comité permanent des comptes publics (La Chambre des communes, Ottawa)

David Christopherson, député; membre, Comité permanent des comptes publics (La Chambre des communes, Ottawa)

L'hon. Walt Lastewka, député; membre, Comité permanent des comptes publics (La Chambre des communes, Ottawa)

12 h 00 à 13 h 30

Déjeuner avec les délégué(e)s du CCVL

Sujet : Le Conseil canadien d'agrément des services de santé – Un outil essentiel permettant d'évaluer la qualité des soins de santé offerts par un organisme.

Invitée : Ms. Wendy Nicklin, Présidente et PDG du Conseil canadien d'agrément des services de santé

13 h 30 à 15 h 00

Troisième séance de travail

Sujet : Rapports des provinces et des territoires

Présidence : Norm Sterling, député, président, Comité permanent des comptes publics (Ontario)

Intervenants :

Nunavut

Terre-Neuve-et-Labrador

Île-du-Prince-Édouard

Québec

La Chambre des communes, Ottawa

Colombie-Britannique

Yukon

Nouveau-Brunswick

15 h 30 à 17 h 00

Quatrième séance de travail

Sujet : Rapports des provinces et des territoires (*suite*)

Co-présidence :

Norm Sterling, député; président, Comité permanent des comptes publics (Ontario)

Ron MacKinley, député; président, Comité permanent des comptes publics (Île-du-Prince-Édouard)

Intervenants :

Ontario

Nouvelle-Écosse

Saskatchewan

Manitoba

Alberta

Territoires du Nord-Ouest

Nigeria

Mardi 23 août 2005

9 h 00 à 10 h 00

Séance mixte CCCCP et CCVL

Forum John J. Kelly

Sujet : Résultats des recherches de la FCVI sur le contrôle parlementaire – comités et rapports

Intervenants :

Michael Eastman, FCVI

Libby MacRae, FCVI

Dan Rubenstein, FCVI

Jean-Paul Gobeil, FCVI

10 h 30 à 12 h 00

Séance mixte CCCCP et CCVL

Forum John J. Kelly – Travail en groupes et rapports

DELEGATES / DÉLÉGUÉ(E)S

PARLIAMENT / PARLEMENT

NAMES AND TITLES / NOMS ET TITRES

Alberta	George VanderBurg, MLA; Deputy Chair, Standing Committee on Public Accounts Dave Rodney, MLA Len Webber, MLA Doug Griffiths, MLA Corinne Dacyshyn, Committee Clerk
British Columbia / Colombie-Britannique	Rob Fleming, MLA Kate Ryan-Lloyd, Clerk Assistant
House of Commons / La Chambre des communes	John Williams, MP; Chair, Standing Committee on Public Accounts / député; président du Comité permanent des comptes publics Dean Allison, MP / député David Christopherson, MP / député Brian Fitzpatrick, MP / député Sébastien Gagnon, MP / député Daryl Kramp, MP / député Hon. Walt Lastewka, MP / député Elizabeth Kingston, Committee Clerk / greffière du comité Brian O'Neal, Analyst / analyste Marc-André Pigeon, Analyst / analyste
Manitoba	Jack Reimer, MLA; Chairperson, Standing Committee on Public Accounts Jim Maloway, MLA; Vice-Chairperson, Standing Committee on Public Accounts John Loewen, MLA
New Brunswick / Nouveau-Brunswick	Frank Branch, MLA; Chair, Standing Committee on Public Accounts / député; président du Comité permanent des comptes publics Milton Sherwood, MLA; Vice-Chair, Standing Committee on Public Accounts / député; vice-président du Comité permanent des comptes publics Eric Allaby, MLA / député John Betts, MLA / député Rick Brewer, MLA / député Donald Forestell, Clerk Assistant and Clerk of Committees / greffier adjoint et greffier des comités
Newfoundland and Labrador / Terre-Neuve-et- Labrador	Harry Harding, MHA; Vice-Chair, Standing Committee on Public Accounts Percy Barrett, MHA Ray Hunter, MHA Wallace Young, MHA Mark Noseworthy, Manager of Financial Operations
Northwest Territories / Territoires du Nord- Ouest	Kevin Menicoche, MLA; Chair, Standing Committee on Accountability and Oversight Robert Hawkins, MLA, Deputy Chair, Standing Committee on Accountability and Oversight Colette Langlois, director, Research Services
Nova Scotia / Nouvelle-Écosse	Graham Steele, MLA; Chairman, Standing Committee on Public Accounts Jim DeWolfe, MLA; Vice-Chairman, Standing Committee on Public Accounts Mora Stevens, Committee Clerk
Nunavut	Hunter Tootoo, MLA; Chair, Standing Committee on Government Operations and Accountability Keith Peterson, MLA; Co-Chair, Standing Committee on Government Operations and Accountability Nancy Tupik, Committee Clerk Alex Baldwin, committee researcher

Office of the Auditor General of Canada / Bureau du vérificateur général du Canada Ontario	Jocelyne Therrien, Parliamentary Liaison / liaison parlementaire Norm Sterling, MPP; Chair, Standing Committee on Public Accounts / député; président du Comité permanent des comptes publics Jim Flaherty, MPP / député Dave Levac, MPP / député Richard Patten, MPP / député Liz Sandals, MPP / députée David Zimmer, MPP / député Susan Sourial, Committee Clerk / greffière du comité Ray McLellan, legislative research officer / recherchiste
Prince Edward Island / Île-du-Prince-Édouard	Ron MacKinley, MLA; Chair, Standing Committee on Public Accounts Jim Bagnall, MLA; Vice-Chair, Standing Committee on Public Accounts Marian Johnston, Clerk Assistant and Clerk of Committees
Quebec / Québec	Rita Dionne-Marsolais, MAN; présidente de la Commission de l'administration publique France Hamel, MAN Agnès Maltais, MAN Jean Rioux, MAN Nancy Ford, greffière de la commission
Saskatchewan	Elwin Hermanson, MLA; Chair, Standing Committee on Public Accounts Lon Borgerson, MLA; Deputy Chair, Standing Committee on Public Accounts Ken Cheveldayoff, MLA Kim Trew, MLA Margaret Woods, Clerk Assistant
Yukon	Floyd McCormick, Deputy Clerk
Nigeria	Adeyemi Oluwole, Member, House of Representatives; Chair, Public Accounts Committee Patrick Giwa

**CANADIAN COUNCIL OF
PUBLIC ACCOUNTS COMMITTEES
26th ANNUAL CONFERENCE**

Monday 22 August 2005

*The conference met at 0905 at Queen's Landing Inn,
Niagara-on-the-Lake.*

OPENING CEREMONIES

CÉRÉMONIE D'OUVERTURE

Mr. Jim McCarter: Good morning, everyone. I'm Jim McCarter, the Auditor General of Ontario. I probably saw most of you last night at the reception. I'd like to welcome you to the conference this morning. I'm going to turn it over in a second to my colleague Norm Sterling, the Chair of the Ontario standing committee on public accounts, to say a few words.

I just have a couple of administrative matters I'd like to lead off with. I think Dr. Rachlis will be speaking mostly in English this morning, but if you would like an interpretation device, they're over there on the table by the exit sign, where you came in.

We're recording this session in Hansard. I think we will have 10 or 15 minutes at the end for a Q&A, so if you do have any questions or you would like to say anything, could you introduce yourself for Hansard before you speak?

Finally, you'll see some buttons on the microphone in front of you. You don't have to worry about those. When you put your hand up, our good people here basically will work the mikes for us and turn the mikes on and off.

As well, you'll see we have two or three microphones spread around the room. Again, if you'd like to say anything when we have questions and answers, just pop up and speak into the mike, or if you have a loud voice you may not need a mike.

Before I introduce Dr. Rachlis, I'd like to turn it over to Norm Sterling, the Chair of our public accounts committee in Ontario.

Mr. Norm Sterling: As last night, may I welcome you all to our province. Thank you very much for travelling and coming here today.

I'd like to say a special welcome to the chairman of the public accounts committee and the clerk of the public accounts committee of the Nigerian House of Representatives. Welcome to Canada and welcome to Ontario. I understand they will be travelling to Ottawa after our conference and visiting with the Auditor General's office in Ottawa as well.

**CONSEIL CANADIEN DES
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26^e CONFÉRENCE ANNUELLE**

Lundi 22 août 2005

I don't know how this happened, but we have among our group the Auditor General for Bermuda. I think we should all go there next year, don't you?

At any rate, as you have discovered, there is a limited number of seats around the table. We would ask you to share those per your own desires in your own area, but it was generally thought that it would be the Chair of the public accounts committee and the Auditor General from each territory, district, province or country who would occupy those seats.

I look forward to this conference. I think we can all learn something from each other. We all do our business a little bit differently. Ontario has embarked on some new and interesting paths for the future. I hope to share those with you, but I also hope to learn from each and every one of you about what is working in your jurisdiction, and I hope to learn something from the report of our federal colleagues later this morning.

Let's have a great conference, and let's all be able to produce more for our people for the money we spend on them.

**PRESCRIPTION FOR EXCELLENCE:
INNOVATION IS THE CURE FOR
WHAT AILS MEDICARE**

**EXCELLENCE SUR ORDONNANCE :
L'INNOVATION EST LE REMÈDE AUX
MAUX DE L'ASSURANCE MALADIE**

Mr. McCarter: Just by way of timing—I'm sure you've got the agenda—we'll be going from now to around 10:30. We're going to break at 10:30 for half an hour for a coffee/health break, and then we're splitting up into our respective groups: the auditors and the legislative public accounts committees.

You'll notice on the agenda that we've got a bit of an emphasis on health care. We've certainly found in Ontario that health care is, I guess I'd say the right word is, devouring an increasingly high percentage of our provincial budget. Across Canada, if we exclude the Northwest Territories, Nunavut and Yukon, health, as a percentage of the provincial budget, goes from 28% in Quebec, which is the lowest, up to Ontario and British Columbia, who are both spending about 37% of their expenditures on health care.

0910

Consequently, we thought it would be interesting this morning to have one of the leading proponents of policy in the health care area, Dr. Michael Rachlis, come and address our conference and give us some of his thoughts. A number of you have a copy of his book, *Prescription for Excellence in Health Care*, in front of you. Dr. Rachlis is a well-known speaker on this issue across Canada. He's been engaged by, I think, every province in Canada and by the federal government.

By way of background—I'm looking for Manitoba there—Dr. Rachlis was born in Winnipeg and did get his doctor's degree from the University of Manitoba in 1975. After that, he went to McMaster University, and spent quite a bit of time in Toronto working in the community health care field. He's been a private consultant in health policy analysis for some time. As I mentioned, he's widely engaged by the provinces to consult in the area of policy in health care. Dr. Rachlis is also an associate professor in the department of health policy management and evaluation at the University of Toronto. He lectures widely. He has appeared before a number of parliamentary committees both at the provincial and federal levels. He has written three books, this being his third.

I'm going to turn it over to Dr. Rachlis. I know he will be giving us about 10 or 15 minutes at the end of his presentation for questions.

Dr. Michael Rachlis: Thank you very much, Jim. I'm mainly going to be wandering around, if that's OK. My mike is on now and seems to be working.

I'd like to thank Jim and his colleagues very much for inviting me to speak to you this morning. It's a real pleasure for me to address you folks. I spend most of my time trying to convince people that we could get better value for money out of our health system, but I'm usually talking to people whose interests in that area are sometimes tangential to mine; in other words, I think it's always easier to get more money for what you're already doing than to change what you're doing. So I'm very pleased to be in a room with 100 or so people in Canada who have the major responsibility to ensure good value for money. I'm sure my father, who's now a retired accountant, would be delighted to see me presenting to you today.

First of all, I just want to let you know that there is an electronic copy of my presentation on this computer. It has been left for folks, so all of you can have it if the people at the meeting want to arrange that. If you want to get a copy of it directly, you can e-mail me through my Web site, which I've noted on the front slide: www.michaelrachlis.com.

The outline for my presentation today is: Where has Canadian medicare been? Where is it now? Where should it be going? I want to make the case to you that quality is the problem. Quality is the problem with the delivery of health care services and with the state of health care services for patients, and it's responsible for any cost-control problems we've got. And innovation is the cure.

Where has medicare been? Up until about 1960, Canadians and Americans had similar systems and similar health. It's important, when we get into discussions about why we can't do things like Singapore and why we can't be more like France, that we each remember where we've come from. Up until about 1960, Canadians, like Americans, mainly got their health insurance from their workplace. Of course, roughly half of Canadians had no medical insurance when it was finally brought in at the national level.

Governments increasingly began to pick up the cost for people who could not get private insurance. This maybe foreshadows some discussion of the Chaoulli case, because, of course, the people who most need health care will never be able to get private insurance for it.

Saskatchewan led the way with a program for cancer. A lot of provinces developed treatments for tuberculosis, sexually transmitted diseases etc. Then in the 1950s and 1960s, both Canada and the United States went through the same national debate about what they should do next. In the United States they continued their old way, where the government did not go for a national insurance plan. Rather, they solidified what they had in the past, where people had private insurance—that's how they got their health insurance—mainly from their workplace. But the people who couldn't get private insurance—people who were elderly or had chronic disease—were starting to be covered by the US medicare program. The US medicare program, developed in 1965, covers people over 65 and people with certain conditions like chronic kidney disease. On the other hand, in Canada we went for a national health insurance program, and there's some history to that that I will mention in the next few slides.

We need to remember that that's where we came from. So when we talk about changing our health system and the suggestion of, "Why can't we be more like the Swedes?" or, "Why can't we be more like Singapore?", it's likely that if we start to change our system it's going to be more like the American system, because that's where it came from.

How have we done, given that we started with very similar health systems, very similar health status, and spent the same amount of money on our health systems? Bob Evans, a very well-known health economist from UBC, says that we have been engaged in an uncontrolled experiment in North America for the last 50 years where two countries that are arguably more similar than any other two countries in the world have gone different ways in their health programs.

What has been the result? Canada now spends substantially less on health care, but we usually get more. This slide shows Canadian and US spending on health care as a share of GDP.

My father wanted me to be an economist, so my middle name is Maynard, after John Maynard Keynes. I only got a little bit of training in economics during my community medicine days. But for those of you who aren't economists in the audience, economists would

generally say, “If you want to measure the affordability or the sustainability of any individual item in your expenditure, look at the percentage of your overall income that it’s taking.” My friend Carol Kushner would say, “It’s not a problem for a woman to have a \$2,000-a-month shoe habit”—she likes her shoes—“if the woman’s annual income is \$250,000 a year. But if her annual income is only \$50,000 a year, spending \$2,000 a month on shoes is going to start to pinch the budget as much as her feet.”

So if we look at the percentage of our overall economy that we’re spending in Canada and in the US on health care, you can see that up until 1970, when we fully implemented medicare in Canada, both countries were spending about 7% of their GDP on health care. After we implemented medicare—and I guess 1971 was when the last province bought into the federal program—the lines began to splay.

This is based on the most recent OEC data, which go up to 2003. Looking at the preliminary national data from the US and Canada, we’re looking at the US spending probably around 15% of GDP on health care this year; Canada around 10%. Again, there’s some imprecision, not only because of the health care cost estimates, but because it’s a ratio. We’re also dealing with what the GDP is going to be. So there’s about a 5% difference in GDP spending between the two countries. As I said, actually most of the time we get more than the US. We have fewer doctors per capita but we have more visits to doctors per capita in Canada. We have more days in hospital. We spend more days in nursing homes on average than Americans. We take more prescription drugs per capita than Americans do. Not all of these things are necessarily good, but it doesn’t look like we’re unduly suffering because we don’t spend a lot more money. We do get fewer high-tech services: We get less heart surgery; we have fewer MRI scans. But on the other hand, even in the high-tech area, we sometimes do more than the Americans. Toronto is one of the international centres for lung transplant surgery. We do more lung transplants than the Americans do. We do more bone marrow transplants per capita than the Americans do.

About 50% of that difference in expenditure is due to the increased costs of administration of the US private system. Of course, that’s something that’s very difficult to talk about these days, when everybody automatically assumes that anything a government does is less efficient than what the private sector could do. But of course, there’s an economic argument in favour of a single payer. When you have one payer for health services, as we have in Canada, then you don’t get into the situation they have in the US, with about 1,500 companies selling insurance, where each has to have their own computer systems, they need to have their own actuaries, they need to have their sales forces, because it’s a competitive business. This increased cost of administration goes all the way through the system. Massachusetts General Hospital has more employees in its collections department than the Ontario

health insurance plan has in Kingston administering health insurance for 12 million people.

0920

When my wife, who I like to joke is a real doctor, was in private practice for a while, she and three of her family physician colleagues used one of their clerks two to three hours a month to do billings and reconciliations. I’m told that in Saskatchewan, 99% of doctors’ bills are paid within two weeks. In the United States, a family doctor will need a full-time person doing their billings and reconciliations to dozens of insurance companies, who have figured out that, of course, the easiest way to save money is to delay payments. So the increased costs for administration go all through the US system, and it’s responsible for about 2% to 2.5% of their GDP.

Another big difference in expenditure is that the higher-paid health workers in the US make a lot more than higher-paid health workers in Canada, but the lower-paid workers make more in Canada than they do in the US. The highest-paid person in the public sector in Canada, up until his recent resignation, has been Tom Closson, the CEO of The Toronto Hospital, making something in the neighbourhood of \$600,000 to \$700,000 a year, which for some of us sounds like a lot of money, until you realize that the president of the Aetna insurance company, a major health insurer in the United States, received a bonus a couple of years ago of \$115 million in one year. It’s true that heart surgeons and star orthopaedic surgeons will make more money in the US than in Canada, but family physicians can—well, we have an old study now, about 10 years old, looking at Ontario and US family physicians, where Ontario family physicians were making more. Again, in nursing, specialist nurses can make more in the US, but ward nurses and particularly non-professional staff in hospitals will make more in Canada. That’s because we tend to have a flatter society, where the richest people make less than the richest people in the US, and the poorer people in Canada make more than the poorer people in the US. So most of that difference in spending has little to do with Canadians getting fewer services.

Life expectancy and infant mortality, of course, are mainly due to factors outside the health system: general social factors, economic conditions etc. But on the other hand, if our health system was as bad as you read about it every day in the newspaper, you’d expect people to be dying like flies. So now, while we had similar life expectancies as the Americans did 50 years ago, we now live two and a half years longer on average, and our infant mortality is now 30% lower. Looking internationally, we could do better. We used to be in the top five; we’ve now slipped down to about fifth to 10th in a lot of these indices. So internationally we could do better, but compared to the Americans, we do much better than they do.

The final point is—we don’t hear much about this, because mainly the voices of the business community, when they get into public policy, tend to be concerned about government spending: Without medicare in Ca-

nada, our best jobs would disappear. Medicare is a huge boost to business in this country. The manufacturing sector on average in the US is spending 8% to 8.5% of their payroll on health benefits. In Canada, it's about 1.2% to 1.4%.

When we look at why Ontario last year, for the first time ever, assembled more motor vehicles than Michigan—Ontario is the capital of motor vehicle manufacturing in North America—that only happens because of medicare. There was a study in 1996 or 1997—so it's older data; I'm sure it's higher now—that indicated there was a \$6 per hour, per employee competitive advantage for a manufacturer to set up a plant in southern Ontario than in Michigan or Ohio, one of our competitor states. There are other reasons to select Canada to assemble automobiles, but that's one of the main reasons why Toyota selected southern Ontario for their new plant. In your provinces, in other jurisdictions, you could easily identify industries, perhaps owned by people who are saying we need a private system, which would be belly up without medicare. We don't talk much about this, but as we start talking about dissolving medicare and going to more of a private system, we have to really grapple with these issues.

Where are we now? When Mr. Romanow started his commission a few years ago—and I had the pleasure of doing a little bit of work for the commission; as I like to say, not enough to be credited with anything good or be blamed for anything that was bad, but I quite enjoyed my opportunity to do a little work for the commission. Mr. Romanow, at the beginning of his commission in 2001, gave a speech to an OECD meeting in Ottawa. He referred to how there are three main views he found that Canadians held about medicare, but none are really satisfying these days for most Canadians.

I've taken these views that he talked about in his speech and I've nicknamed them after the three newspapers I read every morning. For our visitors from Nigeria and Bermuda, I'll just explain that the Globe and Mail newspaper is often referred to as the national newspaper, the paper of record. It's the paper of the centre right of Canada, so I think that certainly the average person in Ottawa whom I run into at a senior level in the government probably has this kind of perspective that they're thinking about: "We established medicare when we were young and healthy and we cared about each other. The economy was growing pretty well and it worked pretty well. But now we're old and decrepit and we don't really care that much about our fellow human beings any more, and medicare doesn't work that well. Health care costs are going through the roof. The public sector is too inefficient to make it work." You'll hear people say we have to be a little cruel to be kind, we have to privatize some of the finance, we have to allow some more profit motive in there to fix the incentives to "save medicare."

In our house, I start off typically with the Globe and Mail; my wife starts off with the Toronto Star. Then she gets up and goes upstairs to get changed for work; I get

the Star. The Toronto Star is the only small-l liberal newspaper in the country. It's the centre left—

Mr. Sterling: And large-l too.

Dr. Rachlis: And large-l too. I don't know if it's the only large-l Liberal paper, but it's the only small-l liberal paper.

It's sort of the voice of the left half of the Liberal Party. It would say: "At the beginning the federal government paid half the bills and everything worked pretty well. The federal government gave up the 50-50 cost sharing in 1977 and then halved the funding for 20 years. Medicare was starved. This led to service erosions, pressure to privatize the finance and increased use of for-profit delivery. So now we need a lot more money. We need federal money, we need provincial money, and we need more federal enforcement of the Canada Health Act to save medicare."

Mr. Romanow noted that if Canadians had just these three positions to vote on—and typically they are presented with only these three positions—then they tend to choose this one by over 50%. But, increasingly, Canadians are dissatisfied with this position, and I think you're seeing that reflected very much in the political debate about medicare in the last few months.

Then my wife comes downstairs and she heads off to work, and then I get to read the National Post, which is my third paper of the morning. The National Post is further right. It's a small-c conservative paper and, as opposed to the Globe and Mail, it doesn't shilly-shally around; it doesn't mince its words. It comes right out and says it: "You blithering idiots, this was always a bad idea. What were you smoking when you designed this? Look, how could you ever think this was going to work? Health care costs are out of control. A government-run health system is like the Beverly Hillbillies trying to run IBM. It may be humorous to watch on occasion, but the services are terrible. It's not too late to do the right thing. Let's just privatize and profitize this thing as fast as possible, and if we're lucky, maybe some dumb, rich American will take it off our hands." That's always the Canadian hope for things we don't like.

Let's segue briefly into the Chaoulli case, then, coming out of these three positions.

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First of all, I want to discuss a little bit about what the Chaoulli decision really says. I know some of you will have had an opportunity to take a look at this. I've read through it a couple of times; I'm sure I could read through it another five or six times to really understand it thoroughly. But my overall view is that, first of all, we should take a Valium. The response about the Chaoulli case was really over the top by both the right and the left parts of this political spectrum. The right said, "It's the end of medicare; pop the corks on the champagne." The left said, "This is the end of medicare; get out the sackcloth and ashes." Neither perspective was really correct.

The ruling was rather narrow. It ruled that the Quebec prohibition against the selling of private insurance to

cover medicare covered services was unconstitutional. One of the main reasons the Supreme Court did this was because four other provinces—namely, Newfoundland and Labrador, New Brunswick, Nova Scotia and Saskatchewan—have always allowed the sale of private insurance to cover publicly covered services. There's never been a prohibition against the sale of private insurance in those provinces. In fact, in three of those provinces—New Brunswick, Newfoundland and Labrador, and Saskatchewan—they also allow doctors who opt out of the provincial medicare plan to bill above the medicare tariff. They can, so-called, extra-bill. That's the same as in Quebec. So Quebec now has the same regulatory environment as three other provinces, and that's one of the main reasons the Supreme Court felt it could not keep Quebec's legislation on the books, because there is contrary legislation that is permitted in other provinces.

What has been the situation in these other provinces? Yes, there are probably a lot more people in southern Quebec than there are in these other provinces put together, and there is more money there than there would be in these other provinces. But there is still virtually no for-profit care in these other provinces. And if we look at the direct impact of this court decision, it's going to be even less in other provinces, because in Ontario, as well as some other provinces, if doctors opt out of the Ontario health insurance plan, they still can only bill the medicare tariff.

As the provinces brought in their legislation to eliminate extra-billing in the 1980s, after Mr. Hall's commission and the Canada Health Act was pushed through, they arrived at different models of legislation. Interestingly enough, the Ontario legislation was being considered at the same time that all the ophthalmologists in, I think, Regina threatened to opt out. The Ontario government—the Peterson government—was concerned that if they allowed doctors to extra-bill, doctors en masse in certain specialties and in certain geographical areas would opt out and hold the community and the province for ransom. So when Ontario implemented its extra-billing legislation, they chose a model similar to what Nova Scotia has, where doctors, even if they opt out of medicare, can't extra-bill. So when you actually get into what the direct impact of this court decision will be, it's really rather slight. Of course, as I mentioned earlier, what about the limits of private insurance?

There's a discussion in one of the newspapers today—I think it's the Globe—about this private cancer clinic that's developing in the province. Some of the doctors from Princess Margaret who are referring patients to this clinic are quoted, and one of them says that only one in eight patients he's referring is likely to have any private insurance that's going to cover it. When you think of the coverage after this court decision came out, it makes you cry for your country that there were people on wait lists for cancer care, people with bad hips waiting for hip replacements, and they were saying, "This is terrific.

Now my prayers have been answered with this Supreme Court decision." I'm thinking, "Well, OK."

I'm in Ontario. We have private auto insurance here. I decide I'm going to change my insurer. I go into a new insurance office and say I'd like to change my auto insurer, and they say that's great. We start to draw up the paperwork and, as we're getting through it, I say, "Oh, by the way, I'm going to have an accident next Wednesday, and it's going to be fairly expensive; there will be some pretty serious injuries. Can I sign for that insurance now?" They're going to say, "Wait a second. What's going on?" If I go in to a health insurer and say, "I want coverage and, by the way, I have a bad hip," maybe I will be able to get that insurance, but it's sure not going to cover joint replacement. Really, what were people thinking about with this coverage after the decision, interviewing these poor, desperate people thinking that now they were going to get the care they needed?

So where should we go? Mr. Romanow talked about how, during his commission, he would be looking at a fourth way for medicare in Canada. I think, unfortunately, if there was a failure to his commission, it's that it did not really flesh out this vision for Canadians of what that new system would look like, what that fourth way would really be. But I've spoken to roughly 30,000 Canadians directly since the last year and a half or so, and I'm absolutely convinced that this is the story that Canadians want—someone to tell them about medicare—but they just have a very difficult time finding anyone to give it to them. And I think you people, who get better value for money for Canadian public expenditures, are the perfect people to tell this story.

First of all, medicare was the right road to take. I spoke to a senior physician in Toronto a few months ago whom I know, and he said, "You know, it's really kind of a sad commentary on our country that one of our few national symbols is our health system." I think I know what he meant: that as opposed to the Americans or many of the European countries that have long histories that they're proud of and all sorts of success in conquering other people etc., this is sort of a pale imitation of these other national symbols, to have our health system be our national symbol.

On the other hand, given that we had the same health system as the Americans, the Americans have, by the judgment of everybody outside the United States, just about the worst system in the world. Yes, you can get great care there, but they spend by far the most and they appear to get the least from their expenditures. At the same time, 45 million Americans have absolutely no health insurance and about another 50 million are inadequately covered but don't realize it until they get very sick. Every year, 500,000 Americans declare personal bankruptcy because of their health bills. Health care is responsible for about 50% of all the strikes and lockouts in the United States.

So I think we should be as proud as punch that during the last 50 years, when we've become more politically and economically integrated with the United States,

we've developed this independent health system, which is not perfect—and we'll get more into that in a moment—but in fact has done us very, very well. So I think we should be proud about medicare.

The real problem with medicare is that it was designed for another time. As Mr. Romanow said, after 50 years, hopefully the foundations in your house are still solid, but the upper floors are going to need some renovation. I think in particular the renovation we need to make with medicare is that we design medicare to deal with acute disease, like serious infectious diseases, accidents and injuries, and in fact most of our health problems nowadays are chronic disease. Medicare does a great job with acute illness. We do a bad job with chronic disease.

Why do we do this? Well, you'd have to be at least 120 years of age for medicare not to have been the defining public policy debate of your lifetime in this country. In 1919, Mackenzie King pushed a then-reluctant Liberal Party to include medicare in their election platform for that year. As I like to say, God bless those Liberals; it only took them 47 years after making that promise before they fulfilled it. So for those of you wondering what happened to the home care and pharmacare promises from the 1997 election, you're quick people; you can do the math. Hang on till 2044 and everything will be fine.

In 1919, we were a very young population. TB was the number one cause of death. Other infectious diseases like diphtheria and whooping cough were rampant. Accidents and injuries were far more common than they are now. And then, as we continued to debate medicare, there was the First World War, the Second World War, huge advances in science, in surgery, antibiotics, other pharmacology. We became very successful at dealing with acutely injured soldiers or acutely ill civilians. Medicare does a wonderful job today of acute illness. If, God forbid, you have a car accident while you're here, you could be helicoptered off the highway, taken to one of the world's best trauma centres at Sunnybrook hospital, and you'll have as good a chance of surviving as you would anywhere in the world. Our results from heart attack treatments are almost as good as the Americans', despite the fact that we do a lot less to people who have heart attacks. When we compare the results for treatment between Canada and the United States for a variety of acute conditions, we do as well as or better than they do on most things.

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On the other hand, if you have a chronic disease like diabetes, or suppose you have a heart attack but you survive it and you're left with a chronic condition of coronary heart disease, we know you're not as likely to get the care that you really need to keep you alive and keep you functional. In fact, the results for treatment for chronic diseases like diabetes or depression seem to be better in the United States, where even well-insured people have to pay a user fee when they go to see a doctor. So we're doing a terrible job in managing chronic disease, and as a result we've got literally thousands of

people with diabetes—one condition alone—who are having heart attacks, losing their kidneys, and dying from strokes and other complications because their diabetes wasn't correctly managed in the community. So this is the real problem with medicare—that we do a terrible job with chronic disease—and, as a result, our hospitals and other institutions are filled with people who shouldn't be there.

The third point is that the costs of this program are not out of control, but neither is the system drastically underfunded. For those of you with math brains—I know a number of you in this room—I have some Excel graphs for you that will give you all you want to know and more about this.

Finally, we can fix and are fixing medicare's problems. I travel around this country a lot. It's a real pleasure for me to do that. I love going somewhere in this country I haven't been and talking to people about their health system. I know that if you look hard enough in this country, you'll find that someone somewhere has solved every problem that you think is intractable about the system.

