

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

Hosted by the Legislative Assembly of Prince Edward Island

Charlottetown, Prince Edward Island

September 10-12, 2006



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

Organisée par l'Assemblée législative de l'Île-du-Prince-Édouard

Charlottetown, Île-du-Prince-Édouard  
du 10 au 12 septembre 2006

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## DELEGATES

Alberta	Corinne Dacyshyn, Committee Clerk, Standing Committee on Public Accounts Doug Griffiths, MLA, Deputy Chair Fred Lindsay, MLA Ivan Strang, MLA Janis Tarchuk, MLA, Chair, Standing Committee on Legislative Offices
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Nova Scotia	Keith Colwell, MLA Chuck Porter, MLA Mora Stevens, Committee Clerk
Nunavut	Alex Baldwin, Committee Researcher

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Hunter Tootoo, MLA, Chair, Standing Committee on  
Government Operations and Accountability  
Nancy Tupik, Committee Clerk

Office of the Auditor General of Canada

Jocelyne Therrien, Principal, Parliamentary Liaison

Ontario

Katch Koch, Committee Clerk  
Lisa Macleod, MPP  
Deb Matthews, MPP  
Ray McLellan, Legislative Research Officer  
Julia Munro, MPP  
Richard Patten, MPP, Parliamentary Assistant to the Minister of  
Training, Colleges and Universities  
Michael Prue, MPP  
Norm Sterling, MPP, Chair, Standing Committee on  
Public Accounts  
David Zimmer, MPP, Parliamentary Assistant to the  
Attorney General

Prince Edward Island

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Richard Brown, MLA  
Wayne Collins, MLA  
Olive Crane, MLA  
Cletus Dunn, MLA  
Hon. Robert Ghiz, Leader of the Official Opposition  
Marian Johnston, Clerk Assistant and Clerk of Committees  
Wes MacAleer, MLA  
Wilbur MacDonald, MLA  
Ron MacKinley, MLA, Chair, Standing  
Committee on Public Accounts  
David McKenna, MLA, Vice-chairman, Standing Committee on  
Public Accounts

Québec

Rita Dionne-Marsolais, MNA, Chair,  
Committee on Public Administration  
Nancy Ford, Committee Clerk  
Sarah Perreault, MNA, Vice-Chair, Committee on Public  
Administration  
Jean Rioux, MNA  
Cécile Vermette, MNA

Saskatchewan

Lon Borgerson, MLA  
Ken Cheveldayoff, MLA  
Elwin Hermanson, MLA  
Andy Iwanchuk, MLA  
Margaret Woods, Clerk Assistant

## DÉLÉGUÉ(E)S

Alberta	Corinne Dacyshyn, greffière du comité Doug Griffiths, député, Vice-président du Comité permanent des comptes publics Fred Lindsay, député Ivan Strang, député Janis Tarchuk, député, Présidente du Comité permanent des bureaux législatifs
Colombie-Britannique	Rob Fleming, député, Président du Comité permanent restreint des comptes publics Craig James, greffier adjoint et greffier des comités Josie Schofield, analyste de recherche John Yap, député, Vice-président du Comité permanent restreint des comptes publics
La Chambre des Communes	Véronique Lalande, attachée parlementaire Shawn Murphy, député, Président du Comité permanent des comptes publics Richard Nadeau, député Brian O'Neal, analyste Marcel Proulx, député Yasmin Ratansi, députée Alex Smith, chercheur
Manitoba	Jack Reimer, député, Président du Comité permanent des comptes publics Jim Maloway, député, Vice-président du Comité permanent des comptes publics Rick Yarish, greffier des comités
Nouveau-Brunswick	Donald Forestell, sous-greffier
Terre-Neuve-et-Labrador:	Percy Barrett, député Kathy Goudie, députée Yvonne Jones, députée Eddie Joyce, député, Président du Comité permanent des comptes publics Mark Noseworthy, directeur adjoint des activités financières
Territoires du Nord-ouest	Colette Langlois, directrice des services de recherche Kevin Menicoche, député
Nouvelle-Écosse	Keith Colwell, député Chuck Porter, député Mora Stevens, greffière du comité
Nunavut	Alex Baldwin, chercheur



Keith Peterson, député, Co-président du Comité permanent des activités gouvernementales et de la reddition de comptes  
Hunter Tootoo, député, Président du Comité permanent des activités gouvernementales et de la reddition de comptes  
Nancy Tupik, greffière du comité

Bureau du vérificateur général du Canada

Jocelyne Therrien, directrice principale, liaison parlementaire

Ontario

Katch Koch, greffier du comité  
Lisa Macleod, députée  
Deb Matthews, députée  
Ray McLellan, chercheur  
Julia Munro, députée  
Richard Patten, député, Adjoint parlementaire au ministre de la Formation et des Collèges et Universités  
Michael Prue, député  
Norm Sterling, député, Président du Comité permanent des comptes publics  
David Zimmer, député, Adjoint parlementaire au procureur général

Île-du-Prince Édouard

Carolyn Bertram, députée  
Richard Brown, député  
Wayne Collins, député  
Olive Crane, députée  
Cletus Dunn, député  
Hon. Robert Ghiz, député, Chef de l'Opposition officielle  
Marian Johnston, greffière adjointe et greffière des comités  
Wes MacAleer, député  
Wilbur MacDonald, député  
Ron MacKinley, député, Président du Comité permanent des comptes publics  
David McKenna, député, Vice-président du Comité permanent des comptes publics

Québec

Rita Dionne-Marsolais, députée, Présidente de la Commission de l'administration publique  
Nancy Ford, greffière de la commission  
Sarah Perreault, députée, Vice-présidente de la Commission de l'administration publique  
Jean Rioux, député  
Cécile Vermette, députée

Saskatchewan

Lon Borgerson, député  
Ken Cheveldayoff, député  
Elwin Hermanson, député  
Andy Iwanchuk, député  
Margaret Woods, greffière adjointe

**Canadian Council of Public Accounts  
Committees 27<sup>th</sup> Annual Conference**

*The Conference began at 9:00 a.m., and was held at the Delta Prince Edward, Charlottetown, Prince Edward Island*

Monday 11 September 2006

**Opening Ceremonies  
Cérémonie D'ouverture**

**Ron MacKinley (Chair):** I'm chair of the Standing Committee on Public Accounts of the Legislative Assembly of the Province of Prince Edward Island.

Before I turn things over to Colin Younker, the auditor for the province, there's a few administration items that I'd like to mention.

First of all, if you speak into the mike, we would like you to identify yourself so we can use it. This is under Hansard, and if everybody could just identify themselves when they speak in.

Finally, our conference office is open upstairs in the Empress Room. It will be staffed from 8:00 to 5:00 p.m.

Last but not all, I being a potato farmer and my wife and family in the potato business, we'd like you to eat lots of potatoes when you're here on Prince Edward Island. We also raise beef so that's why we're having beef tonight at the banquet and we'd like you to eat lots of beef. Also the fact that farming, fishing and tourism are number one industries here in the province - farming is number one, fisheries second, tourism is third I believe - we'd like you to eat lots of fish too. So we hope you do because we really need the money down here.

So with that I'll turn it over to Colin.

**Colin Younker (Prince Edward Island):** Welcome to the John J. Kelly Forum. Just as a bit of a history on the Forum, the Forum was named in the honour of John J. Kelly who made significant and lasting contributions to public sector accounting and auditing.

This contribution began in 1975 when he served as Assistant Auditor General of Canada through to his untimely death in 1998, and included serving as the first Director of Public Sector Accounting and Auditing for the CICA, leadership in the area of comprehensive auditing; team building of volunteers for PSAB, and contributions to research projects.

We are pleased this morning, once again, to have CCAF as our presenters. The presentation this morning will be on the effectiveness of PAC and will include a presentation of research conducted by CCAF on the topic, followed by a panel discussion. We'd like to welcome Michael Eastman and Geoff Dubrow from CCAF, as well as the panellists Rita Dionne-Marsolais, Shawn Murphy and Rob Fleming.

Just a couple of admin points before we start. If you want to use the mike, you have to press to start the mike, and press to stop the mike.

I'd also like at this time to recognize a couple of people who have made this conference possible. From our office, Gerri Russell, and from the Clerk's office, the Clerk of Committees, Marian Johnston. They, as well as staff from both offices, have done a great job in getting the conference organized and I would like to thank them at this time. I see Marian Johnston and Gerri back there. Just turn and recognize them please.

[There was applause]

**Colin Younker (PEI):** On that note, I'd like to turn the morning over to Michael Eastman.

**Joint Business Session No. 1: John J. Kelly  
Forum**

**Facilitators:** Geoff Dubrow, Director, Capacity Development, CCAF; Yves Gauthier, CCAF

**Topic:** *Maximizing the Effectiveness of Public Accounts Committees*

**Panel:** Rita Dionne-Marsolais, MNA; Shawn Murphy, MP; Rob Fleming, MLA

**Michael Eastman (CCAF):** Thank you very much, Colin. Very much appreciated. Good morning, everyone.

*Et bonjour à tous. Pour ceux entre vous qui ne me connaissez pas, mon nom est Michael Eastman et si vous voudrez (Indistinct) pour (Indistinct) public, si vous voulez. Et c'est un grand plaisir pour moi et mes collègues (Indistinct) avec vous ce matin. Mais (Indistinct) ici avec vous qui connaissez le (Indistinct) de mieux comprendre les besoins des (Indistinct) publics et pour (Indistinct) mes collègues. Premièrement, Monsieur Yves Gauthier. Lui, c'est le premier (Indistinct) avec (Indistinct). Il était le vice-président de (Indistinct) avant ça et il est le vice-président de (Indistinct) du Québec (Indistinct) et il é tait un (Indistinct) vraiment chanceux d'avoir un ami (Indistinct) ce*

*soir dans le forum de John Kelly avec nous. Et aussi, je voudrais vous présenter Geoff Dubrow. Geoff Dubrow est le (Indistinct) et je voudrais (Indistinct) dire (Indistinct) pour vous.*

I'd just like to very quickly - because Geoff told me I have three minutes and if I went over three minutes I'd be in trouble, so I'm rushing a little bit - but I'd like to just, very quickly, join the last year's session with this year's session. Pre-consultation (Indistinct) the associates of the Canadian Council of Public Accounts Committees Secretariat housed in Victoria. We actually worked on a survey that went out to all Public Accounts Committees. We brought this information back from all Public Accounts Committees. It may not sound like much, but it was the very first time that all the territories, all the provincial governments and the federal government were reviewed and surveyed at the same time. Tremendous interest from everywhere. We were up in Nunavut with Mr. Tootoo, for example and we were out and about everywhere, a tremendous amount.

We did publish - and for the politicians, we know that we provide too much information, but I believe these documents will be a tremendous input to your research staff. We can send them to you - but we did a survey, and the findings of this survey are in this document, which is not handed out today, but we can provide, and we did a review of international best practices looking at other parliaments, Westminster Parliament (Indistinct) and those documents can be provided for your research staff on request.

We didn't actually get to go to the Cayman Islands or Bermuda at the moment but without further statement, we invited auditor generals. Three-quarters of jurisdictions were able to do so.

I'd just like to emphasize something else. What we have done in the latest PAC guide - it comes in the box set which is around the table, and if anybody else wishes to have a copy, we'd be willing to provide one - what we have tried to do is to emphasize certain important aspects of the research. There is a big document inside, and yes, we'll be referring to some of the important research. Again, especially for the parliamentarians and the auditor generals themselves, this is probably too much to read and there are important issues that we wish to raise with you. But what we have tried to do is to emphasize some of the important issues that we have heard from you, such as a guide on reporting followup which is affecting the impacts of the effectiveness of Public Accounts Committees which will be front and centre today, and preparing for hearings and frequently asked questions. In

fact, some of these issues, along with non-partisanship, etc., will be emphasized by our panel today.

So what we have tried to do is to provide an easier-to-read guide or quick review method for everybody here. Yes?

**G. Dubrow (Facilitator):** I apologize for interrupting - (asks him to speak louder)

**M. Eastman:** Okay. Apparently I was not loud enough. I have four children at home, so I should be loud enough, but obviously not.

What I want Geoff to do today, though, is to sort of unveil our draft strategy with CCAF to bring out for discussion purposes today. This is not a strategy that is, in any way, final. It is a draft strategy. What we have been asked by a number of Public Accounts Committees is come around and have a talk with them and discuss, in their own Public Accounts Committee sessions, some of these issues. So this is the type of the overall strategy that will allow us to move forward. We thought it would be useful, especially with such an audience, to unveil the strategy and have a dialogue with you or initiate a dialogue with you on these issues.

I would like to obtain your feedback today. We're trying to obtain the feedback on issues by having three chairs of Public Accounts Committees talk to you about issues which resonate with them, and then during the session, after the break, we would like to get your involvement.

So without further ado, over to you, my friend.

**G. Dubrow (Facilitator):** Thank you very much, Michael.

I just wanted to mention again before I start that our presentation is in English and French, so if anyone around the table needs a headset, they might want to indicate that before we begin.

Good morning, ladies and gentlemen. It is a tremendous honour to be here today for the John J. Kelly session and the joint session of CCOLA and CCPAC and a great pleasure to visit PEI for the first time. As you know, I'm relatively new to the CCAF, as many of you know, worked in a previous capacity to develop Public Accounts Committees in countries that don't have a history of democratic development, don't have the rich blessings that we have in Canada. So it's fascinating to be here participating in this dialogue today about how we can strengthen the effectiveness of our own Public Accounts Committees.

As I mentioned, when we look at the context, Canada is draped in a long history of Westminster tradition, a long history of democratic development. Nevertheless, it's worth acknowledging that external oversights in our system, the Westminster system, constantly depends on a number of contingencies: Parliamentary capacity, electoral cycles, politics, the lines between partisanship and non-partisanship, research capacity, continuity of membership on Committees, etc. So I support wholeheartedly Michael's comments. I'm just saying that it's always pertinent in our positions to be asking how we can strengthen our Public Accounts Committees, and that's what we'd like to do today.

If we move to the draft strategy, you'll notice that there are five components. Those components are interdependent. In essence, we're suggesting that you can't have one without the other. If you move from the top to the bottom, each condition needs to be fulfilled before you move down to the next rung. So an effective hearing, we'll suggest, depends on effective planning, and an effective Committee report and Committee recommendations depend on holding an effective hearing. Let me go over the draft strategy and then I'll talk about each section, and I'll also mention some of the findings that we mentioned last year from the strategy.

The first of the five components or stages is laying the foundation. Here we're talking about the minimal preconditions that need to be in place for a Public Accounts Committee to be effective. I'll give you one example, although it's the truth in all of our legislatures, an opposition chair. It was one of the criteria suggested by the Commonwealth Parliamentary Association. From our survey, we noticed that all Public Accounts Committees are chaired by opposition members. But I'll go through each component in more detail as I go on.

The second phase is setting a non-partisan objective and planning. Here, we're really suggesting that effective PACs are guided by a consensus that their objective is to strengthen public administration. Again, I'll go into more detail as I go on.

The third phase - holding an effective hearing - again, dependent upon planning, dependent upon non-partisanship, dependent upon a minimal foundation, members of parliament asking questions that are pertinent to the matter at hand, witnesses participating as partners in the PAC process.

The fourth phase - this is what we call the adding value phase - and the emphasis here is on

committee recommendations that supplement above and beyond the report to the Auditor General, committees that are checking the extent to which the government has implemented recommendations. Of course, this is another contingency of our Westminster system, that is, that there's no method of enforcing the government's (Indistinct) the recommendations. So it is contingent upon the Public Accounts Committee to checking the recommendations and when we talk about value, checking upon the implementation of these recommendations, and when we talk about adding value, that's what we're referring to.

This is something that you won't find in the PAC guide that Michael has mentioned, but this is really the incentive issue for (Indistinct). This is an issue which I think CCF is interested in exploring further, which is: What are the incentives for members of parliament to participate in? If you are on the transport committee, during election time it is much easier to go back to your constituents and say that you've participated in developing a piece of legislation which led to the building of roads than it is to explain sometimes the technical items that are discussed in the Public Accounts Committee meeting, and to explain to the public what the Public Accounts Committee has accomplished. Nonetheless, the accomplishments are very important to our system (Indistinct) mentioned.

So number five really explores the issue of to what extent are Public Accounts Committees explaining the value of their work to the public, to the media, and how can this be improved, and is it something that should be improved?

So we can start with the first condition, which is laying the foundation. As Michael mentioned, the survey was sort of divided into three areas. One of them was defined framework of - or three categories, if you like. The first was a defined framework of powers and practices, the second was the capacity to exercise Committee's powers, and the third is strong Committee leadership. You'll find those three categories in each of the phases that we mention if they're pertinent to that particular phase.

So when we look again at the minimal conditions required, we're suggesting that there needs to be, among other things, the power of the Public Accounts Committee to call meetings; the power to meet outside the legislative session - our survey found that about two-thirds of Committees can meet when the House is prorogued; the power to initiate inquiries outside of the information provided by the Auditor General - about three-quarters of jurisdictions were able to do so; opposition chair -

we already mentioned this is standard in the Commonwealth; regular and sufficient meetings - about 10 out of the 14 jurisdictions, that is the 10 federal, three territorial - sorry, one federal, three territorial and 10 provincial are able to do so, so 10 - and is there a sufficient amount of time allocated to each hearing?

In terms of the capacity to exercise committee resources, is there adequate financing for committees? Is there adequate research and technical support? Here's a statistic which I think is worth some follow-up, which is that six out of 14 Public Accounts Committees don't have a researcher assigned to it. So research capacity is an issue that might arise during our discussion today.

Continuity of staff as well, institutional memory - given the frequent turnover of members of Public Accounts Committees in some jurisdictions - is an area that we might also discuss.

Are Auditor General reports permanently referred to the PAC? In 12 jurisdictions, that is the case.

And a strong working relationship between the Public Accounts Committee and the legislative auditor - pretty much all of our jurisdictions felt that that was the case.