So let's talk a little bit more about the money again. I showed this graph before to indicate that our health care costs are much lower than American health care costs, but there's another point about this graph. As I said, there are economists in this room and there are non-economists. For the non-economists, the way that you hear our health system sometimes being discussed, it reminds me—maybe you have somebody like an Uncle Harry who comes to your Thanksgiving Day dinner. Now, you know this guy. He started coming to your Thanksgiving Day dinner about 20 years ago. He weighed about 150 pounds. He would eat a drumstick. A few years later he had put on some weight—he was up to about 180—and he ate the whole leg. A few years after that, he must have been over 200 pounds and he would eat the leg and the wing. And last year he had to be at least 230—he was really losing it—and he ate half the turkey. So you're sort of wondering, if you invite him to dinner this year, will there be enough turkey for everybody else?

As Jim was saying, you know that health care is taking an increasing portion of our public expenditure. So I want to ask you, when you look at that yellow line, does that remind you of your Uncle Harry? Health care in this country took 10.2% of our overall national income in 1992. It went down to a little less than 9% in the mid-1990s. Cuts were made, and, at the same time, the economy was growing. In the last few years, the economy has continued to grow fairly well, but we've been pouring more money into our health system. As I said, it's forecast this year, depending on what happens exactly with the economy, that we're going to spend around 10% again. But if you go back over the last 13 years, this does not look to me like your Uncle Harry, a sector that's eating more and more all the time.

What's happening? Let's get into this a little more. If we just look at the public expenditures on health care—

and this is all CIHI data, Canadian Institute for Health Information—if we just look at the public data, which is about 70% of health expenditures in Canada, the 30% being mainly drugs and dental services that aren't covered by the public plan, then you can see that if we look back over the last 25 years or so, there's a little bit of a Mexican hat effect here, where you've got a peak in the middle and then coming down on either side. Again, the public expenditures are creeping up again, but the last data that we've got indicate that it's still, in relative terms, about 5% to 10% less than it was at its peak.

It is different from province to province. The Canadian data here on this slide are in yellow, and aside from the fact that it's going over a ridge in the wall, I think you can see that, again, the yellow line peaks in the early 1990s and comes down again.

My adopted home province of Ontario is in red here, and as you can see, it follows the Canadian data pretty well. It goes up to a peak in the early 1990s, comes down, and now, according to the last data, was a little bit less than 6% of the province's GDP, down from a peak of about 6.6% in the early 1990s.

In Alberta—where the Globe says they're having a \$7-billion surplus this year, so I don't know if the people from Alberta are going to get out of this room with their wallets intact—they were spending as little as 3.5% to 4.5% of GDP 25 years ago, but then it goes up, and then, starting in 1992, it falls from 6% of GDP to 4%—just completely unprecedented—and during that time, over 40% of registered nurses in the province lost their jobs. Now Alberta is running at about 5.2% of GDP spent on publicly funded health care. They feel they have a health care cost price that's there, like everybody feels.

In my home province of Manitoba, the orange line at the top of the graph, there is a little bit more concern, I would say. I'm sorry to say it—I say lots of great things about my home province, including the terrific fishing on the Winnipeg River that I engaged in last week—but there is more of a cost control problem there.

If you go province by province, there are some different stories, but overall, publicly funded health care as a share of GDP in this country is not your Uncle Harry; it's not out of control. On the other hand, this sector isn't starved either. I'm really trying to make the point that money isn't the biggest issue, that this sector hasn't been starved. You'll hear my colleagues say, "Yes, it's those huge cuts in health care." I think many of you will know that in the last few years that's not true at all.

The yellow dots show government per capita real health care spending costs in 1997 dollars. You can see that the line goes up at about 2.5% per year until the early 1990s, when there are these unprecedented cuts, and then it rebounds. If you draw a trend line through these 30 years of data, you can see that over a 30-year period we've been increasing the funding by roughly 2.5% per year per person, controlled for inflation. So this sector hasn't been starved of funding either. We're not spending a lot too little, and we're not spending too much.

If government-funded health care isn't a bigger share of our economy every year, if it's less than it was at its peak, why is government-funded health care a higher and higher share of provincial budgets? Some of you will clearly know the situation, or you've done the arithmetic. It's because other government spending has really collapsed in this country.

This shows the Ontario government spending in red as a share of the province's GDP, and the yellow line is the spending on publicly funded health care as a share of GDP. The yellow line, again, is not your Uncle Harry—it is pretty flat—but the red line goes down. As a result, in 1992, publicly funded health care was about a third of the provincial budget. Now, even though the portion of the overall provincial economy spent on publicly funded health care is down from about 6.6% to about 6%, because the Ontario government spending in total as a share of the economy has come down to about 15%, health care spending is now something like 40% to 44%.

In each of your provinces you've got a similar kind of calculation. If you look at the percentage of your province's economy that's spent on publicly funded health care, which is, again, what defines affordability—the share of your overall provincial economy that's going to a particular item—then you'll see that the spending is not out of control; it's the rest of government spending that has been cut.

I sometimes like to tell a story to make this point even more graphic. It's a little bit like an epidemic sweeping through a community, and one of the children in a family dies. A few months later, the father looks at the remaining child and says, "You used to only eat one quarter of the food in this household and now you're eating one third of the food, and we can't afford you." The poor kid hasn't really eaten more food. It's just that his brother died, and so he's eating one third of the family's food instead of one quarter.

Whether these were good decisions or not, whether we cut the right things or not, the reason that Mr. Smitherman, the health minister in Ontario, and health ministers in other provinces can say that health care is now 40% and 45%, and that it's going to be over 50%, isn't particularly because publicly funded health care is out of control but because other government spending has been cut. Of course, this is a secret—I know you people are part of the cabal, so you know this. My impression is that well-educated people in this country, people with 10 years and more post-graduate training, don't know that what's happening in Canada, despite the fact that the National Post told me this morning that the federal government surplus of \$9.5 billion is the evidence—it says, "Pressure Grows for Ottawa to Provide Fresh Tax Relief." The impression overwhelmingly is that the public sector is bloated and way too big. Again, those are political decisions, value decisions. Perhaps we can differ in our values, but at least, in terms of the facts of the matter, I find that people don't know these facts.

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This is straight from the federal government's fiscal review that they publish every October. This shows federal and provincial budget spending as a percentage of GDP, the federal government in yellow and all the provincial governments together in red. Of course the federal government was spending 24% of the economy in 1982-83, and last year we have data for, 2003-04—we're waiting for the next figures to come up in October—indicate that the federal government spent 14.5% of our economy that year. The last time the federal government spent this little of our economy was in 1948.

All the provincial governments together, of course, had budget cutbacks—they had some federal cutbacks they had to deal with—and there was a blip up in total provincial spending, but for 2003-04 all the provinces together spent 17% of our country's economy. So in relative terms, we've gone from 45% of our economy being spent by the federal and provincial governments down to about 32%, and all the while at least 98% of Canadians I speak to think that government is a bigger and bigger share of our economy all the time.

I'll show you some international figures just for comparison. First of all the US, the UK and the G7—Canada's data here are in green. This is general government outlays—what is in government budgets—plus the deficit, minus the surplus. This is particularly comparing the US and Canada, where they have a very large deficit and we're riding a bit of a surplus. If we look over the last 30-plus years—the green line is Canada—our government outlays are less than in the UK, above the G7 and above the US. Then our finances get into a fair bit of trouble, and by the early 1990s government outlays amount to about 53% to 54% of the economy.

But things have really changed over the last 12 years. The most recent data indicate that we are now spending, for the first time since these data were collected, less than the G7 average and less than the UK, and we're getting very close to the US. This just looks at the Canada and US data.

You'll hear all the time, of course, that we have a much bigger public sector than the United States and that Canadians expect all sorts of stuff from their government. You'll remember from grade 5 history that the government had to be involved with the CPR because the private sector couldn't do it alone. There's this long history in Canada that we rely on government more and that we need a bigger government. But actually, government in our country is getting close to being the same size as the United States. Of course, it's a young statistician's trick to take the last three dots of any series and connect them with a straight line, but if you did that, it's only going to be about another three years before Canada's and the United States' government outlays are going to be the same, and yet we're expecting a lot more to be done.

So all the time that you're looking for more value for money, I guess my bottom line would be that for the health care system, money isn't the biggest issue. We're

not spending too much and we're not spending too little, but the rest of government has kind of disappeared and, among other things, this is putting pressure on our health system when we don't have the social services and other services in place.

Well, what's wrong with the health care system? The best report on health care in Canada, for my money, over the last decade or two came from Saskatchewan. In the year 2000, Mr. Romanow was trying to convince Mr. Chrétien to appoint a federal royal commission to look at health care. He didn't succeed that year, so he appointed Ken Fyke to do a royal commission in Saskatchewan. Ken Fyke has been a long-time health administrator in Saskatchewan and BC; I think he's been a deputy minister in both Saskatchewan- and BC-run hospitals. His was the only report in Canada to really focus on what I would refer to as a quality agenda in health care. This is a great quote from the executive summary of the report: "Many attribute the quality problems to a lack of money. Evidence and analysis have convincingly refuted this claim. In health care, good quality often costs considerably less than poor quality."

In health care, it's true: We automatically assume better quality is going to cost more money, a new drug is always going to cost more, but in other sectors that isn't the case. Certainly if any of us as individuals had a plumbing problem, we wouldn't likely go through the Yellow Pages, call every plumber and then get the cheapest one to come and do the work, because when that work is shown to be faulty a week or two later, that guy might be out of business and your overall plumbing bill is going to be a lot more. So we don't automatically assume that better quality is going to be more expensive in other areas, and we often think that technology in other areas in fact is going to be cost-saving.

We have big quality problems in Canada, but they are no bigger than in other countries. The categories that are usually used for identifying quality problems in the health system are misuse, overuse and underuse. Last May, unfortunately, during the federal election campaign, the Canadian Adverse Events Study was released. The lead investigators were Peter Norton from the University of Calgary and Ross Baker from the University of Toronto. It replicated studies that have been done in at least six other countries. They had nurses who were trained to look at hospital abstracts and to identify where there might have been an adverse event associated with the care, with a very high sensitivity. They wanted to pick up every adverse event that might have been an adverse event. Then the potential adverse event went to panels of specialist doctors who went through the chart in detail to decide whether or not there had been an adverse event and, if so, whether it was preventable.

This study, I guess, was done for the first time by a group out of Harvard with New York state data, published in the *New England Journal of Medicine* in the early 1990s. Britain, Denmark, New Zealand and a number of other countries have had similar kinds of studies that were done. The results here—the same order of

magnitude—were somewhere between 9,000 and 24,000 deaths in Canadian hospitals, adverse events that were preventable associated with people's care. That means that preventable adverse events in hospitals are responsible for something like 3% to 6% of all deaths in Canada. This doesn't even include deaths that would be associated with adverse care outside of a hospital setting, in other institutions or in the community.

When this study came out—as I said, it was during the federal election campaign—it only made news for a day or two. I talk to a lot of reporters on a regular basis. I'm always talking about the quality issue and I try to bring up this adverse events study as often as I can. I can almost draw a disappearance curve for the memory of this among the media. Now, almost nobody remembers that this report came out. You don't see it referred to any more. Maybe it's just not relevant to our discussions about health policy, but one would think it would be.

We've got real problems with overuse. We've got terrible problems with the use of psychoactive drugs and the elderly. About 25% of all women over 65 in Canada are taking long-term benzodiazepine therapy. That's the class of drugs that includes Valium. Studies in BC, Quebec and Ontario show that around 25% of senior women are taking these drugs. That's malpractice; it's criminal. So we've got some very serious problems here.

We do have underuse. Pain control is poorly done almost anywhere you look for it in our health system. Post-op, long-term care and chronic disease: We do a bad job. We're not implanting enough artificial joints and, as I mentioned earlier, we do a very poor job with chronic disease management.

How to improve quality? I've just put in a couple of slides here so that you people can trace this more if you want. There are two American organizations that are really leading the way, I think for the world, in this regard. One is the Institute of Medicine, which is the US organization that is the major scientific/medical advisory body for the US federal government, and also the not-for-profit Institute for Healthcare Improvement that was founded by Boston pediatrician Donald Berwick. Some Canadians will say, "This quality agenda on health care, I've heard of that. That's American. We have a different health system; it doesn't apply to us." That is bunk.

The other country that is second, I think, in using this information is the UK, where they've been modernizing their national health service the last few years. They have a much more public system than we do. Almost 85% of all health expenditures in the UK are paid for publicly, compared to 70% in Canada. But you can't get this item into the debate. Part of it is that we've got this intensely, politically polarized debate in Canada, so if there are quality problems identified in the health system, the immediate response on the right is, "Well, what do you expect? It's a government-run system," and on the left it's, "Well, what do you expect? We haven't put enough money into it." So the issues of quality that relate to modern health systems wherever they are, and not related

to whether they're publicly funded or privately funded, are very difficult to get into the national debate.

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Just to give you a quick idea of this, the Institute of Medicine published a report in 2001 called *Crossing the Quality Chasm*. It is available free on-line at the institute's Web site. They came up with 10 rules to heal the health care system. I've mainly put these slides in the package so that people would have something else you could take a look at. The main one I really wanted to highlight is this one here, which makes so much sense, I'm sure, to people who believe in a good audit being a good thing: The health care system should continuously decrease waste instead of focusing on cost reduction. We do very little of this in the health system. If we start to look at opportunities to decrease waste, of which we have an abundance, then in fact we have more than enough resources, I think, to fund the services that we really do need. My friends, particularly those on the left, would say, "Well, that's all well and good, Michael"—that there is this misuse and overuse—"but there are so many things that we need to fund. We're just going to need bales more money, even with more efficiency." I know that no one has ever done a complete study of this, but I really think that several back-of-the-envelope calculations are persuasive to me that we should give this path a try.

For example, if we look at what we spent for Vioxx in 2003, this was a drug that, even when it was being sold in Canada, was not recommended to be a first-line drug. In Ontario, there was a study done that showed that almost no one who was given a prescription for Vioxx or a new drug in that class, Celebrex, had actually been tried on another drug first, even though it was never recommended to put someone on this drug first; it was always recommended to try something else. In fact, most people who took Vioxx had osteoarthritis, not rheumatoid arthritis, osteoarthritis being mainly due to wear and tear, particularly in older people. There's not that much of an inflammation component. It's mainly due to wear and tear, and the main problem is pain. The first recommendation would be non-pharmacologic treatment: rest; ice; strengthening the muscles around the knee, which can make a big difference in how the knee functions—that kind of stuff. If you need to use some medication for pain, first use Tylenol—acetaminophen—a drug that, as opposed to Aspirin and Vioxx and these other non-steroidal anti-inflammatory drugs, has no impact on the stomach; it's not going to cause stomach bleeding. If Tylenol wasn't good enough, then start off with some coated Aspirin, which costs pennies a day instead of what Vioxx and Celebrex cost.

People were just put right on Vioxx. The annual sales, when it was taken off the market, were roughly \$200 million a year. For what we were spending on Vioxx that year, we could have bought and run 80 MRIs, and we've only got about 125 in this country. In particular, we could have almost solved this vexing diagnostic imaging problem that we've got with a better prescription of one

drug. As I like to say, let me at the rest of the pharmacopeia and you'll be surprised how much money there is for the things that we really need.

Now, can this quality stuff really work? The United States Veterans Health Administration system is trotted out as the poster boy for what the quality agenda can do for a health system. The VA system, up until 1994, was regarded as having the worst care in the United States: terrible quality, long waits and delays, and very bureaucratic in the way that it was run. Of course, it's publicly funded, but it's actually publicly delivered. It's much more like the National Health Service in the UK. In 1994, Dr. Ken Kizer was appointed by President Clinton to head up the VA health system. He is an amazing character. He had been an emergency room physician in California, he became the commissioner of health in California before he took this position, he was a former Navy SEAL, a member of six US medical specialty boards and a founder of the international Wilderness Medical Society. He's an amazing character, and he hit the VA system like a one-man army. Of course, the successes were due to more than just him, but without his leadership, people generally feel it could not have happened.

Within a four-year period of joining the VA, he decreased hospitalization by 62% and dramatically increased ambulatory care. At the same time, he had his budget cut by Congress by almost 20% and had to deal with 20% more patients. Over a six-year period, he increased colon cancer screening by 220%; 93% of diabetics had a recent hemoglobin A1c determination. That's a blood test that can indicate what the long-term maintenance of someone's diabetes is like. Everybody with diabetes needs to have that test done on a regular basis. In Canada, maybe 60%, maybe less, of diabetics would have had this done. They have the best diabetes care in the world. What my health care audiences really appreciate is that it got rid of three quarters of all their forms.

Since 2000, the UK has gone to something called advanced access, which I'll mention in a moment, so that they have same-day services available in almost all their ambulatory facilities.

Dr. Kizer was one of the key presenters at the Alberta symposium that Mr. Klein organized on health care in May. It was quite interesting, actually, at the symposium, because I think those of us who follow health policy see that this is an example of the best in the world that's been done. A lot of the debate at the symposium, of course, was focused on the private sector's involvement, and this is not only publicly funded; it is a publicly run system. It's completely public and yet it is the poster boy, as I said, for the renovation and reform of the health system.

What is the quality agenda in your jurisdiction? What are the targets, objectives and measurements for quality? We've been talking about this stuff in Canada at a very low level for 10 years, and we're at about the same level as the US and the UK were 10 years ago when they were dealing with this issue. As I said, it's because health care

is a political battleground in Canada. It's not a policy area; it's a political battleground, so that it's very difficult to get an informed discussion of the issues.

As a metaphor, in every war that has been fought in Europe, some of it has been fought in Poland, for 1,000 years. This isn't because the Poles are particularly combative and it's not because they like to fight; it's because they're a flat country in between western Europe and Russia. That's where the battles take place. In a similar fashion, when the right and left in this country want to fight, where do they go? They don't usually fight about daycare—and that is an issue—education, the environment. There are fights in those areas, but when they really want to rumble, when they really want gang warfare—vicious, nasty, dirty stuff—they fight over the health system. Our health system has suffered terribly in Canada, just as Poland has, from being the site of war. As a result, we don't have an elevated discussion of these issues.

Do the boards of your regional authorities or of your hospitals think they are responsible for quality? Typically, they don't. They think that's somehow the doctors' job. Are the senior managers held accountable for quality? What about the medical profession and the way that it has this sideways glance into the health system, where doctors have privileges in hospitals but this doesn't mean that they actually have accountability to the administration? Is the medical profession involved with quality assurance? Are they involved with continuous quality improvement activity?

We have a social contract in Canada where in the 19th century my medical colleagues said it was too dangerous to have unregulated doctors around because they would be a danger to the public. So they said that in return for giving us a legislated monopoly on this necessary service, we would set standards and then maintain them. Well, we haven't done a very good job. At almost every level, there are failings. When it comes right down to it, you'll hear many doctors say, "Well, of course I'm accountable. Somebody can sue me. Of course I'm accountable. The College of Physicians and Surgeons can pull my licence." But that's not how we go about maintaining quality in other systems, relying upon bad apples to be found, particularly when it's so difficult to find and prosecute bad apples in the health system.

1010

Did Tommy Douglas envision the quality agenda 60 years ago? I think so. Tommy Douglas has a bad name these days in some quarters. The National Post identifies him as a maybe well-meaning but doddering old man who gave us this health system that doesn't work well. In fact, Tommy Douglas always talked about how there would be two stages to medicare: The first would be public payment for the old system based on treatment and the second would be a new type of delivery system that would be focused on prevention. This is from a speech he made 25 years ago where he refers to our health delivery system as being lamentably out of date. Here are examples of two big quality problems: healing and primary

health care reform. There's another quote from Douglas referring to his problems in getting services in a timely fashion—medicare's Achilles heel, if you will: the problems with access. If you read through this, he talks about how he has to go to six different people and spend six days to have six different kinds of tests, all of which could be done in a single clinic.

Things really haven't changed very much. We're still having problems. In fact, they're worse, if anything, because there are more specialists now. You might wait a few months to see one specialist. You get into his office and then, "Oh, my goodness, you haven't had the CAT scan." Well, now you need the CAT scan, and that takes another month or two. You come back to that specialist and then he says, "Well, I think you actually need to see somebody else," and it's three months to see them. So it's this bouncing back and forth that really takes people a long time to get through.

Why do we wait? Usually, there's enough overall capacity in the system. Queues develop mainly because of temporary capacity-demand mismatches. I'll discuss this now. I've been doing some workshops in the last year and a half with a British thoracic surgeon, Richard Steyn from Birmingham, and trying to run around the country and convince as many people as I can that there are new ways of looking at these queuing issues.

This is an example from an endoscopy suite. That's where they stick tubes down your throat and into other orifices. In Birmingham, if you calculated how long each procedure would take, they had about a 30,000-minute backlog. These arrows indicate wait-list initiatives where, like we do in Canada on a regular basis, we inject more money into the system and hope to remedy the waits, but you've still got this long backlog of services.

What's really going on? Let's take a look at what's happening down here. When we look at the bottom area, you can see that the nominal capacity of the unit is a lot greater than what the demand is. The demand is in blue here. This is when the lights are on, the staff is in the room, but the doctor isn't in the room yet. The red line, the actual capacity, is when the doctor is in the room. So that's the first thing to note, that there are often problems with operating rooms where you've got the staff ready, everything's ready to go, but you don't have the doctor. The purple line is the activity level. That's when things are actually happening. If you look, you'll see that certainly the nominal capacity is a lot greater than your demand. Your actual capacity is almost always greater than your demand. Even the activity level that's monitored is usually more than the demand level. Here's where there's a spill in the endoscopy suite and they have to cancel patients. But you're getting these intermittent mismatches, where here you've got more capacity than you have demand. Now here you've got more demand than you've got capacity. But the key point—this line—is that overall they had more than enough demand to deal with their backlog.

What happens is that on some days you're going to get more people presenting than you can deal with, and other

days you're going to have fewer people than you could deal with. If you have a service where you've got 10 people showing up every morning and you can always do 10 operations, then you never have a wait list. But in reality, your demand and capacity will vary. Suppose you've got an average of 10 patients who come in every morning, but sometimes there are nine, sometimes there are 10, sometimes there are 11. You can do an average of 10 patients a day, but some days you can only do nine and some days you can do 11. When nine people show up and you could have done 11 procedures, you've wasted two units of capacity, and of course the wasted capacity cannot be reclaimed later. But when 11 patients present and you can only do nine, then two people go on your wait list. When that stuff starts to happen, you can see that this is where you get a wait list. You've dealt with some of it here. But these temporary capacity-demand mismatches, over time, can give you a very long wait list because you can't pass the unused capacity forward. Over time, all you need is a mismatch of two every week and you've got 100 people waiting at the end of the year.

Sometimes when you've got that extra capacity, you can slot a patient in. That's true. But a lot of the time, in fact what happens is perverse. As Richard Steyn says, he was once given three protected CAT scans that only he can order for his lung cancer patients. He was having trouble getting three patients. The chief of radiology says, "You're not using three every week; we're going to have to give one of your spots to somebody else." So then Richard admits that he made sure that every week he used that third one. But what was he doing? He was ordering scans on people who probably didn't technically need it, and therefore he was actually increasing his demand. So it's these temporary capacity-demand mismatches that lead overall.

When we look at what we can do to match variation in demand-capacity—in this case, this is a fellow named Martin Lee, who runs a breast clinic in Birmingham. As you can see, normally his capacity, in red, was greater than his demand, in blue. But he had these vexing capacity-demand mismatches. He had 54 slots in a two-week period, and he was struggling to see all his patients in two weeks. Consulting with Richard and some others, he went to three clinics per week, actually less time in total than these two clinics, because two of them were two-thirds clinics and the other one was a half-clinic. So there were actually only 48 slots available over three clinics. All patients are seen in five days, simply because there's a better match between capacity and demand. Any of you who have been involved with inventory control and supply chain management—this is exactly the same.

What doesn't work? If you temporarily increase capacity and clear backlogs, that's not going to work. Well, that's what we're doing, of course, in Canada, to a great extent. But you can think of it that if you've got a backlog, if your system has created your wait list because of temporary capacity-demand mismatches, if you

eliminate your backlog, then your system will simply recreate that wait list.

Richard says that he and his colleagues love wait list initiatives. Even in the UK, where the doctors don't get paid as much, some of them are making over \$200,000 a year, just through these wait list initiatives. Of course, if you're paying doctors extra to do this wait list initiative stuff, what incentive is there to get it right in the first place?

The other thing is prioritization and carveouts for urgency. Of course, this seems to make sense. It's intuitively appealing. If you think that we don't have enough capacity and the lifeboat isn't big enough, who should we kick out? So we have to prioritize. But in fact, of course, this can just make things worse.

Let's go back to the Birmingham endoscopy suite. In this case, you've got five doctors, four surgeons, five specialists in internal medicine and a radiologist who are doing your endoscopies. These are the procedures they do: flexible sigmoidoscopies, colonoscopies. These are upper GI investigations. Each doctor has rated their patients by "urgent," "soon" and "routine." They've prioritized them. So what does this mean? This means that you've got 73 queues. So if you're having trouble matching your demand to your capacity with one queue, what's it going to be like with 73 queues? And you can just imagine: If you don't have enough urgent patients here so the doctor is not going to have a full slate, "Let's go get another patient who needs to get an examination. Who else do we have on the list? Well, there isn't really anybody here. There's somebody who might benefit. So we'll stick him in," and then you've increased your demand again.

This is one of the recommendations that you're starting to see: that if you centralize wait lists, if you have a situation where the next appointment for the endoscopy suite goes to whichever doctor has the next slot, unless there's a particular request for a specific doctor, you can eliminate a lot of these capacity-demand mismatch problems.

This is an example for ovarian cancer treatment in Birmingham, where they had referrals to specific consultants and wait times of 130 days. They pooled their referrals and then got a much more manageable wait time, simply from that.

1020

Barriers to queue management: There's limited understanding of queuing; lack of measures for capacity-demand. If you ask the people in the system, they won't be able to tell you their capacity, won't be able to tell you their demand. They will be able to tell you their activity levels, but they won't usually know their capacity and demand. Physicians mainly control lists and OR time. It's often felt that hospitals are run by administrators, but the operating room time is allocated differently from place to place. It's the doctors who are in charge. In some places it's transparent and every doctor gets their fair share; in other places it's the old boys, the ones who have been there, who get most of the time, or, in a lot of places in

this country—and this may even be the majority, but nobody seems to have put it together overall—it's the doctors with the longest wait lists who get the most operating room time. Talk about another perverse incentive here, because why would I share my patients if that meant that I was going to get less OR time in the future?

There's lack of quality assurance and audit, so that some doctors will say, "How can the referral be going to the next doctor? There are surgeons in my hospital that I wouldn't send my dog to." Excuse me, Doctor? We have a social contract. You people have a legislated monopoly on an essential service and you're supposed to set standards. We haven't done a great job of that, so as a result, this argument will often be raised. Richard had a politician in Britain who said to him, "If I have an operation, I don't want to have my operation done by a below-average surgeon." I guess we would all feel that way, but of course if we got rid of all the below-average surgeons, I've got news for you: We'd still have 50% of surgeons who would be below average, until you'd be left with one surgeon. I want to feel—and I suppose you'd like to feel this too—that if you have to pass some work off to somebody, you don't have to be wondering who in your office can really do the job; you want to know that when you give it to that person, they can do the job.

There's a real mind frame shift that needs to go on here, but we aren't doing proper quality assurance and we're not doing effective audit, and this comes up and bites us when we start to talk about centralizing referrals as an example of a solution. There's the difficulty of establishing not-for-admission clinics for low variation cases—I won't go into that.

As I said earlier, sometimes I despair for my country. I love my country, but I was quite disappointed when I read the Supreme Court decision. This is from the judges who wrote for the minority—the judges who, if you will, were on the medicare side. This is a quote that they wrote themselves: "The expert witnesses at trial agreed that waiting lists are inevitable. The only alternative is to have a substantially overbuilt health care system with idle capacity." That's incorrect.

One of my major messages to you is that we're going to flush this wonderful institution down the toilet because we just aren't using our knowledge properly to fix what's wrong with it. I'm afraid that the misunderstandings about this are rife throughout the system.

I want to let you people in, so I think I'm just going to go through this primary health care stuff quickly. Just to mention that there are a few successes but a slow overall pace. The bottom line here would be the same as for the queue management: If you look around, you'll see that people have really solved these issues. Maybe I will mention just one of them to you, that there's something called advanced access that comes out of queuing theory. One of the most interesting things about the way that we're dealing with queues in this country is that you don't hear that surgery is cancelled at Toronto General because they didn't have enough gauze pads to do their

surgery; you don't hear that the following week they had to cancel surgery because they had three operating rooms full of boxes with gauze pads in them. You don't have problems with the inventory like that, right? That's because they're using applications of queuing theory. But by and large, people who've been—up until very recently, at least—responsible for queue management in our health system have not known about queuing theory or have dismissed it out of hand as being something that related to the American system. But there are three community health centres that I'm familiar with: Saskatoon Community Clinic with 20,000 patients, and two smaller community health centres in Toronto that are in very poor communities and have used advanced access, and they have same-day appointments. In the UK, over half of family practices now offer same-day appointments.

I haven't mentioned much about for-profit care, but I'm hoping that—usually, by the time I reach this part of my presentation, if people are still awake, they realize that we've got the answers in the public sector, really. That's the best reason why we don't need much more private sector involvement, as far as I'm concerned, in our health system.

If you want more, there have been a number of studies done. Mr. Romanow, as you may recall, would say, "Where's the beef?" He doesn't get much airplay these days, but he kept on saying, "Where's the evidence that for-profit care is cheaper or of better quality?" In fact, there is no evidence. There is substantial evidence overall that commercial health care costs more and is of poor quality.

P.J. Devereaux, who's a cardiologist at McMaster University, has a group that has been reviewing all the literature in this area for the last three or four years. They took a look at all the studies that looked at for-profit versus not-for-profit hospitals. They found that for-profit hospitals had 2% higher death rates and 20% higher costs.

For-profit dialysis clients in the US have 8% higher death rates. This is probably the most useful example, because in the United States, dialysis is all publicly funded. As I mentioned, the US medicare program funds all kidney failure treatment. If you have liver failure or heart failure, you are out of luck unless you're 65, but if you have kidney failure, you're covered.

The medicare program in the US runs its dialysis program just the way that many people are suggesting we run our health care in Canada. They send out RFPs for what they do: 30 dialysis beds needed in western Montana; what's my bid? They do their due diligence on them. About 75% of dialysis care in the US is provided by commercial clinics, 25% by not-for-profit clinics.

Looking at about eight or nine studies that have been done in this area now, Devereaux's group concluded that for-profit dialysis clients had 8% higher death rates. This was associated with less staff, and the staff they had were not as well trained and they used lower doses of medication known to be efficacious for people with kidney failure.

Some people will say, "Well, we'll just do better due diligence than the Americans." The Americans have had decades of experience in trying to monitor these contracts. They spend billions of dollars on oversight every year. If we think that we can do a better job when no province that I know of is setting up the diligence structures that are required to do this contracting properly, we're really out to lunch.

Raisa Deber, a professor in my department at the U of T, has written quite extensively on this issue, that quality is difficult to measure in health care. It's multi-dimensional. It's not the same as trying to determine the quality of the concrete that you're using in your roads, for example.

As I said, the main reason I think that we probably don't need to go more the for-profit route is just because we don't have to. There are lots of examples of where we can fix the problems that we've got in the system in the public sector. I refer to this as the Columbus syndrome—commercial interests discover health care innovation. So there's a Mr. Copeman in Vancouver who has ads every day, half-page to full-page ads, in the Vancouver Sun, advertising the first comprehensive primary care clinic. I'm sort of saying, where was I working in 1976? At the South Riverdale Community Health Centre, or the REACH and Mid-Main community health centres in Vancouver that have had salaried doctors working with nurse practitioners and pharmacists and dietitians and other people for 30 years.

In a similar fashion, the operators of small surgical clinics again are saying, somehow, "We've invented something new." You'd never know from the coverage that North America's, not just Canada's, largest free-standing surgical clinic is the Queensway surgical centre. It's the old Queensway hospital site in west Toronto, now managed in the Trillium health system. I think the second-biggest in North America is the Pan Am Clinic in Winnipeg, which is now undergoing renovations and may shortly be bigger than the Queensway centre.

In health care, the only stories that you get are problems in the public system and something wonderful in the private system. I can tell you personally that it had almost been impossible for me to push the media to cover good news stories, to cover the innovations going on in the public system.

After the Chaoulli case came out, one of the CBC morning shows interviewed me for 15 minutes on this topic, and then they apologized that they had to cut it down to two, because they had a political debate between Preston Manning and somebody from the left who, again, had nothing to say about any innovations in the public sector or solutions to the public sector. It was just replaying the tiresome Canadian right-left argument about health care.

1030

In summary, Canadians and their judges have conflicting views about medicare. Medicare, however, succeeded when we listened to Tommy Douglas and faltered when we ceased paying attention. That's the key

point: If we really listen to what Douglas had to say about going to these multi-disciplinary clinics and about going to a better-organized system based on prevention, we wouldn't have a lot of these problems that we've got today. I think he's very unfairly blamed for the problems in our system, when in fact the problems are really due to the fact that we didn't fully implement his reforms.

There are public sector solutions to virtually every apparently intractable problem. The political calculus outside and inside the Canadian health system has made it very difficult to change the way services are delivered. Even when you get commissions that recommend changes in health care delivery, you don't always see them because of the way that groups within the health care system—medical associations, unions and others—are able to deflect reform.

H.G. Wells said that "civilization is a race between education and disaster," so I hope that this has been educational for you.

I will close with one other quote from Tommy Douglas: "Courage, my friends. 'Tis not too late to make a better world."

I'm very pleased that you had me here today. I hope that you will help make this country a better place.

Mr. McCarter: I don't want to cut into the coffee break too much, but I think we have time for one or two questions.

Dr. Rachlis: I'm happy to stay behind and talk to people afterwards too.

Ms. Rita Dionne-Marsolais: During a parliamentary hearing I was asking a deputy minister how we could force doctors to change their way of approaching the whole cure system. His answer was, "You cannot force the medical profession into any management or any decisions, even a target. You can't force them."

What is your suggestion? You're an MD yourself. How should we approach the necessary change within the medical profession?

Dr. Rachlis: I think I would address my remarks—

Mr. Sterling: Before you answer that, could I just ask you to identify yourself.

Ms. Dionne-Marsolais: I'm sorry. Rita Dionne-Marsolais from Quebec.

Dr. Rachlis: I'll give you my answer, but I'm mainly, I guess, speaking to the politicians in the room, because I think it's a political job that needs to be done.

Typically governments, health ministers and ministry officials deal with the stakeholders in the health system—doctors and administrators and various people—behind closed doors. It doesn't work there. There's no political pressure felt by the medical profession, as you say specifically, or any of these other groups, to really change what they're doing, because there's no political pressure on them. And they end up viewing any request by government as simply, "They're trying to squeeze more out of us without paying for it."

I think we need some cleverer politicians in this country to deal with these issues. The smartest health minister I've seen in the last 30 years in this country was

actually a Conservative: Larry Grossman in Ontario. He's the only health minister I've seen—there are some exceptions—who really understood the political calculus of health care. He, number one, got the discussions out into the open and, number two, brought other groups into the debate. In fact, his officials were the ones that first funded community health centres officially in Ontario. He created an association of health centres and brought them into the meetings. He funded psychiatric patient self-help groups and then brought them into the discussion so that there were patient voices. When the Ontario Medical Association gave the same arguments that they used to give behind closed doors with the Ministry of Health, their arguments were ripped to shreds by the other people in the room, and so they had to politically change their rhetoric.

I think that in Canada we have a tendency to rely on the elites. We're leaving the health care system, more or less, to the medical profession and a few others to deal with and we're not putting the pressure on them that they need to have put to make things right.

This means that we also undercut the reform leadership in medicine, because then the rank and file will tell their leaders, who are pushing for reform, "Why are you doing this? It's not in our interest and no one is pushing us."

I think we need the politicians, really, to open up the way for this. They've got to start doing the politics of health care smarter, and we have to start having meetings that allow other interest groups and average Canadians to come and speak and put their pressure not just on doctors but on other people who run our health care.

Mr. Jim Maloway: I'd like to ask you about electronic health records, which are supposed to reduce medical mistakes and create efficiency. I'd like to know where we are nationally with electronic health records.

Dr. Rachlis: It's slow. Electronic health records are remarkable when they work well, and certainly the VA system is an example of that. They've got a fully relational data base. Once a lab test of someone's diabetic follow-up is entered, it's freely available to anybody in the system with the appropriate security and can be used for research and audit purposes as well. So good electronic records would be wonderful.

I'm not a techno-peasant, but I'm not as techno-savvy as I'd like to be, so I don't know the specific details of why it's taking so long. I am one of many people who is very frustrated at all the money that Infoway has and how little has been done with it. As you probably know, Infoway has over \$1 billion, and very little of that money has been spent. Some of the best projects on the ground that are developing electronic health records systems report to me, frustratingly, that they've had a great deal of difficulty getting Infoway to support them. So it's far too slow. It's something that should happen in five years, and it looks like it's going to take us 20 to 30 years.

Mr. Elwin Hermanson: I was interested in some of your initial findings on the American system versus the Canadian system and death rates and life expectancy. I'm

not a defender of the American system, but I do know there are discrepancies within Canada. For instance, Saskatchewan has a higher infant mortality rate than other provinces in Canada simply because of demographics. So I'm wondering if that was a bit of an oversimplification. Obviously there are challenges in our province. We have a large aboriginal population with lifestyle challenges, lower education, higher unemployment and living in more remote areas. It's an issue we have to deal with if we're going to improve the health care quality in our province, and that's something a lot of us are focusing on. So I think that demographics need to be included in that area.

The question I have for you is—and I think you raised a very important issue: How do we, as politicians, discuss changes to health care without it becoming so polarized on the political level? If anyone suggests there should be changes, those who are defenders of the status quo accuse those who want changes of wanting all the wrong changes and making our system an American system and taking people out of the health care system. Those who defend the status quo are accused of defending all the things that could be better in our health care system. There seems to be no sanity when we discuss the issue.

I'm wondering if you, from your perspective, being very involved in the health care system but not so much in the politics of it, have some suggestions as to how we can bring these issues forward and discuss them in a sane, less accusatory manner. I'm looking at you through a pair of glasses that were paid for through my health care program as an MLA, and I have a bridge in my mouth that was also paid for in the same way. Yet when I had a sore elbow, it was fully covered. I frankly think the problems with my mouth and with my eyes are more serious than the problem with my elbow, but we can't even discuss this, and I find that very disconcerting. Do you have any comments?

Dr. Rachlis: One tactic that I mentioned earlier is that I think every Minister of Health should be cultivating some sort of ongoing public forum where issues can be discussed and where he or she can start seeing some movement, with other interests taking on the hard interests he has to deal with behind closed doors. That's one tactic. But another tactic is to highlight the good things that are going on, to highlight that there are solutions. That's what I try to do a lot in my work. For example, I think it should be a big issue in your province that within a six-month period last year the Saskatoon Community Clinic went from having six-week waits for care to having no waits for care. I think that should be showcased, and within a year or two, everywhere else in your province should have same-day access. Those are the kinds of things I'd like to see.

I think that awards are a good thing for showcasing things, but we don't do nearly enough showcasing of the good things. It seems to me that once people start to hear that the Rexdale Community Health Centre, which is dealing with just about the poorest urban community in this country, had a six-week wait for care and now

they've got same-day access, with no more resources, people will start to say, "I want that too. If they can do it, why can't we?" I think showcasing the best practices in the public sector is one way of getting that sector to start moving and reforming.

Mr. Sterling: We're going to allow just one more question. I think Mr. Patten has a question.

Mr. Richard Patten: When we start talking about deficiencies and effectiveness and quality, there are two areas that are not fully explored, which I find discouraging. It seems to me that our present system is captured by the sort of treatment-after-the-fact, allopathic system, which is only one form of treatment, one form of engagement. It seems to me that we haven't explored sufficiently, and there are some fine examples of successes around, prevention and looking at complementary or alternative systems, if you will, or other forms of therapies that are out there that can't get in the system because it is so controlled by the westernized, allopathic set of physicians who seem to be attached so closely to drugs and the pharmaceutical system of treating after the fact, rather than a really good health care system.

Dr. Rachlis: I think you're making a good point. There are lots of services that aren't covered generally, and acupuncture would be a good example. There is quite a bit of research now, randomized trials that support acupuncture's effectiveness for a variety of conditions. It's becoming more available within the public system, but it's still not nearly as available as it should be.

I think there are only three kinds of medicine: medicine that we know works, medicine that we know doesn't work and medicine that we really haven't fully researched yet.

I tend to avoid the terms "complementary" and "alternative" medicine, even though I think they are useful short forms at some point, because they suggest that there is something different about them. I think what's different is that many of those forms of therapy have not been fully researched yet. Some of them are going to be very effective—and we're finding that out—and some are less effective.

I completely agree with you about the drug suggestion. Across this country, provinces are cutting costs; they're not cutting waste. There are huge amounts of waste in our drug budgets. We're spending billions of dollars every year publicly to hurt people with drug therapy, and then billions of dollars more patching them up in hospitals because of adverse reactions to the drugs they're taking. The response should be to eliminate the waste. We could cover everybody for needed drugs if we were prescribing properly. Instead, what we're doing is putting in place more user charges etc., which are simply making it more difficult for people to get the drugs they do need.

Mr. McCarter: I hope you'll join me in thanking Dr. Rachlis. I think he has provided food for thought in a very good session.

We'll break for maybe 25 minutes for coffee. The parliamentarians, the public accounts committee mem-

bers, are coming back to this room, and the auditors will be going to Georgian Ballroom C. We'll reconvene at, say, 10 minutes after 11.

The conference recessed from 1044 to 1120.

GOVERNANCE IN THE PUBLIC
SERVICE OF CANADA:
MINISTERIAL AND DEPUTY
MINISTERIAL ACCOUNTABILITY
LA GOUVERNANCE DANS
LA FONCTION PUBLIQUE DU CANADA :
OBLIGATION MINISTÉRIELLE ET SOUS-
MINISTÉRIELLE DE RENDRE DES
COMPTES

Mr. Hunter Tootoo: Maybe if we can get everybody to sit down and we can move on with the agenda.

My name is Hunter Tootoo. I'm chairing this session. I'd like first off to introduce the presenters. The first person who will be making the presentation is John Williams. He's an MP, and he's the Chair of the standing committee on public accounts for the House of Commons. Joining him are his committee members: Dave Christopherson, the Honourable Walt Lastewka and Sébastien Gagnon.

It looks like it could be a very interesting topic: ministerial and deputy ministerial accountability—something I'm sure that everybody has lots to talk about. With that, I'll just turn the floor over to John.

Mr. John Williams: Thank you very much, Hunter, and good morning, everybody. It's my pleasure to be here at the Canadian Council of Public Accounts Committees, to see so many old faces again for so many years. It shows us there is some longevity in Parliament. It's nice to see some new members and new faces. I'd like to acknowledge Elwin Hermanson. Elwin was a colleague of mine in the House of Commons and is now the Chair of public accounts in the province of Saskatchewan. It's nice to see you again, Elwin.

Also at the head table I've got my colleagues from the public accounts committee: the Honourable Walt Lastewka, representing the Liberal Party; Mr. Dave Christopherson from the NDP; and M. Sébastien Gagnon from the Bloc Québécois.

I'm going to be talking about accountability, and I can assure you that these guys are my accountability. They keep me focused on the right track, and if I stray, then I hear from them.

I'd also like to introduce, at the back, Elizabeth Kingston, who is the clerk of our committee, and Mr. Brian O'Neal and Marc-André Pigeon, who are from the library of Parliament, our researchers for the public accounts committee. These people are invaluable. I know that the public accounts committee would be a lot less effective than it is without the support of the great staff that we have.

We're going to be talking about the report Governance in the Public Service of Canada: Ministerial and Deputy

Ministerial Accountability. It's a report that we tabled in the House of Commons in May 2005. But I'm not going to give a synopsis of the report; I think you all received a copy of it in your kits when you registered for the conference. Therefore, it's good reading for those who are interested in parliamentary democracy, and I hope that we are all interested in parliamentary democracy.

I'm going to focus attention on accountability and the role of Parliament and the role of public accounts to see if we can ensure that democracy is not only alive and well but continues to thrive and prosper and improve here in Canada.

I define "accountability" as forces beyond your control that cause you to think and act in a certain way. That may be kind of abstract, but there are some people who have taken the abstract and it has become more real. I think of Ken Lay at Enron and Bernie Ebbers at WorldCom and perhaps Conrad Black of Hollinger, who have now taken this "forces beyond their control" and who are now pulled up on a string: "You are very much accountable for your stewardship of the companies that you were the CEOs of." Accountability: forces beyond their control.

Parliament should be that force beyond the control of government that holds them accountable for what they do—clear separation.

Before I leave the concept of Ebbers and so on, I'd like to talk about what I call my speeding analogy. I make my confession every time I make these speeches. When I drive on the straight roads of Alberta, I set my cruise control to 10 kilometres over the speed limit and blithely break the law all the time. I'm sure you folks never speed, but I do. I know that if I meet the RCMP on the highway, he's not going to stop me. But if I go 20, 30, 40 kilometres over the speed limit, I know for sure he's going to stop me. This tells me some interesting facts:

(1) If you think you're going to get away with it, you will do it.

(2) If you think you're likely to get caught, and the price is more than you are prepared to pay, you don't do it.

That's why I only do 10 kilometres. I don't do 30 and 40 kilometres, because I really don't like tickets; I don't like my insurance going up; I don't like demerit points. But I can take my 10 because I can get away with it.

We have to ensure as parliamentarians that the government doesn't get away with it. We are that force of accountability, and that's the role that I'll be talking about this morning.

The report deals with the heart and the substance of democratic governance in Canada. We, of course, have the Westminster system, inherited from the UK. As I mentioned, Parliament is a separate and distinct institution apart from government. Government is the executive. Government has the authority to govern, subject to being accountable to Parliament. We have four complete and distinct responsibilities:

(1) We approve legislation that the government would like to pass. In order for them to introduce new programs, to change a program, to do whatever they want to do, they have to come to the Legislature and Parliament and say, “May we do this?” If we say it’s OK, then they have the authority to do so.

(2) They come to us with the budget and say, “Here is a budget that we want to present to the province or to the nation. If you accept it, then we can implement the tax changes”—increases, decreases; whatever the score may be. If we approve, they may do it.

(3) We study the estimates—theoretically, line by line—and say, “Yes, you may spend the money in that particular way, if we approve.”

(4) Government reports to Parliament. The fourth one is the issue that deals with the public accounts committee, because the public accounts committee is that committee that holds the government accountable. Government reports to Parliament and the Legislature. In essence, that is the responsibility of the public accounts committee: to ensure that government acts within the authorities that Parliament and the Legislature have granted to them.

Then we have ministerial accountability. Our Westminster model is a concept of responsible government: that the government, again, is responsible to Parliament. As long as they enjoy the confidence of the Parliament and the Legislature, then they enjoy the opportunity to govern. They are responsible. If they are defeated, then, of course, it’s off to an election. But there’s no way in the Westminster model for individual ministerial responsibility. We can’t pass a motion of non-confidence on a particular minister. We have the nuclear bomb of firing the entire government, or not. We can’t pass a motion of non-confidence on a minister.

Ministerial accountability becomes a major issue. We have things such as accountability, responsibility, answerability. They’re all different nuances on the same issue, but they’re quite different things. As you know, if a minister gets shuffled off to another department or to the back bench, his replacement can answer for what happened in the department but is not responsible for what happened under the previous minister’s watch. They can only answer the questions. We had that in the Jane Stewart billion-dollar boondoggle and the HRDC billion-dollar boondoggle in Ottawa, where she came after the fact and therefore answered but was not responsible and therefore not accountable. So these nuances have important play in government.

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I’d like to read a couple of things from the report. I know that translation and interpretation don’t have the pages numbered like I do, but I’m talking about page 2. I’d just like to read something here:

“The principles of accountability and responsibility reside at the core of our parliamentary system of government and the assertion that there is something ‘seriously wrong’ with the way these principles are put into practice is of grave concern. One thing is certain:

The events surrounding the sponsorship program have revealed the flaws in the doctrine of ministerial accountability as it has been interpreted and practised in Canada since Confederation.”

On the next page it talks about how, “According to this doctrine, ministers are broadly accountable to the Prime Minister and the House of Commons, on behalf of the people, for their exercise of the responsibilities assigned to them when they are appointed, including the powers and duties provided by Parliament through legislation. This doctrine is thus central to democratic accountability.” It’s that doctrine that didn’t work that allowed the sponsorship scandal to become the problem that it was.

When we take a look at the theory of ministerial accountability, again we see that on page 6 it says, “The Privy Council Office interpretation means that no minister, whether present or previous office holder, is accountable to Parliament for problems stemming from the tenure of a previous minister...” As I mentioned, a current minister is not accountable for the actions of his predecessor. “More important, in the sponsorship affair, deputy ministers are accountable only within the government to minister, Prime Minister and Treasury Board, but not to Parliament for the crucial management functions assigned to them alone by statute.”

So we give them the authority and they have now said, “This concept of a force beyond our control, we don’t like it, so we’re going to ignore it. We will only respond to the Prime Minister, to the cabinet, to the Treasury Board, to ourselves.” That’s where Parliament has to reassert its authority, because the problem, the issue in the sponsorship scandal, became that the minister, Alfonso Gagliano, said, “I’m only the minister. How can I be held accountable, because I’m not there any more? Plus, I was only responsible for the policy.” But we know from the facts that he was directly involved in the administration. And Ran Quail, the deputy minister, said, “How can you blame me? I wasn’t in the loop. Nobody told me what was going on. I was told to keep my nose out of it.”

While the theory of ministerial accountability, the doctrine, is firmly entrenched, when it breaks down there is no capacity to hold people accountable, and that was a failure that we found in the sponsorship scandal.

We were able to assert Parliament’s authority over government. For the first time in the history of Canada, we passed a resolution, asked for cabinet documents, and obtained them, demonstrating that government reports to Parliament. So if any time in your Legislature you find that a government is hesitant or refuses to give you documentation, you can refer to the House of Commons and the motion that was passed in 2004 saying that government will give you what you want. It is your constitutional right. Remember that. Government reports to Parliament. That is central.

When we talk about ministers getting themselves involved, we’re going to hear some comments from other people, and they may have a different perspective than I

do. We talk in the report about how the minister actually became involved in the administration of the program and that, again, within our concept, ministers are responsible for policy; they're not responsible for administration. They should not involve themselves in any way, shape or form in administration. That is the deputy minister's responsibility. We saw the lines being blurred, but we couldn't hold anybody accountable.

So we came up with four recommendations.

The first one is that deputy ministers be designated as "accounting officers." This is a term that has been used in the United Kingdom for over 100 years. It basically says that once a deputy minister accepts responsibility, you will always be held accountable for your stewardship of your department while you were there, just like Conrad Black and Bernie Ebbers and all these guys. Long after the company is gone, they are still accountable for their stewardship. Deputy ministers are to be held accountable for their stewardship even into retirement. They cannot say, "I'm not there any more. Yes, there were errors. Yes, there was fraud. There were illegalities and whatever else was going on. It's not my job any more. Don't look to me for the answers." We're saying no. Just like in the private sector, you're always going to be accountable for the decisions and the administration of the department that you were responsible for. You will never be able to excuse yourself.

The second one was that the accounting officers, deputy ministers, be held to account for their performance "before" the House of Commons—not "to" the House of Commons, but "before" the House of Commons. We made sure that we didn't use the word "to" the House of Commons, because people can't be responsible to two masters. They can't be responsible to their minister and the Prime Minister and responsible to the House of Commons at the same time. The House of Commons is not an institution of management either; the House of Commons is an institution of accountability. But we said that deputy ministers will have a responsibility to come to the House of Commons and explain what they do and what they have done in their department. It cannot be avoided. They have a responsibility to account before Parliament, and therefore before the public at large, as to what is going on in their department.

Then we addressed the issue of what happens if there is an impasse. There was perhaps an impasse in the sponsorship program in the government of Canada. The minister and others—cabinet—approved a program. I don't think the deputy minister was comfortable with the program, and he was left out of the loop. In his own words: "I wasn't in the loop; therefore don't blame me." We're saying that if a minister tells a deputy, "This is what I want," and the deputy minister doesn't like what he is being asked to do—if he thinks it's unethical or not appropriate—then he has a responsibility to write to his minister and say, "I'm sorry, Mr. Minister, but I think we're going a little off base here," and setting out the facts. The minister can weigh his options and either say that the deputy minister is right—"I heed your advice.

We'll not go down that road"—or can write back to the deputy and say, "I disregard your advice. We're doing this."

You still have the impasse. One thinks it's appropriate and one thinks it's not. Therefore, if that is the situation, the deputy has to turn the correspondence over to the Auditor General. Let the Auditor General look at the issue. If the Auditor General thinks that it perhaps is unethical, then we're going to get that report in Parliament. We come all the way back to forces beyond your control that cause you to think and act in a certain way. If a minister is asking a deputy to do something that's inappropriate, then you know it's going to become public knowledge and there will be pain. You may just say, "I will back off." Like the speeding analogy, you don't go too fast because you're not going to like the pain. That was the philosophy that we had in the report of the public accounts, to ensure that we brought in a mechanism that raised the bar and the price for unethical behaviour.

Then we had a fourth recommendation asking for some tenure for deputy ministers to allow them to become experts in the job and not just a shuffling of the chairs every time something inappropriate comes along.

But the crux of the matter is the accounting officer for deputy ministers—they are no longer ever going to be able to say, "We can pass the buck"—and two, a process for making public issues that are perceived by someone to be unethical.

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Now the bad news. The bad news is that, last Friday, the government came down with its response to our report. A couple of quotes:

"It is the government's position that the committee's report contains a number of apparent misconceptions about the existing ministerial and deputy ministerial accountability system. The report conveys the general impression that there is ambiguity in the current system"—absolutely. That's exactly what we did want to try and convey, that there was ambiguity—"...ministers are responsible for and accountable to Parliament for the overall management and direction of their departments"—I just explained how we cannot pass a motion of non-confidence on a minister. As everybody knows, question period is question period, not answer period. So how does Parliament actually hold a minister accountable?—"whether pertaining to policy or administration and whether actions are taken by ministers personally or by unelected officials." So they just dismiss the entire thing.

They went on to say, "Once a minister has departed from a portfolio, no one can be held accountable by Parliament for what was done during that minister's tenure." This is supposed to be a democracy, and here we have government saying, "Parliament, stay out of our turf."

At the end, it says, "To hold individuals accountable for their performance in fulfilling delegated respon-

sibilities, it must be clear, through the Treasury Board's management policies, who is charged with doing what."

It's Parliament that's charged with doing that, not the Treasury Board. Remember, if you are going to have forces beyond your control, Parliament has to be independent and effective. Treasury Board is only a management policy within the government and will bend according to the whims and desires of ministers. How is the Treasury Board going to be that force of accountability? It is not.

So unfortunately, the government has dismissed a substantive report of the public accounts committee. Perhaps we have not heard the end of it.

Ladies and gentlemen, as I said, my accountability is the remarks by my colleagues, and therefore I will turn the floor over to my colleagues for their remarks as well.

Hon. Walt Lastewka: Let me first say that I'm not going to do a political analysis and I'm not going to prejudge Gomery, but I would like to make some comments on some of the specific recommendations. First of all, some of you know my background and some don't, so I'll just explain. I used to be a senior executive with General Motors, so I come from a large corporation.

I'd like to touch on three items that came up during the study and into the recommendations, and that is responsibility, authority and accountability of ministers and deputy ministers. I know that from experience, it being 12 years—and some of us have been there for the whole 12 years; since 1993—that everybody has their own interpretation. In fact, it is not clear. When a new member comes into Parliament, there are a lot of assumptions being brought forward rather than being made clear. For me, the exercise is very clear: There should be better mechanisms in Parliament for the training of new members and the understanding of responsibility, authority and accountability, and that it not be interpreted by everyone in their own way. I think that has been made very clear in the report, and I would hope, going forward, that the public accounts committee would hold ministers and deputy ministers for discussion in public accounts along that line. It's not unusual for us to hear, "Well, they really should have," or, "He or she should have." Then we get into, "Well, it's somebody else's responsibility."

It has been brought forward very clearly in the report, and a number of us have talked about it around the committee, that the auditor's reports, once we have ministers' and deputy ministers' responsibility, authority and accountability very clear, will be even more effective, so that the public accounts committee will be able to be more effective.

One of the items I wanted to bring up is whether, as John mentioned, deputy ministers were out of the loop or deputy ministers decided to step aside. John chose to use the words "not in the loop"; I choose the words "that the deputy minister decided to step aside." We'll hear from Gomery on what it really was.

There's another item that I wanted to bring forward. It's not unusual, depending on which government comes

in or which party comes into government, whether it's federal or provincial, that we always want to make a name change and a reorganization and call it something else because our party knows better and so forth. But who approves that reorganization? If you were in a large corporation, you wouldn't be able to make that reorganization without going through the auditor portion of the company. In government we tend to make a reorganization and then allow the auditor to catch up some day. I think that's an area that we also need to take a good look at.

Although John Williams tended to say that the government dismissed the report, I really don't think so. I think one of the problems in government is that we make reorganizations too often and the whole system breaks down, and that we should be putting forward more effective accounting principles, working together with public accounts and operations and the Auditor General to make continuous improvement. Our next meeting, this fall, will review both reports and whether there was progress by the government or not.

I'd like to keep it to those three items: the definition of responsibility, authority and accountability to be clear to everybody; the fact that we shouldn't be doing reorganizations without having the Auditor General approve them; and that we should be bringing more and more ministers and deputy ministers to public accounts to account for their programs. I'll leave it at that and wait for your questions.

Mr. Tootoo: Thank you, Walt. Dave?

Mr. David Christopherson: Thank you, Chair, and thank you all very much. Let me just say what a thrill it is to be back here at this conference at the federal level, having served in Ontario for so long. In fact, when I walked in I ran into so many old friends from Ontario that I immediately started looking for the Ontario place to sit. So it is good to see old friends.

My comments are going to be very brief. I thought our Chair did an excellent job of presenting the views of the committee. To the best of my knowledge—I should have checked this before, John, but I think we adopted this unanimously. Yes. It really was a non-partisan effort, and everybody set that aside and we did the very best we could in terms of the system. But let's understand that you're always more in favour of these things when you're in opposition than when you're in the governing party and that your attitude on that will change depending on which side of the House you end up on after an election.

My experience—limited at the federal level—and my experience at the provincial level, having served in cabinet there, is that this is a systemic problem that affects all of us. Having read the material and then taken some witnesses ourselves regarding the sponsorship scandal, you're just going in circles. We had deputy ministers come in who, as John has said, basically said, "That wasn't my job; that was the minister's role." Then the minister rolls in and says, "That wasn't my job; that

was the deputy's role." Where do you go? You're just circular; around and around.

I have to just say that some of the responses from the government are just a little impractical. As an example, where it says that right now there's nothing stopping a deputy minister from requesting a minister to put their direction in writing: What a joke. What a career-limiting move that is. I could just imagine my deputy saying to me, "I want you to put in writing what you just asked me to do." Come along. They're not going to be a deputy all that long—at least not in a big ministry. So there are a lot of impracticalities in here.

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The fact of the matter is that there is nothing too radical here. It's done in Westminster, as said; it has been done for 100 years. It works there. We have an obvious problem. It seems, in my opinion, to be the same problem whether it's provincial or federal, and we need to do something structurally to ensure, as the Chair has pointed out, that the primacy of Parliament—we often think of government as primary. They are not. Parliament is at the top of the food chain, and right now Parliament does not have an ability to get at the absolute truth when they decide that's what they want to do. The system doesn't lend itself to that.

So I think these are relatively modest. I can appreciate that government members aren't as enthused as others, but at the end of the day, this gives us better governance, this gives us better accountability, and that is what our respective committees are all about: holding decision-makers accountable and ensuring that there is a means to have the public know how their money is being spent and who is making the decisions that resulted in that expenditure. We have a bit of a problem. This is about trying to fix it.

Thanks very much.

Mr. Tootoo: Thank you, Dave. Sébastien?

M. Sébastien Gagnon: Merci. Je parle français. Je ne sais pas s'il y a des gens qui voulaient prendre un moment pour mettre le petit appareil.

C'est un privilège aussi pour moi d'être parmi vous aujourd'hui. Peut-être par la force des choses et mon jeune âge, je n'ai pas l'expérience de certains d'entre vous, mais j'ai eu, comme première année, la chance aussi de côtoyer ces collègues qui sont aux comptes publics.