*Donc, voilà les conditions essentielles. Ce n'est qu'une fois que ces conditions existent — ou que la plupart d'entre elles existent — qu'un comité peut s'atteler à la tâche de maximiser l'efficacité de son travail.*

*Le reste de mon exposé portera sur la façon dont un comité des comptes publics peut accomplir cette tâche. Donc, aux fins des discussions, nous avançons que les membres d'un comité des comptes publics doivent être motivés par une mission commune bien précise.*

*Historiquement, cette mission est de renforcer l'administration publique. J'avancerai maintenant qu'un comité fonctionne le plus efficacement lorsqu'il exerce ses fonctions sans parti pris. Quand on a demandé dans le sondage si le comité d'administration publique du Québec exerce ses fonctions sans parti pris, huit ont répondu oui, un a répondu non et cinq n'ont pas répondu. Donc, le fait qu'ils n'ont pas répondu, je crois qu'il y a peut-être aussi une suggestion qu'il y a, au minimum, des préoccupations sur le rôle non partisan du comité.*

*Le président du comité joue un rôle primordial au chapitre de l'établissement d'un objectif impartial pour le comité. Compte tenu du rôle unique en son*

*genre que jouent les comités de surveillance parlementaires, je souhaite attirer votre attention sur le fait que seulement huit des 14 présidents des comités de vérification sont nommés pour un mandat couvrant la durée de vie du Parlement, à moins de circonstances imprévues.*

So again, the issue of turnover of chairs of the committee and members of the committee is an ongoing theme, I think, that we'll see a little bit later as we continue our discussion.

*Maintenant, examinons la question de la composition d'un comité ou du comité. La composition du comité influe sur la mesure dans laquelle le comité exerce ses fonctions sans parti pris.*

*Bien que certaines juridictions n'interdisent pas aux ministres de siéger au comité des comptes publics, il semble que, par convention, le ministre ne siège au comité que lorsque la taille du caucus du gouvernement l'exige.*

There's two elements to the second phase. The first is the nonpartisan objective which we have just discussed, and there's a second element as well, which is planning. We suggest that planning is an essential element before going into an effective hearing. So planning, in terms of the survey, we looked at a number of issues relevant to planning.

Again, this is the defined framework of powers and practices. One was the preparation of agendas and advanced briefing notes. We found that about 10 of the 14 Public Accounts Committees prepare agendas and advanced briefing notes.

Are there clear objectives and work plans for hearings? Is there a subcommittee or steering committee which examines specific issues? Are there advanced meetings and briefings with the legislative auditor? We found that about half of the Committees, or half of the Committees responded that they have a planning subcommittee or other body focussed on preparing the Public Accounts Committee. So about half. So planning might be another issue that very well might come up in the discussion today, should you choose to raise it.

In terms of holding the effective hearing, here we emphasize the categories are a bit out of order because we emphasize the importance of strong committee leadership. Quoting a participant or someone who was interviewed in our study last year, they said: The chair needs to manage the process of a hearing outside the dynamics of shifting politics. This means that they need to be able to articulate the nonpartisan objective which was discussed in the planning process and remind

members of that objective when necessary. So that's really committee leadership with a capital L.

Something you won't find in the PAC guide, but in talking to individual PAC members from different jurisdictions, the ability of the Committee to make witnesses feel comfortable in answering questions is an area that I think deserves some further explanation, although we don't have any statistics to discuss with you on that.

Holding an effective hearing – just to continue – on the defined framework of powers and practices. The power to call whichever witness is deemed necessary. All committees have this power. The power in terms of the ability to exercise committees' powers and access to information. Pretty much all committees - I believe 12 - have the power to send for papers and records, and about eight had access to Cabinet documents or government-wide ministry or performance reports. So again, there's two aspects to this particular phase.

*Donc, la prochaine, c'est de formuler les recommandations qui ajoutent de la valeur et en effectuer les suivis. Il va sans dire que le pouvoir de formuler des recommandations et celui d'exiger une réponse du gouvernement sont deux pouvoirs essentiels pour assurer l'efficacité du comité (Indistinct) des réunions pour assurer un suivi avec des témoins et un système de fiche de rendement pour évaluer la mise en œuvre de recommandations par le gouvernement sont deux éléments qui ajoutent de la valeur — ou de la valeur au processus.*

*On a demandé si les comités ont le droit d'exiger au gouvernement de présenter une réponse complète au rapport de comité dans une tranche de temps indiquée. Onze ont répondu oui et trois ont répondu non.*

*Mais c'est intéressant que seulement sept comités aient confirmé avoir un processus de suivi efficace. Donc, ça veut dire que sept comités ont, dans leur opinion, ils n'ont pas un processus de suivi efficace.*

Somewhere in the neighbourhood of about half of the Public Accounts Committees answered in our survey that they did not feel that they had a process of following up on the government on their own recommendations to see how government had implemented them and again, that might be an area that might be worth discussing further.

*Seulement six comités se fient aux services du bureau de vérification pour effectuer le travail de suivi sur les recommandations et le même nombre*

*de comités reçoivent des mises à jour de la part du vérificateur législatif sur l'état d'avancement des travaux en matière de mise en œuvre des recommandations. Voilà donc, un domaine où beaucoup de travail peut encore être fait.*

There is one more phase which is explaining the value added for constituents, and again, this is not something that you'll find in the Public Accounts Committee Guide. I did have the pleasure of visiting the Quebec National Assembly Public Administration Committee and this is an issue where I think we enjoyed a very fruitful discussion on this particular topic, which is, again, I think - and I won't refer directly to any particular jurisdiction here - but in general, in some jurisdictions, where membership on Public Accounts Committee might not necessarily be the first choice of members, part of the question is: How do we strengthen the incentives for members to want to be on a Public Accounts Committee? The link that we're suggesting here is that the more that members can demonstrate their accomplishments on the Public Accounts Committee to their constituents, the more that they'll be likely to want to be active members in that process.

One example that we've raised with a few jurisdictions, in a very informal way just to get some feedback, is the question of whether Public Accounts Committee staff or a communications branch of the legislature could provide for PAC members as a service, in a nonpartisan way, a communications document which could be part of their householders to communicate directly with constituents, in very plain language, some of the very often technical aspects of their work.

We also were talking about press releases, whether hearings are televised or webcast. I've just mentioned whether PAC members explain accomplishments to constituents. I don't have a statistic in front of me - I apologize - but I believe it was about eight or nine Committees that issued press releases.

So that really completes an overview of our draft strategy. What I'll do in a moment is turn the proceedings over to Yves Gauthier, who will introduce our panel, and the purpose of our panel is really to follow up on a number of the key elements that we've introduced in the strategy. Once we've done that, my understanding is that we'll take a break and then we'll have an hour long facilitated - oh no, we'll have questions and answers first, a break, and then a hour long facilitated session in which our objective will be to have an enjoyable, fruitful and hopefully enlightened discussion about this subject matter.

Thank you very much. Yves.

**Y. Gauthier (Facilitator):** *Merci, Geoff.*

*C'est un plaisir pour moi d'être ici aujourd'hui pour traiter de cette (Indistinct) sur ce sujet très intéressant. C'est aussi (Indistinct) pour moi de prendre quelques jours de vacances dans cette belle île-du-Prince-Édouard et de revoir de bons amis. J'ai failli dire des vieux amis, mais ça (Indistinct) reflétera mon âge, pas celle des mes amis.*

Public Accounts Committees have a very strategic role, a very difficult role also, at the House of Commons and also in each province. Many challenges -Geoff just addressed a few of them - many challenges which are difficult to handle. These challenges are often linked with the amount of information that Public Accounts have to deal with; also get a lot of information that is not available to Public Accounts. So it is both too much and not enough in some areas. Also the difficulty to manage the time: the time of the members of the committee before, during the meeting, and the actual time management of the actual area. A key element is maintaining focus, focus on key issues of the Committee which will permit it to achieve performance of the Committee.

So my role will be to introduce the three Members of Parliament and the three Chairs of Public Accounts Committees. They will address issues in terms of partisanship - *impartialité* - asking effective questions at the hearing, and added value. I will introduce the three speakers right now and then have them make their presentation.

*D'abord, Madame Rita Dionne-Marsolais. Avant (Indistinct) dans son CV, elle était coprésidente, avec Sheila Fraser, de la Conférence de FCVI, qui (Indistinct) tenue en novembre - l'automne dernier de (Indistinct) qu'avec mes (Indistinct) qui a été un succès.*

*Alors, Madame Marsolais, députée de Rosemont depuis 1994, présidente de la commission d'administration publique, porte-parole de l'opposition officielle en matière d'énergie — un dossier très stratégique pour la province du Québec et même pour plusieurs provinces. Un baccalauréat en sciences économiques, maîtrise en économie. Auparavant, dans (Indistinct) direction de plusieurs grandes sociétés, don't Hydro-Québec, la Société générale de financement du Québec, déléguée générale du Québec à New York, économiste et directrice principale en consultation chez Price Waterhouse, membre très influente du Parti Québécois, où elle a été ministre dans plusieurs ministères, don't le*

*ministère du Revenu, et membre de plusieurs commissions, don't notamment la présidente de la commission des finances publiques et aussi de la commission de l'administration publique, que j'ai mentionné plus tôt.*

Shawn Murphy. Shawn Murphy was elected to the House of Commons in November 2000 for the riding of Hillsborough. He is a native of the beautiful town of Charlottetown. He has a Bachelor of Business Administration degree and a Bachelor of Law degree. Before election, he was a senior partner with the law firm Stewart McKelvey Stirling and Scales. He served on the Standing Committee on Public Accounts, Finance, Fisheries and Oceans. He was also appointed in 2003 to the Private Council of Canada. He now chairs the House of Commons Standing Committee of Public Accounts. Last May Shawn introduced Bill 6304, the act to provide for the development of autism and to implement the *Canada Health Act* in that regard. You can contact Shawn if you need any information regarding this new bill and also have an autographed bill, if needed.

Rob Fleming has been representing, on the other side - so going from the east coast to the west coast -has been representing Victoria-Hillside since 2005. Already has been asked to chair the permanent committee of Public Accounts. He has a Bachelor Degree in Arts and has worked in the domain of research and communication. Before, he was heavily involved at the municipal level for the city of Victoria where he was elected for two mandates. He had responsibility for chairing the finance committee and the transport committee. He played an important role in community based organizations, namely the workplace Veins of Life Watershed Society and the Victoria Aid Society Foundation.

So I will pass the microphone to Rita for her presentation.

**R. Dionne-Marsolais:** *Merci, Yves. Alors, je vais faire ma présentation en français.*

If you wish to put your translation devices at work, I will speak in French, if you will allow me.

*En fait, je parlerai en français, parce que puisqu'on paye, de toute façon, pour la traduction, on est mieux (Indistinct). Au moins, ça servira à quelque chose, et en même temps, vous pourrez pratiquer, votre français si (Indistinct) souhaitez. Alors, d'abord, je pense que beaucoup a été dit avant moi, bien sûr, mais je vais essayer d'apporter un peu de valeur ajoutée en donnant une perspective parlementaire à ces discussions. Vous savez tous et je vous (Indistinct)*

qu'aujourd'hui, les attentes des citoyens dans toute démocratie moderne sont très élevées vis-à-vis de l'administration publique et il y a beaucoup de cynisme vis-à-vis l'administration publique, essentiellement, parce que dans nos démocraties, il y a (Indistinct) dans les (Indistinct) presque à tous les quatre ou huit ans, il y a un changement de parti, et en fait, c'est un peu étonnant. Donc, ce qui reste stable, c'est l'administration publique. Les administrateurs et les administratrices publiques demeurent responsables (Indistinct) servent le public.

Donc, pour la population, il y a une certaine — un peu, un certain cynisme qui se développe de part en part, une impression d'impuissance dans tous — dans toutes ces administrations, dans cette gestion des données publiques. Alors, le contrôle parlementaire est extrêmement important et le défi, à mon avis, c'est non seulement l'exercice de ce contrôle par les parlementaires, mais c'est aussi la communication de cet exercice pour que les citoyens ultimement augmentent leur degré de confiance envers les administrateurs publics et bien, en conséquence, envers les parlementaires aussi, et donc, envers notre démocratie.

Et je crois que c'est important de dire malgré (Indistinct), un peu — qui peut être qualifié d'un peu (Indistinct) des rapports des vérificateurs généraux, que ce soit au niveau du Canada, ou au niveau, même, du Québec, je crois que c'est important de maintenir cette communication et le rôle de nos commissions, parce qu'au Québec, on les appelle les commissions parlementaires, où le rôle des députés comme ça des comptes publics est extrêmement important.

Alors, je vais partager quelques principes qui nous guident au Québec et de plus je parlerai aussi de quelques valeurs qui rejoignent beaucoup ce qui a été dit par Geoff, mais ce que je veux faire est de les mettre plus en perspective. Donc, les principes qui (Indistinct) importants dans les - dans l'enjeu du contrôle des données publiques. Il y a en trois, à mon avis. Les objectifs - ils ne sont pas beaucoup différents de l'administration en général, là. L'objectivité, la rigueur et l'efficacité. L'objectivité dans les échanges entre parlementaires et entre les parlementaires et les administrateurs publics, et l'objectivité aussi dans le choix des sujets. Je vais en parler tout à l'heure quand on va revenir, et pour moi, c'est très important de choisir des sujets qui ont fait l'objet d'un consensus au sein des membres de notre comité.

La rigueur dans le déroulement des auditions, et même si quelquefois, ça peut sembler répétitif, mais il est important d'aborder les auditions en

expliquant l'objectif poursuivi, et l'objectif poursuivi doit toujours être celui de s'assurer que les dollars des contribuables sont bien gérés et bien investis.

Donc, une rigueur dans le déroulement, puis une rigueur aussi dans la manière d'aborder les sujets, et encore là, je fais le lien avec les rapports des vérificateurs généraux qui doivent nous guider dans cette — dans le choix des sujets.

Ensuite, le troisième principe, bien, c'est évidemment l'efficacité dans les sessions et dans les échanges. Ça veut dire évidemment qu'il faut qu'il y a une bonne planification et qu'il y est un dynamisme contenu au - parce qu'on n'a pas beaucoup de temps, donc, il faut que ce temps-là soit utilisé de la manière la plus efficace. Si on veut donner l'exemple comme parlementaire, il faut moins qu'on soit capable de tenir nos sessions dans un délai limité, mais avec une haute intensité du travail.

Dans notre cas, par exemple, on ouvre la session, on explique l'objectif, qui n'est pas de mettre en voix nos administrateurs publics, mais qui est plutôt de les aider dans leur travail et de nous former des réponses que les citoyens, aux questions que les citoyens posent, et aussi, l'approche qu'on a pris, c'est de donner, de commencer nos sessions en donnant 10 minutes à chacun, de chaque côté des — que soit l'opposition ou les membres de — les députés ministériels. En fait, 10 minutes à la fois, ce qui garde une certaine dynamique et évite qu'on s'attarde sur des sujets trop longtemps parce que c'est une bonne vieille tactique d'obtenir des réponses qui n'en finissent plus et même de poser des questions qui n'en finissent plus, de sorte qu'on prenne tout le temps, et puis finalement non, on n'a pas la réponse à nos questions.

Donc, moi, je trouve que c'est très important de garder cette dynamique-là — 10 minutes, 10 minutes et puis, on compte le temps et je suis bien secondée par un vice-président, qui est le député que vous avez ici, et tous les députés qui sont à la commission sont très constructifs et coopératifs dans ce défi-là.

Les valeurs qui guident notre commission — mais d'abord, les bonnes relations — c'est les bonnes relations du travail, c'est la même chose partout, que ce soit dans une commission parlementaire ou que ce soit dans n'importe quel travail, il faut qu'on maintienne de bonnes relations du travail, mais dans ce (Indistinct) crucial justement pour être capable de poser des questions précises, brèves, claires, de façon à ce que la réponse nous vienne, précise, brève et claire.



*La deuxième valeur, et on a en parlé, c'est la non-partisanerie, et pour moi, c'est une — et pour tous ceux qui m'ont précédés à la présidence de cette commission, c'est une valeur très importante. Si on veut que les administrateurs publics nous donnent des réponses intelligentes et satisfaisantes, il faut qu'ils sentent que nous sommes là comme parlementaires et non pas comme membres d'un parti politique.*

*Il y a quelqu'un qui m'a dit récemment lors d'une discussion, c'est impossible — c'étaient des gens de la communauté flamande qui venaient à les (Indistinct) et on (Indistinct) pour discuter de cette commission-là et ils sont me venus voir après, puis ils disent, Madame Marsolais, c'est toute (Indistinct) de penser qu'on peut avoir une discussion avec les politiciens qui ne sont pas partisans.*

*Alors, je leur ai dit que la discussion n'était pas entre politiciens dans notre commission, la discussion se fait entre les administrateurs et les parlementaires et pour garder ce dialogue-là et cet échange-là à ce niveau-là. Une des manières que nous avons trouvé pour maintenir ou soutenir cette absence de partisanerie, c'est d'inviter les administrateurs et qu'à l'occasion les ministres viennent, parce qu'on étudie les engagements financiers et les ministres viennent (Indistinct) alors à leur demande - on leur offre - c'est à dire, de laisser parler leur - les administrateurs puisqu'on jase des administrateurs.*

*La troisième valeur, bien sûr, c'est de l'aide en recherche et à l'Assemblée Nationale du Québec. Nous avons un chercheur qui (Indistinct) de la commission et c'est très utile.*

*La quatrième valeur, c'est un rôle de surveillance et là, je reviens encore à cette idée. On ne conteste pas les politiques de gouvernement. On s'assure de surveiller leur mise en application selon les règles et les articles qui doit être impliqués dans la gestion publique.*

*La cinquième valeur, c'est une planification de nos sessions (Indistinct), bien sûr, et la sixième, c'est la communication publique, et depuis quelques temps, à la commission de l'administration publique, nous émettons des communiqués de presse après chaque séance. C'est pas toujours repris dans les médias, mais plus on les produit, nos collègues les publient dans leur journaux originaux respectif, mais on s'assure que c'est communiqué.*

*Est-ce que me reste encore de temps ou c'est fini? Une minute? Donc, alors donc, les conditions essentielles, il y a des conditions nécessaires et*

*elles sont nécessaires, mais pas nécessairement suffisantes. Bien sûr, à la coopération avec les vérificateurs généraux, et au Québec, cette coopération-là se construit, et c'est la même chose, sans doute, partout. Mais elle doit être maintenue et il le faut — parce qu'elle est vraiment notre première alliée. Sans elle, je ne crois pas qu'on aurait la capacité de faire le travail que nous faisons.*

*La deuxième condition nécessaire, mais pas suffisante, c'est la coopération avec l'équipe de recherche à l'interne qui nous fait un travail remarquable au niveau de l'analyse médiatique aussi parce que c'est important de répondre aux questions des citoyens, mais pour ça, il faut les connaître et ce sont — c'est l'analyse de la presse qui nous permet de le faire.*

*La coopération entre tous les membres de la commission, quelle que soit leur parti, et la coopération aussi avec l'administration publique, et pour ça, c'est le respect de leurs compétences comme administrateurs. Cela ne veut pas dire que l'on ne peut pas les critiquer ou les contester à l'occasion.*

*Et je termine en disant que la condition qui est nécessaire et suffisante, c'est le suivi - le suivi de nos travaux. C'est un gros défi, mais je crois que nous avons, au Québec, un effort de tous les instances et on a l'appui de tout le monde et j'espère que ce sera comme ça pour tout le monde. Merci.*

**Y. Gauthier (Facilitator):** *Merci, Rita.*

[There was applause]

**S. Murphy:** *Okay, thank you very much, Yves.*

As Member of Parliament for Charlottetown, I certainly want to extend to everyone here a very warm welcome to this city. *Bienvenue à tous.*

I've been asked, ladies and gentlemen, just to speak briefly on the whole area of examination of witnesses asking pertinent questions. First of all, I think the most important aspect, of course, is getting the right witnesses before the committee. As Chair of the House of Commons Standing Committee on Public Accounts we generally restrict ourselves to deputy heads, department heads, heads of agencies, chief financial officers. It would be very unusual for us to call a minister of the Crown unless there was certain allegations that that particular minister was involved in financial malfeasance.