Ma première réaction est qu'il est très important—M. Lastewka l'a bien dit—d'avoir un genre de formation. Parce que j'étais un non-initié, je n'ai pas eu aussi l'occasion d'être en avant-plan sur tout ce qui est sur l'enquête du programme des commandites, mais on a quand même eu l'occasion d'aller, au cours de l'année, sur d'autres voies, sur d'autres programmes en parallèle, mais aussi de toucher de façon sans nuire à la commission Gomery au programme des commandites.

J'ai aussi eu la chance, par la gestion de fonds gouvernementaux dans le gouvernement du Québec, d'être un acteur de premier plan en lien avec la véri-

fication générale, donc comme parlementaires mais aussi comme directeurs généraux d'un fonds.

Ce que je pourrais dire—et comme j'ai dit, mon allocution sera bien brève—c'est que l'imputabilité est quelque chose qui devra, à partir de ce qu'on a déjà vu, le programme des commandites, être encore plus scrutée à la loupe. Je pense que les citoyens seront en droit aussi d'exiger de plus en plus de la part des politiciens, des députés, des ministres et de tous ceux et celles qui gravitent autour du Parlement. Comme député d'opposition et membre du Bloc Québécois, oui, c'est vrai que les partis politiques, peut-être le parti d'opposition, ont vu ce scandale comme, quelque part, certaines opportunités politiques, mais d'un autre côté, c'est toute la profession en général qui a été entachée. Puis moi, comme jeune parlementaire, comme jeune administrateur, j'étais un peu désillusionné par ce qui est arrivé. Donc, le travail que j'ai envie d'accomplir avec vous, mais aussi le travail futur que j'aurai à poser dans le comité des comptes publics mais aussi peut-être en vue d'une carrière, c'est la rigueur d'exiger aussi de la part du gouvernement en place, que ce soit n'importe quel parti qui l'occupe, cette rigidité face aux personnes que nous représentons mais face aussi à notre profession qu'on a envie de poursuivre et la réputation qu'on a envie aussi de lui donner.

Donc, je préférerais répondre à certaines questions. Comme j'ai dit, mes collègues ont un peu plus d'expérience que moi. J'ai eu la chance d'être, au cours de cette année, un acteur près du scandale des commandites, mais je ne voulais pas élaborer davantage parce que beaucoup de choses ont été dites là-dessus.

S'il y a des questions, je répondrai. Merci beaucoup.

Mr. Tootoo: Merci, Sébastien. I think I'll just open up the floor for any questions or comments to any of the members. I think this is a very important issue. If you look at some of the things that have happened in this country over the last few years with HRDC, with the gun registry, with the sponsorship scandal, I'm sure that the majority of Canadians would love to see some type of mechanism, because I know for a fact that they're not very happy about how that money, those billions of dollars, was spent and would love to have something in place to be able to hold those people accountable for their actions.

Any questions or comments for any of the members? Before you start, I would just ask you to introduce yourself for the record.

Mr. Adeyemi Oluwole: Thank you, Mr. Chairman and colleagues. I have read the submissions and all of the recommendations and find them very, very interesting. I am from Nigeria and I am the Chairman of the public accounts committee in the House of Representatives. My name is Adeyemi Oluwole.

What has really taken me aback is this response by government that holding a former minister accountable to Parliament would not make sense. I beg your pardon: It wouldn't make sense?

I want to share our experiences with you. What we are trying to do in Nigeria is not just to hold accounting officers responsible but to hold their estates responsible even when they die. To whom much is given, much more is expected of. We have enormous resources in the hands of public officers, and somebody must account for this.

We've had a lot scandal mania in Nigeria on all of this so we have tried to get around the problem. Ministers and ministers of state, perhaps those who qualify as deputy ministers here, are not really accounting officers. The permanent secretaries who are permanent fixtures in various government departments and chief accounting officers are the ones we are holding responsible. Ministers and deputy ministers are birds; they are transient figures. The permanent structures, the permanent fixtures, the institutions, the permanent secretaries, are the ones who are accounting officers, and we hold them very, very much accountable for every dollar spent out of the public coffers. Everybody to whom a lot of money has been entrusted must be held accountable. The government's position does not make sense to us.

Like I said, we have tried to go around the problem. All the permanent secretaries—I am sure that you have permanent secretaries in the various ministries: Hold them accountable. Make them the accounting officers. Then it will free the ministers, because they are the ones who are responsible for following the financial regulations in the expenditure of public resources. Therefore, hold them responsible.

If we look in this direction, perhaps we may be able to find a way around it. I share your views. We all have the responsibility of improving the system we made, and we are doing what we can in our circumstances. These are the kinds of things, the innovations, that we have brought to the system.

The PAC is sponsoring a bill recommending very, very stiff penalties, like I said, including charging the estate of the deceased. So you are not only responsible for the expenditure of public resources while you are alive; even when you are gone and you have mismanaged public resources when you were alive, the estate will still be held responsible. That is what we are trying to do there, and I think you can borrow some wisdom or share views on this.

Mr. Williams: Thank you. I just would like to make the comment that in Canada we talk about deputy ministers, and you have permanent secretaries. They are the same position. In the UK they talk about permanent secretaries as well, but here the same person carries the title of “deputy minister.” Deputy ministers are not elected; they are the head of administration within a department, and that is where we are trying to deal with: “Don't blame me; blame the other guy. Point the finger somewhere else.” We still don't have a mechanism where we can say, “It doesn't matter. You can't wiggle your way out of it if it's unethical.” If it's illegal, we have rules and laws here in Canada to prosecute illegalities. But when we get into the unethical stuff, that is the issue that becomes very, very difficult to police and to enforce.

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Mr. Hermanson: Just two very quick questions: With regard to the four recommendations, do they just require a change of practice by the federal government and Parliament of Canada, or do they require new or amended legislation or standing orders? That would be the first question.

The second question is, and this is to everyone, have any Canadian provinces adopted any of the four recommendations in whole or in part, or is this only a model from the United Kingdom?

Mr. Williams: Sorry, the first question was, on the four recommendations—

Mr. Hermanson: Right. Do they require just a change in practice by the government or do they require a change of legislation or standing orders?

Mr. Williams: They require a restatement of the doctrine of ministerial accountability by the clerk of the Privy Council and the central departments of government. There is a clear statement of ministerial doctrine that we all subscribe to, but when you read the very fine print—Dr. Ned Franks, a professor emeritus of Queen's who came before the committee at least twice on this issue, talked about how, when the government and the Privy Council really get into articulating ministerial accountability, there are all kinds of opportunities to slide away.

We know the concept. It's simple. We have the confidence of the Parliament, of the Legislature, and ministers have to account for themselves in the House of Commons at question period. But then, when you get into the rules—and the devil is always in the details—the rules are written by the Treasury Board and by Privy Council, and that needs to be restated.

On your second question, I'm not aware of an accounting officer outside of the UK, certainly not in Canada. If anybody from a province has the accounting officer model, I would love to hear about it. I don't think it exists in Canada.

Mr. Tootoo: Anyone else?

M^{me} Dionne-Marsolais: J'ai différents commentaires sur les recommandations, mais j'ai une question : est-ce que, au gouvernement fédéral, la fonction de vérificateur interne à un ministère existe? Et si oui, justement, dans ce scandale des commandites, comment les vérificateurs internes des différents ministères concernés se sont-ils comportés?

Mr. Williams: The unfortunate answer is, not much. We had the senior internal officer from the Department of Public Works come before us. I don't remember his name, but that's not important.

The unfortunate thing about internal auditors in the federal government is that they are dead-end careers. Criticizing the boss is not a career-motivating position; it's a career-limiting position. An internal auditor in the federal government gets sidetracked off to a dead-end job and that's the end of their career.

I would like to see—and I've said this on many occasions and also to the new controller general—that

the internal auditors be fast-tracked to senior management. They should be moved around. They should be Treasury Board employees seconded to a department for maybe two or three years and then move on somewhere else so they can get pan-government experience and never be beholden to their own deputy minister as Treasury Board employees. But the government will not buy that argument either.

What we have found, when you take a look at the testimony we got before the public accounts committee, was that the internal auditors saw the problems but they never connected the dots. They examined a large number of files, and documentation was missing, the signing-off was missing and the independent verification was missing, but they never said, "Wait a minute. I've examined 50 files and they all have the same problem. Is there a bigger problem here?" No, they just reported 50 files with problems. Of course, there was the bigger problem that it had to become a systemic system of usurping government money—I'm trying to be euphemistic here—to defeat the systems of checks and balances.

The internal auditor didn't see it because they just kept checking off the boxes. We need to have sharp, bright people in internal audit, and the only way you're going to get that is like in the private sector. Private sector internal audit is fast-tracked to senior management. It has to be the same in a federal government. They've got to be motivated, not beholden to the deputy minister, because criticizing the deputy is a career-limiting move.

Hon. Mr. Lastewka: Plus, the organization was outside the internal audit. So the internal audit was not going into the area that was all involved with the sponsorship program.

Mr. Williams: Finally, if I may just add one more point, it did actually come up in the mid-1990s that there was a serious problem, and then they hired an external auditor to do a review. The government—I don't know exactly who—at a senior level was able to tell the external auditors, "Water down your report. Don't be so critical."

It gets back to this: Remember I said that accountability is forces beyond your control. If you can tell the external auditor, "Massage your report to make it less critical," it's no longer a force of accountability. It happened in Enron, where the external auditor was co-opted in the system and the system failed. The external auditor in this particular case failed because he succumbed to pressure from their own client to water down their own report. That can never be allowed to happen.

M^{me} Dionne-Marsolais: Est-ce que je peux réagir? Je voudrais réagir à ça. En fait, ce que vous nous dites n'est pas nécessairement une question de système; c'est une question d'éthique. Je ne sais pas comment les recommandations que vous faites ici vont modifier les règles d'éthique que les employés et que les élus et les membres du gouvernement adoptent, parce que c'est ça la question. On peut mettre un tas de règles et de contraintes,

mais si l'éthique n'est pas comprise—on peut entrer dans une très grande discussion là-dessus, bien sûr.

C'est peut-être un exercice de revalorisation et d'éducation en matière d'éthique qui est important actuellement pour remettre un peu à niveau, parce que ce que vous dites au niveau des vérificateurs internes—justement, s'ils sont en fin de carrière, il y a un avantage pour eux à terminer leur carrière avec un éclat—fin de la citation. S'ils sont en début de carrière, si on valorise cette fonction-là, si on reconnaît le rôle du vérificateur interne à l'intérieur d'un ministère et qu'il est suivi, normalement on devrait avoir une meilleure performance de reddition de comptes, en tout cas certainement un contrôle un peu plus efficace. C'est tout. Ce n'est pas une question; c'est seulement un commentaire.

Mr. Williams: There are two reports. This is only one report of the public accounts committee on the sponsorship issue, dealing with the relationship of deputy ministers and ministers.

There was another report that had 29 recommendations for the administration, which has not been given to you and is not part of the debate this morning. So there's a separate report dealing with the administration.

When it comes to ethics, I agree with you, but you will get the best ethics when people are held accountable for their administration of their ethics. That is why this whole concept of accountability in a democratic system, engaging the public, informing the public—if they're shocked and outraged, then the government is going to clean up the wreck. The more people know, the better it is. That's a fundamental premise in democracy, and that's when you get good ethics. Keep it under a barrel and hide it, and then things go off the rails. That's exactly what happened in the sponsorship issue.

Mr. Tootoo: Thank you. Not only that issue, but Walt, you had something else there.

Hon. Mr. Lastewka: I'm not sure we answered the second question. Have any of the other provincial or territorial areas adopted similar recommendations? Does anybody want to comment on that? No?

Mr. Tootoo: Anyone else? I was really surprised to hear that a government got an auditor to water down the report. I've never heard of them doing stuff like that. If there are no more questions, I'd like to thank the committee members and the presenters for their presentation.

I think the next item on the agenda is lunch in the Tiara room. Thank you.

The conference recessed from 1210 to 1342.

REPORTS FROM JURISDICTIONS RAPPORTS DES PROVINCES ET DES TERRITOIRES

Mr. Sterling: Good afternoon. Could we have everyone sit down and organize themselves for the next session?

This afternoon we are going to be dealing with reports from various jurisdictions as to what they are doing on

their public accounts committees. I suggest that each presenter try to limit themselves to somewhere around 10 minutes, so that there will be enough time to get through all the provinces, territories and the federal Parliament. If a presenter takes fewer than 10 minutes and there are some questions at the end of a presentation, I will entertain perhaps one or two short questions and answers to get a little bit of a dialogue going.

As you can see on your program, we have a list of the various territories and provinces, and I will try to follow that. If someone is not here during a period of time, then we will put that particular jurisdiction down to the bottom. At the very beginning we have Nunavut. Do you want to go ahead, Hunter?

Mr. Tootoo: Nakummiik, itsivauta. Thank you, Mr. Chairman.

As most of you may or may not know, my name is Hunter Tootoo. I am a member of the Legislative Assembly for the constituency of Iqaluit Centre and the Chair of the Legislative Assembly of Nunavut's standing committee on government operations and accountability.

Here with me on this trip is Mr. Keith Peterson, MLA for Cambridge Bay and Co-Chair of the standing committee, as well as our committee clerk, Ms. Nancy Tupik, and our director of research for the committee, Alex Baldwin.

We would all like to express our appreciation to our host jurisdiction, Ontario, for the warm welcome and hospitality this week, and for the golf yesterday.

Nunavut, along with the Northwest Territories, is one of two Canadian jurisdictions whose Legislatures operate on a non-partisan, consensus basis. Unlike other jurisdictions, we do have the ability to remove ministers individually. Something presented this morning was that the only way to do that in another jurisdiction is to drop the atom bomb and get rid of the whole government.

The standing committee on government operations and accountability, among other responsibilities, reviews the annual public accounts of Nunavut and the reports of the Auditor General.

In May 2004, the Auditor General's annual report to the Legislative Assembly was tabled and subsequently referred to the standing committee for review. In June 2004, members of the standing committee had the pleasure of again welcoming Ms. Sheila Fraser and her senior officials to Iqaluit.

The standing committee held four full days of hearings on the contents of the Auditor General's report. Our hearings were open to the public and the media to observe. These hearings were in fact the most extensive ever in our jurisdiction.

In the fall of 2004, the standing committee presented its own report to the House. The government's response was tabled in March this year. Both documents were posted on the assembly's Web site within an hour of their being tabled.

A number of issues that the committee has been concentrating on include:

- pushing for greater accountability with respect to departments that overexpend their approved budgets or do not fulfill their statutory tabling and reporting requirements;

- closely monitoring the government's progress in addressing a number of problems identified by the Auditor General with respect to crown corporation governance;

- improving the level of detail provided in the government's annual financial statements with respect to where and how public money has actually been spent;

- working toward better performance measurement and reporting;

- achieving greater transparency with respect to contracting and leasing practices; and

- providing a clearer picture of the government's overall financial position, including more transparent reporting of the government's borrowing activities.

In its response to the committee's report, the government made a number of commitments. We will hold the government to them. The committee and the government hold different positions on some issues, and we will undoubtedly continue to address these.

Earlier this year, the standing committee was pleased to present a report in support of a motion that was passed by our colleagues in the Legislative Assembly of the Northwest Territories. As you may be aware, the Workers' Compensation Board of Nunavut and the NWT is shared between the two territories. The motion called on the Auditor General to undertake a comprehensive performance audit of the Workers' Compensation Board. We look forward to reviewing the conclusions of her work.

A motion was moved in our assembly to ask the Auditor General to conduct a comprehensive audit of our major power utility. Unfortunately, this motion did not pass.

The government has been late in releasing the 2003-04 public accounts. However, we anticipate that these will be tabled during our upcoming fall session, in addition to this year's report of the Auditor General to the Legislative Assembly. The committee looks forward to holding its next major set of hearings later this year or early in 2006.

1350

I would also like to note that in July of this year, the Auditor General of Canada travelled with her officials to the community of Arctic Bay, which is located on northern Baffin Island. I understand that this trip was designed to give her a better understanding of northern and Inuit issues with respect to her federal auditing responsibilities, and that she has also set up an advisory panel to help her address those. We are confident that this will also assist her with respect to her territorial responsibilities and are pleased that she has made the time and effort to become familiar with Canada's north.

In closing, I would like to thank everyone here for sharing their experiences and insights, which will follow ours, and I'm sure that they will be of great benefit.

Anything we hear and learn from will be of great benefit to a young jurisdiction like ours. Thank you very much. Nakummiik.

Mr. Sterling: Thank you very much, Hunter.

We'll go on to Newfoundland now: Mr. Harding.

Mr. Harry Harding: My name is Harry Harding, Vice-Chair of the public accounts committee for Newfoundland and Labrador. First of all, I'd like to bring greetings on behalf of our government to all of the participants. Last night and yesterday, we had a great time. I was thinking about all that wine we had that's grown here in Niagara-on-the-Lake, and I could just imagine if we had all that wine mixed with our Newfie screech. What kind of time would you have?

Mr. Sterling: We all wouldn't be here today.

Mr. Harding: I don't know if you know the significance of Newfoundland and Labrador sitting next to Ontario, but over the past 10 or 12 years, we've sent 50,000 of our young workers to Ontario to help keep the industry going up here.

Mrs. Liz Sandals: And we thank you.

Mr. Harding: You're welcome. Next month, we give our first shipment of nickel from Voisey's Bay to help keep Sudbury going, and as most of you know, we're giving all of our benefits off our Upper Churchill hydro to the province of Quebec. Now we have Ontario looking for our Lower Churchill hydro. But the Premier told me before I left to tell Ontario that there are no more giveaways.

I have with me today from our public accounts committee Mr. Ray Hunter, Mr. Percy Barrett, Wally Young—but I don't think Wally is back yet—and also, from the clerk's office, Mr. Mark Noseworthy.

Over the past year, our committee has met on a number of occasions in an effort to address the current Auditor General's report as well as the previous year's report. We were late being set up because, as you probably know, we had a change of government in Newfoundland and Labrador in 2003. All of us on our committee are relatively new, and we're certainly here to learn.

Some of the topics that we covered over the past year—we looked into several agencies of our government: the western regional health and community services board, the Discovery Regional Development Board, and we're currently doing the Newfoundland Liquor Corp. With the liquor corporation, we're holding a public hearing in October. We have concerns with the financial position, the operating results of the corporation. There were large expenditures of monies on renovating the head office of the corporation, some alleged violations of the Public Tender Act, marketing issues and board of directors expenditures. These things will come out now at our public hearing.

This morning we were talking about accountability on the part of ministers and deputy ministers. However, before I conclude, since we are relatively new, I'd like to ask a question. This may sound elementary to some of the experienced people around the table, but in our public

hearing coming up with the liquor corporation, we're just wondering if it's right to call the chairman—or previous chairman, I guess—of the liquor corporation for the year that we're investigating. He's no longer a member now; he's in private life. Is it right for us to request that that person come to our public hearing, and is it an obligation on his part to attend that hearing? I'd just like to ask that question.

Mr. Williams: Yes, we dealt with the issue of reluctant witnesses in the House of Commons; you may have noticed that. The House of Commons and, I presume, a provincial Legislature have the right to summon anybody, absolutely anybody—within your jurisdiction, that is. First of all, you issue an invitation, being the polite people that you are, but if they refuse, you can issue a subpoena. We were issuing so many subpoenas. Normally, they had to be approved by the committee, but the committee had given the Chair and the clerk the authority that you had 24 hours to say yes to the invitation, and the subpoena just followed automatically. So call anybody.

The other thing that you have to be aware of is parliamentary privilege. It was distributed in your kit about the report by the public accounts committee on parliamentary privilege. People cannot refuse to answer any question posed by a parliamentary committee. They are covered by parliamentary immunity when they are a witness to your committee. Therefore if they say, "I refuse to answer," you as the Chair say, "You do not have that prerogative. You do answer." And if you need any guidance as to your powers and responsibilities and authorities that you have in conducting an investigation, we'll be glad to provide that through the law clerk of the House of Commons.

Mr. Harding: Thank you very much.

Mr. Ron MacKinley: If I might add to that—
Interjection.

Mr. MacKinley: Ron MacKinley, Prince Edward Island.

In Prince Edward Island, our agriculture committee did an inquiry into an issue, and we asked Agriculture Canada to come before us. They refused. We ended up in court. Six months later the decision came down that we had the authority to do it, and they had to come before us. So you have whatever authority your committee wants for someone to be on, and seeing that the former Chairman was probably a Liberal, you should have enough votes on your committee. Your committee has got to vote it, so seeing that there's a bunch of you Tories, probably, on the committee, you'll probably vote them to come, and they will. But if the Chairman has left the province—in Prince Edward Island, our jurisdiction only goes to the province of Prince Edward Island. We can't ask somebody outside the province—we can ask, but they don't have to come from outside the province. You've got to get them when they're in the province.

Mr. Sterling: Graham, did you want to say anything on that?

Mr. Graham Steele: No, I would just repeat the same thing.

Mr. Sterling: No, I think the only thing you have to do is check what your authority is from the House. I can remember some time ago, when I was sitting on a committee in the early 1980s, you had to get permission from the Ontario Legislature for the committee to be able to subpoena witnesses. I don't know what is in your House, but you should find out what that situation is.

Mr. MacKinley: In our House in PEI, the judge did notice that the Chairman of our committee didn't have the authority from the House—we did it through the committee—and they did recommend that that be changed. We changed the act that we worked under to give the committee the authority, but the judge decided it was just a formality and he ordered the witnesses to appear.

Mr. Sterling: OK, we're going to hear from you next: Ron, from Prince Edward Island.

Mr. MacKinley: This report will cover the past year of the committee's activity. I might add that our committee has been very, very busy. I've been Chair of the standing committee on public accounts for the past six years and have served on the committee since 1987. Mr. Jim Bagnall has served as Vice-Chairman on the committee since 2000. The standing committee on public accounts consists of eight members: six government members and two opposition members. I won't get into who they are. The primary function of the committee is to review the public accounts of the province of Prince Edward Island as well as the annual report of the Auditor General. In addition, the committee may meet by majority decision of its membership to examine and inquire into such matters and things as the committee sees necessary.

1400

In May 2004, the committee recommended that the Auditor General carry an audit out on the financial affairs of Polar Foods International, a business failure which cost island taxpayers \$31 million. You have to remember that we've only got 137,000 people, so this is a way bigger scandal than Mr. Williams's scandal in Ottawa when you spread it all over Canada. This is a major amount of money to the province.

The Auditor General released his report in January 2005. Since then, the forensic audit has been going on and we had to go a step further. It is believed that report and the forensic audit will be released probably by the end of this month or the end of next month. The committee met 18 times in total over the past year. Twelve of those meetings were devoted to reviewing the Polar Foods audit report. Our topics covered were equalization, the 2004 report of the Auditor General to the Legislative Assembly, the province's waste management system, and a review of a survey with CCAF—we took part in that survey.

With that, I'm going to let my colleague the Vice-Chairman finish up the report because this will probably be my last time for this report; it looks like we're going

to form the government and he'll be probably Chairman of the public accounts.

Mr. Jim Bagnall: Thank you very much. I told the honourable member next to me that I would be many years in practice on this, so I figure I'll be doing the last part of this report for the next six years before I take over.

Also, before I go on, our committee had the great assistance of our assistant clerk, Marian Johnston, working with our committee. She's done a fabulous job keeping us all in line and doing our reports for us and reporting all of our information. I just wanted to pass that along.

The Auditor General, Mr. Colin Younker, accompanied by his staff members, appeared as a witness before the committee on 10 occasions. Other witnesses included the Provincial Treasurer, who appeared twice; the Minister of Transportation and Public Works; the Premier; the Minister of Development and Technology; and, most unusual, a member of the committee itself, Mr. Wes MacAleer, appeared as a witness to discuss the role in the creation of Polar Foods. In addition, the committee met with a provincial government employee; an economics professor from the University of Prince Edward Island; a member of Parliament from Charlottetown, the Honourable Shawn Murphy; the CEO of Island Waste Management Corp., and two researchers from CCAF.

The committee submitted two reports to the Legislative Assembly during the same time period, outlining its activities and placing its recommendations before the members of the Legislative Assembly. Both reports were adopted by the assembly.

Before I finish off, I just want to pass along to everyone that Prince Edward Island will be hosting this conference next year. We are really looking forward to seeing each of you before it. We're putting together a fantastic program for you, and we really look forward to having you all come to Prince Edward Island. After our coffee break, we're going to put out some brochures and a little packet to pass around here today for each of you here to take back with you for our convention for next year.

Once again, I'd also like to take this time while I'm speaking to thank the host committee here this year. The hospitality has been second to none. The accommodations are just fantastic, the food has been great and the conference has been excellent. As Hunter mentioned yesterday, we did do a little bit of golfing, and the golf course was super.

In Prince Edward Island we have 26 golf courses. So if you like the golf, next summer when you come we will have the golf courses for you, plus, hopefully, a lot of other events that we'll be able to take in.

Once again, thank you very much for the hospitality, Norm, and your committee. To each and every one of you, we hope to see you all in Prince Edward Island next year. Thank you.

Mr. Sterling: Thanks very much, Jim. We're looking forward to that.

The province of Quebec.

M^{me} Dionne-Marsolais: C'est avec beaucoup de plaisir que la délégation du Québec participe à cette 26^e conférence annuelle du Conseil canadien des comités des comptes publics, et je remercie nos autres, l'Ontario, pour cet accueil.

Mon nom est Rita Dionne-Marsolais. Je suis députée de Rosemont et présidente de la Commission de l'administration publique depuis juin 2003. J'aimerais présenter les personnes du Québec qui m'accompagnent : M^{me} Agnès Maltais, députée de Taschereau, qui est aussi membre de la commission; M^{me} France Hamel, députée de La Peltrie et également membre de la commission; M. Jean Rioux, député d'Iberville et membre de la commission; et la greffière de notre commission, Nancy Ford, que je remercie pour ses services de qualité.

La Commission de l'administration publique a un mandat partagé en trois volets : d'abord, elle doit revoir l'ensemble des engagements financiers de 25 000 \$ et plus pour chacun des ministères et organismes dont les crédits sont votés par l'Assemblée nationale.

En second lieu, il est le devoir de la commission de questionner le vérificateur général sur son rapport annuel de gestion et sur tout autre mandat qui lui a été confié par l'Assemblée nationale.

Enfin, la commission a le mandat d'entendre les administrateurs publics sur leur gestion. Nous réalisons donc ce mandat en invitant les sous-ministres et les dirigeants d'organismes à venir exposer publiquement leur réaction à la suite de la publication du rapport du vérificateur général.

Donc, cette première responsabilité de revoir l'ensemble des engagements financiers nous a amenés depuis septembre 2004 à tenir sept séances de vérification au cours desquelles nous avons examiné 15 000 engagements financiers. De plus, la commission a entendu le ministre de l'Agriculture, des Pêcheries et de l'Alimentation sur des questions très pointues qui découlaient de l'étude détaillée de ces engagements, c'est-à-dire des engagements du ministère de l'Agriculture.

La commission a également tenu quatre sessions d'information avec les responsables d'un certain nombre d'entités, comme le Secrétariat du Conseil du trésor, le ministère des Transports, le fonds forestier du ministère des Ressources naturelles et de la Faune, et le Secrétariat à l'action communautaire autonome, l'objectif étant, dans ces cas-là, d'améliorer la connaissance et la compétence des membres de la commission concernant ces organismes dont les engagements financiers sont beaucoup plus complexes et qui nécessitent une compréhension des processus de ces différents organismes.

En deuxième lieu, donc, nous avons questionné le vérificateur général sur son rapport annuel de gestion. C'est une fonction que nous prenons évidemment très au sérieux également parce que le vérificateur recommande aux ministères et aux organismes une reddition de comptes suivant certaines normes de qualité, et le rapport annuel de gestion, celui du vérificateur général, doit au moins correspondre à ses propres critères. Nous avons

donc fait l'exercice au cours de l'automne 2004, et le rapport a été déposé en décembre à l'Assemblée nationale à la suite d'un débat restreint de deux heures, conformément au Règlement de notre Assemblée. Nous avons, à la reprise des travaux, adopté en mars 2005 ce rapport.

Enfin, le dernier volet du mandat de la Commission de l'administration publique est celui d'entendre les administrateurs publics sur leur gestion, et nous avons donc invité les représentants et les dirigeants d'organismes à venir exposer leur réaction à la suite de la publication du rapport du vérificateur général découlant de ses travaux. Nous déposons un rapport au mois de décembre et au mois de juin de chaque année sur cette question. Nous avons donc, au cours de la dernière année, tenu 13 auditions publiques et une trentaine de séances de travail afin, d'une part, de préparer les auditions et, d'autre part, de rédiger les observations et les recommandations pertinentes.

1410

Dans le cadre de ces séances, je dois dire que les membres de la commission fonctionnent dans un climat de travail constructif avec le support de l'équipe du vérificateur général et nous nous en tenons aux aspects administratifs des problèmes étudiés pour éviter les débats politiques, voire partisans.

Nous avons déposé en décembre 2004 le 13^e rapport sur l'imputabilité des sous-ministres et des dirigeants d'organismes, qui fait état des travaux de la commission depuis septembre 2004. J'ai des copies ici, mais il est aussi disponible sur le site Web de l'Assemblée nationale du Québec pour ceux que cela pourrait intéresser.

Au cours de cette dernière période, diverses questions ont été examinées par les membres de notre commission. Je vais vous en donner quelques-unes; je ne les énumérerai pas toutes:

—la gestion de la sécurité informatique dans les ministères et organismes gouvernementaux a fait l'objet d'une séance et d'une longue discussion, parce que c'est un sujet extrêmement important pour tous;

—la gestion par Revenu Québec—vous savez que nous avons un ministère du Revenu au Québec—de la taxe de vente et de la taxe sur les produits et services. Vous savez que le Québec collecte pour le gouvernement fédéral la taxe sur les produits et services;

—la question des services à domicile et des services d'hébergement aux personnes en perte d'autonomie relevant du réseau de la santé et des services sociaux, aussi un sujet important pour les citoyens; et

—l'aide aux élèves en difficulté d'apprentissage, dont le mandat s'est échelonné sur toute l'année dernière. C'est aussi un sujet extrêmement important par rapport au ministère de l'Éducation pour l'ensemble des citoyens.

Le 14^e rapport de la Commission de l'administration publique sur l'imputabilité des sous-ministres a été déposé en juin 2005. Il rend compte des résultats de l'examen de cinq dossiers au cours de l'hiver et du printemps 2005. Ce sont des dossiers qui portent sur la

gestion des biens liés à la criminalité, et le bilan de la situation en ce qui a trait aux agences gouvernementales et aux unités autonomes de service. Les agences gouvernementales et les unités autonomes de service attirent beaucoup d'attention au Québec parce que, depuis quelques années, on en a créé plusieurs et on voulait savoir si, effectivement, il y avait une amélioration de l'efficacité du contrôle par rapport à un ministère. Enfin, la qualité de l'information sur la performance du ministère de l'Emploi et de la Solidarité sociale a été le dernier sujet.