The second area, of course, will come as no

surprise to anyone in this room, and that is the asking of the correct questions is 90% planning and preparation and 10% execution.

In our committee we have, first of all, a report of the Auditor General. She reports three times a year. There's usually eight to 10 chapters in each report. Each chapter would generally take one meeting but for time reasons we don't go through all them. We have other issues to deal with too. In addition to that, the research staff prepare a briefing book. So we do have a fairly good background on the issue before the meeting, but anyone dealing with Public Accounts Committees, in a lot of instances, we do see a lot of members coming to the Committee that haven't read the report or the briefing book. It's pretty obvious. You don't have to be a rocket scientist to see that these people have not read either document. That is a problem and that's one of the issues with going forward. Because if you haven't read the material you don't know the issue. Once you start asking questions it's difficult to ask the right questions, which is obvious.

Once you're into it, it's my view that the members should restrict themselves with very concise, succinct questions dealing with the issues, and that is: What are the problems that we are dealing with that have been identified, what caused the problems, has corrective action being taken and are all the necessary steps in place so that that problem will not repeat itself some time in the future? This does require a certain amount of planning and preparation.

We, in the federal committee, act on time constraints because we generally have a two-hour meeting. Each witness may get eight minutes, seven minutes, sometimes only four minutes in the second round. I would think it would be better if sometimes there was more planning with all the committee members, all 12 of them, or even certain caucuses. Because a lot of times I see a situation where a member is asking the right questions, he or she is getting very close to the issue, and then his time runs out. Then, of course, in the next time sequence, the next member goes off on a totally different tangent and that issue goes off to the side of the table. Unfortunately we don't have that on the record. I think if the planning and preparation were there, the next member would follow right up and continue.

One of the problems when you're dealing with a parliamentary committee - we try and act as nonpartisan as possible, sometimes partisan politics creeps into it - again, it comes back to sometimes not enough preparation, but one of the problems is the questions by members. We have,

sometimes, these long, rambling preambles. I've seen preambles four minutes, five minutes, go on and on and on and it doesn't make a whole lot of sense. and a lot of times it's a waste of time. If the members could ask the very concise, precise, succinct question that is necessary - but probably more troubling than that is actually some of the answers.

We have, in the House of Commons committee, it's a lot of times the deputy minister's department heads, they're very experienced people. They've been before the Public Accounts Committee for 20 years. They know how to - I would call rag the puck. If there is a certain issue that they really don't want to talk about or rather not talk about, they go on and talk about things that are not relevant to the question. I think it's important to rein them in. I've seen witnesses be asked a question and talk about five minutes on an issue that really had nothing to do with the question. So that is important, that the questions be concise, be precise, but equally important that the answers be answers to the questions.

I think a lot of the problem comes from the fact that sometimes our meetings follow Question Period. In Question Period you get a 45 minute preamble and the last thing that the questioner wants is an answer. Certainly in my six years in Parliament I don't think I've heard any substantive answer any more than once or twice. That probably won't change. But that is a policy forum where that is a battle between policy differences. That is not the role of the Public Accounts Committee. Here we're dealing with the propriety, the regulatory and the economy of the financial administration of government, and it's so important to keep those issues front and centre.

So, again, a lot of it, it comes back to the planning and preparation and having the right witnesses there, being totally nonpartisan in your efforts in the Public Accounts Committee.

I just want to add one other point since I have the microphone here. The federal committee, we're going to go through a little bit of a change and it's going to be very interesting for the other committees to watch it. Assuming the *Federal Accountability Act* is enacted, which I expect it will be some time in the fall, our 20 deputies and 78 agency heads then, under that act, will be accounting officers responsible and accountable to Parliament.

I believe it's going to be a cultural sea change in government. These deputy heads and agency heads, they will be required to - like, to give you an example, when they sign the accounts of their own

departments they will be certifying, they will be vouching, that those accounts are accurate, that all transactions are recorded, and all rules and regulations and guidelines have been complied with. Some people say it won't be much of a change. I think it will be a change and that'll be an interesting development that, perhaps when this conference convenes next year, as to how that has affected the House of Commons standing committee.

Mr. Chairman, that concludes my remarks, and again, I want to thank you for organizing this presentation.

[There was applause]

**Y. Gauthier (Facilitator):** Thank you, Shawn.

Rob?

**R. Fleming:** Thank you and good morning. It's a pleasure to be here in Charlottetown, a city that, actually, I've never been to, so I've been enjoying myself so far and looking forward to the rest of the conference.

My comments today, just briefly, are on how the Public Accounts Committee in BC can add value to the work of the office of the auditor general and to the parliamentary oversight in general. Maybe I'll conclude on what I think we can do to be an even more effective committee.

First of all, when you say value-added in British Columbia you're usually entering a discussion about two-by-fours and drilling holes in them and how many jobs that involves, so I had to explain to my colleagues from British Columbia that that's not what I would be talking about today.

I want to start, maybe, with some context about where our Public Accounts Committee is in British Columbia. We had some very good years in terms of influence on legislation dealing with accounting and budget transparency in the early to late 1990s in terms of performance reporting and the Committee's just overall ability to flex some independence on issues. The last real set of enquiries, for example, that occurred in British Columbia were the infamous fast ferries work that was done by our PAC, and looked at a government-owned catamaran company that had many problems.

BC politics being what it is, we have had somewhat of a roller coaster over the last two parliaments. In 2001 the opposition capacity was simply almost totally diminished. We had 77 government seats and two for the opposition, so

PAC was very dormant and very ineffective because the opposition chose to use other means to try and get any attention it could on providing scrutiny of the government overall.

Now we have a more balanced parliament. It's 46 government seats and 33 opposition. But again, that involved another election where there was a sea change of legislators, so one of our biggest challenges is having any sense of continuity on our PAC. Of our 14 committee members, 12 of them are new, including myself, and it is, of course, us that are entrusted with oversight on matters that, in most cases, members are encountering for the first time when they read - or don't read, Shawn - the reports and briefing notes on the subjects at hand.

So today, we're in transition in British Columbia. The PAC is trying to find its feet again.

Recommendations on how things can and should improve and how to demand a follow-up process to what was a very, I think, alarming report. So I can't help but think by failing to make our own recommendations that we haven't let our workforce down in some way.

(Indistinct) add value, I think, is questioning witnesses, and this is a function that obviously only legislatures can exercise [audio recording unavailable] that takes time and practice.

I mentioned that PAC has not held its own hearings since the late 1990s, so really we haven't ever had a period for many years where we've had reluctant witnesses appear before our committee. We did have one instance where we wanted to get a private forensic accountant who had a written opinion on a government project, but we couldn't agree and it was voted down. So we have had trouble, I suppose, broadening the idea of witness lists and making them inclusive so that people can make suggestions and that they're actually heard.

I should say, though, that our PAC has been quite good, rookies that we are at asking some questions of the office of the Auditor General. One thing that comes to mind is there were questions raised about the value of a new product line that the office of the Auditor General started, the so-called review engagement audits. PAC is interested in discussing the value and appropriateness of this fee for service product because it gives the public a very low level of assurance based on a plausibility test. It's been recently raised at our committee meeting (Indistinct).

What can we do more? I think, as others have said, PAC needs to manage its time better. The

scope of the committee and the Auditor General's reports are so vast that we need to figure out some better strategies to provide better oversight. We don't currently use subcommittees nor do we have any lateral relationships with the other standing committees of parliament. When you think that in our province and others, health and education are something like 60% of public spending, we should maybe consider that the Auditor General and our committee have a relationship with the standing committees on health and education, both of which we have in British Columbia, and that referrals and reporting perhaps be done through that. I don't think that would diminish the importance or the primary function of PAC in any way. It actually may give the Auditor General a chance to develop a working relationship with more legislators who serve on those other committees.

I'm very happy to say that our new acting Auditor General is finding a way to cut through the practice. But we do not have any specific media availability. We don't do press releases or those kinds of things. So we have an interest in promoting the work the committee does - this obscure thing called Public Accounts - to our constituents, who are ultimately the taxpayers, and MLAs acknowledge we have a hard time explaining to our constituents what the PAC does, and yet we don't communicate directly with them at all. So I think that's something that we need to change and find a better way to do.

Thank you.

[There was applause]

**Y. Gauthier (Facilitator):** Thanks, Rob.

So I'd like to open the microphones to everyone to add comments, questions.

*Alors, la salle est ouverte pour vos commentaires, questions complémentaires aux trois sujets, trois présentations qui viennent d'être faites et aussi aux commentaires de Geoff.*

It's your time.

**R. MacKinley (Chair):** I, as chairman of the committee, I want to just say we're accessible to the media here in the province and the media has been very good to cover our Public Accounts. We have the Legislative Assembly reporter, John Jeffery, from CBC here with his cameraman. So if anybody wants a national shot tonight, you're going to have to work hard at it.

**Y. Gauthier (Facilitator):** *Peut-être un mot pour partir les discussions. En écoutant les trois*

*présentations et plusieurs des sujets de Geoff, je vois que les - que c'est relativement facile de définir les rôles et responsabilités du comité des comptes publics.*

But I see a difficulty in defining and really trying to really achieve the power that should be within the PAC. I'll try to explain what I mean by that.

We have the power, as a PAC member, to obtain information, to ask, to challenge questions, but we want to have an impact. Actually, we want the power to change, to improve, the accountability process and performance of a government, eventually. It's power to change, but also power to contribute to change, and there's limited power given to the PAC. But how can we define, how can we focus the power that the PAC wants to have, define the focus and then achieve it? So I don't know if I'm complicating the debate. Yes?

**Norm Sterling (Ontario):** I'm Norm Sterling, Chair of the Public Accounts Committee in Ontario.

I think the problem we have in the Public Accounts Committee and the process is outside of the auditor's report, which garners a great public attention, the subsequent function of the Public Accounts Committee doesn't garner that same kind of attention. That's partially because of the detail that we're involved in, in examining the problem that the auditor has identified and talking rationally and reasonably to the public administrators with regard to that problem. But we have yet to find a consequence for those who are charged with the administration of dealing, and particularly those dealing with the problem area.

So I think it behooves us to try to communicate, perhaps, in a different form, to set up new methods of forming reports that are continuous rather than a one-time report, and that the Public Accounts Committee, perhaps, should be given greater power to demand of the government reporting functions.

My view is that unless we can say to a minister, a deputy minister or an administrator: You must report back to us six months from now, a year from now, five years from now, with this information and in a timely fashion and in a very public fashion, we will never solve those problems. Problems will recur. They will come around again and again and again. We have had examples of that in Ontario with regard to the family responsibility office. That is the office that collects delinquent payments from people who owe money from one spouse to the other for either the care of the other spouse or the children of a broken marriage. But we haven't solved that problem. The administrators say they

have a plan. They invest money either wisely or foolishly in the solving of the plan, but by the time that the problem is to be solved, is over, we have a new parliament, we have a new Committee, and all is forgotten and nothing gets done. The Committee finds five years later that they're there as well.

So I believe that the only way that we can address this is to provide a consequence to the administrator or the deputy. I think that the only way to do that is to nail it down in numbers. Numbers don't lie, but those numbers should be formulated or the form of the report should be formulated by the committee. Not by the minister, not by the government, but by the committee itself.

**Y. Gauthier (Facilitator):** Rita?

**R. Dionne-Marsolais:** *J'aimerais ça - réagir à ça parce que je crois, en tout cas, au Québec - et je crois que c'est la même chose ailleurs - la commission de l'administration publique a le pouvoir. Elle a l'autorité et elle a le pouvoir de blâmer ou de faire connaître ses résultats et je pense que les conséquences pour les administrateurs publiques, elles sont très graves. La réputation d'un administrateur public, s'il passe devant la commission et qu'il a une motion de blâme, sa réputation est jeu et je crois que pour un administrateur public - comme pour n'importe quel administrateur - sa réputation, c'est ce qu'il a de plus - en fait, je crois que c'est qu'il a de plus précieux parce que c'est son avenir qui est en cause.*

*Et un jour - le jour où on dénonce, on souligne ou on blâme une mauvaise administration, je crois que pour l'administration publique, une punition peut ne pas être dure à leur physique, mais sa réputation, elle prend un coup.*

*Quand on fait un suivi au Québec, on inclut dans nos recommandations à l'Assemblée nationale, l'obligation, dans les cas de recommandations faites par le vérificateur général, à la suite de l'audition devant la commission parlementaire, on demande un plan d'action avec des échéances pour corriger les manques que le vérificateur général a identifiés.*

*Je vais vous donner un exemple qui est assez - qui, à mon avis, est intéressant. Ils parlent beaucoup. Il y a un organisme, peut-être un ministère, qui, dans trois rapports de vérificateur général, se faisait réprimander, toujours sur un même sujet, et quand ils se sont présentés devant nous, on a souligné le peu de crédibilité que cela représentait, de se faire réprimander pendant trois rapports et puis (Indistinct) de rien faire. Alors,*

*c'est à la suite de ça qu'on a nous demandé un plan d'action et un suivi six mois plus tard.*

*C'est vrai que l'enjeu - puis mon collègue en a parlé toute à l'heure - l'enjeu, c'est la continuité. Autant au niveau des parlementaires que de l'administration publique. Mais il ne faut pas oublier que dans l'administration publique, il y a des secrétaires de ministères. C'est eux la mémoire du ministère et c'est eux qui doivent assumer ce rôle de continuité, tout comme les unités de vérification internes. Un ministère, bien sûr, il y a du monde qui - il y a des sous-ministres qui sont nommés, qui sont affectés à d'autres fonctions, mais il (Indistinct) demeure pas moins que dans tous les ministères, il y a un secrétariat qui est responsable de s'assurer que les choses se font correctement et que les suivis se font, et je crois qu'on peut exercer notre rôle comme parlementaire, même si on entend souvent la réponse : Mais moi, j'étais pas là, je le sais pas, j'étais pas sous-ministre à ce moment-là.*

*Il faut réagir et dire : vous n'étiez pas sous-ministre, mais le ministère avait quand même une vie, une autorité, un contrôle autant légal que financier, et c'est à cette administration-là qu'on a demandé compte parce que le sous-ministre, c'est comme n'importe quel CEO ou CFO. C'est une autorité ultime, mais sous lui, évidemment, plus le ministère est grand, plus il y a des niveaux, et plus il y a des changements aussi, mais ça ne veut pas dire qu'il n'y a pas une permanence.*

*Comme dans une entreprise privée, il y a des résultats financiers, puis il y a aussi une direction des ressources humaines, etc. Il y a un aide-mémoire. Il y a un secrétaire en entreprises. C'est la même chose aux ministères.*

*Alors, je pense que les outils sont là, en tout cas, dans l'organisation - il me semble dans l'administration québécoise, les outils sont là pour les parlementaires. La difficulté, c'est de s'en servir. Il faut les connaître et c'est aussi - la difficulté, c'est d'être capable d'utiliser le même langage que les administrateurs publics et ça aussi, c'est un défi. Puis je pense qu'un de nous l'a mentionné toute à l'heure: il faut qu'on ait - nous aussi comme parlementaires - une formation continue et aller la chercher au besoin.*

*Au Québec, on a l'École Nationale d'Administration publique à qui on peut demander occasionnellement un briefing.*

*On a aussi les services de recherche, puis on a aussi le vérificateur général. Mais là (Indistinct) chercher de la connaissance, bien, on va la chercher ou aller à l'École Nationale*

*d'Administration publique et j'imagine que dans les autres juridictions, il y a des unités d'université aussi qui peuvent - je me souviens (Indistinct) donné, je peux juste terminer (Indistinct). On avait eu une grosse discussion sur la gouvernance et les articles au Québec, il y a quelques années, et on avait fait venir deux professeurs - un de l'Université de Sherbrooke qui est reconnu pour ses travaux en matière d'articles et un autre de l'École Nationale d'Administration publique - et on a eu une discussion tout un après-midi - peut-être (Indistinct) deux ou trois ans, si ma mémoire est bonne. Des échanges sur le principe de l'article, comment on peut assurer l'article dans une administration publique et tous les enjeux que cela soulève et comment nous, on pouvait questionner pour s'assurer de cela. Alors, c'est quelque chose qu'il faut faire régulièrement, je pense. On peut le faire. Il n'y a rien qui nous empêche de le faire.*

**Y. Gauthier (Facilitator):** *Merci.* Sheila, and Ron after.

**Sheila Fraser:** *Merci. Je voulais soulever une bonne pratique au fédéral qui rejoint ce que Madame Dionne-Marsolais disait sur le plan d'action.*

Over the last few years, the Public Accounts Committee has almost made it standard practice to ask departments to present action plans in response to our audits. It has become now standard practice that they actually will very often table them with the committee when we have the hearings. I have noted cases where the parliamentary committee, the PAC, has actually analysed the action plan and has gone back to the department to say that it wasn't satisfactory, has asked for new ones.