Nous avons aussi entendu le secrétaire du Conseil du trésor en rapport avec la Loi sur l'administration publique, dont l'objectif est de promouvoir une meilleure gestion des services offerts à la population, axée sur les résultats. Depuis mai 2000, la loi oblige les ministères, organismes et agences qui y sont assujettis à produire une déclaration sur leurs objectifs quant à la qualité des services livrés, un plan stratégique orienté sur une période comprenant plusieurs années, et un rapport annuel de gestion qui indique les résultats atteints.

L'examen des dossiers contenus dans nos deux rapports a conduit les membres de la commission à recommander plusieurs mesures visant à appuyer les ministères et les organismes dans leur démarche pour, justement, améliorer leur gestion administrative.

Je crois que ça complète le tour d'horizon de ce qui se passe chez nous. Nos enjeux sont aussi, comme pour vous tous, de diffuser les résultats de nos travaux pour que les citoyens apprécient correctement le contrôle et le suivi de l'administration publique par leurs élus. Merci.

Mr. Sterling: Thank you very much.

Our next presenter is from the federal government. John, are you going to do that presentation?

Mr. Williams: Yes. Thank you very much, Mr. Chairman.

First, I'd like to thank the province of Ontario and the public accounts committee of Ontario for the generous hospitality in this very nice hotel that we are enjoying for a couple of days down here. We know that PEI will be able to do the same thing when we get down there next year. I was in Summerside a couple of years ago and I know that Summerside and Charlottetown can put on a tremendous show. So we look forward to that.

On the public accounts committee of the House of Commons: This is a two-year report that we are presenting today because, with the federal general election last year, we were not able to come as a committee to the meeting in Fredericton; therefore we have tabled with the clerk and the Chair a two-year report.

One of the things that the federal public accounts committee always wants to do is ensure that we fulfill our mandate as being the institution of accountability. Therefore, we always call the Auditor General forward to discuss her estimates to ensure that we feel they are appropriate. When we do that, I always ask the Auditor General the question: Does she have sufficient funds to do her job? I think that's a question that should always be

asked in public, because maybe the answer would surprise you.

Anyway, we are now looking at an independent funding mechanism for officers of Parliament, including the Auditor General, which is coming out of this, because we feel that the Auditor General should be independent of government and shouldn't be dependent upon government for the estimates she has. Therefore, we're setting up an independent process of involving parliamentarians to ensure that happens.

We also deal with her supplementary estimates, if they are appropriate, and also with what we in Ottawa call departmental performance reports. Every spring we have the estimates, the plans and priorities that come forward saying what they plan to do, and every fall there is a report by each department, including the Auditor General, saying what they have done. There should be some kind of correlation between the two. These departmental performance reports, which I've called soft and fluffy on many occasions, require toughening up, and that's part of our job. Therefore, we have called the Auditor General on her own departmental performance reports.

We also insist on having hearings on the public accounts of Canada when they are published in the fall, so that the Auditor General, who audits the public accounts of Canada, can present her findings and her audit report to Parliament, and that is done through the public accounts committee.

There was also a first-time-ever situation; in fact, the Auditor General was audited by her peers, being the General Accounting Office of the United States and the Auditor General of the UK, to see how well the Auditor General was doing her job. It's the old question: Who audits the auditor? In this case, we came up with the answer, and that report was tabled in the House of Commons and was dealt with, again, by the public accounts committee.

We dealt with things like gun control—the cost over-run there. We also dealt with parliamentary privilege, and I mentioned that earlier. That report was included in your kit. If you ever need to know more about parliamentary privilege, feel free to contact us in Ottawa or your own law clerks in your respective Legislatures, because you have a great deal of authority.

Sponsorship: We've covered that in detail, as we all know.

We also dealt with the privacy commissioner. For the first time ever, I think, the House of Commons passed a motion of non-confidence in an officer of Parliament. That was the end of the privacy commissioner, and we had to find a new one. In that little fiasco we found out that the public service commission had fallen short doing its job, so we had to have people on the carpet as far as that was concerned.

We also had an interesting meeting on education for our First Nations. Again, the Auditor General had tabled a report that was extremely critical of the department. All members of the public accounts committee, on both

sides, were very, very critical of the government's response at the committee, to the point that they passed a motion, unanimously, that the government had two months to prepare a new response to Parliament on education for First Nations. They came back to the public accounts committee in, I think, the first week of May. We were very disappointed in that response, and therefore we'll likely be continuing, because the public accounts committee is supposed to hold the government accountable. When we get unsatisfactory answers we should move forward, and that is what we are trying to do.

All the reports we have done are in there—public opinion on management research, national security and so on—but I think I've highlighted the ones that are unusual and have a significant degree of importance.

Mr. Sterling: Thank you.

Do you have a question?

1420

Mr. Steele: Yes. I was interested this morning when you said that your committee had succeeded in obtaining cabinet documents, which is not something our government would acknowledge we have the right to. I wonder if you could fill us in on how that came to pass.

Mr. Williams: When the sponsorship issue broke forth with the tabling of the report of the Auditor General on February 10, 2004, there was a mood in Ottawa where the government was very much on the defensive and Parliament was in the ascendancy. The motion was quickly introduced to get these cabinet documents because we realized that cabinet documents were involved. The motion was passed unanimously by the committee that we get these documents, and they were delivered to us.

If there had been a pushback by the government, then what recourse would we have had as a parliamentary committee? Yes, we could have reported to the House that we had called for the cabinet documents. If the government had refused to deliver, then we would have had to move concurrence in our report in the House. If that motion of concurrence had carried, then it would become an order of the House. If the government refuses, then you've got a constitutional fight on your hands and you can end up in court, if you want to go down that route.

But remember, Parliament is supreme. Government reports to Parliament. There's nothing that they can refuse you collectively—not as an individual member but collectively. If the House decides this is what they want, there is nothing that government can do to stop it. That is why they cannot refuse to answer any question put by a member of Parliament, and there's no document that they can hide from Parliament if Parliament decides they want it and want to go all the way to get it.

Mr. Sterling: I think, though, if it wasn't a minority Parliament, they would have deep-sixed you. They would have refused. I got from your comments this morning that you had found some kind of constitutional provision that would permit those of us who are sitting in majority Parliaments to demand these kinds of documents.

Mr. Williams: This motion was passed when the government had the majority prior to the election last year. This was a decision passed by the public accounts committee when the government had a majority on the committee—unanimous too. Therefore, the government had no alternative but to respond and deliver. They could have fought it, I guess, and those would be the steps that one would have to take: go to the House again and then go to the courts. But remember, you have the authority. The government can fight back. You will win if you go all the way, but it requires the whole Legislature or the whole Parliament. No one individual or one individual committee can push it all the way themselves.

Mr. Sterling: OK. Did you have another question on that part?

Mr. Percy Barrett: Yes, I have a question. In your comments you indicated that the budget of the Auditor General was controlled by the government, which was alarming to me because I thought that in our parliamentary system there are two arms: legislative and executive.

I have served on the Internal Economy Commission as a government member and now as an opposition member. The Auditor General's budget is submitted to the Internal Economy Commission of the House of Assembly, and we approve or disapprove the Auditor General's budget. I remember being on there as a government member when the recommendations from the government came forward that we cut the budget, because at that time we were cutting the budgets of all the departments, and we, as the Internal Economy Commission, even though we were government members on the committee, recommended that the Auditor General's budget not be cut.

Now, of course, I serve on the Internal Economy Commission as an opposition member, and if the government is collectively cutting the budgets of all departments by a certain percentage, we recommend to the Auditor General to look at their budgets to see if they could do the same thing, but under the legislation the Auditor General doesn't have to adhere to whatever the government policies are—just to show, I guess, that Ottawa is more backward than the provinces.

Mr. Williams: Yes, we're backward and trying to move forward. At this point it's a negotiated thing between the Auditor General and the Treasury Board. If they don't agree, then the question I always ask is, we'll bring it out in the public domain.

Mr. Barrett: Yes, but Treasury Board has no role. Treasury Board doesn't have a role at all. The House of Assembly budget—the Auditor General is an officer of the House of Assembly; he's not an officer of government.

Mr. Sterling: Yes, but the Board of Internal Economy in our House is controlled by the government members, so they always have control, even in a minority Parliament. So if you were the governing party, you could shut down the auditor by cutting his budget, if you really wanted to.

Mr. Williams: Well, that's always the prerogative of a governing majority. In Alberta, back in 1936, I think it was, we actually cut off the utilities at Government House because the Lieutenant Governor wouldn't sign a bill into legislation, and it was the wintertime. Government can do many things. But we're changing the process.

Now, first of all, Parliament is bicameral, with the Senate, and therefore we can't use a Board of Internal Economy, which is strictly for the House of Commons. Therefore, we're looking at a system that would involve senators as well as parliamentarians to sit and approve the budgets of all offices of Parliament. That is coming.

Mr. Barrett: In our province, the Auditor General reports to the House of Assembly and through the Internal Economy Commission. So does the ombudsperson and all the other agencies of the House that are appointed directly by the House of Assembly on a recommendation of the government. I guess in terms of the Internal Economy Commission, you have people who are on it from cabinet, but they see their role more as a legislative role than as an executive role.

Mr. Williams: Yes, but we don't have cabinet on the Board of Internal Economy. As I say, we are going to engage senators, again, who are not in cabinet. We're big enough that we can keep the separation.

Mr. Sterling: Let's move on to British Columbia. Rob?

Mr. Rob Fleming: Good afternoon. My name is Rob Fleming. The other member of the BC delegation who is here with me today is Kate Ryan-Lloyd, who is to my left. Kate is here in place of Craig James, whom many of you will know. He's the executive director of CCPAC. He regrets that he is unable to attend the conference this year. I want to say on behalf of the two of us that we're very grateful for the job that Ontario has done for us in hosting. We appreciate their hospitality at this conference.

First let me explain that I'm a newly elected MLA, of all of three months. I've been named as the convenor-designate of the select standing committee on public accounts for British Columbia, a position that's traditionally held by an opposition member in our province and in most of our provinces. My appointment won't be ratified until the first meeting of the public accounts committee in September, and that will be following the opening of our 38th Parliament. So bear in mind that I have no first-hand participation in any of the committee work, which I will briefly report to you. I explained this to a colleague from Saskatchewan at the reception last night, and he asked me if I'd seen that new movie, *The 40-Year-Old Virgin*, which I haven't, but I took his point.

Between May 2004 and January 2005, our 14-member public accounts committee reviewed seven main reports of the Auditor General and three follow-up reports. I should say that the committee met only five to six times during the last session, which is probably about half as frequently as we historically do. The topics that we covered were:

- an annual audit of the province's summary financial statements;

- a review of the alternative payments program for physicians;

- an audit of the government's efforts to prevent and manage diabetes;

- an audit of the work environment for BC's health care workers;

- a report on the status of the internal audit function in health authorities; and

- an audit of the government's review of eligibility for disability assistance benefits.

One other report that received a lot of media attention was the Auditor General's assessment of the provincial role in sustaining wild salmon stocks. In a departure from the usual reporting practices, the offices of the Auditor General of Canada, British Columbia and New Brunswick coordinated their work for the examination of these issues relating to the protection of wild salmon. The collaboration occurred because, of course, the management of fisheries is a joint responsibility between the federal government and the provinces.

The public accounts committee also conducted its annual review of the Auditor General's proposed financial statement audit coverage plan for the next three fiscal years. A parliamentary committee is required to carry out this function under sections 10 and 14 of the new Auditor General Act. At that meeting, the Auditor General informed committee members that his office would be the direct financial auditor for 24 of the 153 government organizations and trust funds, with private sector auditors auditing the remainder during fiscal 2005-06.

1430

Just before I wrap up, I'd like to update the delegates on the status of the BC GAAP initiative, which I understand was the focus of a panel presentation at last year's conference. As you probably know, all of the government organizations within the public sector of British Columbia are now required by law to prepare budgets and financial reports in accordance with generally accepted accounting principles. The public accounts for fiscal 2004-05 were released in June and were fully in accordance with GAAP. They included complete financial information from the province's school districts, universities, colleges and health authorities, which we call the SUCH sector. As a result, for the first time in nine years, the Auditor General of our province was able to provide an unqualified audit opinion on the 2004-05 public accounts, stating that they "present fairly, in all material respects, the financial position of the BC government." Previously, the annual audits of the summary financial statements had included reservations about the exclusion of the SUCH sector.

In closing, I would like to say a thank you to those whom I have had the opportunity to meet so far. This conference has been a very valuable learning experience for me as a new MLA. I anticipate that we will be a very busy committee in the 38th Parliament that comes up, and I look forward to reporting to you on a full year of

activities at next summer's conference after I've had a year of experience.

Also, to the Ontario hosts again, thank you for your hosting. It gives us an idea of the standard that we hope to meet when we host the 2007 conference.

Mr. Sterling: Thank you very much, Rob. I heard somebody over here say that you didn't look like you were 40.

Mr. Fleming: Yes, that's correct.

Mr. Sterling: From the Yukon?

Mr. Floyd McCormick: My name's Floyd McCormick. I'm the Deputy Clerk of the Yukon Legislative Assembly and also clerk to the public accounts committee. Unfortunately, none of our committee members could make it to this year's conference. It's their loss and my gain. I'll make sure, when I report to them, to emphasize all the wonderful hotel accommodations and food and everything else that they missed and warn them that they'd better not miss the one in PEI next year.

Since last year's conference, the standing committee on public accounts has held two rounds of public hearings and issued one report, and a second report is pending. The first set of public hearings was held in November 2004. The purpose was to follow up on hearings held in February 2004 and on the committee's first report, which was issued in July 2004. The focus of the February 2004 hearings and the report was the mandates of six entities created by territorial legislation and the extent to which these mandates are being fulfilled. Issues arising since the public hearings in February were also discussed. The committee spent one hour questioning the president and chief executive officer of the Yukon Development Corp., which is a corporation owned by the government of Yukon. A further hour was spent questioning three witnesses from Yukon College. The report issued in November 2004 did not produce any recommendations. The committee focused on the testimony it considered worthy of further comment. Appended to the report are transcripts of the public hearings and a protocol negotiated between the minister responsible for the development corporation and its subsidiaries and the corporation itself.

During last year's John J. Kelly Forum, the conference discussed means by which public accounts committees can assess their own performance. If compliance with report recommendations can be taken as one indicator of success, then the Yukon PAC can report some modest gains.

For example, the protocol I just referred to was negotiated pursuant to a statutory requirement found in section 4 of the Corporate Governance Act. Though this requirement had existed for some years, it had never been fulfilled. One of the recommendations contained in the committee's first report is that the government negotiate the protocols required by the Corporate Governance Act. This was subsequently done with regard to the development corporation.

Also, during their appearance before the committee in February 2004, representatives of Yukon College dis-

cussed what they saw as a shortfall in their base funding that was leading to cutbacks in personnel and services. Witnesses told the committee that an increase of \$1 million was required to put the college on a firmer financial footing. Two weeks after the February hearings concluded, the Minister of Education announced that the government would seek legislative approval for a \$1-million increase in funding to Yukon College. The government news release announcing this increased funding did not credit the public accounts committee hearings in instigating the increase. Nonetheless, committee members may be justified in saying, "Coincidence? I think not."

Despite these successes, the committee observed that compliance with other recommendations was inconsistent. This issue of compliance is something the committee is likely to deal with in the near future.

The committee also held public hearings on February 8 and 9, 2005. At that time, the chair of the Yukon Development Corp board of directors and the corporation's president and chief executive officer appeared to answer questions regarding two reports prepared by the office of the Auditor General of Canada. These reports related to two projects under the auspices of the development corporation, one called the Energy Solutions Centre, and also the construction of an electric power transmission line from the town of Mayo to Dawson City.

The investigation into the Energy Solutions Centre grew out of a qualified audit given to the corporation after an audit of its financial statements for 2003. In its report, the Auditor General concluded that corporate governance and oversight of the centre had failed. Management did not operate in the full interest of the company, nor did the board of directors exercise sufficient oversight and control to protect the public interest.

Specific problems included:

- a large unauthorized contract awarded to a senior manager;
- contracts negotiated, issued, signed and paid by the same person;
- contracts awarded without competition;
- payments made without proper supporting documents; and
- lack of board approval of major projects.

The audit also noted that it was not clear why the company was established and why it was involved in certain projects. The audit also identified overlapping roles and responsibilities and unclear accountability among the company, its parent, its board members and its president.

The development corporation's board of directors asked the Auditor General to audit the transmission system project. In doing so, the Auditor General concluded that the Yukon Energy Corp., which is a subsidiary of the development corporation, did not follow basic project management principles. As a result, the construction of the electric power transmission line experienced delays in construction, cost overruns and the absence of adequate

reporting to the corporation's board of directors and the minister responsible for the corporation.

Specific problems identified by the audit included:

—potential costs that were not clearly identified and budgeted for;

—the fact that the corporation did not have the required experience and expertise to conduct the project;

—the fact that the corporation did not apply good project management practices, and numerous problems were encountered during project implementation;

—many contracts that were awarded without competition and with no explanation to justify this approach; and

—cost overruns that were not approved or authorized.

The Auditor General's reports and the committee's hearings attracted quite a bit of media and public attention. The questioning during the public hearings focused on further explanation about what happened and what the corporation is now doing to prevent these things from happening again. The committee is now preparing a report on these hearings which hopefully will be issued in the not-too-distant future.

On another matter, there was change to the committee's membership over the past year. The committee's membership remains the same in terms of political parties: three government backbenchers, two from the official opposition and one from the third party. So the committee is composed of six members, which is relatively large in a House of 18.

Finally, the committee would like to thank officials from the office of the Auditor General of Canada—Ron Thompson, Roger Simpson and Eric Hellsten—for the assistance they have given the committee over the past year.

Mr. Sterling: Thank you very much.

Frank Branch, from New Brunswick, who was our host last year.

1440

Mr. Frank Branch: Well, I guess you took the first paragraph.

I'm Chair of public accounts in New Brunswick. We have with us several of our members: Vice-Chair Milt Sherwood, John Betts, Eric Allaby and Rick Brewer and, of course, Don Forestell, who is the clerk of the committee. I might add here, if I may, that he does excellent work. We're very pleased with and proud of Don's work. He is the spine of our endeavours, and we certainly appreciate everything he does for us.

As well, I'm a little remiss in my duty here, Mr. Chairman. I would like to thank you as well and the province of Ontario for the excellent way you're hosting this convention. Your hospitality is second to none, and we certainly appreciate all the kindnesses you have put our way.

The standing committee on public accounts is one of the most active committees in the New Brunswick Legislature. The committee held 20 meetings over the past year. The committee currently consists of 12 members: seven government members, four official oppo-

sition members plus one NDP member. In New Brunswick, the public accounts committee generally meets during periods when the House itself is not sitting. By tradition, all government departments are invited to appear annually before the committee. Departments are represented by their deputy ministers and senior staff. In addition to the government departments, the committee also reviews various offices, such as the office of the comptroller, the executive council office and the Office of the Premier.

Particular to New Brunswick, the office of the Legislative Assembly is also reviewed annually by the committee. The office is represented by the Clerk of the Legislative Assembly, accompanied by the director of finance and human resources. The officials answer questions related to the spending and administration of the Legislative Assembly office, including Hansard, debates translation and the legislative library.

The committee met with the Auditor General, Daryl Wilson, several times during the past year. Volume 1 of the 2004 Auditor General's report, dealing with the New Brunswick salmon aquaculture industry, was reviewed by the committee on October 26. The report looked at salmon stocks, habitat and aquaculture, and reviewed the effectiveness and overall adherence to policies regarding the potential effects of salmon aquaculture on wild salmon stocks and the marine environment.

Specific issues that were raised by members included:

—the provision of nursing home services in New Brunswick and whether appropriate practices are in place to ensure that nursing homes are complying with the provincial legislation. As well, patient assets are in play in New Brunswick, as you know, and that continues to be a hot issue in the province;

—regulation and monitoring of child daycare facilities in the province by the department of family and community services; and

—policies and procedures of the office of human resources with respect to absenteeism management in government.

The eight-year term of the Auditor General, Daryl Wilson, expires at the end of August. Mr. Wilson met with the public accounts committee on August 10 and presented his final report to the joint committees of public accounts and crown corporations. As a result of their association with the committee, the Auditor General made several suggestions in his report to strengthen the role of legislative committees and make them effective in fulfilling their oversight roles. Included are suggestions to further document the mandate and terms of reference of committees, suggestions on improving the committee reports process and the need for further research staff to support committees. The Auditor General supported recent recommendations of the commission on legislative democracy calling for an independent Legislative Library Research Office to be created to serve all MLAs and to support the role of strengthened legislative committees.

It is expected that the public accounts committee will commence meetings again later this fall, and its review of

the 2004-05 fiscal year to consider the Auditor General's suggestions.

Amen.

Mr. Sterling: Thank you, Frank.

On the program, it called for a health break now. We've spent about an hour going through seven jurisdictions; we have six left. Would it be the desire of the conference to just continue on? How many are in favour of just going on? How many want to go for the break?

Interjections.

Mr. Sterling: OK. So for those who have to go for a break, we will excuse them as we continue on.

I'll ask Ron to come down—I'm Co-Chair of this—as the next Chairman of our conference, maybe, in Prince Edward Island, as he said.

I am the Chair of the public accounts committee in the province of Ontario. We have six members from the Liberal Party, two from the Conservative and one from the NDP. We have with us Liz Sandals, Richard Patten, David Zimmer, Jim Flaherty. Have I missed anybody? I think that's pretty well who we have with us right at the present time.

This last year has been interesting for us because we passed in the Legislature sometime in 2004 a new auditor's act, and this changed the title of our auditor from Provincial Auditor to Auditor General, among doing some other very much more significant things. The new act kicked into effect April 1 of this year, which is the beginning of our financial year in the province of Ontario. The new Auditor General was given the additional responsibility of looking into universities, schools, school boards, hospitals and other very large private corporations, crown corporations, like Hydro One and OPG, Ontario Power Generation Inc., the former two being Ontario Hydro. So he's been given additional and wider scope.

At the present time, the committee writes on an annual basis somewhere around nine or 10 reports. We are graced with having research staff for our committee which assists us very greatly in putting those reports together, having our hearings and going forward.

We meet about 25 to 30 times a year, so the committee is quite active. We are more interested or are almost exclusively interested in the value-for-money audit part of the auditor's report, so we go through that particular process looking for the value.

This year, I believe for the first time in several years, we asked the auditor to actually undertake an audit which had only a minor mention in his 2004 report, and that was to do with—it shouldn't escape my mind at all—the children's autism report, because there were very conflicting stories on how the money was being spent in that particular area.

I believe one of our researchers, Ray McLellan, who is with us, has given to each one of you a written report of our activity over the last year.

1450

Incidentally, we appointed a new auditor for a 10-year term, as per the new act, as of April 1 of this year. That

gentleman, whom you have seen and met, was Jim McCarter. He was acting as auditor before that time. For those of you who do appoint legislative officers, the practice has been for the last 15 years, which included the appointment of this auditor, that one member from each party participate in an interviewing process and a recommendation to their parties and to the Legislative Assembly. On just about every occasion, with the exception of one, there has been a unanimous agreement between all three parties as to who the candidate should be, and that was the case with Jim McCarter in this process as well. So the Auditor General, Mr. McCarter, has the confidence of the Ontario Legislature and all parties to it.

In addition to the new auditor's act, which gave him a wider scope, there was one other bill which we in the opposition didn't necessarily agree to, which was a bill in terms of giving the auditor some kind of role in vetting government advertising. This bill has not been proclaimed by the government, and I may make a wild prediction that it may never be proclaimed, because it gives the auditor a very difficult task of trying to delineate between what kind of information may be perceived as partisan and what may not be perceived as partisan. I'm sure the government members would have a different view than I on that matter. I notice Liz laughing back there, who happens to be a government—

Mr. MacKinley: And your time has run out, too: 10 minutes.

Mr. Sterling: Thank you, Mr. Chairman.

That pretty well sums up what our overall activity was in the province of Ontario. I look forward to the session tomorrow with the auditing group to see if, in fact, we can improve our processes. Thank you very much to all for coming to this conference.

Mr. MacKinley: Has anybody got any questions of him before we start the next? Nova Scotia is next. I don't see any hands raised. We'll go with Nova Scotia.

Mr. Steele: Thank you very much. Graham Steele from Nova Scotia. With me today is Jim DeWolfe, the Vice-Chair of our committee. We're also joined by Mora Stevens, our very capable Clerk of Committees.

I've been the Chair of our public accounts committee for two years; a member for three. Due to a recent shuffle of caucus responsibilities, my caucus colleague Maureen MacDonald will be taking over as Chair starting this September, and I'll return to being a regular member of the committee. I'm not unhappy about that, because our committee has a quirky tradition that the Chair never asks questions. I understand the rule, because it avoids the unseemly spectacle of the Chair ruling on the propriety of his own questions, so I never have to rule myself out of order. On the other hand, it reduces the role of the Chair, at least during hearings, to little more than a timekeeper. So I'm looking forward to returning to the fray, to the more interesting, challenging, and even fun part of the committee work, which is the actual questioning.

From September last year to June this year, our public accounts committee met 26 times, plus we had three

meetings of our subcommittee on agenda procedures, which makes us one of the busier provincial public accounts committees. I tried to think about what it is that we did over the past year that would be of interest to a national audience, and that concludes my remarks.

Laughter.

Mr. Steele: But seriously—because, of course, much of what we did is of interest to Nova Scotia and Nova Scotians—I won't go into the nitty-gritty of who we questioned and what about.

There is one thing in particular that I wanted to highlight that I think might be of interest to others, particularly in light of Harry's question earlier from Newfoundland about issuing subpoenas. Now, issuing subpoenas may be old hat to our federal cousins, but a subpoena had not been issued by the public accounts committee within living memory in Nova Scotia. It just wasn't something the committee did. Most of our witnesses are senior civil servants and they always come willingly, if not happily.

Last year we did have a circumstance very similar to Newfoundland's. We wanted to talk to the former chief executive officer of our liquor corporation. He had been dismissed under mysterious circumstances and we wanted him to appear so that we could find out more. He at first said no, he was not going to come. We made it clear that we would issue a subpoena. That was enough to change his mind, and in the end a subpoena wasn't necessary.

This year we faced another challenge. We wanted to talk to a federal agency. We wanted to talk specifically to the Canada Revenue Agency. Nova Scotia is one of three provinces that has what's called the harmonized sales tax, where the sales tax is a federal and provincial combined tax, so the federal government is collecting the provincial portion of the sales tax. An issue had arisen about the non-collection of that sales tax at some retail stores on native reserves. When we asked our Department of Finance to explain why this money wasn't being collected in circumstances where it clearly should have been, they said, "It's not us who collects; it's the Canada Revenue Agency." The Canada Revenue Agency said, "We are not appearing before a provincial public accounts committee, because we're a federal agency."

There was a long period of back-and-forth discussion—I won't even call it negotiation, but discussion—where they said they would appear and then they changed their mind. Meetings were arranged that were cancelled. It took a very long time to deal with this issue. Finally, our committee just got fed up and said, "OK, either you're coming or we issue a subpoena." So for the first time ever in living memory in Nova Scotia we did issue a subpoena to the Canada Revenue Agency to appear before our public accounts committee. They did appear and the meeting went just fine. Whatever concerns they might have had didn't come to pass. It's a bit of a mystery to me still why they resisted so much. I just think that as a federal agency, they were really, really

reluctant to acknowledge any accountability or responsibility to a provincial Legislature.

We also heard this year for the first time from our freedom of information officer, a combined information commissioner and privacy commissioner. He had indicated that he really felt he needed an outlet in the Legislature. He had nowhere to go to explain what he was doing and what he thought needed to be done in his role as a combined information and privacy commissioner. We invited him to appear before our committee this year, finally giving him the outlet that he'd been looking for. I think that was quite significant, and something that I hope continues.

Finally, I would just like to mention that our Auditor General also will be retiring soon. He has announced that he will retire at the end of March 2006. The search for a replacement is underway. The government, to its credit, struck an all-party committee to oversee the process—not to do the actual interviews—and set the parameters. I'm a member of that committee, and it's been very interesting, indeed. I would say to all of you, keep an eye on your best Auditor General's staff. We're coming to look for them.

At next year's conference, I certainly hope not to be here, not because I don't enjoy Charlottetown's hospitality, because I do. My colleague Maureen and I hope to be ineligible for membership next year because, of course, we are candidates of a minority government and we're expecting an election either this fall or, at the very latest, next spring. Maureen and I hope to be ineligible because at this time next year we're cabinet ministers. Jim and his friends hope that Maureen and I are ineligible because we don't have a seat any more.

Thank you very much. That's our report from Nova Scotia.

Mr. MacKinley: In PEI or even in Ottawa—I see John there—the committee Chairmen ask questions. If you want to, there is no rule that says the committee Chairman can't ask questions. For instance, what happened in the situation in PEI, where the Tories only had one member, Pat Mella, who became Chairman of public accounts, she asked questions. Or what would happen in the case where I was there for three years by myself? Would we just shut the committee down? No. So you can ask questions.

1500

If you look up your rules—we're very fortunate that we have Charlie MacKay and his assistant there with us, who are very good at rules. The public accounts committee has a lot more authority, if they want to use it, than I ever dreamt of, and I've been around this thing since 1985.

For instance—and I never knew this—public accounts was doing an interview with some witnesses, and two cabinet ministers from the government came in and sat down. Marion got up and asked them to leave. I didn't realize that a cabinet minister can't even sit in a room like this when you're asking questions. So you have a lot of authority. If your clerk is up to speed, you can do

almost anything you want, as long as the committee agrees to it.

Look at the information that John and his committee have gotten out of Ottawa. I've watched that numerous times and I have learned, by watching CPAC channels, what is taking place, because we fall under the same rules as the House of Commons. If you have trouble, go to this association and they can brief you.

Anybody got any questions for me? No questions? We'll go to Saskatchewan then.

Mr. Hermanson: Thank you, Mr. Chair. It's a privilege to attend this conference. I would also be remiss if I did not thank our Ontario hosts for an excellent facility, events, and very warm hospitality and good food. We thank you immensely. We knew coming to Niagara-on-the-Lake would not be a misfortune, and it certainly hasn't been.

I would also like to introduce my colleagues and our clerk who are with us. Sitting to my left is Lon Borgerson. Lon is the Deputy Chair of our public accounts committee. Sitting behind me is MLA Kim Trew from the government side and MLA Ken Cheveldayoff, an opposition member. Our clerk, who is a very competent clerk, is Margaret Woods. We're happy to have her with us as well.