It is also very helpful to us in the audit office, because we use those action plans to determine when we are going to do the followup, and we use the commitments by the departments to say: Have you done what you promised you would do? The criticism we used to get in the past was we would come in too soon or we weren't giving them enough time. Now we're saying: Okay, you tell us what you'll do and you tell us when you'll do it by, and then we will come in to see if you've actually done it.

So I find the whole issue around the action plan is a very important tool in the accountability mechanism. As an audit office, we are putting more emphasis on followup, and in fact, one of our three reports is devoted strictly to follow-up. It was interesting, I think if you talk to senior officials in government, they will all tell you that they do not want to be embarrassed in front of the Public

Accounts Committee. They will also tell you that they don't mind you saying that your audit found weaknesses in the systems, but they sure do mind when you say that they were the same weaknesses that were there ten years ago.

So I think that follow-up and the messages from that are particularly important, both for the audit office and for the parliamentary committee.

Thank you.

**Y. Gauthier (Facilitator):** *Merci.* Ron.

**R. MacKinley (Chair):** One of the things I notice here is the guide to strengthen the Public Accounts Committee. I think that's going to be a good guide and a good book. Because, for instance, here in the province - and we've had it for some time - is we had a business failure of over \$30 million and we haven't been able, and the Public Accounts Committee, has never - there's been motions made to have the deputy ministers come before us, bureaucrats. We've never seen anybody but the minister yet, even though the auditor had to call in the RCMP. They had a forensic audit done. The RCMP now are doing an investigation, yet all we get are parliamentarians, the minister responsible.

We don't get the deputies. We don't get the bureaucrats in. I think that we've got to be able to have a nonpartisan committee. What happens when you have the minister in, it goes to partisan politics, rather than the goal of the public, and that's saving money and finding out that we can't do anything about the loss of the 30 million or 32 million, but we can try to make sure that it never happens again. Because in PEI, 138,000 people, losing \$32 million in one deal that we know about - we don't know how much more is gone - that's a lot of money.

**Elwin Hermanson (Saskatchewan):** Thank you, Mr. Chair. Elwin Hermanson, Chair of the Public Accounts Committee in Saskatchewan.

I appreciated the four presentations. I found myself nodding with, in agreement with, each presentation that I heard this morning. Particularly interested in Mr. Dubrow's presentation on the effectiveness of Public Accounts. I wondered, given the theme of the discussion today about how they could become more effective and still do that within a non-partisan environment, did you review the difference between Public Accounts Committees where the government was a majority - which is the case in most instances - versus where opposition members form the majority of the members on the Public Accounts Committee,

such as the case federally, and, I believe, in Nova Scotia?

I know that in Saskatchewan we improved our overall committee structure in the province. It's modelled now more after the federal model and our committees are, I believe, more effective and do better work. But one of the casualties was that the opposition presence on the Public Accounts Committee was actually diminished. Where it was near parity - it wasn't at parity -, but near parity before the restructuring, it is now down to two members and a nonvoting chair.

So I'm just wondering if, in your review, you looked at the effectiveness of the composition of the committees and their ability to do their work in a nonpartisan way.

**G. Dubrow:** Thank you very much for the question.

I would just begin by mentioning that I, personally, on being new to the CF, wasn't involved in the actual compilation of data/ However, I can give you a sense of how the questions were compiled. As I said, we would really like feedback, but probably not that kind. What we did was we sent questionnaires to the clerks of the Public Accounts Committees - a fairly extensive questionnaire, I might add - and received our answers back. What we then did was compile them on the basis of 14 jurisdictions. We didn't single out any particular jurisdiction for reasons that I think would be understandable. So when we tabulated our answers we were able to say, for example, eight out of 14 jurisdictions had the following, seven out of 14 jurisdictions had the following.

So the answer is: no. We haven't singled out minority versus majority province, but what I think you're raising is one of a number of potential research questions which, depending on our capacity, we should be examining. I think one of them is minority versus - you know, how again - because the Public Accounts Committee, in our system of oversight, functions within the context of the importance of the legislature. How does a PAC function in a majority parliament? How does a PAC function in a minority parliament?

I think another question that is worth examining, and Rob Fleming alluded to this in BC - and again, I'm not singling out any jurisdiction, but just pointing to the comment he made - was what do you do when you have a situation and it's happened many times at the provincial level, where you have either no opposition members or one or two? What happens to accountability? What are the consequences of that? So the answer in

short is no, but I think the research question you've raised, and a couple of others, are quite pertinent. It would be worthwhile examining.

**M. Eastman:** If I could just add on a bit. It's a very important question. I don't think we got at it exactly in the way you phrased it, but we did find a couple of things which would allude to an answer.

The first thing is when - and I think when Rob Fleming actually mentioned this - new members on the Public Accounts Committee, it takes a couple of sessions with the auditor generals to get into sync, to get to the questioning, to know how to question witnesses. Therefore, extrapolating a little on your answer, the individual who's been in the chair for a while will have a style. The individual with the chair will set agendas better after a few cycles. Individuals who have been on Public Accounts Committees for awhile will have a better sense of exactly the roles and the responsibilities. Also, in a majority government, you would have a bit of a longer term focus through a few cycles. In a minority, you may not have the same sense.

So I would suggest that you could extrapolate and say that theoretically - and I underline the word theoretically - a majority government could and should have a more effective PAC than in a minority. But Nova Scotia might be an example where they have actually learned to work in a minority situation and it seems to have some positive effects.

What Geoff will be talking about just after break, though, is a self-assessment guide that we're actually looking at the parliamentarians and legislators to fill out. So instead of looking at this strictly from the role in the eyes of the clerks, we'll actually be looking at it at the role of the eyes through the legislator themselves and I think that might get more to the sense of the questions that you are asking.

**Y. Gauthier (Facilitator):** Another question on that side?

**Doug Griffiths (Alberta):** Thank you. I'll have a question at the end.

One of the most interesting comments I heard was the discussion around nonpartisanship. I was glad to see some recommendations about not having ministers at Public Accounts, to try and remove some of the policy questions that typically arise in Public Accounts, to move more to administrative questions about how public dollars are spent. I thought that was critical.

I also think one of the most important elements

that makes PACs effective is professional development for committee members as well as ministers. Because quite frankly, if ministers don't show up, it's deputy ministers and assistant deputy ministers, and they're fully aware of the use of Public Accounts. They can help improve their own performance.

Now I know one of the questions was how to make Public Accounts - where's the punishment for responding through performance measures and whether or not there is appropriate accountability. I'm aware that some jurisdictions in this country have - pay for ministers is based on the performance in their ministry. I do believe that if Public Accounts becomes nonpartisan, ministers aren't there, it's just deputy ministers, and there's full understanding of the types of performance measures, they're deeper and there's more meaningful questions asked by Public Accounts members, and more meaningful answers given by the administration within ministries, the reports that come out of Public Accounts could inform. Because our deputy ministers and assistant deputy ministers get bonus pay based on performance. But quite frankly, it's rather arbitrary and most of them get it because their colleagues get it and there's no specific process to inform whether or not deputy ministers should get their bonus pay.

But their effectiveness on performance measures and the quality of the evaluations they do on Public Accounts could help inform those bonus pays. Nothing hits anybody more than their own pocketbook, and that can be a very effective way of ensuring accountability. Those are my comments.

**Y. Gauthier (Facilitator):** Thank you.

If there's no more questions - the last question before the break and then -

**Arn van Iersel (British Columbia):** Thank you. Arn van Iersel, the Province of British Columbia, Acting Auditor General. I'd say one of the newer Auditor Generals in the crowd.

Since coming to my position, I've been thinking a lot about the relationship between the Auditor General and the Public Accounts Committee. In particular, what I was interested in is knowing what types of information do legislators who sit on Public Accounts Committees want to get that they're currently not getting. An example I would give you to start off the question would be, we do a lot of work in the audit office about our audit methodology, setting priorities in terms of what to look at and whatnot to look at. I understand that

some jurisdictions share that type of information with their Public Accounts Committees, others less so.

So I'm kind of interested from the legislator point of view, coming back to what is it that you would like to see that you're not now seeing that would give you a better understanding of the auditor's work and how to make us more effective without crossing the independence line? That's to any legislator who would care to answer.

**Y. Gauthier (Facilitator):** Rita Dionne-Marsolais. Okay. Vas-y.

**R. Dionne-Marsolais :** *C'est toujours - c'est une très bonne question puis c'est une question qui revient toujours. Je pense que pour les parlementaires, c'est très important d'avoir de l'information qu'on peut comprendre, et tous les parlementaires ne sont pas des comptables agréés.*

*Alors, la première chose, ce sont des indicateurs de performance, et quand je dis ça, c'est qu'il faut expliquer aux parlementaires ce que l'indicateur signifie, ce qu'il représente, ce qu'il veut dire, pour qu'on puisse poser une question et le comparer.*

*Donc, l'indicateur de performance par rapport peut-être au plan d'action du ministère ou aussi par rapport à ce qui s'est fait ailleurs. Comment on le compare parce que souvent ce qu'il m'a toujours frappé, c'est qu'on nous donne une valeur absolue, mais on ne peut pas - on ne sait pas si c'est bon ou si c'est mauvais ou si c'est mieux ou moins bien que ce qui se fait ailleurs dans une autre juridiction. Ça peut être ailleurs dans une autre province, dans un autre pays dépendamment de la meilleure référence, mais c'est très important.*

*Deuxièmement, de plus en plus, les parlementaires sont intéressés à répondre à la question, est-ce que le coût de ce service public là est plus cher, ou moins cher qu'ailleurs?*

*Et ça aussi, c'est une unité de mesure. Quand on ne regarde pas évidemment ce qui est évident, c'est la santé - dans le secteur de la santé, le coût des services, mais ça peut s'appliquer aussi dans d'autres sphères d'activité.*

*Le coût de donner un service à un citoyen, que ce soit mesuré à l'heure, que ce soit mesuré par résultat, et je crois que c'est très important, par exemple, pour les ministères de revenu, le coût de produire les (Indistinct) ou est-ce que c'est plus cher, moins cher, qu'est-ce que s'est fait au Canada ou dans une autre province, ces unités de*



*mesure là, et je pense qu'il y a beaucoup de travail à faire là-dedans pour que les parlementaires puissent dire à leurs citoyens : Nous sommes - nous avons chez vous une unité de performance qui est la meilleure, la moins bonne, ou dans la moyenne de ce qui est fait ailleurs. Parce que les citoyens d'aujourd'hui, c'est ça, leur question comme contribuables, la seule question à laquelle ils veulent une réponse est : est-ce que ça me coûte plus cher ou moins cher qu'ailleurs?*

*Et tantôt, on parlait de bureaucratie et des bureaucrates, en fait, ce sont des administrateurs publics, les gens qui nous fournissent un service public. L'élément public, c'est payé par nos impôts.*

*Mais cela dit, on s'attend à avoir un service et est-ce qu'il est plus cher ou moins cher que s'il est fourni ailleurs? C'est ça, la question, et c'est très difficile d'avoir une réponse à cette question-là, et je sais qu'au Québec, même au niveau de conseil du Trésor, il s'est fait beaucoup de travail là (Indistinct). Je sais que le vérificateur général aussi, de plus en plus, essaie de trouver des indicateurs qui nous - avec lesquels on peut être à l'aise et avec lesquels on peut se comparer aussi.*

**Y. Gauthier (Facilitator):** Alors, sur cette note.

On this closing remark, I'd like to thank our three panellists, Rita Dionne-Marsolais, Shawn Murphy and Rob Fleming, for their excellent presentations. I'm also thanking you for your good comments and questions.

[There was applause]

**Y. Gauthier (Facilitator):** So a health break. We will start again at five after 11 sharp.

HEALTH BREAK

**Business Session No. 2**  
**Continuation of the John J. Kelly Forum**

**Facilitators:** Geoff Dubrow and Yves Gauthier

**G. Dubrow (Facilitator):** So if we can reconvene. Just to begin, Shawn Murphy has an organizational announcement.

**S. Murphy:** Thank you very much, Geoff. Just 10 seconds here, just to announce that there's a short boat cruise scheduled for tomorrow evening. There's a change in time. I believe the materials indicated 6:00. That's been moved ahead to 5:15. That leaves - for those who signed up and are staying with us tomorrow night - that leaves from Peakes Quay. It's just a wharf in behind here. It's a very short distance. Drinks and hors d'oeuvres

will be served. Of course, because of the time of year, I'd urge everyone to dress warmly.

Thank you, Geoff.

**G. Dubrow (Facilitator):** Thank you very much, Shawn.

So far it's been a very interesting discussion. We'd certainly like to keep that going so just a couple of notes before we do that. One is, I've just been asked to request that people who speak, turn off their mike once they're done for reasons that I think are fairly evident at this point.

Before we get back to discussion, I did want to mention a couple of things

*Vous trouverez sur la table un guide d'autoévaluation pour les comités des comptes publics.*

You'll find, at your table, a Self-Assessment Guide for Public Accounts Committees. It's a four-page document with a blue cover. This is a guide that we have prepared following fairly extensive consultations with a number of jurisdictions. Many of the questions come out of our original survey, and you'll find that the five headings in blue match the headings that you'll find on the slide above you in the draft strategy. So part of the purpose of this was to offer this as a tool for our parliamentarians, and certainly, our legislative auditors, to take back to their jurisdictions.

CCAF has - *on est très chanceux d'être invités le 30 août au Québec. On a fait une présentation devant l'Assemblée nationale (Indistinct) comité des comptes publics ou administration publique, et on espère que,* and if there is any request for us to do further presentations in other jurisdictions, we'll be very happy to do so. I think this guide would be a very good assessment tool to complete or to use as a guide prior to our arrival or our discussion.

So I just wanted to point that out. Again, it's an opportunity to look through some of the detailed elements. You'll notice that there are two columns inside. One is just asking for a response. Does your PAC have an adequate budget? Yes or no. But then the next column asks: How important is this to your committee? So there might be a particular item that your committee doesn't have which isn't of high importance. Or there might be a particular item which your committee, you feel is very important. This is a way that we can start talking or open up a dialogue about some of the priorities to your particular jurisdiction.

I also just want to mention very briefly some updates that the CCAF has put out that Michael has in his hands. There is a series of updates that go out to our members. Copies were available at the back and they might have all been scooped up, but they're from colleagues of yours, members of Public Accounts Committees, legislative auditors, and if there's any interest in obtaining them and you're not able to get copies, please let us know and we'll be happy to send them to you.

Just maybe a few words to get back to our draft strategy, and then I think what we should do, Yves, is perhaps continue the discussion. Because I think there was already a fairly fruitful discussion going here actually, a very fruitful discussion.

Just to review the draft strategy and make a couple of quick comments. As you'll note again, the first element of the draft strategy is laying the foundation: preconditions for an effective Public Accounts Committee.

Rob Fleming had mentioned the absence, in his particular PAC, of research personnel. So, given the fact that in our survey we noted that something like approximately half the jurisdictions lacked research capacity, here's a relatively elementary question. How do you manage? How do you manage to function without research capacity? In levels where there are research capacity, there are often discussions about boosting that capacity, including at the federal level. So that's an issue that certainly might be worth discussing during our discussion.

Going on to the second area: Setting a nonpartisan objective and planning. Here there was an interesting point made by Shawn Murphy about the fact that at the federal level, Question Period is often the last exercise before the Public Accounts Committee. This brings up an interesting point. Asking, first of all, is there a consensus? When we ask the question: Is there a consensus about the objective being nonpartisan?, a lot of parliamentarians around the table might find that question a little naive. In the sense that if MPs are coming out of Question Period - the most politicized exercise of the day - is it hard to switch modes? Does the PAC sort of need to function as a nonpartisan bubble within a larger legislative process, and how do we achieve something like that?

Going over to number three: Holding an effective hearing. Again, pointing to something that Shawn mentioned. Good questions, he said, require 90% - sorry, actually, I think this would still be part of the second area. Shawn mentioned that good questions are 90% planning. Are you satisfied with

the planning process in your committee? Do you feel that if the planning process were to improve that that might influence the quality of the hearings in your jurisdiction?

Holding an effective hearing: We had a brief discussion about the questioning of witnesses. One of the questions that might come up is: Are you satisfied with how your PAC engages in the questioning of witnesses? Are you getting back the answers that you're looking for? Do you feel that you're asking the questions that are eliciting the kind of answers you'd like to get.

*Pour la quatrième, c'est la valeur ajoutée d'établissement du rapport de suivi. On peut demander, par exemple, si le CCP, a-t-il obtenu les méthodes de suivi efficaces pour établir s'il y a lieu de prendre les mesures pour mettre en œuvre une recommandation.*

*Aussi, on - je crois qu'on a entendu un peu concernant la continuité, existe-t-il un manque de continuité des membres de votre CCP ou CAP? Si oui, est-ce que c'est un oui au suivi de la mise en œuvre de la recommandation de CCP au gouvernement?*

I know - just with regards to the fourth component of the strategy, the value added - a very interesting discussion emerged in which one of our participants was talking about whether within our Westminster system the voluntary nature of Committee follow-up i.e., the Public Accounts Committee will issue recommendations but it's very much contingent upon the government to respond, and there was some question about whether that was going far enough. I certainly wouldn't volunteer an opinion on that, but I know that was part of the discussion, and so I think it sounds like there might be some interesting questions there.

Finally, as Rita Dionne-Marsolais mentioned, as we go to the fifth component, the importance of - I think Rob mentioned this as well - explaining to constituents what the value-added role is of the Public Accounts Committee. I would say that there might very well be an area there that might be worth discussing as well.

So with that, maybe I'll turn it back over to Yves to moderate the rest of the session and I look forward to the rest of our discussion.

Thank you.

**Y. Gauthier (Facilitator):** Geoff just went through, again, the five major themes of the model that should orient the strategy and all through this

Self-Assessment Guide.

I'd like to have a discussion on that and getting your input. For most of you it's the first time you've seen the document, but you've seen some components of the questions which are addressed in this guide, but I'd like to get your comments.