We actually have two committees of scrutiny. The other one is the crown corporations and central agencies. Unfortunately, none of their members were able to come and attend the conference.

We've had a modest amount of activity over the past year. Our committee has met 14 times, both during our session and out of session, since our conference in Fredericton, New Brunswick. Our meetings are televised. They are also on streaming video on the Internet, as well as printed and electronically preserved in Hansard.

Our committee reviewed 36 chapters provided to us from the Provincial Auditor's reports. Most of our activity is centred around the Provincial Auditor's reports on boards, departments and agencies. Our committee also reviewed the business and financial plan, including the estimates, of the Provincial Auditor's office. That's a function that we have taken, a responsibility that we have assumed. The public accounts committee, joined by two members of the crown and central agencies committee, met with representatives of CCAF-FCVI and participated in that organization's research on parliamentary oversight committees and relationships.

We will continue to review the Provincial Auditor's reports. I might add that a year ago, when I reported, we were a long way behind. Having had a provincial election in 2003, we were two years behind in our review of the auditor's reports. We have caught up and are pretty much current in all of our deliberations.

We had some interesting issues that we have dealt with over the past year. We had two departments of government where alleged fraud has taken place. The Provincial Auditor has looked into both of those incidents. In one case, at the request of the public accounts committee, with the full co-operation of the deputy

minister and the department, we brought a special report to the public accounts committee on the actions that led to the alleged fraud in that case. We've since had a report in the general auditor's report regarding the other alleged incident of fraud.

It's very interesting that in both cases, for a number of years, in a number of reports, the auditor had indicated that these departments were being operated in such a way that fraud could take place. For those of us in public accounts it was interesting to hear officials say that that wasn't true, that fraud could not take place, but in fact the auditor was correct. So the auditor's opinion has gone up in the estimation of members of the public accounts committee.

We also dealt with the Saskatchewan Indian Gaming Authority and its relationship to the Saskatchewan Liquor and Gaming Authority—always an interesting subject, but I won't bore you with that. Also, there was one request by the opposition members on our committee to review an issue called mega bingo. That issue was not agreed to by the government members and did not proceed.

One interesting issue that came up in a recent public accounts meeting—I should maybe clarify that and say it was on the agenda; you and other jurisdictions may have comment—is that the Provincial Auditor audits the Board of Internal Economy of our Legislative Assembly but there isn't a very public review of the auditor's conclusions in that regard. The Board of Internal Economy does acknowledge that they have been audited by the Provincial Auditor, but that is about the end of it. We put it on our agenda to actually put this item on our agenda and have an opportunity to question the Clerk of the Legislative Assembly on the Board of Internal Economy. However, government members, in consultation with other jurisdictions across Canada, felt that was unwise and would not let us proceed.

I was interested in Mr. Williams's comments about accountability, and while I'm not sure the public accounts committee is the correct committee, I think it could be the correct committee to review the auditor's report on the Board of Internal Economy. It's certainly a very touchy issue, because it impacts the issues of members of the Legislative Assembly of Saskatchewan and would also impact your members. It's something that certainly needs to be considered. There was a time when Board of Internal Economy minutes were kept secret—they were pretty much all in camera meetings—and that has changed. They are now public meetings, and Hansard records all that is said and all the motions that are passed. But the auditor's review of the Board of Internal Economy is still a rather private issue, particularly as it comes to meeting with the Provincial Auditor and asking him why he has come to the conclusions he has. It's an interesting issue that I think will continue to unfold in the future.

It's been a pleasure working on the public accounts committee in the province of Saskatchewan. We have a good reputation. Regardless of who the government and

the opposition are, we work very collaboratively. Though we are in a partisan environment, we tend to lay our partisanship aside to deal with the majority of issues, and therefore we do make fairly good progress. We also have good co-operation from the departmental officials who appear before our committee. I think it has been a positive impact on the accountability sector in the province of Saskatchewan. We're very pleased to bring this report to the conference today.

Mr. MacKinley: Thank you very much. Are there any questions for the member from Saskatchewan?

Mr. Williams: I was just going to respond to Elwin's request about auditing the Board of Internal Economy. I don't know how it is in Saskatchewan, but the House of Commons financial spending is part of the public accounts of Canada, and therefore is audited by the Auditor General in that same way. The payments by the House of Commons are out of the consolidated revenue fund, so there's no separate bank account. The only thing is, they do approve budgets and therefore decide how the money is to be spent. Perhaps in Saskatchewan your Legislature has its own separate bank account and financial statements, or is it part of the public accounts of the province of Saskatchewan?

Mr. Hermanson: No, it is part of the public accounts of Saskatchewan, and actually the report that includes the Board of Internal Economy also includes the general expenses of the Legislative Assembly, which we certainly should be reviewing. It's the fact that the Board of Internal Economy also is responsible for the benefits and income of members of the Legislative Assembly and also for other issues around members of the Legislative Assembly that I think is the point of concern. We on the committee on public accounts were told that other provinces had advised the province of Saskatchewan that this issue was better left untouched; it's better for the Board of Internal Economy just to acknowledge that they have been audited by the Provincial Auditor and not actually have a public hearing where questions could be asked specifically to the Provincial Auditor.

1510

Mr. MacKinley: There's only one thing. You're a member of the Legislative Assembly of Saskatchewan, and in this case, I got a hold of this session's cabinet ministers' credit card statements—you know, where the money was spent—and some of the cabinet ministers didn't like it. When your Speaker comes to the floor, the way it works in PEI, he's responsible for the Legislative Assembly's expenditures; whether he gets audited or not, he's still responsible. Every member has the right to ask the Speaker to table every cent that's spent by both parties or the three parties. Jim Bagnall and I went away with public accounts, so I asked him for a copy and a breakdown of our expenditures on that particular trip. Two days later he tabled it, and Jim and I were within 12 bucks of each other; he was a little further away. I think our dearest meal, Jim, was about \$11. We never heard the cabinet ministers ask or the public ask anything any more. But you have a right, when the Speaker comes to

the floor, if you're not happy with the way it's being audited, to ask those questions, as a member of the Legislative Assembly, if you're not in cabinet. You can ask the Speaker to table that information in public in the House when he comes to the floor. You can't ask him questions when he's in the chair.

Mr. Hermanson: I might add that I don't consider this to be a partisan issue. I think that those that are in opposition are just as uncertain as to what's appropriate and what kind of accountability should take place here as members are on the government side.

Mr. MacKinley: No, no, I know it, but you can ask the questions, like every individual.

Another thing is that the last time, just for Nova Scotia, I believe, our auditor was appointed by the Premier of the province. He's got probably two or three years in now. It was that way for years. We got that changed. I raised a noise about it, and the next time an auditor is appointed, because it's a 10-year appointment, it's to have them independent of the government. I have no problem giving an auditor a 10-year appointment. The Legislative Assembly will be appointing or hiring the new auditor for the province after this auditor leaves or retires. That act has been changed; we changed the act in the House. It does take some time, but it's up to the individual MLAs, or members of the Legislative Assembly, to push the issues.

Does anybody have more questions for him? Let's go with Manitoba, then.

Mr. Jack Reimer: My name is Jack Reimer. I'm the Chairperson of the public accounts committee. I would like to also convey thanks to Norm and the people in Ontario for your presentation here in wonderful Niagara-on-the-Lake. It has been enjoyable, and it's a wonderful place to come and visit. Joining me today from Manitoba is our Vice-Chairperson, Mr. Jim Maloway, the MLA for Elmwood, and Mr. John Loewen, the MLA for Fort Whyte and a member of our PAC.

The most recent meetings of the committee focused on the investigation undertaken by the Auditor General on Hydra House and a review of the related department of Family Services and Housing financial accountability framework. Two evenings were set aside to review this report. An unprecedented event occurred whereby a motion was passed by the committee requesting that two former ministers appear to answer questions from committee members. I'll speak a little bit more on this later on in my report.

Prior to those meetings, the committee reviewed a backlog of Auditor General's reports and public accounts volumes dating from 2001 to the present. The subject matter of these reports included regional health authority governance in Manitoba and a value-for-money audit of a student financial assistance program. Further meetings are anticipated over the next few months as we currently have a substantial list of reports to be considered by our committee. With the passage of our Auditor General Act in May 2002, all reports issued by the office stand referred to the public accounts committee. Topics cover-

ed in some of these reports for discussion at future meetings include: a report on a First Nations Gaming Commission and First Nations gaming accountability; a survey of senior management on attributes of managing and reporting results; business planning and performance measurement; and an information technology report.

As you may recall from our reports at previous conferences, Manitoba's public accounts committee has been through a long process of reform in recent years as a result of amendments to our rules adopted in 2002.

During the September PAC meetings there were several areas of discussion raised with regard to the functioning of our committee. At a meeting of the rules committee held in December, a public accounts committee working group was established to review issues such as the number of meetings of the PAC to be held, scheduling of meetings, attendance of the finance minister, setting of the agenda, and the calling and appearance of witnesses.

You may or may not recall that Manitoba has a very broad mandate for hearing witnesses and presenters on legislation—perhaps one of the most open systems in the country. Despite this, we have not yet developed a comparable system for hearing witnesses at public accounts meetings; thus my earlier comments on the unprecedented event of questioning two former Ministers of Family Services. Historically, it has been the auditor and the finance minister who have responded to questions posed by MLAs in committee. So in essence, we were able to call two former Ministers of Family Services to question in regard particularly to Hydra House, which was mentioned earlier.

The rules committee working group is comprised of the government House leader as chairperson; the official opposition House leader; and the Chairperson, myself, and Vice-Chairperson, Mr. Maloway, of the public accounts committee. The adviser to this group is our public accounts committee clerk. Perhaps in next year's report we'll be able to provide more information on the development of this working group in regard to the changing of some of our rules.

Mr. MacKinley: Thank you very much. Do we have any questions for the gentleman? No questions? We'll continue on, then, with Alberta.

Mr. George VanderBurg: Thank you. I'm George VanderBurg, the MLA for Whitecourt—Ste. Anne and the Deputy Chair of the standing policy committee on public accounts. I'm pleased to be here, and I'd like to congratulate the host and tell you how much we're enjoying this conference, and this beautiful part of Ontario as well.

Representing the Legislative Assembly at this 26th conference are some of my colleagues. I'd like to introduce member Len Webber—Len, just give everyone a wave—and our committee clerk, Corinne Dacyshyn, whom most of you know. Corinne today is once again celebrating her 39th birthday. This woman is so dedicated. It's also her wedding anniversary tomorrow, so we've got kind of a double whammy here. We have some business to do tonight to make sure that it's cele-

brated properly, so you can count on that. I'm also pleased to introduce MLAs Dave Rodney and Doug Griffiths, who are members of the Alberta standing committee on legislative offices, attending the conference as observers—really keeping an eye on the auditor, because the standing committee on legislative offices is responsible for oversight of the Auditor General, which includes review and approval of the AG's annual budget, I would like to add. Coincidentally, these two MLAs are also members of the public accounts committee. So thank you to the two of you for attending.

The standing committee on public accounts is comprised of a Liberal opposition Chair, Hughie MacDonald—he's not a bad guy for a Liberal; I have to put that on record—a government Deputy Chair, 11 government members, three Liberal opposition members and one ND.

The mandate of the standing committee on public accounts in Alberta remains the same as in previous years: to review the public accounts of the province of Alberta by asking questions of ministers of the crown with respect to expenditure items in their ministries, and to review the Auditor General's annual report. The committee does not have the mandate to make recommendations to the assembly, and we do not meet outside of session.

1520

There was a provincial election in November 2004, so the committee did not meet last fall. But this year, the committee held two meetings with the Auditor General, Fred Dunn—Fred is here with us as well—on his annual report, which includes recommendations provided for the benefit of public accounts committee members, cabinet ministers, other MLAs, the public and management. The Auditor General and his staff attend and participate in all committee meetings.

During this spring at the sitting of the Alberta Legislature, the public accounts committee held an organizational session and 10 meetings on the 2003-04 public accounts and the 2003-04 Auditor General's report. These meetings were attended by cabinet ministers, who continue to be ultimately accountable to the committee. The ministers are accompanied by key departmental officials, who answer questions only if the minister asks them to respond. I would say that the minister answers probably 90% of questions that come about. Discussion and questions used to steer strictly away from policy issues, and we tried to focus only on actual expenditures, but in the past few years, questions and discussions have become broader in scope under the guidance of the AG.

In April, the Chair and I were interviewed by Michael Eastman, executive director of the Canadian Comprehensive Auditing Foundation, and Elizabeth MacRae, senior research associate. Most of you, I'm sure, have met Ms. MacRae. She was the principal researcher for the accountability and audit program, which included the research project on parliamentary oversight committees. I understand that the report on the results of the study will be given tomorrow morning.

The 2004-05 annual report of the government of Alberta, containing consolidated financial statements of the province and a comparison of the actual versus desired performance results set out in the government's business plan, was released this June.

The ministry annual reports for 2004-05 are expected to be released next month. The ministry annual reports integrate performance targets and outcomes with financial data in a single document for each ministry. By standing order, these documents are referred to the public accounts committee.

The proceedings of the standing committee on public accounts continue to be open to the public, and all meetings are recorded by Alberta Hansard.

I appreciate hearing about the operations of other public accounts committees and can say, Mr. Chair, that the four of us who are attending have found it very worthwhile. Thank you very much.

Mr. MacKinley: Thank you very much, Alberta. Are there any questions for Alberta? John has a question.

Mr. Williams: I just would like to ask a question about how unusual it is for the public accounts committee not to be able to make any recommendations to the Legislature. Is there any thought by the participants or the Legislature to maybe review the mandate of the public accounts committee and other committees to allow them, because they are creatures of the Legislature, to be able to report back on what they find? Any thoughts along that way?

Mr. VanderBurg: I can tell you that the four of us who are attending here have had lots of little sidebars during the breaks and have learned a lot of things that maybe our public accounts committee could do and make recommendations on in the future. We've taken a lot of notes, John. I can say that we'll more than likely be a little more engaged in the future.

Mr. MacKinley: Are there any more questions for Alberta? If not, we'll go with the Northwest Territories.

Mr. Kevin Menicoche: My name is Kevin Menicoche. I'm the MLA for Nahendeh and I'm the Chairman of our standing committee on accountability and oversight of the Legislative Assembly of the Northwest Territories. Also with me is MLA Robert Hawkins. He is the Deputy Chairman of the committee and the member for Yellowknife Centre. Also with us is Colette Langlois, the director of research services.

I'd just like to say that I too am really enjoying my stay down here at Niagara-on-the-Lake and would like to take this opportunity to thank our hosts for their exceptional organization and warm hospitality.

As many of you are probably aware, the NWT and Nunavut are the only jurisdictions in Canada that have a consensus system of government. In the NWT there are 19 MLAs: the Speaker, seven cabinet and 11 regular members who sit on various committees. All 11 regular members sit on the standing committee on accountability and oversight, which has the mandate to examine annual financial statements, the public accounts of the government of the Northwest Territories and the reports

of the Auditor General. The committee performs similar duties to the public accounts committee in other Canadian jurisdictions. The Northwest Territories does not have a stand-alone public accounts committee within its current committee system.

Standing committees also provide checks and balances on government operations, legislation and spending by reviewing business plans, main estimates, and policy and legislative initiatives. We also monitor and evaluate the performance of territorial boards and corporations.

Pre-budget consultations: This year marks the halfway point in the four-year term of our 15th Legislative Assembly. An important achievement of the standing committee on accountability and oversight this year was to implement pre-budget consultations. Upon our return next week to the Northwest Territories, the committee will split into two teams to visit at least one third of our communities. The communities' views will be taken into consideration when the committees meet to review government business plans in mid-September. We are very pleased to be able to implement pre-budget community consultations. They will add another level of accountability and responsiveness to the people of the NWT.

In September of last year, the standing committee on accountability and oversight received the 2004 report of the Auditor General to the Legislative Assembly. The report included a review of the government's consolidated financial statements for the years ending March 31, 2002, and March 31, 2003. Some of the topics covered include the Northwest Territories Housing Corporation's shipment of unassembled housing units to Alaska, the issue of government loan guarantees, the transfer of land ownership from the government of Canada and clarifying responsibilities for protecting the environment. We look forward to a public review of this report later this fall.

In closing, Mr. Chairman, I once again wish to take this opportunity to thank you for hosting the 25th annual conference on public accounts.

Mr. MacKinley: Thank you. Have we got any questions for the Northwest Territories? Have you got a question for them?

Mr. Sterling: No, I don't have a question of them.

Mr. MacKinley: I have a question. Maybe somebody can help me on this. We had a problem with a business that failed in the province of Prince Edward Island. The minister at the time was relieved to the back benches, not because of the failure, and he came on to public accounts. Then we had a hearing in public accounts; it was into Polar Foods. The McDonagh committee looked into it. That member still sat on public accounts, and we called witnesses. He was one of the witnesses we wanted, so he relieved himself from public accounts, went and sat as a witness and then came back to sit on public accounts. Is that right or is that wrong? I don't know.

Mr. Williams: There is no problem with a member of a committee sitting as a witness. You do not have the authority to subpoena a member, but if a member wishes to voluntarily be a witness, he can do so. I've actually left

the chair and been a witness at my own committee, so there's nothing wrong with that. The issue of perceived conflict of interest perhaps requires a more detailed examination. If he was the minister of an issue that arose that was being investigated by public accounts, and then he was in essence investigating his own behaviour as a minister, that's something that would require more reflection, I would think.

Mr. MacKinley: Where would you look, though, because he was the minister when Polar Foods was created. He made Polar Foods, or put it together, along with the approval of cabinet. That's the only thing. There's nothing wrong with sitting on public accounts and being a witness. The question was—and the issue was raised at the time—how could he sit on public accounts when we were investigating a former department of his and he had a vote on public accounts etc.? I really didn't know the answer.

1530

Mr. Williams: There is no right answer. My good friend Walt here—Walt is a good Liberal and I'm a good Conservative, so we sit on opposite sides, but we had an issue, again, in the sponsorship issue. Walt is the parliamentary secretary to the Minister of Public Works. He was aptly answering questions on behalf of government in question period, and then he was sitting on public accounts later on, in fact that very same afternoon, and the question of that very issue was raised: Is there a conflict by the member speaking on behalf of the government in the House and sitting as a member of the public accounts committee on the investigation? The question was decided by the committee in a motion that he was not in a conflict of interest. So again, it's up to the committee to decide these things. The committee itself is the last word on the issue.

Mr. MacKinley: All right. The committee is the last word. You see, in Walt's case, he wasn't responsible; he was parliamentary secretary to the minister. So you weren't responsible for it; to come through, the minister would be responsible.

Hon. Mr. Lastewka: In your case, I understood that the minister was the responsible minister and that he was questioning in committee. The way we do the—

Mr. MacKinley: No, he wasn't the minister any more. The minister was responsible for setting up Polar Foods. It was his department; it was his signatures that were responsible. This happened four or five years ago. In the meantime, the minister wasn't in cabinet. He became a member of public accounts. There were some questions at the time: Should the former minister relieve himself from public accounts for the hearing into Polar Foods? That's an issue we came up with, and the press were raising that issue with us. We didn't know.

Hon. Mr. Lastewka: In our case, if we run into ticklish situations like that, we have a steering committee that meets in private, and normally there is very good discussion because they are doing it in private and they are doing it for the best of the committee, to do the right

thing. We put our trust back into the steering committee to do that.

Mr. MacKinley: All right.

Mr. Sterling: Can I just say that before I was Chair of the public accounts committee of Ontario, I was minister of nine different cabinet portfolios when we were in government, some in the early 1980s, but mostly from 1995 to 2003. We've been continually going over matters where I was minister but no one on our committee has objected to questions or any of my involvement. Now, as a member, because I believe the overall role of the public accounts committee is not so much, except in cases where you have now in terms of the Gomery inquiry, politically focused—it's more focused on the administration and how they are performing, as opposed to a political position. But it's discretion that you have to use. Are you going to be criticized for participating? Do your colleagues see your participation as biased or unfair? I think it has to play somewhat informally, the ruling.

M^{me} Agnès Maltais: Agnès Maltais, du Québec.

Il s'agit justement là, pour moi, d'une question qui réfère exactement ce dont a parlé la présidente de notre commission québécoise, qui est l'éthique. J'ai moi-même été ministre, et elle aussi. Elle a été ministre dans l'ancien gouvernement du Québec. Nous abordons régulièrement des questions à la commission qui touchent des dossiers dans lesquels nous avons été engagés. Mais cette fois-ci, être à la fois témoin et juge, pour moi—je viens de demander à la secrétaire de notre commission. Ce n'est pas dans nos règles. Nous n'avons jamais dans les règles ce type de débat. Mais comme parlementaires, nous devons nous fixer des règles d'éthique, et après juste un bref tour de table, c'était non, cette personne ne devrait pas être à la fois témoin et membre de la commission. Elle devrait carrément se retirer du dossier dans lequel elle est témoin. On ne peut pas être juge et parti.

Mr. MacKinley: I'll go with John next.

Mr. Williams: I was just going to point out my clerk. Of course, we have a fabulous staff in the House of Commons, and our clerk always keeps us in the right direction. She pointed out that committee membership is by order of the House and, therefore, if the House determines that is the committee membership, then that particular former cabinet minister has his seat on the public accounts by virtue of the order of the House.

In that situation, if the committee decided or felt that there was an ethical problem investigating himself, then they would have to report to the House that he either should abstain from the hearings or, if he didn't, they may want to report to the House saying that perhaps he should not be sitting in the public accounts committee during that time. But the membership is not decided by the PAC, but by the House. So that has to be taken into consideration too.

Mr. McCormick: I would just like to add that we had an analogous situation occur in the Yukon earlier this year with regard to these Auditor General reports I was referring to in the jurisdictional report. One of the members of the public accounts committee is a former

Premier of the territory, and she was Premier when a lot of these events actually transpired. So there was some discussion at the public accounts committee level in terms of whether her participation as a member of the committee during the public hearings would be appropriate. She was the one who actually brought the question forward. The other members of the committee discussed it, and it was mutually agreed that she would not participate in the public hearings. Again, it wasn't a question that was determined by any sort of rule. It was just a matter of judgment exercised by the committee members.

Mr. MacKinley: The problem we had was, the auditor went as far as he could, public accounts went as far as it could, and they've ordered a forensic audit, which is going to come out. In a forensic audit, as you know, they're looking for fraudulent activities, which we don't know happened or not, but that's a step. What we've got to do is be ready if something comes back on the negative side. Exactly what do we do on public accounts?

Is there anybody else who's got any questions?

Mr. Sterling: Before everybody leaves, the delegation from Nigeria has asked to make a brief presentation with regard to their public accounts committee. I think we should have, of course, the courtesy to hear them, because they've come a lot longer way than the rest of us. So perhaps you could go ahead at this time.

Mr. Oluwole: Again, my name is Adeyemi Oluwole, chairman of the public accounts committee, House of Representatives for the National Assembly of Nigeria. I'd like to give everybody a brief background of what we have in Nigeria.

I'm very happy that we were able to come here today, and I want to express our profound gratitude to all of you Canadians for standing by us, the people of Nigeria, during our trying time during the days of the military junta. You were the only ones who stood by us and broke off relations with that junta at that time, even when our so-called friends were found wanting when we needed it most. We are very, very grateful.

Democracy came to Nigeria in 1999. I was a member of the House then, even though I was not a member of the public accounts committee. My predecessors in office had Auditor General reports from 1992, which had not been attended to. So between 1999 and 2003, they were busy clearing the backlog of reports of the Auditor General. I'm very happy that what I've been hearing is very similar to what we have back home.

I became Chairman in 2003, and I'm a member of the opposition, as we found out is also the case here. My counterpart in the Senate is also a member of the opposition. So we are unencumbered, and we have the right to look at all the books of government.

1540

The PAC in Nigeria is a creation of the Constitution itself, and it's imbued with tremendous powers— incredible powers. As a matter of fact, after Jesus Christ, PAC is next. We have the power to summon anybody. I

heard somebody from one of the provinces today who had problems with whether the PAC had powers to summon ministers and things. No, we can summon even Mr. President and we can subpoena any document, no matter what the security implications. What will happen is that we will clear the gallery of members of the public who are normally present at our hearings and take the questions that have security implications in camera. We are number one. We are supreme to everybody.

This committee sits almost every day. We are by far the busiest committee of the House. We sit almost every day, including during vacation. We have tonnes and tonnes and tonnes of volumes to present to the House. As a matter of fact, this is a summary of our latest report, which I will leave. I would love members to go through this document to see how far we have come and to see that we are determined to clear up the mess. Because there is so much money, so much public resources in the hands of public officers in Nigeria, it's important that somebody keep an eye on them to see what is going on. Quite a lot of things have gone wrong in the past. You'll be surprised that we have made efforts to recover so much money from public officers through the activities of the public accounts committee.

I said earlier today that we are also working on two pieces of legislation, because we are determined to railroad as many people as possible into jail for what they did when they were in office. That was why I was surprised at the reaction of government. The point is, when you are in government, when you are in office, you are entrusted with certain responsibilities and given such resources to utilize. The question is: What did you do? How did you spend these monies? You must be accountable to somebody, and that somebody is the public accounts committee on behalf of the Legislature, because we have powers to look at the accounts of the executive, the judiciary and ourselves. As a matter of fact, the people we have indicted included two former senators, one of whom is now the governor of one of the states, and some of our own former colleagues who were entrusted with resources when they were members of Parliament and misused these. They are running all over the place now, because it is a one-way trip to jail and we are determined to have that.

I hope and very much pray that by the time we attend the next conference, which I am determined we will attend, I should be able to tell you how many people have been put away because of what they did when they were in office and had access to public resources.

We work very, very hard and we are very, very lucky that the present president of the country is a man who had accountability, transparency and good governance as major planks when he was campaigning for office.

One major problem we have is that we have 36 states, just like in the US, and there are some state legislatures that are 100% controlled by one single party. In those states, it's extremely difficult to have a virile and effective PAC. So what we did was set up an organization like this, an association of public accounts committees, in all

the various legislatures in Nigeria, and we sensitized them to the various powers they have. A lot of them are not even aware of these powers. We sensitized them, we let them know the kind of things they should be looking at and we let them know that their ultimate responsibility is to the taxpayer, not necessarily to the government and to the executive, or to the judiciary, for that matter.

So we have come a long way and we are making a lot of progress, and you will find a lot of that in this report. It will make very, very interesting reading. Like I said, we will participate more in these kinds of conferences, because we want to continue to hone our skills for better performance. I must also extend our appreciation, like all members have, to the committee in Ontario, which made such excellent preparations for us. Five of us were supposed to come, but because we have come a long way—we have to come through London—flight difficulties made it impossible for three of our colleagues to be here today. I can assure you that this kind of thing will not happen again. We will make arrangements well in advance.

I thank you very, very much for this opportunity, and I must say that we have learned quite a lot during our stay

here, which I'm sure will enhance our operations. I also want to say that I have been here before and had a meeting with the Auditor General of Canada. I came with the Auditor General of Nigeria. The Auditor General too has a tremendous role to play in our operations. By law, he's our chief technical adviser, and he sits with us when we also look at his books. It's been a very, very good learning process, and I'm sure we'll be able to do much, much better than we have been doing by the time we come back next year. Thank you very much for your attention today.

Mr. Sterling: Thank you very much, everybody. The buses to the winery are leaving at 6 o'clock tonight for dinner, so everybody should be there at 6. For those of you who are making plans to leave at various times—I'm talking about when you leave the conference; somebody was telling me this—if you are to leave at, let's say, 3 o'clock on Tuesday afternoon, just be about 10 minutes early before each connection that is arranged for you.

Thank you very much, everybody, for your presentations.

The conference adjourned at 1546.

Tuesday 23 August 2005

Mardi 23 août 2005

The conference met at 0912 at Queen's Landing Inn, Niagara-on-the-Lake.

OPENING REMARKS
MOTS D'OUVERTURE

Mr. Jim McCarter: Good morning, everyone. I see everybody has recovered from our tour of Hillebrand wineries. It's great that you all got to try some world-renowned Ontario icewine.

This morning we have the session on the CCAF. I'm going to ask Norm Sterling in a second just to introduce that, but I do have a couple of administrative announcements first. We would ask that for those of you taking the shuttle back to the airport, either this afternoon or tomorrow—I know you've given your flight times—could you please check in the registration office and they will tell you what times the shuttles are departing. We'd ask that you try to be there about 10 minutes before the departure times to make sure you catch the shuttle. The second thing is, today we're going to be having lunch in the Imperial Ballroom. That's where we had the reception on Sunday night.

The last thing I'd like to do before I turn it over to Norm is—I'm sure Norm said the same thing—I've had a number of people come up and say, "Oh, Jim, great job. You've done a lot of work." To be honest, I haven't done a lot of work on this. We're very fortunate, and I'd like to recognize the people that have really done the hard work in organizing this conference. You've seen a lot of people running around in blue shirts, and they've been our tour guides and generally been helping out. That is Ontario's interparliamentary and public relations branch, headed by Debi LaMantia Humber, standing there at the back. Give everybody a wave, Debi. They've done a great job. They looked after picking everybody up from the airport, making sure the planes were met. They've done a super job.

In connection with that, I'd also like to thank our Legislative Assembly translation service and our audio-video people for setting all this up. As well, I'd like to recognize Susan Sourial. Give everybody a wave there, Susan. Susan's the clerk of the committee in Ontario. Last but not least, standing beside Susan is John Sciarra from my office. They've really done yeoman service in organizing this conference, and I think they've put together a very good conference. It's a job well done.

I'm going to turn it over to Norm just to say a few words about the CCAF.

RESULTS OF CCAF'S RESEARCH
ON PARLIAMENTARY OVERSIGHT:
COMMITTEES AND RELATIONSHIPS

RÉSULTATS DES RECHERCHES
DE LA FCVI SUR LE CONTRÔLE
PARLEMENTAIRE : COMITÉS ET RAPPORTS

Mr. Norm Sterling: Thank you very much. Before I do that, I think many of you have seen in front of you this brochure about our next year's conference. It proves to me something I knew about Jim Bagnall for some period of time. This shows that every Prince Edward Islander who golfs is truly a sandbagger.

The John J. Kelly Forum: Just as a matter of interest to those of you who may not know who John J. Kelly was, he was a dedicated accounting person who was very much involved in public accounting. I'm told by the Auditor General from British Columbia that John J. Kelly had the first review of what a public accounts committee did some 20 or 25 years ago. In fact, we're going back through the same kind of process. He died very suddenly, but was known as a fixture at these conferences and within the community of public accounting and public accountability, so this forum has been named after him.

This morning we are going to have a rather structured process. Michael Eastman, who is the executive director of CCAF, will be giving an introduction for about five minutes. Michael has been the executive director of CCAF since last year. He has held a wide range of senior financial and general management positions in federal departments, agencies and central agencies and in international organizations. He was deputy secretary of the North American Free Trade Agreement Secretariat in Ottawa, and he was the first director of the Free Trade Area of the Americas Secretariat in Miami.

He is a certified management accountant. Michael holds a bachelor's degree in commerce from my alma mater for engineering, Carleton University, a master's degree in social sciences from Syracuse University and in public administration from Queen's University.

He has served on the board of directors of a number of charitable organizations.

After Michael gives us a five-minute introduction, we're then going to have the principal person who has been involved in a six-year research project. We are involved in the very latter stages of that particular research project.

Libby MacRae is a senior research associate with CCAF. She is the principal researcher for the accountability and audit program, which we are experiencing today, and secretary to the program advisory group. To

ensure capacity commensurate with the expected demands of the program, CCAF secured Libby's services through an executive interchange with Natural Resources Canada. She has 30 years of professional experience in the government of Canada in a variety of very responsible positions, almost half the time at THE executive level.

Libby's background includes management positions in internal audit, program evaluation, policy development, information technology and program administration. She has been the chief internal auditor in three federal government organizations, including the federal House of Commons.

Libby is going to give a 30-minute front-end presentation, positioning the forum in a broader context, revisiting some of the key international best practices of PACs and summarizing the results of CCAF's research to date. She will be setting the stage for the remainder of our morning session. Then there will be a 10-minute question-and-answer period in which Libby will be responding to questions from the floor. At the end of our first session this morning, Libby and Jean-Paul Gobeil will give a 10-minute wrap-up to pose questions to issues with regard to the research of CCAF, to be pursued after our break.

After the break, we will be coming back for a 30-minute segment with break-up groups around the tables behind the main conference table to discuss three questions posed in one of three areas. CCAF representatives and the facilitator, Jean-Paul, will move from table to table to encourage discussion. After that, we will have a 45-minute segment where tables will report back to the general session. Then we will have a summary with Libby and Jean-Paul to wrap up the morning's output.

So without further ado, I'll turn it over to Michael.

0920

Mr. Michael Eastman: Thank you very much, Norm. Good morning, everyone. Bonjour à tous. Comme M. Sterling a dit, mon nom est Michael Eastman. Je suis le directeur général de la FCVI. C'est un grand plaisir pour moi d'être ici avec vous aujourd'hui. J'aimerais prendre le temps de faire quelques remarques préliminaires. I'm Michael Eastman, director general of the CCAF. It's a great pleasure to be here today.

En premier lieu, permettez-moi de remercier les organisateurs de la session John Kelly d'avoir permis à la FCVI de collaborer avec vous ce matin. Nous croyons que ces interactions contribueront à améliorer nos recherches et nous aideront à mieux refléter vos opinions.

I'd like to thank the organizing committee, especially Norm Sterling and Jim McCarter, and I know Colin Younker and Daryl Wilson are around the table as well. Thank you very much for allowing us to have this time with you today. We want to take the time to listen to you, to learn from you and hopefully to reflect your ideas, concerns and issues in the report that we're going to be doing.

L'un des objectifs de la FCVI est d'encourager le dialogue entre les législateurs, ou les « politiciens », si

vous voulez, des hauts fonctionnaires et des vérificateurs législatifs. Aujourd'hui nous avons l'honneur d'interagir avec deux de ces groupes, et demain nous aurons l'occasion de discuter du même sujet avec les contrôleurs à Victoria.

So we have three of our major audiences that we're going to be speaking to this week on this subject.

As regards the operations of public accounts committees, we have so far had the opportunity to discuss the issue directly with eight jurisdictions and we thank them for so generously giving of their time and energy, because even two or three hours of people's time is a major contribution. In fact, Jack Reimer from Saskatchewan and I had a discussion; he'd like us to slip out to Manitoba in the next couple of weeks and speak to Manitoba.

We will, and I'm rather proud to say this, be interacting or trying to interact with every jurisdiction across Canada so that we can reflect the Canadian-wide story of public accounts committees in our report. This is the first time that all jurisdictions have been involved with the CCAF research at the same time on the same subject. I'd like to say to the Territories that we will be attempting to include the Territories in our research in a more constructive fashion as we go forward with it.

Talking about public accounts committees, and we talked about John Kelly himself, the research was done in 1981-82. That, in some ways, is 25 years ago. It doesn't sound that long ago in one way, but the truth is that this was the very start of value-for-money or performance auditing or comprehensive auditing coming forward. So pre-1980, the discussions were really in front of public accounts committees discussing the public accounts. There has been a tremendous movement forward over the last 25 years and now the public accounts committees are very much focused on the reports from the Auditors General concerning performance auditing or value-for-money auditing. So there's been a major change. In some ways we could be examining the same questions that we examined in the 1980s, but there's a tremendously different focus or twist to the answers to those questions. So in many ways the questions are quite simple. Unfortunately, the answers we're going to request from you today are not quite as simple as the questions might appear.

Yesterday we heard some tremendous discussion about the role of public accounts committees, the importance of these committees in democracy, the importance of these committees in accountability and protecting the taxpayers' money that is given. This story we have to be able to tell in our report. So when we do the breakout groups, we have maybe simple questions, but really what I'm asking from you is, how can we take the expressions of the work that the public accounts committees have been doing and reflect that in our reports? I am not trying to write the definitive public-accounts-for-dummies report; I am trying to write a comprehensive report. But it does have to be able to tell that story with the passion that I heard yesterday.

The other part that has to be told is the tremendous interaction that—and it’s a personal word, but I might say “reliance” as well on the Auditors General with the public accounts committees, the reliance on the objective, the credible, the non-partisan and fact-based information that the Auditors General provide you. That has to be told in this story.

What I am suggesting, when we go to the tables where you’ll be discussing effectiveness, capacity and leadership in public accounts committees, is that if we could get the sense back from you of what major part of that you would like to include in the stories as we go forward., that would be most beneficial to Libby and myself.

We stand here—and I thank Norm for the pleasant introduction about the CCAF—but the truth is, we are very involved with the three groups that we work with: the legislative auditors, the legislators and the senior public service. But we also work with advisory committees. So our work is going forward with scoping and input from many people.

We have been working on public performance reporting for the last six years, and that’s coming to a conclusion. At our conference in October, you will have at least an executive summary of that report coming out. Looking around the table, I know that Sheila Fraser, Graham Steele and Daryl Wilson are on that advisory committee with us, and I thank them very much.

This particular subject is under the label of accountability and audit. It’s a subject that’s been discussed, and there are a number of different aspects of this committee, but the major one that we’re studying at the moment, for the last 18 months or so, is oversight committees, or public accounts committees specifically. In fact, we’re very, very pleased because we have three Auditors General. We have heard Jon Singleton from Manitoba, John Noseworthy from Newfoundland. We have Fred Dunn. I’d like to publicly thank Fred Dunn for some major assistance he’s provided us on this project. We also have John Wiersema from the federal Auditor General’s office. Madame Rita Dionne-Marsolais represents a politician on this committee. So we’re very, very pleased.

They’re two of the three lines of research we’re doing. The third line will be shared governance. We will be setting up an advisory committee after the conference. I’m going to be looking for volunteers, so beware.

Later on in a part of this session, my colleague Libby MacRae will be distributing a couple of booklets that will provide you with some information about where we’re at on the public accounts committee, one that is a bit of an examination of public accounts committees in other countries in the Westminster system; also, another one on the summary of the surveys that the clerks here have been so involved with. I thank the clerks for being so helpful in providing that information.

Instead of coming out with one large report, we will be going forward with a number of booklets that will actually fit into a little pocket booklet, so you’ll be able

to go in and choose just the executive summary or just the themes. Maybe some of your research staff will want to look at the summaries etc. So instead of having one big report, we’ll have a number of smaller publications that will fit into a package, and you can pick and choose which ones you would like to read.

0930

I would be very remiss to take up much more time, but I would also be remiss without plugging the conference for the CCAF, which is coming up on October 17 and 18. If there are any individuals in Canada who should be interested, they are the people in this room. The theme of the conference is Connecting to Canadians: Strategies for Change...Conditions for Success. It has three sub-themes. Public accountability—Sheila Fraser has very kindly agreed to co-chair that part of the session. We also have a second one on parliamentary reform, and Rita Dionne-Marsolais has agreed to co-chair that part of the session. We thank them very, very much for their time and contribution. We couldn’t do it without these individuals.

Also, I’d have to say—I don’t have my notes on this, but I know that we have, excuse the English word, picked on—chosen may be a better word—a number of people here to come to the conference and speak. I see Wayne Strelieff and Jim McCarter there, and I know that Mr. Lachance will be there—thank you for his help—and Elwin Hermanson will be representing the politicians on a session on parliamentary oversight itself. I probably have forgotten a couple of other people. I do apologize.

Anyway, I’m getting in the way of the important presentation by Libby, so I’m just going to hand it over to her.

Ms. Libby MacRae: Thank you, Michael. It’s great to see everyone again this year. In terms of the presentation that we’ll be making this year, we’ll be refocusing on some of the international practices, as Michael said, just quickly in terms of what we talked about last year, and bringing them into how they impact on the conclusions that we’ve drawn with respect to the Canadian PACs.

In terms of the actual presentation outline, we’ll be going through a bit of the background. In terms of the actual presentation, we’ve got quite a bit to cover in about 25 or 30 minutes, so I’ll be going fairly quickly. Some of it’s technical, because what we’ll be doing is going through some of the conclusions from the questionnaire that was sent out to all of the PACs across Canada—just as a flavour, again, as a backdrop for the discussion in the discussion breakout groups.

First of all, I’ll go through some of the international overview, just a few ideas that came out of there, give a summary of the questionnaire survey, talk a little bit about the round tables and interviews that we’ve had in the eight jurisdictions that Michael mentioned, give a few ideas of good working practices that have been identified in those jurisdictions, and then talk about our emerging themes and considerations, the document that we’re looking for your input to.

Moving on, in terms of the background with respect to the project, as Michael mentioned, this is part of the

accountability and audit research program. The theme of that research program is Improving Accountability and Enhancing Public Confidence. It very much is looking at the alignment among governance, management and audit, so that's where our focus was. We started a couple of years ago on this project, one of the reasons being the lack of public confidence in financial reporting, issues around parliamentary oversight of government expenditures and operations, and we felt it was really important to focus on parliamentary oversight.

As Michael mentioned, and also Norm, basically the work that we're doing is a follow-up of this 1981 book by Hugh Hanson and John J. Kelly. It's very interesting, because it had 69 recommendations to improve public accounts committees. In fact, a lot of them are still quite relevant, and you'll see that when I go through some of the answers from the questionnaire.

In terms of our approach for this particular research, we did the questionnaire for all 14 jurisdictions. All of them answered. We sent it out last year in July and got the last response in June of this year, so that's why we've just summarized it and have a publication for you now with respect to that. As we had indicated, we've done some round tables, interviews, we've been doing literature research, quite a lot of various components to come to our final deliverables. As Michael mentioned, there are going to be various deliverables, tools for you to actually use.

A couple of those tools will be developed from some of the great working practices that we've seen in some of the jurisdictions. For example, we're going to develop a generic mandate document since that's so important. There have been some good ones in Yukon, Nova Scotia, Manitoba and Saskatchewan, to name a few of the jurisdictions that have great mandate documents. We're also going to be developing a tool kit for frequently asked questions, following some of the questions that Alberta has prepared for their public accounts committee.

We'll be looking at some other orientation packages, as well: a guide to witnesses similar to those of Saskatchewan and British Columbia; a follow-up process following up from one in British Columbia that was developed by the legislative auditor. So basically quite a few deliverables in the next few months.

In terms of international—I'll put my glasses on for this one because I think I have to read a bit of it. In any event, what we were doing with the international background paper—as Michael had mentioned, we've got three documents we're going to give out to you when we go to the discussion groups. One of them is the background international paper. That was something that was given out in a very preliminary fashion last year at this session. We've now got it in a more substantive fashion, but basically what we looked at there were three themes: exercising leadership; building and maintaining capacity; and then effectiveness in achieving and demonstrating results of public accounts committees. We looked principally at Britain and Australia; we looked a bit at New Zealand as well.

So in terms of actually exercising leadership, that's where we were looking at the relationship with the legislative auditor and with government. What we found, to a great extent, is that in Australia and Britain most public accounts committees can influence the work plan of the legislative auditor, and also quite often review the performance of the legislative auditor. For example, in the UK central government the National Audit Office, while they have complete discretion over what subjects they're going to be auditing, in fact is required to consider any input that the public accounts committee may have for their work plan. That's done both informally and in a formal session once a year when that public accounts committee reviews the two-year work plan of the National Audit Office.

Also, in Australia, in the Australian Commonwealth government, the joint committee on public accounts and audit determines the audit priorities of Parliament, advises the National Audit Office of those priorities, reviews the proposed audit program, approves the budget of the Australian National Audit Office and reviews all the reports of the audit office as well. So again, real input to that work plan of the National Audit Office.

With respect to actually reviewing performance of the legislative auditor, it's pretty much the norm in Australia, both at the federal and state level, for the public accounts committee to be reviewing the performance. Often it's done in the same way as they would review a report, basically having some sort of an independent group do a review and then they would have public hearings on the performance of the auditor.

In terms of broad scope, that's one thing we really noticed in Australia and Britain, very much a broad scope in terms of what the public accounts committees do. They can initiate inquiries and in most cases can ask the legislative auditor to conduct reviews on their behalf.

In terms of building and sustaining capacity, what we noticed there is that quite often there were secondments from the legislative auditor's office to help the public accounts committee in terms of research. In Great Britain, of course, there is the scrutiny unit of researchers that's been set up to help committees as well.

There seems to be a lot of sharing of information as well, using the Internet, sharing information with each other, garnering public support, actually asking the public to come to meetings of the public accounts committee as inputters, not simply as observers. So a lot of work on the Internet and this whole sharing of information to communicate ideas and get input from the public and the media.

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The one area that is really interesting is achieving and demonstrating results. Clearly, again, Australia is at the front of that. The one state that really has a good practice in that area is the state of Victoria. I had mentioned them last year as well, but they've done even more things this year. In their 2003-04 annual report, they have actually identified performance measures now as well. In addition to doing their logic diagram where they look at their

inputs, their people expertise and the information that they've got to improve public confidence, they have actual performance measures, some of which are the number of recommendations accepted or implemented, but also just the number of seminars given to legislators on financial management, the completion of a particular hearing or the setting of goals for a particular hearing and then meeting those goals. So that's quite interesting as well.

Another one of interest is the Australian Commonwealth government. They actually set up some success factors for themselves: clear underpinning legislation; independence; wide role and extensive powers defined in legislation; transparency of activities; high quality and committed membership; links with the legislative auditor—quite interested in looking at how they can measure their performance.

I'll move on now to the World Bank. Last year, I mentioned the World Bank Institute as well. At that point, their report, called a working paper, wasn't published. It has now been published. Again, it is an interesting flavour in terms of success factors for public accounts committees. They in fact had questionnaires in Australia, Asia, the Caribbean and Canada, and basically came up with some success factors for public accounts committees: a broad scope—the power to investigate or review all past, current and committed expenditures of government; free choice—the power to choose subjects for examination without government direction and advice; effective analysis and reporting—the power to report conclusions, suggest improvements, publish recommendations and follow up on these; solid technical support from the legislative auditor and research staff; bipartisan climate—developing a close relationship among members from different political parties and having a clear focus on implementation of policy and not whether policies are good or bad; and then public involvement and media coverage and the whole public education and awareness role.

Interjection.

Ms. MacRae: Well, there are slides; there are packages. They're very small, just like yesterday's lunch—so again, another challenge. But they are there, and they are very nicely printed in colour. And then there's the other en français.

I'll move on to Canadian PACs now. This is the interesting one. I'm going to read a lot of it because I want to make sure I'm doing it accurately. What this is basically going to be is a summary of the questionnaire that we sent out. As we mentioned before, there were 69 recommendations made in 1981 and 59 working guidelines from the Canadian Council of Public Accounts Committees that were published in 1989. We worked with the executive secretariat of the Canadian Council of Public Accounts Committees, Craig James and Josie Schofield—I want to thank them very much—and put together 100 questions that we sent out to all the jurisdictions. For the most part, those were answered by

the researcher or by the PAC Chair. What I want to do is give you a flavour of some of the results.

We're on slide 7 right now. Slide 7 relates to PAC role, tenure and composition. We were basically looking at the procedural framework in which PACs operate, along with relationships and what they do to measure their effectiveness or determine whether they've made a difference.

The first one, relating to the procedural framework, the statement of roles and responsibilities: As I mentioned earlier, more than half responded that they have a documented statement of roles and responsibilities, but it's difficult to tell whether or not this is different than the order of reference. What we're looking for is something more detailed, something that actually gives roles, responsibilities and expectations of what the PAC wants to achieve.

In one jurisdiction, the legislative order of reference instructs the PAC to examine public accounts and audit reports, but the mandate document probes more deeply into the purpose of this examination, which is to hold the government accountable for the administration of policy. So we're going to develop some sort of generic mandate document following on what some of the jurisdictions have done at this point.

In terms of information, most automatically receive and review public accounts and legislative auditors' reports, according to what was answered on the survey. However, when we've gone to the round tables it's interesting because a lot of the jurisdictions do not in fact review public accounts. Some review the legislative auditor's review of public accounts but very few actually review public accounts, even though that's what is referred to them in accordance with the order of reference. Another interesting part, and it came up yesterday at the jurisdictional presentations, is that not all can access cabinet documents either, which was quite surprising. A few look at government-wide ministry reports or departmental reports, but not to any great extent.

In terms of initiating inquiries, 10 can initiate inquiries not specifically referred by the House or outlined in documents referred to the committee; not many have. Ten can also ask the legislative auditor to conduct a specific review, but it's really up to the legislative auditor whether they're going to do that. So there's not as much free choice in terms of initiating specific inquiries in Canada.

Other oversight committees: Four jurisdictions have crown corporations committees. Some of those have the legislative auditor's reports referred to them; not all of them do. For example, in British Columbia, the crown corporations committee more likely reviews the crown corporations' reports on governance issues rather than necessarily financial issues. Some jurisdictions also referenced other policy committees involved in the oversight of parliamentary affairs as well.

In terms of composition, 10 of the 14 committees meet the recommended size, and this is what was recommended some years ago but still appears to be applicable:

between five and 11 members. All have opposition Chairs except for two of the Territories, which have consensus-style governments. Some comments were made with respect to party representation, particularly in the round tables. For the most part, each party has the same number of members on the PAC as they do in proportion with members in the Legislature. However, it was suggested at a few of the round tables that this might not be the most effective way to operate. One quote was, "Maybe we should have equal members of opposition and government on committee. Maybe membership should be evenly split among the parties, even in a majority government," and that's one of the questions that we have for discussion later.

In terms of the quotes that I'm making, we had agreed in all the round tables and interviews that we wouldn't have any attribution, so unless it's a public document, or in some sort of verbatim transcript, we won't be attributing particular quotes to particular people.

Qualifications and orientation training: No PACs require qualifications or experience to be a PAC member. That was one of the questions we had. For the most part, more orientation is provided to PAC committees: 11 of the 14 committees provide orientation or training to new members. Again, we had mentioned Alberta's tool kit, and some of the other legislative auditors as well provide orientation training at the beginning of the year. For example, in the Yukon there was actually a two-day retreat with the members of the legislative audit office when the Yukon PAC started up again a couple of years ago.

Here I'm going to attribute, because Fred Dunn noted this last year: "The Auditor General's office can assist the PAC in improving the effectiveness through coaching and sharing their insight on questions asked and answers provided at PAC," which is something that seems to be happening on a fairly regular basis.

0950

In terms of resources, basically 11 of the 14 felt that they had sufficient financial resources, which was kind of interesting because, again, when we went to round tables that wasn't necessarily felt to be the case; 12 of 14 jurisdictions paid remuneration for being a Chair and eight for being a Vice-Chair. Again, that's something some groups might want to reconsider—to have remuneration, not to take it away.

While almost all had a clerk specifically assigned for PAC, only eight had in-house research staff provided. Again, from what we can see internationally and with the World Bank, you probably want to have some non-partisan research staff to help out.

All felt that they had a suitable meeting place, appropriate recording facilities and adequate seating for the news media. So physical resources seem to be quite adequate for all PACs in Canada.

In terms of practices and procedures with respect to meetings, 10 committees noted that they held sufficient meetings to discharge their responsibilities. One answered no and three others declined to comment.

That's another interesting part. We did send the questionnaire to the PAC clerks and it was filled out by clerks or researchers. In some cases, they were uncomfortable answering the question and wanted the elected official to answer, and that was why we started our interview and round table program. So we've gotten quite a bit more substantive information through the round tables and interviews.

Some of them made comments with respect to insufficient time to prepare for meetings and to draft reports. Also, there was a significant difference in powers and practices as to whether a PAC could sit outside the session. In some cases, PACs cannot sit while the session is recessed or prorogued, while in others they can.

There was a wide variation in the number and regularity of meetings held. The range was from zero to 60 annually—again, interesting. All PAC meetings for hearing witnesses' testimony are open to the news media and public. Six have televised hearings. While these are usually better attended, they are usually more politicized as well, according to most of the people we talked to.

Subcommittees: Half of the committees have a planning or steering subcommittee. Others have established subcommittees for special purposes.

In terms of witnesses, all PACs indicated that they have the right to call a wide variety of witnesses. The quote was the "power to send for persons, papers and records." But in fact that was not the reality in all cases. I think as John Williams mentioned yesterday, one invites first, and then Graham Steele mentioned about subpoenas potentially. Again, not everyone is able to call the witnesses they want to necessarily call to PACs. Two committees have cabinet ministers as the primary witnesses.

Most have some sort of protocol relating to the order of questions and strict time limits as well. In one round table there was a comment made, "There is a direct correlation between the quality of questioning and the quality of response." So it's very important to have that protocol, and time limits and quality.

The next area is reporting and follow-up. Here we were looking at substantive reports that PACs would be developing. Basically, 12 committees of the 14 prepare reports at least annually, containing a summary of the committee's work. One does not prepare reports, one doesn't have the mandate to make recommendations, and some don't always make recommendations. So I wouldn't want to use the word "substantive" in terms of reporting, necessarily, for those 12 committees. There's a lot of variability in the look and in the number of reports. Again, the number of reports varies from zero to 19 annually—a great variation.

Reports usually represent a consensus, but three committees are permitted minority reports and another three can append a dissenting opinion. One jurisdiction was very firm in saying that they don't allow dissenting opinions because through consensus they can have a more collegial and non-partisan type of activity going on.

Most had the right to request the government to table a comprehensive response to their reports within a specified time.

Few Legislatures set time aside to debate PAC reports. Almost half noted that they had a systematic follow-up, mostly with the legislative auditor, on their recommendations. Keep in mind some of the jurisdictions don't make recommendations, so of course there's no need for a follow-up.

In the next area, relationships, we looked at the legislative auditor and various other relationships, as Michael was saying, because we have our three communities of interest here.

The relationships with the legislative auditor: For the most part, committees noted that relationships with the legislative auditors are good. Some discussion during our round tables focused on whether or not the legislative auditor is a witness or an adviser. Is the Auditor General a trusted adviser and source of expertise or simply a permanent witness? That was one of the questions we asked. We found that this even varied sometimes as to where the legislative auditor sat. In some jurisdictions, the legislative auditor sat beside the chair of PAC; in others, the legislative auditor was in the witness area. One AG stated, "I am a witness who, in limited circumstances, will be an adviser," such as during orientation of the public accounts committee. One PAC Chair noted, "The role of the legislative auditor is not to be an adviser but simply a witness who reports to PAC on work carried out." So it was kind of interesting. Only half of the committees actually consult the legislative auditor when preparing their work plan or reports as well. Most legislative auditors, however, do brief the committees on their work, and obviously on their work and relationship with them in terms of how the PAC would operate.

With respect to PAC input to legislative auditors' activities, only two have input into the audit office's annual plan. Ten can review legislation dealing with the Audit Act. Only four have input into the selection and appointment of the auditor. None can commission an independent audit of the audit office. We're not necessarily suggesting that PAC need have these powers, but it might be something to explore more in terms of some of the international work that's been done.

Even last year, if you've read the transcript, Jenny Kwan, who was the Chair of PAC for British Columbia, made the comment, "I think that to be informed of the AG's work plan and to give members of the committee the opportunity to provide input to the AG for consideration in their work plan is key, as is the ability to request the AG to undertake various examinations."

Saskatchewan is probably the most unique in Canada in terms of the relationship with the legislative auditor or, in that case, the Provincial Auditor. The PAC appoints the Provincial Auditor and approves the auditor's three-year business and operating plan and the annual budget. The estimates of the Provincial Auditor's office are by law permanently referred to PAC. I took that out of some official documentation, so hopefully it's still correct. In

any event, it does appear to be the only jurisdiction in Canada where there's the dual role of PAC in terms of reviewing the legislative auditor's report and then having significant input into the workings of the legislative auditor.

In terms of ministers, more than half do not allow ministers to be PAC members; however, some of them are called as witnesses. But it's interesting that more than half preclude ministers sitting on committees as PAC members. That is a question we're going to be addressing as well. Senior government managers: Most PACs hold public servants accountable for the performance of their duties. Controllers: In only two cases do controllers actually end up regularly coming to public accounts committee meetings.

I think I'm going to have to whip along a little faster because I'm almost out of time. So the next one we'll move on to is some of the challenges, just quickly here. In terms of partisan climate, eight committees stated that they normally operate in a non-partisan fashion. One said that they did not, and five declined to comment. When we asked them, though, specifically about what their challenges were, many more said that they wanted to work in a more non-partisan climate. So that was kind of interesting as well.

Shortage of time was noted as an issue related to challenges with PAC in terms of just preparing for the meetings, preparing reports, the whole idea of such a wide range of technical issues confronting a limited number of MLAs.

In terms of defining the effectiveness of PAC, there's not much formal measuring of effectiveness in Canada. There's some discussion with respect to recommendations implemented and accepted, but not really much in terms of any formalness. There were notes with respect to increased knowledge of legislators and the public relating to government programs, but that was about it.

1000

Moving on to emerging themes and considerations, this is the one where we're going to give you a document. These are some of the conclusions we're making at this point. Basically, what we believe will help make an effective PAC is to have a formal and clearly defined framework of powers and practices, and I'll go into that in a second.

The capacity to exercise those powers: When we're talking about the capacity to exercise the powers, the framework is more likely to be implemented if it's underpinned in legislation or institutionalized at the highest level—authoritative powers, in other words. In the capacity to exercise those powers, we're also looking at the experience and expertise of members; their continuity and stability; sufficient resources, financial and resource staff; efficient practices; credible, reliable, non-partisan information; and sufficient orientation and training. So we're looking at practices to be able to implement those defined and clear powers that we're going to be talking about.

Strong committee leadership is no doubt very important in terms of an effective PAC: a knowledgeable and experienced Chair who is respected, credible, having sufficient authority and having a tone to encourage non-partisanship.

The next is the close and mutually supportive working relationship with the legislative auditor: built on shared trust and unity of purpose, but each with distinctive roles and independence of action, and maybe, ideally, more input into the legislative auditor's work plan as well, and the ability to ask the legislative auditor to initiate inquiries on your behalf.

Government commitment is very important: support for the process. It is very important that the government doesn't limit the committee's power and authority. In some of the jurisdictions in Canada, clearly that is happening.

Public and media involvement: Again, it's an open, transparent, highly visible committee. There's a public education role to play as well, and it's very important that that be done well.

The next slide goes into the formal and defined, documented framework of powers, so basically a documented mandate. We've been talking about that all along, and that's why we're going to develop something generic to help people out. But some of it is just simple things like the power to call meetings. Not all jurisdictions in Canada have that power in the Chair to simply call a meeting when it's needed, in consultation with all the other parties represented on the committee.

The capacity, the power to sit outside session and whenever necessary: sufficient meetings to discharge their responsibilities. The power to call whatever witnesses as required, and not be limited in terms of what witnesses can be called. The power to initiate inquiries: Again, that's not a power that all jurisdictions in Canada have. The power to report substantively to Parliament: Again, that varies from jurisdiction to jurisdiction. The power to make recommendations, to require the government to respond and to follow up on the implementation of the recommendations.

Also, when completed, the committee report should be presented to the Legislature for debate. This step will give the added value to the recommendations and basically the value of having a public accounts committee.

Context and considerations: I won't go into them to any great extent. Obviously, the accountability relationships, the fact that government reports to Parliament and Parliament in turn holds government accountable. PAC has a lot of authority, and can have a lot of power in terms of scrutiny of government expenditures.

Uniqueness: Every parliamentary committee in Canada is unique. You really can't have a model that has a lot of elements to it, but maybe the model can have powers that will help that committee be effective. But when you're looking at the various jurisdictions and the uniqueness, you have to look at the political realities in that particular jurisdiction, the other parliamentary oversight capacity committees in that area—simply, the

different interpretations of the order of reference or the mandate documents.

Partisan nature: Again, we're really stressing that one should try to avoid partisanship as much as possible to be effective, and look for consensus.

Public forum: Again, an integral element of a PAC is the public nature, the fact that meetings are open to citizens and the media and that full, verbatim transcripts are made.

People and relationships: I guess that's sort of the ending part here. All of it comes down to, yes, it's very important to have that defined framework of powers and practices, but we've got to have the strength of the committee Chair, the working together of the people for a common end. This was a quote that I got from one of my interviews and I thought it was really a neat quote: "To be an effective committee member you need to have respect for the institutional process, the passion, commitment and value of parliamentary oversight." I thought that was really interesting and a good way to end before we go into discussion groups.

We're tight; I went over break. We'll hand out our little packages of three books and we'll move on to the slides that have the questions. I lost Dan. Everyone has the questions in front of them in any event. There's a single page that goes into the questions.

The first question relates to leadership and relationships. We've divided everyone up into tables and we want, after break is over at 10:30, for people to come back, sit together for half an hour, discuss the three questions that you have been given and then after 30 minutes we'll report back on some of the main themes that came out. Hopefully, you'll have an opportunity to flip through at least the themes and considerations discussion paper. I went through them very quickly at the end. I guess I was talking slower than I did when I practised this.

In any event, for the first question on leaders and relationships, "To what extent should a PAC be able to influence the audits conducted/work plan of the legislative auditor?" again, you'll notice that's been a flavour that I've been talking about throughout the presentation.

"Should PAC's agenda be influenced by factors other than the legislative auditor's reports?" In some jurisdictions in Canada, while the PAC reviews chapters of the legislative auditor's reports, they don't necessarily use that as their only terms of reference; they actually look at significant issues of the day and discuss those as well, and also look at ministry performance reports.