When I see something like this, I remember the way we used to use an internal control questionnaire in the past, where we had a list of questions and we should ask yes, no and non-applicable. We were caught up with the tool and not what we want to do with the tool. So what should be driving the usefulness of such a document is: What are we trying to achieve with our Public Accounts Committee, what are the issues, and to which extent the questions in there are pertinent to address particular issues? We may be at a different stage in addressing the five themes which are on the screen and we may have different issues where the sub-questions for each team becomes more pertinent. In a way, this is what I would like to get from this group: to which extent the five themes and some of the sub-questions have a particular interest or are particularly critical in addressing some of the issues.

I'd also like to hear from the group: To which extent you have tried or it is pertinent to have what we call the self-assessment of the PAC? I come from the private sector, and more and more, there's pressure of boards and audit committee to self-assess their effectiveness. It touches the elements which are put forward in terms of the management framework of the committee - *le cadre et le mode de gestion du comité*. It addresses the capacity, both in terms of the competencies of the individual, but also time, quality of information, quality of the resources made available, and also, a key element is the leadership of the chairperson of that committee, but also the leadership of the committee to make things happen.

So a series of questions have been addressed, so I'd like you to give me your comments on that.

I'd like to make other comments about the approach to do a self-assessment. Self-assessment or evaluation of committees should not be focus as criticizing the past or criticizing particular members of the committee in terms of their involvement and preparation, but rather idolizing the past to create, to build a future. It should be very much future-oriented. The purpose is not to assess, but rather how to improve the effectiveness of the team of the Committee. It's in that manner which I ask you to

read the themes and the questions and say to which extent these themes are important in order to improve the effectiveness of the group.

Not in order to criticize, because that's going to be part of the process, but mainly to build on those questions. So I open the stage again to your comments, questions.

*Alors, j'attends vos commentaires, questions sur cet élément-là qui - ou qu'on vous présente, la recherche que la fondation a fait en terme de (Indistinct) pour aider le comité à s'évaluer et à structurer la - en fait, l'organisation du travail et l'efficacité du comité.*

A long preamble, I was just trying to raise your interest at the same time.

*Le silence est difficile à gérer aussi.*

Thank you.

**N. Sterling:** I think Ontario has had a pretty good history of progression in improving our process, and that's happened through a series of parliaments that we have had. Is that on? Okay.

In the past year, for instance, one of the things that we've done is when a ministry is asked to appear in front of the committee, we say to the ministry: Provide to us before the hearing an update on the status of the steps taken by the ministry to meet the auditor's complaint before the committee meets. Because often the auditor - it becomes a matter of history. Our auditor reports in November. His investigation or his report may refer back as far as a year or eight months prior to the Committee actually looking at the auditor's comments and saying to the ministry: What are you going to do to address this?

So we assume, and rightly so, that the ministry has already taken steps to do that. So what we ask them to do before our researcher prepares our briefing material is the ministry forward to that researcher what steps they've already taken. In some cases the ministry provides us with a schedule of things that they have done up to - let's say, the hearing was in May and it referred to a matter a year before. They would provide us with a year's history of the steps that they have taken to that point. We're not really interested in going back and saying - we do congratulate them from time to time on some of the things that they do do, but we're more interested in saying: Okay, where are you going to take it from here forward?

We also, in going forward, say to the ministry: We want a response in - we set as short a period of

time as 30 days, and as long a period of time as a year or maybe even a couple of years if it's a very complicated problem to address and there are a lot of parts to it.

We also now have said to at least one ministry: Present to us what your bars are going to be. How are you going to measure how you're going to solve this problem? We've requested of the ministry: Present to us what numbers you're shooting for so that then the committee will know, or the successor committee will know, in a year from now whether or not you have addressed the problem

The other thing that we have done as well, in one case, in one ministry, we have set a date for next spring, the spring of 2007, for them to come back and report to us on the progress made in solving their particular problem. So we're not only asking for written responses, we're asking for what's the format of how they're going to respond and we're also, in at least one case, saying to the ministry: You come back to committee, regardless of who's sitting on that committee, in and about May of 2007 and report to the committee on what you've done to respond to this particular problem.

We've implemented a number of other changes as well. One of the other changes that we have asked our researcher to prepare for us is a comparison in other jurisdictions, particularly if the auditor has signalled in his report that other jurisdictions are doing better than we are. Then we want to know more about that particular jurisdiction which may be doing better in terms of efficiency or value for money, and whether or not there are other comparisons as well, not only in Canada, but in the United States as well.

So I guess from our point of view, from the PAC of Ontario, there continues to be change, there will continue to be improvement and refinement of the process, but basically, I guess, what we are heading towards is a more comprehensive reporting on our recommendations that we make. We're not going to let the ministry away with saying: We're hiring a consultant to recommend how we're going to solve this problem. We're saying to them: Fine, we'll give you time to do that, we'll give you time to argue with or debate with us, how much time you need.

In some cases we ask them for a schedule of how they plan to go through these steps so that the committee can say: You said that in six months you were going to do this. Why haven't you done this in the six months? So, we're even asking for schedules, not just one definitive date as to the future. So we're focusing on the future and the

reporting back very much in the Province of Ontario, and are seeking and will continue to seek new methods to hold the ministry accountable for what they said they were going to do to fix the problem.

**Jim McCarter (Ontario):** Another thing I could just add to that is we were talking earlier about situations where the auditor comes back after five or six years and you still have the same problems. One of the things that certainly helped us in Ontario was we do follow-up audits, and we found that when the Public Accounts Committee is selecting audits - if you go back five or six years ago, it would be unusual for them to select a follow-up audit. Now I think this year the Public Accounts Committee, I think, almost half the audits that were selected were follow-up audits where we report on have they implemented the recommendations from two years ago.

The impact that's had is that the deputy ministers in Ontario are very aware that it's a very high probability that the Public Accounts Committee will be asking them to come back and discuss a follow-up audit. So we're seeing a lot more pressure from the deputy ministers on down to the ADMs, knowing that they might be called for account, to make sure that they do take action on our implementations. That's helped us out.

**R. Dionne-Marsolais:** Another thing that we have developed in Quebec that might be useful, we - *je veux le dire en français, excusez. On - pardon - au début d'une audition, on explique très clairement. Aussi, on essaie - au sous-ministre et à son équipe qu'ils n'ont pas le droit de refuser de répondre. Ils doivent répondre.*

*Par contre, dans des cas où ils jugent que cette information-là est stratégique aux décisions de gouvernement où on peut mettre en péril l'autorité gouvernementale, on leur offre la confidentialité.*

*Et à ce jour, moi, je suis très fière de dire que dans notre comité, dans les cas où on a eu de l'information qui était confidentielle, je vous donne un exemple, notamment au niveau de système de sécurité de ministère du Revenu, il n'y a pas eu de fuite d'aucun membre du comité de la commission parlementaire, aucun membre parmi les députés qui ont délégué l'information qu'on a reçue (Indistinct) confidentiel, et je pense que ça, c'est important pour établir aussi la confiance avec les administrateurs publics.*

*Deuxièmement, dans des cas - parce que ça peut arriver où on sent une réticence de la part des administrateurs publics. Ça arrivait que les réponses n'étaient pas satisfaisantes, on leur*

*donne - on a commencé à leur donner des devoirs. Et ça, au début, c'était (Indistinct), un petit peu, pour qu'ils prennent au sérieux les enquêtes qui sont faites par les députés.*

*Mais finalement, c'est devenu très utile parce qu'en leur donnant des devoirs, on leur donne aussi une date d'échéance où est-ce qu'on veut avoir les résultats et donc, par la suite, on reçoit des documents qui sont très utiles pour nous pour suivre attentivement certaines choses, de sorte que dans des dossiers délicats et dans des - avec des sous-ministres qui sont souvent - qui ont beaucoup d'expérience parlementaire, entre guillemets. Souvent, ils répondent aux meilleures questions, mais quand on leur donne un devoir, on dit : Voici, à la fin, voici ce que croire. On n'est pas satisfaits des réponses et on donne les questions. Elles sont enregistrées et on leur demande, bien, vous allez prendre quoi? Une semaine? Deux semaines? Trois semaines? Un mois, là? Mais on veut la réponse, puis on donne le maximum. Généralement, c'est maximum d'un mois, parce qu'on présume qu'ils ont les réponses, mais ils ne veulent pas nous les donner.*

*Ils veulent pas nous dire qu'ils veulent pas nous les donner et ça, ça était Très efficaces pour établir la crédibilité de la commission et des parlementaires auprès des administrateurs publics, qui sont souvent, il faut le dire, beaucoup plus qualifiés que nous dans leur domaine et donc, quand ils sont obligés de créer les réponses aux questions, ils les font une fois.*

*Après ça, quand ils repartent devant nous, ils ne répondent pas tout de suite parce qu'ils ne veulent pas être obligés de créer les réponses, parce qu'à ce moment-là, on peut revenir avec d'autres questions et quand c'est écrit, bien, ça reste.*

**S. Murphy:** Additional thoughts that I have on this particular issue - and again, there have been some great suggestions made. One issue, of course, is the whole issue that's been raised, the continuity of the members of the committee. This causes a lot of problems when you see the members being churned continuously. Additional training to the members - it has to be drilled into the members of the Public Accounts Committee that this committee is different than any other committee of parliament. This is a committee of accountability, not policy. We don't deal with whether the government should do that or shouldn't do that. That is an issue of policy that most other committees deal with.

I think it's important that the committee have a very close relationship with the Office of the Auditor General, acknowledging the independence of that

office, but again, we have to, as parliamentarians, understand why certain reports are being done, why certain reports aren't being done, and take suggestions both ways.

One improvement that Sheila's already mentioned that's being done federally and perhaps can be improved upon more is this whole issue of follow-up, and that is something that we all have to - from what I hear around the table - we all have to work on. Norm made some excellent suggestions. He's scheduled a meeting, I think, nine months down the road and that will certainly - by doing that, the heels of the people are on the fire. I think it has to be systemic method of follow-up to the recommendations that originate in the Office of the Auditor General.

One last comment I would make, and that is a problem in Ottawa - and I don't know if the same problem exists in the executives of the provincial governments - and that is we seem to have a problem in Ottawa with the churning of deputies. I think the average tenure of a deputy now is probably less than two years. We have situations where there is a problem in a department but the person that we have in front of us is a deputy and he or she is saying: Don't blame me, I've only been there three months, in a year's time I'll have all this straightened up. But in a year's time that person is long gone and we're dealing with a new deputy saying the very same thing. So that is a problem in the Ottawa scene. We've made that recommendation a number of times, as have other commissions and bodies, and hopefully it will receive some attention.

**Y. Gauthier (Facilitator):** Thank you, Shawn. Rob.

**R. Fleming:** I just wanted to make a comment about follow-ups. Because I think with some reports where you're dealing with recommendations that have to do with financial controls, you see ministries and Crowns and agencies typically taking those to heart and immediately responding, and compliance is very high.

One of the areas that has come up recently to our PAC's attention that I think is maybe worth highlighting is around the performance reporting. In BC now every ministry and Crown has to do a performance report so they have to show what they're measuring to rate their own effectiveness and disclose that. It's been five years of that now being a requirement. Our most recent report from the Office of the Auditor General showed that in some cases we have organizations - the Workers' Compensation Board comes to mind - that have done very well. The reporting is excellent, and

they've produced the kind of reports that any member of the public could go on, download, read and understand how workers' insurance is functioning in the province. But in other cases, in ministries in particular, performance reporting has actually slid backwards.

So it's a question both for the PAC and for Auditor General's offices, because so far the strategy of exhorting ministries to do better performance reporting hasn't worked. I think, there again, it's a question of the culture, whether those ministries accept willingly - and they're not just being compelled to pursue - performance reporting, but they actually have an active interest in it and want to present information and measure the right things.

We're in a bit of a situation in British Columbia where we're not actually advancing on the issue of performance reporting and I think we have to ask how the PAC and the Auditor General's office can work together so that we do.

**Y. Gauthier (Facilitator):** Thank you, Rob.

I'd like to hear if anyone has tried or thinking of trying assessment of the effectiveness of the PAC in their own jurisdiction. Is that politically feasible? Or has it been tried? Or any recommendation you'd like to make to others in this regard. Has it been tried?

**Larry Dennis (Bermuda):** I don't know if this is exactly what you're talking about, but what I was - I want to ask a question and this is from - Quebec was mentioning it. That the witnesses have to answer the questions that have been proposed. But what actually happens when the witness refuses to answer?

From my research, it looks as though the Public Accounts Committee goes back to the House and it performs some kind of disciplinary thing. But in the process that is sort of long and some of the words that are being used are not recognized. For instance, I think we need something like - people understand what is contempt of court. We need something like this is contempt of parliament, and what is the immediate effect? Because for the Public Accounts Committee to take it back to the House for some kind of repercussions, the process is too long. I've noticed recently that witnesses are absolutely refusing to answer and they're being advised not to answer. So what happens when this actually occurs in your jurisdiction? What would you do?

**R. Dionne-Marsolais:** *Bien, c'est arrivé. C'est arrivé, un refus de répondre, à quelques*

*occasions, et à ce moment-là, comme présidente, je rappelle au - à la personne qu'ils n'ont pas le droit de refuser de répondre, et dans les cas où ils ne veulent pas répondre tout de suite sous le prétexte qu'ils n'ont pas l'information, il se peut que ça arrive.*

*Alors, à ce moment-là, on leur dit : Vous devrez d'ici 15 jours, nous répondre par écrit, mais on offre, comme je l'ai dit tout à l'heure, on offre, dans les cas où ils craignent de mettre en péril la sécurité du gouvernement, ça peut arriver. En ce moment-là, on leur offre la confidentialité et comme je l'ai dit, à ce jour, les membres de la commission ont respecté ce devoir de confidentialité.*

*C'est-à-dire que nous n'avons pas transmis l'information publiquement et nous l'avons discuté entre nous et dans notre rapport, on en a fait état quand on avait reçu une réponse à la question, mais on n'a pas fait état de la réponse, et c'est normal aussi parce que le rapport est public.*

*Donc, honnêtement, moi, je serais réticente à parler des mépris de Parlement parce que je ne crois pas que c'est dans l'intérêt de - aux fonctionnaires où d'un administrateur public de refuser de répondre. Il y a des raisons pour lesquelles il peut refuser de rendre publique sa réponse, et donc, de répondre tout de suite durant la commission parce que nos auditions sont publiques. Elles sont accessibles, soit à la télévision dans les salles où cela est possible, soit par les transcriptions, mais il - on n'a pas eu une date.*

*Et d'ailleurs, la greffière dans notre commission - qui est ici, Nancy Ford - elle fait un suivi des réponses qu'on a reçues ou qu'on n'a pas reçues, et on rappelle quand elle fait une réunion de travail, est-ce qu'elle encore des questions, on suspend et puis, on a fait notre travail, mais à date, c'est pas arrivé où on n'a pas eu de réponse de tous à nos questions parce qu'on a dit clairement : Vous n'avez pas le droit de nous refuser de l'information. C'est aussi simple que ça.*

*Et d'ailleurs, il y a eu un système pour permettre de (Indistinct) un avis qui était demandé à la commission d'accéder à l'information parce qu'au Québec, on a une commission d'accès à l'information, et les parlementaires ont le - je sais pas comment on appelle ça - l'unanimité parlementaire où on peut demander toute d'information qui relève de l'administration des fonds publique. C'est le droit des parlementaires, mais évidemment avec le droit vient d'avoir le respect aussi, là.*

**Brian O'Neal (Ottawa):** My name is Brian O'Neal and I'm one of the analysts for the Public Accounts Committee in Ottawa.

I just want to get back to the whole issue of follow-up. As Mr. Murphy mentioned, it's a continuing challenge for our committee to find ways of making sure that the recommendations that the committee has made and that departments have agreed to implement are actually implemented and produced the kind of results that the committee would like to see.

I've noticed that in British Columbia as of 2004 you've, in effect, codified a process that is to be used in terms of responding to not only your reports and recommendations, but also those made by the Auditor General. As far as I know - oh, and you've put this on your website, which is the way I was able to find it. What I'd like to know is that by codifying that process, by formalizing it or institutionalizing it, in effect, you've actually managed to improve the process of getting feedback from the departments in terms of their response to your recommendations.

I'll give you a bit of breathing room by saying I recognize that this is just 2004 that you put this in place, so maybe people are still getting used to it.

**R. Fleming:** Sure. My point that I was making previously was in the area of performance reports that ministries are mandated to do.

I think what I was trying to say was that we need a strategy to actually make sure that information is presented, that we're measuring the right things, and that information is actually being used. We have reviews all the time of how much legislators use the Auditor General office's reports as well as the ministry reports, and it's very little. Considering that we're the conduit to the public, I think that says that we've got a much better job to be doing. I think that one of the things that we have is a good working relationship between the Office of the Auditor General and the civil service in the various ministries.

So in terms of the helpfulness of suggestions and how those are acted upon by ministries, we do have a good record there. If I had to hazard a guess as to how many recommendations at this current time have been made in the last 10 years that have been acted upon, I would say it would be in the order of 95%, but that's just a guess.

But what I was saying in my initial remarks, too, is that we have this annoying habit of doing seven or eight follow-up reports on those outstanding 5% of recommendations that go back several years. It's

simply preventing our Public Accounts Committee from looking at the fresh issues of the day, accepting new reports from the Auditor General. So I don't think it's complicated, but we have to find a way to get that out of the way and free up agenda time for more important issues.

**Sarah Perreault (Québec):** *Je suis donc la collègue de Rita Dionne-Marsolais. Je veux revenir à ce qu'elle est arrivée à dire toute l'heure. Notamment, ce qui est le très haut degré d'impartialité que nous avons, que nous sommes parvenus à obtenir sur la commission, qui est, en parti grâce à la (Indistinct) de notre présidente, mais aussi à la collaboration des membres.*

*Et je veux revenir tout à l'heure et vous parler du dépôt de documents, celui qu'on demande aux sous-ministres, etc. Je dirai que la difficulté que nous avons est souvent reliée au fait de la présence de porte-parole qui ne collaborent pas toujours à (Indistinct) dans les valeurs que nous sommes données.*

*Évidemment, la présidente de (Indistinct) ordre, mais ça mène un degré de difficulté quant à l'impartialité de la commission, et souvent, dans ce cas-là la présence de porte-parole - dépendamment des porte-parole, évidemment, il y en a qui collaborent.*

*Et la deuxième difficulté, c'est lorsque les sujets sont extrêmement chauds - les sujets de l'actualité qui nous portent au coeur d'une situation qui est conflictuelle et que les porte-parole sont présents.*

*C'est quand même souvent un degré de difficulté et je me demande si vous aviez, dans d'autres juridictions, les mêmes problèmes quant à cette présence-là, la fameuse présence des porte-parole, et d'aussi d'actualité, qui sont deux éléments qui viennent, je pense, à mettre en cause l'impartialité de la commission de l'administration publique.*

**Y. Gauthier (Facilitator):** *Avant d'être - before I give you the microphone in the back, are there comments or questions or complementary comments you want to make to this intervention?*

**G. Dubrow:** Maybe I can just add something just to mention the context. A very interesting comment that we actually had a bit of a discussion in during our meeting in Quebec City which was - there's a lot of focus - and I'll just throw this out as the question - on ministers testifying. There's a lot of focus on, in our survey and in the Commonwealth Parliamentary Association, about ministers being members of committees. The question I think our

colleague from Quebec is raising is what happens to the dynamic in a Public Accounts Committee when the opposition critics are present? Does that politicize things? Is it helpful? Does it hinder the nonpartisan nature of the committee? I think that was the very interesting discussion we had, and perhaps from another jurisdiction there might be a comment on that.

**N. Sterling:** In my 3.5 years chairing the committee in Ontario, we have not had any problems with witnesses not answering or cooperating with the committee because, I think, if that happened in our particular situation, that would become a greater issue than them actually answering the question. So it hasn't become a real problem in the Province of Ontario.

I guess the other aspect is in Ontario, I believe, all of the committee have the view that they're there to help the administration solve the problem. So that it's not sort of the committee versus or against the ministry officials that are appearing. They are trying to say: Okay, what do you need highlighted in order to solve a problem? In fact, at one point in one of our hearings I asked one of the deputies: Would it help you if we made a particular recommendation that really, in effect, scolded an outside group and said to the outside group: Cooperate with the government in order to take the next step in solving the problem? The answer was: Yes. In other words, we included in our report really a condemnation of an outside group, a very powerful group, which the ministry were reluctant to ride hard on to solve a particular problem with regard to meeting a regulation, a regulatory atmosphere.

So we just haven't had that particular problem in dealing with witnesses that have appeared in front of us.

**Y. Gauthier (Facilitator):** Just before I go to that question - but I'd like to go back to the - *à retourner à l'intervention d'avant parce que je ne suis pas sûr que je comprends bien - que tout le groupe aussi comprend bien - quand on a parlé d'un porte-parole officiel, on parle possiblement du porte-parole officiel de l'opposition, qui agit comme membre du comité ou qui intervient spécifiquement dans un (Indistinct) quand (Indistinct) l'opposition (Indistinct) ministère ou l'organisme qui (Indistinct) question sur laquelle on adresse et ce porte-parole - ce ou cette porte-parole est là pour présenter cette (Indistinct) comme membre du comité ou en remplaçant un membre.*

**S. Perreault:** *Au fond de ce que j'avais dit, spécifié, quand j' ai parlé de porte-parole, c'est le*

*critique officiel de l'opposition, qui, chez nous, est un membre invité ou temporaire qui siège à la commission d'office. Donc, il est présent à chacune de nos auditions, nos consultations. Ce qui me mène à vous dire, bien évidemment, il y en a certains d'entre eux qui collaborent d'une façon très constructive aux auditions. Par contre, il peut arriver que certaines critiques de l'opposition officielle pensent - ma collègue dit qu'ils croient que c'est une autre commission parlementaire, mais enfin, (Indistinct) pas les mêmes objectifs que ceux qu'on - que la commission s'est donnée, notamment en matière de réduction de compte et de l'impartialité parce qu'au fond, l'équilibre de notre commission repose sur la confiance que nous avons développée entre chacun des membres de cette commission-là. (Indistinct) à (Indistinct) réduction des comptes et à la façon de fonctionner.*

*Donc, je me pose la question si chez vous, vous aviez le même problème dans d'autres administrations par rapport à ces critiques officiels qui viennent agir sporadiquement sur la commission?*

**Y. Gauthier (Facilitator):** Ron, is your intervention linked with that? If not, I'll give the - *la parole à* - at the person in the back because she's been waiting for awhile.

**R. MacKinley:** Let her go now (Indistinct) later.

**Y. Gauthier (Facilitator):** Okay.

**Bonnie Lysyk (Manitoba):** One of the fascinating documents, I think, that you produce - my name is Bonnie Lysyk, I'm the deputy Auditor General in Manitoba - is the one that says: Assessing the impact and effectiveness of the Public Accounts Committee.

In the back of that document you have a chart that illustrates short-term, medium-term and long-term goals to the success of a Public Accounts Committee. The thing that I find interesting is that it highlights that the short-term goal is the acceptance of recommendations. The medium-term goal is the implementation and successful implementation of best practices in a jurisdiction as a result of those recommendations. But the final outcome, the long-term outcome for an effective Public Accounts Committee, is that there's improved public confidence in government and accountability and stewardship of government has increased.

Interestingly enough, that links directly to the way, in our province, we've looked at how our role contributes to improve governance in the province.



We actually have conducted a survey of citizens in Manitoba to determine whether the work from the recommendations and the reports and the discussion around that, what the public feels around that. Over a three-year period or a six-year period of surveying, we've had about a 20% increase in that citizens in Manitoba agree that the office helps build greater public trust, confidence and accountability of government to the citizens of Manitoba.

So the interesting thing about this chart is that's how we measure the operation of the success of an audit office, or our audit office in particular. How easily that accountability can transfer to a Public Accounts Committee, where the achievement in surveying citizens, can be an indicator to Public Accounts Committee that the public is recognizing their role in improving governance, accountability, transparency and public trust, in general.

So I just found this one brochure that you published, sort of the end result and the outcome that everyone is probably trying to achieve, is that the public, as a whole, believes that government is accountable and transparent and trustworthy.

**Y. Gauthier (Facilitator):** We have three questions or three comments. Ron, Sheila. Do you want to start, Ron?

**R. MacKinley:** Okay, just relating, I, as chairman of the Public Accounts Committee here in the province of PEI, one of the problems we have with the Public Accounts Committee - and making a score card of it - is that when the general public make a decision, we haven't been able to get the bureaucrats before us, as I said earlier. What they have done - the Public Accounts Committee has done - is decided to bring in the ministers, and then the ministers decide who they want to come. Well, if we're missing five crayons, they'll take the deputy minister, but if it's missing \$30 or \$40 million the minister comes himself.

We have a problem with that because we're always overruled by it. That's one of the biggest problems and that puts a bad perception out to the general public. It looks like we're not doing our job. This is one of the things that comes up to haunt me. I'm not saying there's any difference - if you go back, I've been here for a long time, and even the previous Liberal government, when we got into some hot stuff, I ended up I didn't get back on the Committee. The question is you're responsible to the people who elect you. You're responsible to the auditor. It makes it very hard for the auditor to do their job if, all of a sudden they do their job, and then all of a sudden the committee decides: We'll bring the minister in. The minister decide that if

there's 10 crayons missing or five, I'll take my deputy in and he can answer the questions, but if it's 30 or 40 million missing, I'll answer that on my own and I'll take the hit on the media that night and then hope it dies off.

That's where we're at in the province.

**Y. Gauthier (Facilitator):** Sheila Fraser.

**S. Fraser:** *Merci. Je voulais juste répondre un peu à la question du Québec. Au fédéral, les membres, les critiques de l'opposition font - sont membres du comité, je pense, depuis longtemps. Dans notre expérience, ce n'est pas le fait - je veux le dire en anglais.*

I don't think it's so much the position of the people on the committee but rather the issue being studied, and we have even had experience in a few cases of ministers appearing before the committee. When it was a more controversial issue being studied, the committee quickly became very partisan. When it was a less sensitive issue, the committee continued to work in a nonpartisan manner. So I think it depends very much on the issue rather than the position of the people around the table.

**N. Sterling:** In terms of the critics in Ontario, the critics quite often from the opposition parties take part in and substitute into the committee. That's primarily because of the makeup of the House. We have only eight New Democrats and therefore the ability to question and to have knowledge of the particular subject is greater in the hands of the critic of that particular area, so that quite often we have a critic come in.

We had the opposite problem for a short period of time, when I started to chair the committee, with parliamentary assistants or secretaries to ministers. When the new Liberal government got elected they sent in their parliamentary assistants to, in effect, defend the ministry that was in front of the committee. We don't have a rule in our standing orders to prevent that. We do have a rule in our standing orders to prevent a parliamentary assistant from asking a question in the House of his own or her own minister.

But after consultation with the governing Liberal Party, they decided that it was best not to continue that practice. Richard Patten, who is a Liberal member of that committee, actually, he tells me, took it to his caucus and they decided that they would withdraw that practice of sending in a parliamentary assistant to, quote, "to defend" that particular ministry to appear that they were not trying to influence the Committee's report.

I thought that was very magnanimous of them even though we didn't have a rule. So, critics, yes, parliamentary assistants, no, in Ontario's PAC.

**Y. Gauthier (Facilitator):** *Merci. Une dernière intervention?*

**Cécile Vermette (Québec):** *Oui. Alors, moi, j'ai de la misère à voir dans ce que vous avez écrit, vous avez dit, du vérificateur général - le vérificateur général doit être un des alliés, en fait, de la commission.*

*Il doit avoir différentes interprétations par rapport à ce terme « allié ». Comment, en fait, dans les différents comités, on utilise, comme référence, le vérificateur général, parce que quant à nous, on utilise le nôtre, on travaille beaucoup avec le vérificateur général.*

*D'ailleurs, on prépare les auditions avec lui à chaque fois qu'on doit faire une réduction de compte par rapport à un ministère qui avait la gestion de ministère qui était en fait dans le rapport.*

*Donc, est-ce que c'est un peu partout de la même façon de voir les choses? Parce que quant à nous, on considère que sans son (Indistinct), sans son éclairage par rapport à certaines situations, ça serait plus difficile pour nous de faire notre travail.*

*Donc, on (Indistinct) au rôle et à sa fonction et notamment aussi pour continuer dans le même sens que parlait ma collègue Rita Dionne ou la question que le monsieur posait en ce qui concerne s'ils refusent de nous donner des informations, les sous-ministres, qu'est-ce qu'il y a (Indistinct)? Bien, évidemment comme on travaille de concert avec le vérificateur général, bien, quand ils savent qu'il y a une possibilité que le vérificateur puisse faire une autre audition par rapport à toute leur gestion, mais je pense que c'est déjà là. Ça donne le temps à la commission qu'on veut donner aussi à nos travaux.*

**Y. Gauthier (Facilitator):** *C'est une excellente façon de - en fait, de terminer, puis donner un introduction à Geoff pour - and some closing remarks.*

*C'est clair que généralement, il y a une coordination, une collaboration très étroite entre les comités des comptes publics et les vérificateurs, qui tant (Indistinct) entre le sujet, tant sur la vérification qui a été faite entre un rapport, mais évidemment, il y a une obligation, une responsabilité du Public Accounts Committee to set its agenda.*

*Alors, il y a un élément de délibération des priorités en fonction de ce qu'on peut faire parce que la portée du rapport du vérificateur général dans chaque province et au Canada, c'est vaste. Alors, il y a un élément de comment épuiser les éléments d'information critiques pour le comité des comptes publics et aussi le lien avec les enjeux courants auxquels (Indistinct) faire face. Il y a un élément des sujets particuliers qui sont là, que le vérificateur général n'a pas encore touché, après il va y toucher. Alors, il y a un mélange entre cette information, un bon mix qui va y avoir par l'agenda et le focus que chacun va en parler. Évidemment, ça demeure la responsabilité du comité. Alors, Geoff, je vais te passer la parole.*

I'll give you the stage to conclude and maybe add on this last question or comments that were made.

**G. Dubrow (Facilitator):** Thank you very much, Yves.

I think, actually, your closing words were very helpful. So I think, given the hour and given that lunch is in the next room, I think it will be more popular if we conclude rapidly.

So having said that, I just want to mention that I'm very happy that we had this discussion today. We've learnt a lot. It's amazing what a rich range of experiences we have within our own country and within our own jurisdictions. I think it's an excellent opportunity for our different jurisdictions to hear from each other, but certainly also for us to go back and try to incorporate some of that experience.

We'd be very happy to engage one-on-one with your jurisdiction to talk about the challenges you face, your strengths, and how comparative experience from our other jurisdictions can be helpful. We've already started that dialogue and we'd be glad to continue it.

I just want to thank very quickly, again, Yves Gauthier, for having chaired the panel and for having co-moderated the session today. We very much appreciate it.

*Je veux aussi remercier nos panellistes: Shawn Murphy, Rita Dionne-Marsolais et Rob Fleming. Et (Indistinct) autres ici à l'Île-du-Prince-Édouard. Merci beaucoup et bonne journée.*

[There was applause]

**J. McCarter:** Maybe, on behalf of the group, too, I'd really like to pass along our thanks. I know Mike and his team, I think most of you were probably in Niagara-on-the-Lake last year when he hosted the

conference. I think sometimes we forget. We think they come and they do a three-hour session, but the real work is all the work that they do during the year to get the material, to come, and to bring this and put on the session.

So I would just like to express our thanks for the work that you do at the session, but especially, throughout the year in helping us progress. So thanks a lot.

[There was applause]

### **Business Sessions No. 3 and No. 4**

**Chair:** Robert Ghiz, Leader of the Official Opposition, Prince Edward Island

**Topic:** *Reports from Jurisdictions*

**Robert Ghiz (Chair):** Good afternoon. I'm Robert Ghiz, Leader of the Opposition here in the Province of Prince Edward Island. Also a member of the Public Accounts Committee.

I guess this afternoon we're going to be doing presentations by provinces and territories. We've got seven presentations to do, so that works out to about five to 10 minutes per presentation, and we'll try and make a little bit of time for some questions or remarks after that.

Before you speak, I'd ask all presenters to please make sure that they identify themselves for Hansard, and also I'd ask people to remember to turn off their microphones when they're done speaking.

*Bienvenue aux présentations des rapports pour les comptes publics pour l'après-midi ici le lundi 11 septembre à l'Île-du-Prince-Édouard. Mon nom est Robert Ghiz. Je suis le chef de l'opposition ici à l'Île-du-Prince-Édouard. On a sept présentations à faire cet après-midi. Alors, on va commencer maintenant avec le Nunavut.*

So our first presentation this afternoon will be from Nunavut. I'm not sure where you are. If you can identify yourself? Perfect. Is it Keith Peterson? I'll ask you, five to 10 minutes, and then we'll try and make some time after for some questions and remarks.

Thank you very much.

**Keith Peterson (Nunavut):** Thank you, Mr. Chair, and good afternoon, everyone.

My name is Keith Peterson. I am a member of the

Legislative Assembly of Nunavut for the constituency of Cambridge Bay. For those of you who don't know where Cambridge Bay is, it's about 750 km north of Yellowknife, Northwest Territories, about 400 km north of the Arctic Circle. So you can appreciate that I am very happy to be here today.

I'm the co-chair of the Legislative Assembly's Standing Committee on Government Operations and Accountability. That's our name for our public accounts committee. With me today are Hunter Tootoo, MLA for Iqaluit Centre and chair of the standing committee, as well as our committee staff, Nancy Tupik and Alex Baldwin, and they are sitting right behind me.

We'd all like to express our appreciation to our host jurisdiction, Prince Edward Island, for the warm Island welcome and hospitality this week, the great weather and the small potatoes.

Nunavut, along with the Northwest Territories, is one of two Canadian jurisdictions whose legislature operates on a nonpartisan, consensus basis. In Nunavut we have 19 MLAs. One serves as Speaker, eight are in Cabinet, and 10 are called - we call ourselves regular members and we're sort of the unofficial opposition. So you can appreciate that the Cabinet pays a lot of attention to what we have to say.

The Standing Committee on Government Operations and Accountability, among other responsibilities, have used the annual public accounts of Nunavut and the reports of the Auditor General. The Auditor General's annual report to the Legislative Assembly was tabled in the House in February of this year and subsequently referred to the standing committee for review. In April, the standing committee had the pleasure of again welcoming Auditor General Sheila Fraser and her senior officials to Iqaluit. Iqaluit's our capital.

The standing committee held several days of hearings on the contents of the Auditor General's report. Our hearings were open to the public and media to observe. These hearings constitute a major annual accountability exercise for our jurisdiction, as they provide an opportunity for elected members to pose detailed questions to senior government officials on issues of concern. The Auditor General's report to the Legislative Assembly highlighted a number of areas of concern for MLAs, including the government's late production and tabling of the annual public accounts, gaps in its accounting systems and problems associated with its decentralized operating structure.

The standing committee presented its own report and recommendations during the June sitting of the Legislative Assembly. It's quite a thick document. We had to translate it into different dialects as well for the public to read. The government's response is required to be tabled in the House later this year. We're sitting in late November. These documents are posted to the Assembly's website immediately after tabling.

In its past responses to the Committee's reports, the government has made a number of commitments. We have been diligent in monitoring the government's progress in keeping these commitments.

We have seen progress in a number of areas, including greater transparency in the government's public reporting of its grants and contributions expenditures, leasing activities and contracting practices. During the scheduling of our hearings we have allocated specific time periods for members to follow up with government witnesses on the exact status of past commitments and responses. Government witnesses are made clearly aware, before they appear before us, that a certain portion of the hearings will be specifically focused on follow-up matters and the actual fulfilment of commitments. It's interesting. I've been a MLA for 2.5 years so I'm following up on stuff from five, six years ago but we are making progress, I'm happy to report.

The standing committee was pleased to present a report last year in support of a motion that was passed by our colleagues in the Legislative Assembly of the Northwest Territories. As some of you may be aware, the Workers' Compensation Board of Nunavut and the Northwest Territories is shared between our two jurisdictions. The motion called on the Auditor General to undertake a comprehensive performance audit of the Workers' Compensation Board. The Auditor General's report on this audit was tabled earlier this year in both legislatures, and she appeared in person before a standing committee of the Northwest Territories Assembly in June to present her report.