The third one: "What processes could be put in place or actions taken to encourage non-partisanship at PAC meetings?" This has come up a lot, as I mentioned before, and it's really important to have that mutual focus based on non-partisanship and collegiality.

The next question relates to effectiveness; that's the next set of three questions. There we're looking at, "To what extent should a PAC be able to influence or put pressure on government to implement its recommendations or take action?" That came up at numerous of the round tables. In fact, one round table had even made a

suggestion that there be a PAC report card on their Internet site indicating how many recommendations had been accepted and implemented so the whole public could see what was going on.

The second one: “Should ministers or senior public servants be the primary witnesses called at PACs?” Literature would suggest the primary witnesses should be public servants and that ministers would only be called if they were personally involved in that particular situation or decision.

The third one: “How can and should PACs track and assess their own effectiveness?” You’ll note that quite a bit of tracking of effectiveness is being done in Australia in particular and some in Great Britain. But in Canada, we do very little in that respect.

The third area is capacity building: “What could be done to provide new PAC members with orientation, information, tools and resources to help them operate?” We’re keenly interested in this so that we can help develop some of those tools. As I mentioned before, we’re looking at the frequently asked questions, but if there are other orientation packages that have been done in other jurisdictions, we’re very interested.

“What is most appropriate in terms of PAC composition? For example, should each political party have the same proportion of members on PAC as they have in the Legislature? Should ministers serve as PAC members?” Again, literature would suggest that ministers should not be on a PAC because they’re part of the executive, and executive expenditures are being reviewed.

The last question: “What processes could be put in place or tools developed to help PAC members be better informed, knowledgeable and prepared for PAC meetings?” That’s the actual tool that might help a PAC member review documentation ahead of time. Some of the questions in the tool kit for frequently asked questions would be helpful there as well.

These were the questions we wanted to focus on. You may have others that you want to discuss. I realize time is limited now, and maybe what we can do is, in the 45 minutes, when we’re reporting back, if you have specific questions for me, Michael or Dan, we can go through them at that point, since we’re a little tight at this time.

I guess we can go for break and then move back into discussion groups after.

The conference recessed at 1011 and continued in closed session.

1112

Mr. Jean-Paul Gobeil: I’d just like to give you a few thoughts about how we’ll proceed for reporting, if I could have your attention, please. We were concerned we’d have trouble stimulating discussion. That doesn’t seem to be an issue. Can I have somebody who can whistle? If you could please bring the discussions to a close. Thank you all.

We’ll proceed in numerical order, more or less, and I will indicate why the less. Some of the groups had the same question. What we will do is, as your turn comes

up, ask you simply to add any new elements that your group came up with that haven’t been covered by the group before you, so as to limit the amount of time.

We will begin with the leadership question, table 1. There are microphones on each side of the room. We will ask you to come to the microphone to present your reports because we want to capture this for posterity’s sake and the sake of research. So if you’ll come to a microphone and read your team’s report; before you read your report, I would like you to also read out the question that you were assigned.

So table 1, if you would please come to a microphone, give us your question, and then proceed to deliver your report. Thank you.

Mr. McCarter: Our question was, “To what extent should a public accounts committee be able to influence the audits conducted, the work plan and the budget of the legislative auditor?”

Our group concluded with respect of the auditor’s work plan that the public accounts committee should certainly have input, perhaps even influence, but that input should not be directive in the sense that the auditor must be able to retain his or her independence.

An example that we talked about is if, for instance, I, in Ontario, where we have a fairly large majority government, presented my work plan, and I had a couple of proposed audits which maybe I could describe as hot potatoes in the sense that they could result in significant adverse press to the government. I think the feeling of our group was that if the auditor felt strongly that those audits should be done, the auditor should have the independence to go ahead and do those audits. However, our group also felt fairly strongly that the parliamentarians had quite a good understanding of some of the issues at the constituency level and of possible problems or government programs that should be looked at, and we felt that there was a benefit to making that input known to the auditor to take into consideration in doing the auditor’s work plan.

With respect to the budget—should the PAC have budgetary approval?—I think we felt that with the Auditor General being an officer of the Legislature, the key thing that we wanted to see was that it should not be the executive arm or the bureaucrats making the decision on the auditor’s budget. I think the feeling was that the public accounts committee was a reasonable arm of government, because it’s an all-party committee, to review and perhaps approve the auditor’s budget. I think we also felt, though, that if there were another all-party committee such as in Ontario, where we have a Board of Internal Economy, as long as it was an arm of the Legislature and not the bureaucracy, that would be fine too. Comments were expressed, though, with respect to the budget, that probably the public accounts committee was the most knowledgeable about the work of the auditor’s office and consequently could make an informed decision with respect to the budget.

Interjection.

Mr. Gobeil: The translators have also asked me to remind you if you would please introduce yourselves as you come up to the microphone, so that they can also capture this for research purposes or maybe to get back to you afterwards to clarify some of the content, if there is need for that.

Now table 10, you had the same question, so we would ask you to come forward and simply add any other thoughts that haven't been expressed by the first group. The reporter for table 10, please. I would remind you that you have about three to four minutes for your presentation. The first speaker was exemplary in that regard, so please follow suit.

Mr. Hunter Tootoo: Our group, table 10, had the same question.

Mr. Gobeil: Would you introduce yourself, please?

Mr. Tootoo: My name is Mr. Chairman of table 10. No, Hunter Tootoo, MLA representative from Nunavut.

We had a very interesting conversation on this. I think everyone agreed, like the first table did, in all the jurisdictions that were in our group, to influence or recommend or ask the auditor to look at certain areas. But the final say is up to the auditor, because they have to retain that independence. I think that's important.

One of the other things that was brought up was that it's very different from a PAC's perspective reviewing audits just before and just after an election. It seems that before and after they want different things. Some people want to look at things from yesterday, and some want to look at something from a few years ago. It's always tough to maintain that non-partisan approach to things.

As far as the budget goes, I think we concur with the first group that the public accounts committee is probably in the best position to make an informed decision on the budget, and it does give, like the auditor, report to the assembly and not to the government. It just seems like a natural process that it should be members of the assembly approving that budget rather than the government.

We had one other thing. This whole idea of non-partisanship on the committee came up quite a bit, and there was a thought on a way to alleviate that. In theory, it's supposed to be non-partisan, but it very rarely is, except in Nunavut and the Northwest Territories.

1120

One of the comments or suggestions that one of the members made was that PACs be made up of non-elected people from a random lottery draw or something, and they can go in there and look at it. That was quickly struck down by someone from the Atlantic provinces who said, "We wouldn't be able to come to conferences like this if that were the case."

Mr. Gobeil: Before we start any constitutional wars, we'll move on to the next speaker.

Table 2, you had a different question. Would you please come forward, have your speaker identify himself or herself, and give us the question that you were asked to respond to.

Mr. Jon Singleton: Hello. My name is Jon Singleton. I'm the Auditor General of Manitoba. I'm pleased to say that this is the first election I've ever won.

Our question was, "Should the PAC's agenda be influenced by factors other than the legislative auditor's report?"

We pretty quickly came to a consensus around the table that, indeed, it should be. Legislative auditors, of course, have limited budgets and there's a limit to all of the areas that they can look at and sometimes there are issues of timeliness. It was certainly mentioned that having access to ministry reports and crown corporation reports and performance reports may identify issues that public accounts committees would want to pursue on their own.

We talked a little bit about the limits there might be on that in terms of the committee not having enough research capability and maybe dealing with a thin fact set in trying to pursue certain issues. There may be points in time where they have pursued an issue as far as they can and they may then want to try to influence the Auditor General to carry the ball a little further and bring a report back to them.

We were fortunate to have Patrick Giwa from Nigeria be a part of our group. From his perspective, he joined the consensus indicating, that they have many crown corporations in Nigeria that are not reporting effectively or in a timely way and that the Auditor General doesn't necessarily have time to get around to all of them. So it's very important for their committee to have the ability to pursue and follow up on these matters as well.

We talked a little a bit about the third question, how to reduce non-partisanship, and the point was made that—

Interjection.

Mr. Singleton: Are you getting antsy, Jean-Paul?

Mr. Gobeil: Yes. I think we want to save that thunder for the next group, Jon. We wanted you to discuss it, but we didn't expect you to report on that.

Mr. Singleton: All right. We shall remain silent, then.

Mr. Gobeil: There will be a chance for questions at the very end, or additional comments.

I think you all know the drill by now. Table 3, with your question, please.

Mr. Roy Salmon: Our question was, "What processes could be put in place or actions taken to encourage non-partisanship at PAC meetings?"

I think you stuck me with the toughest one, J-P. Our view was that—and I think we had a consensus on this—the starting point was the establishment of a culture for the committee and then to take a series of actions to stimulate that and maintain it.

The starting point was an orientation session at the beginning of a new sitting and that specifically present at that orientation session with the committee would be a member of the committee research staff and the Auditor General.

The next point was the establishment of a clear mandate for the committee and a process to establish a structured agenda into the future, something like three to

four months of meetings. That structured agenda should be established by a subcommittee of the PAC, composed of the Chair, the Vice-Chair and a member of the other party, if there are three parties.

Secondly, to keep partisanship out of the meetings, ministers should not be allowed to appear as witnesses. Stay away from the policy side; stick to the administration. That means the bureaucrats.

Some very specific points:

We feel that the seating arrangement is critical to establishing collegiality. In other words, you don't have the seating as it is in the Legislature: government on one side, opposition on the other. Put all the members on one side and the witnesses on the other.

Next was the actions of the Chair. It's key that the Chair maintain the momentum, establish the culture, if you like, and maintain that and provide the leadership that is very important.

Secondly, and this arose because it does not exist in some jurisdictions, it should be permanent membership on the committee. Yes, from time to time there will be alternates, but, as we were told, in one jurisdiction, a meeting is called and whoever is in town is sent to the meeting: no permanent membership. Permanent membership adds to the culture and the knowledge of what should be done. That is further reinforced by a point that was made that there should be no parachuting in of the experts to lead the questioning or defend the government. That means, for example, excluding parliamentary assistants in particular portfolios when that is the subject for discussion.

Mr. Gobeil: Thank you, Roy. As Libby mentioned in her presentation, a number of these questions are intertwined. I noticed, Roy, in answering question 3, you sort of dipped into 5 and 6, but that's OK. I think that's useful. We may even get contrary positions from other tables, so that might start a bit of another debate.

The next group is le groupe 4. Group 4 will be reporting in French, so if you don't have your listening devices close at hand, you may want to grab them now.

Alors, le groupe 4, vous présentez la question à laquelle on vous a demandé de répondre, s'il vous plaît.

M^{me} Rita Dionne-Marsolais: Absolument. Rita Dionne-Marsolais, députée de Rosemont et présidente de la Commission de l'administration publique de l'Assemblée nationale du Québec.

La question était, « Dans quelle mesure une commission des comptes publics devrait-elle pouvoir exercer de l'influence sur un gouvernement pour que celui-ci mette en œuvre ses recommandations ou pour qu'il prenne les mesures qui s'imposent? »

D'abord, il y a eu unanimité sur le fait que les membres de la commission et la commission elle-même aient le pouvoir d'influencer, mais pas de forcer l'obligation de mettre en application les recommandations, parce qu'on considère, du moins à notre table, que c'est un pouvoir qui est un peu excessif pour une commission. Ça ne veut pas dire que nous ne sommes pas d'accord pour qu'il y ait un processus par lequel on

amène les différents ministères à assumer le suivi de nos recommandations.

L'approche que nous avons discutée, et d'ailleurs que nous appliquons au Québec, c'est un plan de travail qui est suggéré et qui est demandé par la commission et qui permet, soit au vérificateur général, soit à la commission, de juger du besoin de faire revenir les fonctionnaires ou les représentants de l'administration publique.

On pense, nous aussi, que la présence des ministres n'aide pas à garder cette espèce d'objectivité. En fait, le mandat de la Commission de l'administration publique est la vérification de l'administration publique, et on partage cet avis que la politique, ça se discute à l'Assemblée durant la période des questions. Comment cette politique-là est livrée, implantée, financée, contrôlée, ça se discute. C'est fait par l'administration publique, donc les hommes et les femmes qui sont payés pour faire ça.

1130

Faire le suivi, ça ne veut pas nécessairement dire qu'il faut mettre en place toutes les recommandations telles qu'elles ont été exprimées, mais nous voulons savoir, et il faut que les membres de la commission sachent, de quelle manière on a abordé la solution ou la recommandation qui avait été faite, soit par la commission, soit par le vérificateur général. On pense que le vérificateur général doit travailler très étroitement avec la commission, donc, il doit faire le suivi. Au fédéral, le vérificateur général fait un suivi, lui, sur les recommandations de la commission. Il est important de faire ce suivi-là, autant pour les membres de la commission que pour le vérificateur.

On pense qu'il est important aussi que la commission questionne, que ce soit le vérificateur général ou les représentants du ministère, dans des cas où elle n'est pas satisfaite du plan d'action ou du suivi du plan d'action.

Une chose aussi qu'on a discutée assez rapidement, c'est qu'il y a un gros défi pour le Bureau du vérificateur général pour embarquer les sous-ministres dans son processus de suivi. Alors, il faut vraiment faire cet effort de communication et de compréhension pour que tout le monde soit sur la même longueur d'onde.

Mr. Gobeil: Merci, madame. Question 5, group 5.

Mr. Daryl Wilson: My name is Daryl Wilson. I'm the Auditor General of New Brunswick. I want you to know that I had the unanimous support of my table to be the chairman and the report writer, just before I was about to volunteer.

Our question was, "Should ministers or senior public servants be the primary witnesses called at PACs?"

As chairman, in looking for a consensus, I had a little bit of a round table, and the first two jurisdictions that reported were supportive of the minister appearing before public accounts, so I thought the job was going to be quite easy for me. But then the next five put forward arguments for the deputies or senior officials to be the primary witnesses before the PACs.

The rationale: Those who felt the ministers should appear were of the view that the minister is ultimately responsible for the department, is the leader of the

department. He or she is the one who is around when estimates are presented and therefore should be there to complete the accountability cycle. In those jurisdictions that have the ministers appear, they also bring the deputies in so that any detailed questions can get answered by the deputies.

Those who felt the deputies and senior officials are the ones who should appear had good reasons for that. One is that they felt that while the minister is responsible for policy, it's the deputy who is responsible for implementation. They also felt that in having the deputy there, there is the ability to drill down further perhaps into the organization in getting answers to their questions, although I might add that those who had the ministers appear, I guess, felt that they were able to get those answers as well.

Those who felt that the deputies should appear saw a risk in having the ministers appear, in that it might create more partisanship and the government members might be more inclined to try to protect the minister in those cases. The other point they made is that there are other places where ministers can be asked questions.

So definitely two situations, and arguments in favour of both.

However, there was some consensus. The one jurisdiction was sure that in their legislation the minister could be called if need be, and all of the jurisdictions felt that if their legislation did not provide that, it should, so that there may be a situation where a minister should appear and they would have the ability to do that.

The last point is that each jurisdiction felt that this is one of those issues where all jurisdictions should have the right to decide which way they wanted to operate.

Mr. Gobeil: Thank you. I think your point was covered again this morning in Libby's presentation about the uniqueness of each jurisdiction and the necessity to respect that.

We'll now call on group 6 for the next question, please.

Mr. Alex Baldwin: Thank you, Mr. Chairman. My name is Alex Baldwin. I'm the committee staff from Nunavut and I was involuntarily acclaimed by table 6 to stand here.

We had a three-part question, essentially, for question number 6: "How can and should PACs track and assess their own effectiveness? In other words, should they identify measures to assess whether they have made a difference? How do PACs define success?"

The easiest question to answer was the "should" part of it. Certainly, there was unanimity that committees must make every effort to indeed track and assess their own effectiveness.

One basic definition of success that came up during the discussion, as a basic measure of success, was the ability of the PAC to contribute to effecting positive change in the management of government programs. That was something that gained support around the table, and from that flowed the more difficult question of how exactly the success can be measured. It was suggested, of

course, that an important thing to know is that the committee must know what it wants to measure before it can measure it. You need to be able to define critical success factors, develop a rigorous plan and time frame to look at your own success, and be willing to pose to yourself as a committee the important question, did we achieve that?

A number of conundrums came up during the discussion. It was recognized that PACs and governments may have very different definitions of whether or not a meeting, a hearing or a process was successful. A committee's success, at times, can be one government's pain in the ass—a comment advanced by one member of the table.

It was important to differentiate between output and outcomes. While one measure of a committee's success is the number of hearings it holds, the number of reports it puts out, it's important also to be able to measure whether or not there was a positive outcome from that activity.

Flowing from that was a general consensus that it's important to track the recommendations that committees make and to track the government's response to them. That led to a differentiation between a government agreeing in principle to a recommendation, going on to actually whether or not the recommendation was implemented in part or in full. It was agreed that auditors' offices can be very helpful to PACs in helping to track, over time, whether or not recommendations have been followed up on, both from the auditor's office and the committee itself. It was recognized that the continuity of the auditor's office can help support that.

The phrase about "drilling down" came up a number of times in the meeting. It was important to be able to ask the whys, as to why things are being done by departments. The committee felt it was important to recognize that ministers can use committees to help effect positive change themselves in their own departments.

It was recognized that there is a need for committees to step back from time to time and reflect on what they've accomplished. It was felt that it was difficult but important to measure whether or not public confidence has been increased through the committee's work. From that, some measures that were suggested were the number of hits your Web site gets for your committee's reports and your government's response to them. It was also recognized that although media coverage may reflect an active committee, that can sometimes exacerbate the partisanship problem.

It was also recognized that the PAC's own reports can strengthen the auditor's observations. And it was also recognized that a committee does have the ability to provide more rigorous deadlines for action to be taken, and meeting those deadlines was thought to be a key measure of success. Thank you.

Mr. Gobeil: Thank you. I'm just dying to listen to the French transcripts to see how "pain in the ass" came out in Canada's second official language.

Mr. Baldwin: It was not your reporter's phrase.

Mr. Gobeil: Table 11, you had the same question, I believe. We would ask you again, in the interest of time, to please simply add any comments that have not previously been made by the other group.

1140

Mr. Sterling: I have to make a little statement with regard to what's happening here. For those of you who have checked out but left luggage in your rooms, after 12 o'clock your room key will no longer work, so you should take your luggage downstairs. There's 15 minutes until that happens. Jim Maloway, Robert Hawkins, Dean Allison and David Rodney have not checked out. They're anxious to get at your rooms; they have a big crew coming in this afternoon. So would you check out fairly soon.

Mr. Wayne Strelloff: I'm reporting on group 11. In addition to the comments made by our colleagues in group 6, we stumbled around the effectiveness of the public accounts committee, because most are dominated by government members and there was a sense that any meaningful debate or getting to specific issues was overruled by the majority and in some cases the government members didn't even participate in the discussion or ask any questions of witnesses.

We then moved to the UK practices and the idea of establishing the tradition where the Chair of the committee becomes more proactive in a public sense and that it's accepted that way. So the Chair may more proactively issue press releases about agendas and meetings and the results of meetings, and perhaps the Chair initiates a focus debate in the House where time is set aside in terms of debating committee reports in a meaningful way in a day's or two days' time.

We also thought that a signal that a committee is effective would be perhaps publishing on the committee's Web site the actions taken by government on the recommendations, that it become an explicit part of the public message, perhaps again by the Chair, saying, "Here are the actions promised by the government and here's the progress to date." It would make the committee more effective.

Then we ended up in a consensus, a general agreement, that national performance standards for public accounts committees are needed and that an organization like the CCAF would be useful in establishing those standards and perhaps even doing an accreditation type of review of the performance of each of the public accounts committees and publishing that. My colleagues thought that that mechanism, that external review, that external pressure would put some focus and pressure on public accounts committees to be effective and raise the bar right across the country, because the bar would then be more known and would lead to good results.

Mr. Gobeil: Thank you. Interesting observations.

I move to group 7, table 7.

Mr. Fred Dunn: The question we were asked to answer was, "What could be done to provide new PAC members with orientation, information, tools and resources to help them operate?"

Our table was a little unbalanced. We had five auditors and two elected officials, and the dynamics were that the auditors fired questions at the elected officials who had no time to think; therefore, these are the off-the-top-of-their-heads responses.

In the two jurisdictions, as background explained, they had not had any orientation or training. Both of them felt they were dealing with a backlog of issues raised by Auditor General reports in the past, some going back to the year 2003, and they were really having difficulty maintaining the update of the progress of their committee.

One explained that in their jurisdiction, because the public accounts committee had not been meeting very frequently, they appointed a subcommittee to look at the terms of the PAC rules and the process in order to be more effective, but that subcommittee has not yet met. The PAC in that jurisdiction is mandated to meet at least four times per year.

Regarding the question, it seemed like the answer unanimously was that there should be orientation. The orientation, however, should consider the background of the elected and appointed members. Each of the elected officials explained that they had been appointed by their party leader; they had not volunteered or requested this position and were not aware of it until their appointment to the committee.

The orientation should also include knowledge of the key issues, critical matters and risks facing the government that they could frame their questions on.

The orientation should be organized by a combination of the clerk of the committee and the Auditor General. If there happens to be a researcher in that committee, that individual should also be part of the orientation.

The request for the orientation should come from the Chair and the co-chair of the public accounts committee, and the training should cover financial statement matters, plus value-for-money or performance reporting matters raised by the Office of the Auditor General. If the government uses performance reporting on non-financial indicators, such as program outcomes, ministerial performance reports, comparative business plans etc., the orientation and training should cover that also.

As to what is available out there to provide some guidance, the federal government provides training sessions. We had the individual—I think it's Jocelyne—from the federal government come over and explain the orientation that's been provided by the federal OAG. Apparently they've had a couple of sessions out there that have talked primarily about the OAG mandate, together with the estimations budgeting process. However, there are other packages that are also available through both New Brunswick and Alberta. They have some approaches that have been used in the past, and both those jurisdictions are prepared to share their material.

I think another theme that seemed to come out was that if you could operate in the public accounts com-

mittee in a non-partisan manner, that would certainly be helpful and would also help in the training.

Mr. Gobeil: A special thanks to the parliamentarians on your committee, who obviously had to work very hard. It's not a pleasurable experience to be grilled by five auditors, I'm sure.

We'll go on to table 8.

Mr. Robert Hawkins: First, before I begin, I want to thank table 8 for working very hard through these questions. There was a lot of excellent debate. Table 8 came up with some recommendations, and there were some differences of opinion, but at the end of the day, I have the microphone, so I'll do my best to reflect my opinion.

I'm just waiting for the translation. The French folks are going to laugh in a second, I'm sure.

The question was, "What is most appropriate in terms of PAC composition?" There was an opinion that it should reflect government, so therefore, if the government has a majority, the PAC should have a majority. I'll respect that from other jurisdictions that have that point of view.

That being said, there was also discussion around the opinion, mostly held by me, that committees should be split evenly. My thoughts on that issue were, you're a creature of the House. At the end of the day, the majority of the House rules, so you make recommendations on that committee. That being said, you expand further. It's not about the creation of legislation and new policy; it's about a recommendation that the government should move forward. In order to work out a balanced way, everyone should have a say.

There was one jurisdiction that mentioned that the first two parties, the one in majority and the one in opposition, would have voting authority. If there is a third party—and I'll get to a fourth party, just in case—they have full input, but they don't get to vote. That's personally where I have concern. We represent a constituency and a people. Therefore, it's my opinion that you should be allowed to vote on a recommendation for the House. I'd further expand what I said earlier, which is, at the end of the day, the assembly has the final say. Now, if you have a majority, it's quite simple; if you have a minority, that's a different scenario altogether.

The fourth party I sort of alluded to. What if you're an independent? This doesn't change your standing in the House, which is, the majority has the money and the opposition has the criticism. If you're not a full player in the House, no offence, but that's your fault in the dynamics of how you've been elected, but it doesn't change your opinion and it shouldn't be fettered in any way for committee recommendations. Again, it's bringing forward opinions for the people.

So, if I could wrap it up quickly, it's about getting full discussion out there, and that doesn't change your status. When I stress fault, it's meant about party status and being able to speak, as opposed to personally.

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The last question was, "Should ministers serve as PAC members?" It was clearly no. In some jurisdictions, they do have a finance minister who sits at the table. I was thinking about that afterwards, and all I can say is, for debate, it would make it very difficult if there was almost a unanimous decision, because obviously a finance minister wouldn't want to be putting negative recommendations to his government, but it would certainly put the finance minister, for example, in a very particular situation if committee was recommending something that (a) the majority disagreed with and (b) cabinet passionately was against. So you could put them in a situation. I believe all of us agreed that it should just be members, as opposed to cabinet ministers.

I was one of the folks named about being late, so I have to go. Thank you very much.

Mr. Gobeil: We'll move on now to the last question. That would be tables 9 and 12. So table 9, will you go first? Then table 12, you can supplement with any additional ideas.

Ms. Bonnie Lysyk: My name is Bonnie Lysyk. I'm the Deputy Auditor General of Manitoba.

For table 9, our question was, "What processes could be put in place or tools developed to help PAC members be better informed, knowledgeable and prepared for PAC meetings?" We thought it was important to set the stage for committee success, and that would involve a schedule of potential meeting dates, discussed ahead of time, set ahead of time; in-camera and public agendas so that there would be some discussion of what would be on those agendas ahead of time, what would be addressed; a committee understanding of expectations around the process and the results expected from those meetings—a good informal discussion perhaps in camera around that. We thought a protocol for witnesses would be appropriate, where perhaps it would be a protocol for a PAC calling of witnesses or a protocol for a deputy minister discussion of issues and briefings.

Use of researchers or technical support: We had a discussion around that in our group. Some jurisdictions have researchers; others don't. The ones that have researchers work with the AG's office in preparation of material, also perhaps in preparation of questions for use by the PAC. In other cases, the AG's office is involved in the preparation of material and briefing binders so that the PAC members have some understanding of the issues ahead of time.

As well, orientation on the report before: We were fortunate to have the Clerk from the House of Commons, Elizabeth Kingston, on our committee, and we had some discussion around a lock-up prior to the tabling. So in Canada, PAC and all members of the Legislative Assembly are given a briefing by the AG's office, and the Q&A discussion after that is chaired by the Chair of the public accounts. That sounded like a positive exercise.

As well, we thought about an in-camera discussion of the report prior to a public accounts formal meeting,

where the AG and staff would perhaps walk through the material, and also, then, a potential discussion of the witness's questions in camera. As well, a lot of times report information is coming out in the media, and there's some misunderstanding in the media reporting around issues. So we think the in-camera meeting also provides an opportunity for some clarity around what's coming out in the press.

At the point the report is discussed, we thought it would be appropriate to have some discussion around the status of the recommendations so that there would be an understanding of what things have been addressed and what hasn't been addressed so the committee would be in a position to perhaps focus questions more on things that aren't being addressed.

We also had a discussion around committee dynamics versus the view that—well, the view around the table was that perhaps the opposition should have a slight majority. I should say the view expressed by our sole MLA around the table was that the opposition should have a majority. Our composition, just to keep in line with what was said, was five auditors, one MLA and the Clerk of the House of Commons. Thank you.

Mr. Gobeil: Again, probably a very busy Legislature.

All right. Table 12, if you could add any additional comments to that, then we'll move to wrap up.

Mr. Kevin Menicoche: Good morning. It's Kevin Menicoche, MLA from the Northwest Territories.

Table 12 was specifically chosen for a specific duty. We were sequestered way back in the hotel, and likewise, too, it was a minority situation: I was the only MLA there. Being so far away and put in a separate room in camera was important to us for the issue of capacity-building: "What processes could be put in place or tools developed to help PAC members to be better informed, knowledgeable and prepared?" In-camera hearings by the auditor before a PAC meeting, orientation training about the role of the committee, specifically interpreting and understanding public accounts and public administration for all members.

All members should focus on being in an accountability committee, basically rising above partisan politics, because it's the public that will win in this kind of environment. As well, many committees had time limits for questions. It was suggested to keep topic-specific for better flow of debate.

The last one we had, again, was access to experts, staff and researchers to better facilitate their PAC committees in doing their duties. Thank you.

Mr. Gobeil: We had promised you a question-and-answer session but time doesn't really allow it, and history has shown that those are not necessarily productive at this point in the proceedings in any event. So maybe we'll just wrap up the session and perhaps have a few pointers on the next step.

Ms. MacRae: We'd like to thank you all. I'm not going to try to summarize any of the conclusions or

themes that have come up in the presentations. There was such a richness of discussion, obviously, at all of the groups, and we will take all those comments into consideration when we develop our final research report and the tools that we were talking about earlier to help PACs become more effective.

It's interesting: We look forward to sharing our research with you again, and Wayne has suggested some interesting comments here in terms of national standards and public accreditation, even though I attempted to be very careful not to have any attribution here. So we'll have to see where that goes.

Initially, it was very firm that most of the jurisdictions really didn't want to be identified in terms of specifically what their poor practices might be, but we'd be very happy to have their good practices identified. So we'll just see in terms of where standards go. We were hesitant to go in the standards direction. In fact, the World Bank has done a little bit of work in questioning whether or not there should be international standards for public accounts committees, but hesitates as well because of the uniqueness in every jurisdiction.

We certainly look forward to taking your ideas into consideration, and we trust that this morning has been helpful for you as well in terms of thinking about what you might want to do differently. At this point, several of the jurisdictions have asked us to come to your organizations, again to share some of these ideas on a more informal basis. As we mentioned before, we've been to eight of the jurisdictions at this point but now hope to be going to Nunavut, the Northwest Territories, Quebec, Manitoba and Newfoundland if all goes well in the next several months. We're going to be very busy and we look forward to seeing you all.

You'll remember one of the books that we have there—the themes and considerations that I briefly presented some ideas about at the end of the earlier presentation—is a discussion paper. So we're certainly, again, looking for anyone's comments there if you'd like to get back to us.

We'd like to thank you all again for this really great opportunity to share with you our research results and look forward to returning again next year, we hope.

Mr. Sterling: I think someone over here—

M^{me} Agnès Maltais: Ce sera très bref. Ce matin nous avons eu plusieurs personnes qui ont parlé suite à des débats. Les interprètes n'avaient absolument aucun document pour travailler, et les gens ont parlé extrêmement rapidement. Je voudrais saluer la rapidité, la compétence du jeune homme de ce matin qui a su aussi traduire les termes les plus délicats de très belle façon.

Mr. Sterling: Before lunch, would all members of PAC committees congregate out on the patio. We're going to have a little picture taken. I don't know what we do with these pictures once we get them, but we're going to have our picture taken anyway.

The conference adjourned at 1159.