I was pleased to have been officially invited to be in attendance at these hearings on behalf of our committee and jurisdiction. Unfortunately, I wasn't allowed to ask the Auditor General any questions, or any of the witnesses. I was there as an observer. But we're hoping to invite the Auditor General to our jurisdiction early next year on the same report.

Last summer the Auditor General of Canada travelled with her officials to the community of Arctic Bay, which is located on northern Baffin

Island. This trip was designed to give her a better understanding of northern and Inuit issues with respect to her federal auditing responsibilities. We have been pleased to note the time and effort that she has made to become familiar with Canada's North and the attention paid to such federal activities as the food mail program, which is of significant importance to our remote communities. It is very expensive to live in Nunavut.

In closing, I would like to thank our hosts again and express our appreciation to all participants for sharing their experiences and insights. Thank you very much. Nakurmiik.

[There was applause]

**R. Ghiz (Chair):** Thank you very much. *Merci beaucoup.* If there's any questions or comments, we do have a couple of minutes now if you've got any questions for Mr. Peterson.

If not, we'll be moving onto Newfoundland and Labrador, *le Terre-Neuve et Labrador, et puis je ne sais pas qui est ici.* I'm not sure who's here. If you could raise your hand and identify yourself? Perfect. We'll let you take over.

**Eddie Joyce (Newfoundland and Labrador):** Thank you very much.

My name is Eddie Joyce. I'm from Newfoundland, representing the District of Bay of Islands. Other people here from Newfoundland and Labrador on the Public Accounts are Yvonne Jones, Percy Barrett, Kathy Goudie, and we have Mark Noseworthy who works with the House of Assembly who does a lot of work for our PAC.

First of all, I've been asked to thank the -

[There were technical difficulties]

**Unidentified Speaker:** *(Indistinct) l'interprète ne comprend pas les paroles de Monsieur - il n'y a pas de traduction sur ce qui s'est fait. Il faudrait peut-être approcher le micro de votre bouche. (Indistinct).*

**E. Joyce:** First of all, on behalf of our colleagues, I'd like to thank PEI for the tremendous hospitality that they're offering to all of us.

On the Public Accounts of Newfoundland and Labrador, it's a consensus that we are working very well as a group. The group at times do cross the political lines but the majority of times we usually understand our roles and it's very cordial at our meetings.

We do have a very good working relationship with the Auditor General in Newfoundland and Labrador. We have developed a process now where every report that the Auditor General presents in public or in private, that he will meet with the Public Accounts who discuss it in more detail. It's a very informative session that we have with the Auditor General when these reports are made and it's very detailed when we meet with him personally, sometimes very frank, which gives us a much better insight than just an overall review.

Our Public Accounts usually meet again only when the House of Assembly is closed because of time restraints and the other information, the duties on the house staff, and other things that - we meet when the House of Assembly is closed.

In the last year, we had over nine formal meetings. We meet fairly regularly and discuss issues and see which issues we're going to bring forth. We met with Michael Eastman and Elizabeth MacRae of the Canadian Comprehensive Auditing Foundation to discuss their proposed document on parliamentary oversight committee. This meeting was very informative. We enjoyed it very much. We received and reviewed the final document, which we find is very beneficial and helpful to our group.

In the last year in Newfoundland and Labrador, there is a very hot topic, the VLTs. This issue has been in the media in Newfoundland and Labrador, and last year we had a Ms Michelle Carinci, she's the chairperson of Atlantic Lottery Corporation, appear in front of our Public Accounts Committee. It was a very informative meeting. It was a very proactive meeting. It was open to the public and to the media. It's kind of an issue that has been growing in Newfoundland and Labrador with their revenues and VLTs, and especially VLTs on the increase. We will be presenting a report to the House of Assembly later this fall on our findings of the meetings with Ms. Carinci.

We are currently seeking information from five different points that were raised in the Auditor General's report. One is Memorial University. Just as an example, at Memorial University we are trying to get some information on how the medical association admits students into the program. As we all know, there 's a shortage of doctors. In Newfoundland and Labrador we have our own medical program, and we always find that a lot of the local people who apply to the medical school don't get admitted. We just find why their marks are well. They have good credentials. That's one of the issues that we'll be looking at. We are seeking information now from Memorial University on the criteria and how it is selected and see if

there is some way that the Public Accounts can make recommendations to the department of health to have more people from Newfoundland and Labrador admitted to the medical school, which would hopefully help with the doctor shortage in Newfoundland and Labrador.

We're also looking at some issues with the Royal Newfoundland Constabulary. We're looking at some issues from a few health care boards and one issue from a school board. The committee, as we speak, is seeking information from a few Crown corporations which are also identified in the AG's report. We usually, as a Public Accounts Committee, unless there's something very extraordinary - extremely extraordinary, actually - we usually follow the Auditor General's report and follow up to see what his recommendations were in his report, what findings we can come up with, and make recommendations, and also see what steps we're already taking. By the time that usually gets to us and we get the information, the necessary steps to correct any problem in the department are usually taken care of it.

All sessions that we have are usually open to the public and to the media. I know it was mentioned here this morning on several occasions about crossing party lines. We've been fortunate in the last three years in Newfoundland and Labrador that at times they do cross party lines, but we understand our roles as Public Accounts personnel and we usually go after the issue and not the political party.

Thank you very much.

**R. Ghiz (Chair):** Thank you very much.

If there's any questions or comments, now is the time. If not, our next presenters will be from Ontario, *la province de l'Ontario, et puis je pense que c'est Norm Sterling.*

Norm Sterling?

**N. Sterling:** Thank you very much, and thank you very much for your hospitality. We had the conference last year at Niagara-on-the-Lake and we believe that people had a great time there, and I think that people are having just as wonderful a time here this year as well.

Ontario has 103 ridings, same boundaries as the federal MPs, so we, in large part, represent fairly large populations. The budget of Ontario now exceeds \$85 billion a year, and so therefore it, in some ways, makes our particular situation different than others. My particular area that I represent is Lanark-Carleton, the west part of the city of

Ottawa, as well as a county to the west of that. I have more people in my constituency - I think I'm the fourth largest now - than there are in Prince Edward Island. I have 140,000 people that I represent at the present.

**Unidentified Speaker:** Not the quality.

**N. Sterling:** Not the quality, but a large number.

So politics is a little bit, I'm sure, different when you represent that number of people, and the parliament is going to be different as well. So I think that each and every one of us, we have to use the numbers of people that we have in parliament. We have to pay respect to each other with regard to the differences that we have, the large differences we have, from province to province.

But in our area we have on our PAC nine members in total. We have five Liberals - Richard Patten and Dave Zimmer are two of the Liberal government members on the committee - Mike Prue is from the NDP, and Lisa Macleod and Julia Munro are from the Conservatives. So three Conservatives, one NDP and five Liberals. So the governing party still controls any vote. Now I must say that over the past 3.5 years, there's never been a division that we've had to take other than who comes on these trips. No, I was kidding. All of them are eligible to do that.

As I mentioned this morning, we continue to refine our process in Ontario. The Auditor General comes down with his report in late November, normally. Immediately after that, the sub-committee of the PAC meets: one member from each party, one NDP, one Conservative and one Liberal, and myself as the chair. Each party picks three items from the auditor's report that they want reviewed in the coming year. So as a consequence, we write nine reports. I think we wrote 10 reports last year because we had a matter that came up and the auditor prepared a special report on that during the year.

So during the months of February, March and April we have the various ministries come forward. We spend about an hour in preparation where our researcher, Ray McLellan's here, our clerk sits with us and the auditor sits with us, and we get a briefing in camera prior to the ministry coming in, which is about an hour, and then we meet with the ministries and that varies in length, depending upon the ministry, the problem and those kinds of things. But normally, about a three-hour meeting in terms of questions and answers.

Then we prepare a report, a draft report and then

we sometimes prepare a second draft, and finally we prepare the end report. This year, for instance, we've tabled three of the nine reports and the draft reports of two or three others have been considered once by the committee. We'll consider those again in the fall when we return on September 25<sup>th</sup> and finalize them. So by the time November rolls around again, we're ready to go again on a new set of problems.

I mentioned this morning that we have refined our process. I mentioned about asking the ministries to update us as to where they stand with regard to the auditor's recommendations and reports so that we're not travelling back, we're travelling forward, and looking in terms of what they've already done to meet the criticism in the auditor's report.

We've been more vigilant in asking the ministry to report to us after about what they promise. We want to make certain that they fulfil those promises in various and different ways by giving them different time frames to answer us. The clerk then follows up on those answers and makes certain that all of the questions the committee had outstanding are answered, as well as making sure that the promises that were made to us by the ministries are in fact fulfilled.

I mentioned this morning as well, we have asked for not only an outline of what they're going to do, but we've asked them on occasion for a schedule as to when they expect those particular plans to be fulfilled. In other words, some of the problems are quite large and require a lot of work, but we want progress reports as the ministry fulfils certain parts of that.

Now one of the interesting things that's going to happen at the end of November or early December for us, for the first time, is that the auditor's report will include as well a value-for-money from some of our transferees: for hospitals, colleges, universities and school boards in particular. The auditor for the first time will be looking into those organizations and reporting to us as to whether we're getting value for money in those organizations. This will probably mean that the Committee will have to work harder and longer in the coming year as it essentially, I believe, will probably double the amount of work that will be required in terms of the recommendations that the auditor comes down with.

The auditor - he used to be called the provincial auditor - our auditor, Jim McCarter, who is sitting beside me this morning, has tremendous support from our committee, from all parties. We believe we've got a real gem. He, in addition to being called the Auditor General, is now, under our new

act which was passed about a year and a half ago now - Jim retired in June and was rehired in July. He had a pension problem with regard to his appointment, but that's how much the members of the committee like Jim and the work that he's doing. So we went through a bit of a very supportive passing of the act to allow that to occur.

We got a couple of delegations visiting Ontario, one from Russia, one from Vietnam in the past year. Our committee works very well together. We believe that we're continuing to push the envelope and look for new and better ways to create incentives, to make certain that the public administration improves in the province of Ontario. But with a budget of \$85 million, you can imagine there will never be an end to this job.

Thank you very much.

**R. Ghiz (Chair):** Thank you very much.

I've actually got just a quick clarification. Did you say that there was no dissenting votes at the Public Accounts Committee hearings?

**N. Sterling:** That's correct. We have never had a vote - every vote has been 100% one way or the other. Basically, we just work it out.

**Richard Patten (Ontario):** It's an Aboriginal model.

**N. Sterling:** It's an Aboriginal model, that's what Richard says. No, basically, the thrust of the committee has never been in a political context. It's always been directed at the administration and saying: You've got to meet the objection or the criticism of the auditor and we want to make certain that that's done, and the Committee has been very good.

I must congratulate, actually, the government members because they have yielded on a number of occasions to the opposition in saying: Yeah, it's reasonable to be tough in this particular area and demand this of the administration.

**R. Ghiz (Chair):** Thank you very much. Just one other quick followup. What about your special committee report that you mentioned there? Can you tell us how that came about and what powers the Auditor General used to do a special report?

**N. Sterling:** It's a whole autism program in terms of dealing with children who had autism. Some reports came out that the cost of giving the treatment, the therapy, to these children was varying between \$30,000 for some children, as much as \$60,000 for other children. There was

also a lot of very empirical evidence that a lot of money was being wasted through this and a lot of children were not getting the program when in fact, perhaps, they could.

The committee - and I again say that the Liberal majority could have quashed this - voted to ask the auditor to do a special report on the autism program. He came back, relatively in a very brief time, I think it was four to six weeks, with a report and it provided a great deal of impetus for the government to clean up some of the problems with this very controversial program. It's about a \$60 million to \$100 million program for the Province of Ontario. Relatively a small number of children are receiving it. I think it's about 600 to 1,000 kids, maybe it's 1,000 kids now, that are receiving it.

So consequently, the report really did help, I believe, starting to get the public administration get their ducks in order.

**R. Ghiz (Chair):** Thank you very much. That report, just to clarify it, came out of your committee asking the Auditor General to look into it. Is that correct?

**N. Sterling:** That's right, and again everybody in the room said that this should be done, even though the government members might have said: We don't want this embarrassment. Now, it does help that they've only been there for one term and some of the blame can be thrown back on the previous administration. But I think it has more to do with the fact that I believe that all of the members of the committee, including the government members, really do want to address the real problems.

**R. Ghiz (Chair):** Okay, thank you. Another comment over here?

**David Zimmer (Ontario):** (Indistinct) Liberal member of the committee (Indistinct) to be appropriate to say a word (Indistinct) auditor going into the (Indistinct) auditor giving a report a couple of months before the fixed election date.

**N. Sterling:** Yeah, 90 days before the fixed election date which - we're going to have an election on October 4<sup>th</sup> of 2007 - the auditor will do an audit statement with regard to the finances of the province at that point in time. So that it will be very difficult for the government to misrepresent where the province stands at that point in time.

**R. Ghiz (Chair):** Okay.

*Une autre question ici, je pense?*

**Richard Nadeau (Ottawa):** *C'est plus qu'un commentaire. Je demande aux gens qui sont ici en bordure de la table, à l'extérieur, de prendre un micro pour qu'on puisse avoir la traduction à ce moment-là. Merci.*

**R. Ghiz (Chair):** *Okay. Just if you're on the sides, if you can, and you're going to speak, try and speak into a mike so that they can use the translation services. Thank you very much.*

*Merci beaucoup. Je pense que - if there's no other questions, we'll move onto our next presenters de la belle province du Québec, je pense. Si tu peux commencer?*

**R. Dionne-Marsolais:** *Merci, Monsieur le Président. Alors, c'est avec beaucoup de plaisir que la délégation du Québec participe à cette conférence annuelle du conseil canadien des comptes publics et j'aimerais présenter les personnes qui m'accompagnent.*

*À ma gauche, Sarah Perreault, qui est la vice-présidente de la commission de l'administration publique et qui est aussi députée de Chauveau. À ma droite, c'est Madame Cécile Vermette, qui est députée de Marie-Victorin et membre de la commission. Monsieur Jean Rioux, c'est le seul homme, non, je ne veux pas vous tromper. C'est le seul homme ici, j'aimerais dire, de la délégation, député d'Iberville et membre aussi de la commission. Et enfin, à côté de lui, Nancy Ford, qui est la greffière de la commission.*

*Au Québec, la commission, c'est l'équivalent de « committee » en anglais. Donc, pour (Indistinct) question de confusion là, que ça soit clair, quand on parle de la commission de l'administration publique, c'est l'équivalent de Public Accounts Committee.*

*Personnellement, donc, je (Indistinct) Rita Dionne-Marsolais, députée de Rosemont, j'ai le plaisir de la siéger à de la commission depuis juin 2003. Les règlements de l'Assemblée nationale confient trois responsabilités à notre commission, et en premier lieu, d'abord, nous devons revoir l'ensemble des engagements financiers de 25 000 \$ et plus de chaque ministère et organisme don't les crédits sont votés par l'Assemblée nationale.*

*Ensuite, nous devons entendre et questionner le vérificateur général sur son propre rapport annuel de gestion et sur tout autre mandat de qui lui a été confié par l'Assemblée nationale. Et en troisième lieu, la commission de l'administration publique (Indistinct) administration publique a, pour mandat, d'entendre les administrateurs publics sur leur gestion.*

*Alors, le premier mandat, c'est-à-dire revoir tous les engagements financiers de 25 000 \$ et plus, c'est une fonction qui est unique au Canada et qui a été introduite en 1969 pour remplacer l'étude des comptes publics.*

*L'objet de ce mandat, c'est d'assurer une surveillance parlementaire continue de l'utilisation des crédits budgétaires qui sont alloués aux ministères et aux organismes. En particulier, (Indistinct) au respect des règles des normes gouvernementales qui encadrent (Indistinct) des contrats et des subventions.*

*Chez nous, c'est une commission sectorielle qui va autoriser les crédits des ministères. La commission de l'administration publique, elle assure la surveillance des dépenses, si vous voulez. C'est une tâche qui est considérable puisqu'elle représente quelque 20 000 engagements par année.*

*Ça exige de faire des choix, des choix qui doivent être réalistes, fixer des priorités pour nos sessions, et faire une bonne planification de nos travaux. Il faut aussi évidemment une mise en œuvre suffisante en terme de temps, en terme d'espace de travail, et surtout de disponibilité de la part des intervenants, que ce soit les membres ou que ce soit les personnes représentant le ministère.*

*En règle générale, la commission tient une séance de travail par mois sur la question de révision des engagements financiers de tous les ministères et organismes gouvernementaux.*

*Ils nous sont transmis au cours d'un mois et généralement, le - quand on a un mois de fait entre une audition pour les passer en revue, pour ne pas avoir à accumuler là de retard.*

*Dans le cadre de la vérification des engagements financiers au cours de la dernière année, nous avons procédé à l'audition de la présidente/directrice générale de l'Office québécois de la langue française (Indistinct) du directeur général du centre d'expertise (Indistinct).*

*Et enfin, la troisième audition a été amorcée, mais elle n'est pas terminée avec les représentants de la curatelle publique du Québec. Cela - cette audition va se poursuivre dans les prochaines semaines parce que nous avons beaucoup de questions et nous voulons faire la lumière sur (Indistinct) des contrats faits par la curatelle publique du Québec et qui engagent des sommes importantes.*

*Nous choisissons d'entendre et de convoquer les représentants, les dirigeants des ministères.*



Quand nous constatons à l'analyse des engagements financiers qu'il y a des questions, on fait une première opération écrite où nous envoyons les questions aux ministères en disant, est-ce que vous pouvez répondre à ces questions-là? Ils ont - ils ont des questions très précises, (Indistinct). Quelle est la valeur des deux autres soumissionnaires, etc.? Quelle est l'évaluation du comité de sélection, etc.? Et quand les réponses ne sont pas satisfaisantes, et bien là, en consensus, on convoque les représentants des ministères.

J'ai indiqué tantôt donc que nous avions à entendre le vérificateur général sur son propre rapport, et nous avons d'ailleurs fait cet exercice-là la semaine dernière pour ce qui est du rapport annuel de gestion 2005/06. C'est le plan stratégique 2006/2009 que le vérificateur a déposé à l'Assemblée nationale au mois de juin dernier.

Enfin, j'ai indiqué que la commission de l'administration publique avait un mandat d'entendre les administrateurs publics sur leur gestion. Alors, notre commission est (Indistinct) son mandat en invitant les sous-ministres et les dirigeants d'organismes à venir exposer publiquement leurs réactions à la suite du rapport du vérificateur général découlant des travaux de vérification.

Ce rapport de vérificateur, on le signe, le dépose à l'Assemblée nationale, deux fois par année, en décembre et en juin, et à la session suivante, nous convoquons - nous faisons une planification et nous convoquons un certain nombre de ministères.

Au cours de nos séances d'audition, les membres de la commission fonctionnent, je crois, dans un climat de travail constructif avec le support et la compétence, je devrais dire, de l'équipe de vérificateurs généraux, et nous nous tenons aux aspects administratifs des problèmes, de façon à écarter toute tentative de débats politiques ou partisans.

La commission dépose, elle aussi, en juin et en décembre, un rapport à l'Assemblée qui contient nos observations et nos recommandations, et généralement, nous avons toujours des recommandations.

À notre avis, ce rythme de travail de juin à décembre correspond assez bien au cycle parlementaire et cela nous donne une - nous forçons une certaine discipline d'obligation de résultat.

De notre propre initiative aussi, nous exerçons un suivi des rapports en exigeant des réponses des

organismes qui sont visés par nos enquêtes ou celles du vérificateur (Indistinct) en convoquant un nouveau sous-ministre ou un dirigeant d'organisme après quelque temps pour voir si les correctifs ont été apportés, si les problèmes soulevés existent encore ou non, et connaître les raisons dans le cas où il ne s'est rien passé.

En décembre 2005 et en juin 2006, la commission a déposé ses 15<sup>e</sup> et 16<sup>e</sup> rapports de (Indistinct) des sous-ministres et des dirigeants d'organismes qui faisaient l'état des travaux de la commission depuis septembre 2005. Ça donne un rapport par session.

Au cours de cette période, donc des deux derniers rapports, diverses questions avaient été examinées par les membres de la commission, dont notamment le régime général d'assurance-médicaments, qui est un dossier très chaud pour nous.

L'administration du ministère de la Sécurité publique et aussi l'administration de la Sûreté du Québec, qui est aussi un dossier chaud parce que l'organisation des services de la Sûreté du Québec a été modifiée par la loi depuis de trois ans, et donc, on voulait connaître l'évolution de la gestion de la Sûreté parce qu'on avait des plans des citoyens dans nos comtés respectifs quant aux services de la Sûreté du Québec.

Et enfin, on a aussi entendu ou discuté de la question de la prestation des services du gouvernement en ligne. C'est qu'on appelle - pas « e-commerce », mais « e-gouvernance », là.

De plus, la commission a entendu, cette année, le secrétaire du conseil du Trésor, ainsi que - enfin, je vous rappelle, si vous ne le savez pas, que la loi sur l'administration publique date maintenant de cinq ans et son objectif est de promouvoir une meilleure gestion des services à faire à la population et ceux en essayant de (Indistinct) les résultats.

La loi oblige les ministères et les organismes, mais les agences qui sont (Indistinct) à produire une déclaration sur leurs objectifs quant à la qualité des services, un plan stratégique orienté sur une période comprenant plusieurs années et un rapport annuel de gestion qui indique les résultats atteints.

Par la suite, les ministères et organismes doivent comparaître annuellement devant la commission parlementaire compétente de l'Assemblée nationale pour rendre compte de leur gestion administrative. Cette loi a fait l'objet d'une évaluation pour une remise annuelle en quelque

sorte et allait actuellement en analyse.

La commission de l'administration publique a choisi de s'occuper aussi d'une vingtaine de mandats dans l'esprit de la loi sur l'administration publique en procédant à l'examen en séance de travail de rapports annuels de gestion de plusieurs ministères et parmi les principaux, j'aimerais rappeler - j'aimerais souligner qu'on a entendu - on a fait une séance avec le ministère de la Culture et de la Communication, la Régie du bâtiment du Québec, la Société de développement des entreprises culturelles, et le ministère des Relations internationales. Et toutes ces auditions, bien sûr, étaient publiques.

Cet exercice (Indistinct) les membres de la commission de l'administration publique est une réflexion sur ce processus de réduction de compte et à formuler un certain nombre des recommandations pour suggérer des modifications à la loi, de mêmes coréglements de l'Assemblée nationale.

Au total, nous avons soumis 35 recommandations à l'Assemblée nationale à la suite des travaux sur l'ensemble des dossiers. Voilà ce qui complète, un peu, le tour d'horizon de notre juridiction. Je pense que notre défi, comme pour vous tous, c'est de diffuser les résultats de nos travaux pour que les citoyens apprécient correctement le travail des élus quant au contrôle et au suivi de l'administration publique, mais ultimement notre objectif, c'est vraiment d'augmenter le degré de confiance des citoyens dans l'administration publique. Merci de votre attention.

**R. Ghiz (Chair):** Merci beaucoup et puis si vous avez des questions ou des discussions, maintenant, c'est le temps. Go ahead, Richard. Oui.

**R. Patten:** Okay. Madame la Présidente, j'ai une question. Je veux savoir si - si j'ai bien compris, votre commission accepte de revoir tous les estimés aussi du gouvernement?

**R. Dionne-Marsolais:** Les estimés, comme vous dites - je crois que vous voulez dire le budget.

**R. Patten:** Oh, okay.

**R. Dionne-Marsolais:** Le budget, ce sont les commissions sectorielles. Par exemple, la commission de l'économie et du travail va revoir le budget du ministère du Développement économique et d'autres organismes.

Notre commission revoit les engagements. Donc, dans le cycle de planification, il y a - la

planification, évidemment, du ministère. Il y a le budget que le gouvernement dépose et qui (Indistinct) parlementaires spécifiques. Ce n'est pas notre commission qui (Indistinct) ça, mais quand la dépense s'engage - ce que nous appelons l'engagement financier - de façon à nous assurer que tout se fait selon les règles, les normes, et l'article appropriés, et c'est dans ce contexte - pardon - dans ce contexte-là que nous vérifions les engagements financiers. C'est ce qu'on appelle le (Indistinct) des engagements financiers

**R. Ghiz (Chair):** D'accord. Merci beaucoup pour votre présentation. Maintenant, on va demander à - right now we'll ask - are you ready, Mr. Murphy? Or do you want to wait till the end? Okay.

Shawn Murphy just arrived and we'll ask him to present at the end. We'll ask British Columbia, I believe - Rob Fleming is here for British Columbia - if they could please make their presentation now.

**John Yap (British Columbia):** Good afternoon. My name is John Yap, MLA for Richmond-Steveston and I'm the deputy chair of the British Columbia Public Accounts Committee. The other members of the BC delegation are Rob Fleming MLA, who is the chair of our Committee, Craig James, Clerk Assistant and Clerk of Committees, as well as the executive director of CCPAC, and our PAC research analyst, Josie Schofield, is also here with us.

On behalf of my BC colleagues, I wish to thank our hosts for their wonderful Prince Edward Island hospitality which was so evident last night.

As is the usual practice, I'm going to report on our committee's activities during the past year, which was the 1<sup>st</sup> session of the 38<sup>th</sup> parliament.

Our committee is made up of 14 members, eight from the government side of the House, and six from the opposition. At our first meeting of the last session, my colleague, Rob Fleming, was elected as the chair of the committee and I was elected as deputy chair. Of our 14 members, 12 were newly elected in May 2005, as you heard from Rob this morning. So we started off with briefings from the Auditor General, the Comptroller General, and the Public Accounts clerk on the role of the Public Accounts Committee and how we interact with these officials.

On December 7, 2005, we also received a briefing from senior officials in the Ministry of Finance on the impact of the government's adoption of generally accepted accounting principles for financial reporting purposes. Members learned

from the deputy finance minister that the biggest challenge in terms of incorporating the SUCH sector into the summary financial statements is to make sure that there is a consistency of assumptions regarding accounting methods among the schools, universities, colleges and hospitals.

In the first session, our committee was referred 17 reports of the Auditor General that had been deposited with the Speaker during the past two years, as well as any report tabled during the session. We opted to review four main reports. The topics covered were: the quality of the work environment in British Columbia's public service; the management of gaming integrity risks in casinos; the auditor's annual report on the state of government finances; and the Auditor General's fourth assessment of the quality of government performance reporting.

Another aspect of our Committee work which I think is unique in Canada is our statutory responsibility, as a committee, to review recommendations on the retention and disposal of government records. The *Document Disposal Act* requires the consent of the Legislative Assembly to destroy a government record within the provincial public service. So each year the three-member public documents committee, or PDC, chaired by the provincial archivist, submits to the Public Accounts Committee, a copy of each of the records' retention and disposal authorities that the PDC has recommended for the approval by the Legislative Assembly.

This past session, PAC members had a number of questions about existing record-retention rules. We learned from the PDC chair that the existing legislation had not been amended since 1983, and there is no statutory requirement in British Columbia to create records.

The committee was sympathetic to the PDC chair's plea for a new statute to clarify the record keeping obligations of the public service and to streamline the parliamentary approval process. In our annual report to the House, we proposed that a review of the act be undertaken by the appropriate government agency, which in British Columbia is the Ministry of Labour and Citizen's Services.

During the year, we met with one delegation which was the Russian federation delegation who were touring Canada to learn about federal and provincial financial control systems and the role of Public Accounts Committees in a Westminster style of parliamentary system.

My colleague, Rob Fleming, will be addressing a variety of other issues when he talks about the changing role of the British Columbia Public Accounts Committee tomorrow morning.

So I will close by thanking our hosts once again for their warm PEI hospitality, and I look forward to welcoming all of you to Victoria next year. Thank you.

**R. Ghiz (Chair):** Thank you very much

Any questions or comments before we move on to our next presenters?

**Unidentified Speaker:** What is the date?

**J. Yap:** Sometime in late August. We'll let you know.

**R. Ghiz (Chair):** Okay.

Our next presenter is from New Brunswick. As we all know, they're in the middle of an election over there, so we don't really have a political representative, but I believe we have the deputy clerk, Don Forestell, I believe.

**Donald Forestell (New Brunswick):** Thank you very much.

Yes, we are in the midst of a general election, so as a legislative clerk we are generally seen and not heard too much. So I'll try and stay true to that and be extremely brief. The election will be held one week from today, actually, and the standings at dissolution were 28 Conservatives, 26 Liberals and one Independent. So with the Speaker in the chair, we were essentially, in a tied House in New Brunswick and we did have a number of tied votes in the House, in many instances, where the Speaker did have to cast the deciding vote from the Chair.

We recently had one former government Cabinet minister that announced he was going to step down as a member in September which caused the premier to call the election. Because, essentially, it would have put the government into a minority situation and the premier had said all along that if that was to happen he would call an election. So by all accounts it's too close to call right now, so it will be interesting to see what happens next Monday.

As far as the Public Accounts Committee itself, there were 12 members on the Public Account Committee. Our chairman, Eric Allaby, we recently had a redrawing of the electoral boundaries and he was one of two members to have his riding disappear. So he is not re-offering in the election,

so we will have a new chairman of Public Accounts sometime after the election.

The committee held approximately 20 meetings over the past session. In New Brunswick, by tradition, every department appears annually before the Committee. So every deputy minister knows that he or she will be appearing before the Committee every year, and that works quite well from an accountability point of view. However, it does result in - often it's a very general review, a review of the Auditor General's report and the Public Accounts. In this past session there wasn't really any particular major issue that the Committee studied or no particular inquiry that it undertook, just the general review. So it was really in the House itself where most of the action took place this last session.

So that's basically the report from New Brunswick. As I said, we will be interested to see what happens next Monday.

**R. Ghiz (Chair):** Thank you very much, Don. *Merci beaucoup. Si tu as des questions, maintenant, c'est le temps.* I don't think there will be too many people here that will put you on the hot spot, the hot seat.

Our next and last presenter before we have a - it says here a health break - will be Shawn Murphy for the Government of Canada.

**S. Murphy:** Thank you very much, Mr. Chairman, and again, welcome everyone to my riding of Charlottetown.

I'm going to give a brief report on the activities of the House of Commons Standing Committee on Public Accounts since this assembly last met.

Presently, colleagues, we're comprised of a committee of 12 members. There are five Conservatives, four Liberals, two Bloc Québécois and one member of the New Democratic Party. At this convention - I'm pleased, of course, to be here myself - we have Yasmin Ratansi, Member of Parliament for Don Valley East, member of the Committee Marcel Proulx who is seated to my right, Member of Parliament for Hull-Aylmer, Richard Nadeau, Member of Parliament for Gatineau, Member of the Bloc Québécois, and also we have two of our analysts here, Mr. Brian O'Neal and Mr. Alex Smith who work for the Committee on a research basis.

The activities of our committee during the past year were interrupted by a federal election, so my report will comprise the tail end of the 38<sup>th</sup> Parliament and the 1<sup>st</sup> part of the 39<sup>th</sup> Parliament.

When we went back in the fall, we did a number of reports, specifically, we dealt with Bill C-77, a private member's bill tabled by the late Benoît Sauvageau, dealing with extended powers of the Auditor General. Since this was already in proposed legislation before the House, it was recommended, with Mr. Sauvageau's consent, that it not proceed. We dealt with the activities of the passport office and we dealt with the Public Accounts of the Government of Canada that were tabled in October of last year.

We then went into a federal election. The election was held on January 23<sup>rd</sup> and the Conservatives formed a minority parliament. Mr. Williams, of course, after a tenure of approximately nine years was ineligible, not being a member of the opposition, to serve as chair of the Committee. I want to acknowledge his long and successful service as a member of the Public Accounts Committee as chair. He's still on the committee but was not eligible to be reelected as chair. Of course, I told Mr. Williams when I was elected, that my real objective is to get him back in the chair, in the long run. So hopefully that day will come and we'll see him back.

We started the 39<sup>th</sup> parliament in April. We dealt with the main estimates of the Auditor's Office. We dealt with a number of responses that the government had filed to our previous reports. We dealt with about five different reports from the Auditor General. A couple we didn't conclude but we heard testimony. We dealt with the management of programs of First Nations. We dealt with Canada Revenue Agency collection of tax debts. Two outstanding reports that we did hear considerable testimony from, but were not able to file a report prior to the House proroguing around the end of June, were the Canada Firearms Agency allocation of certain expenses and the Public Works of the Government Services of Canada, the leasing of government office space. That will be the first item on the agenda when we do come back. Next Tuesday, actually, will be our first meeting.

The fall agenda will conclude in those reports. The preliminary - and this has to be approved by the Committee - is to go into a study on the role of Treasury Board and the whole relationship between Treasury Board and our committee, and setting protocol for the appearance of deputy ministers before the Committee, especially in light of the expected enactment of the *Federal Accountability Act*, where they'll now become accounting officers to Parliament.

The last item I do want to comment on, about three weeks ago the vice-chair of the committee who

had been a member of the committee off and on for a number of years, and one of the hardest working members of the committee, and one of the most knowledgeable, Mr. Benoît Sauvageau, died tragically in a car accident. Certainly when we go back in the fall our committee will not be the same because of the absence of Mr. Sauvageau.

That concludes my report.

**R. Ghiz (Chair):** Thank you very much, Mr. Murphy.

If there are any questions or comments for Mr. Murphy?

It has been brought to my attention that we're running a little bit ahead of schedule and we could do a few more presentations now, or at least one more, and then perhaps that would give you more of a break between the last session and when the dinner starts. So if there is anyone here who's supposed to present next time that's interested in presenting now, you can put up your hand and we can go now or we can take a break.

Okay, there's lots that want to go now. The first one was down here. You can go ahead and make your presentation now.

**Jack Reimer (Manitoba):** The great Province of Manitoba, thank you very much. Let me begin by saying thank you very much for your wonderful hospitality and beautiful Prince Edward Island. It's always nice to come back to this Island, the people, the scenery and more importantly, your hospitality.

My name is Jack Reimer and I am the chairperson of the Public Accounts Committee in Manitoba. Along with me as Manitoba's delegation this year is our vice-chairperson, Mr. Jim Maloway, the MLA for Elmwood, and Rick Yarish, our clerk assistant with the Legislative Assembly and the clerk of our PAC.

The Manitoba Public Accounts Committee met on four occasions in November and December of 2005 to consider a great volume of outstanding reports. At the first meeting the committee passed 10 reports, clearing up some of the backlog. At the subsequent meetings the committee considered the Auditor's General Report on the Crocus Investment Fund, and then the adult (Indistinct) - the Adults Learning Centre.

**Some Representatives:** (Indistinct).

**J. Reimer:** Yeah, we don't do that there.

The committee also met in February and March of 2006. In addition to debate on the content of the reports, these meetings also heard extended debate over the interpretation of new provisions in our rules for calling witnesses before the Committee, which I will elaborate in a few moments.

As you may recall from our reports of previous conferences, Manitoba's Public Accounts Committee has been through a long process of reform in recent years. Last year I reported on the creation of a Public Accounts Committee working group established to review issues such as number of meetings of PAC to be held, scheduling of meetings, settings of agendas, and the calling and the appearance of witnesses. You may 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. We are now beginning to develop a system for hearing witnesses at Public Accounts, as historically, the auditor and the Minister of Finance have been charged with the responsibility to questions posed by MLAs and the committee.

After some debate on December 7<sup>th</sup>, 2005, our Rules Committee adopted a package of rule change flowing from these earlier discussions. The House received the committee's report the same sitting day, concurring it immediately. The rules amendment include a number of provisions related to the Public Accounts Committee including the changes to the membership arrangement for the Public Accounts Committee, increasing the number of annual mandated PAC meetings from four to between six and eight, and provisions for calling ministers and deputy ministers as witnesses before the PAC. We have provided copies of these rule changes as it pertains to the deputy ministers as witnesses.

As I alluded to earlier, the six meetings since have been adapted of these rules. Some time has been spent by the committee debating the interpretation of the Rules and that seems to, sometimes, take up more time at our meetings than the content that is before us.

So with this short report, that's Manitoba's position in the last year.

**R. Ghiz (Chair):** Thank you very much.

Before I ask a question, I'll just say we'll probably do one more presentation and that will be it before the break. Well, we could, I guess if - we might, we could - probably, David, I was just saying only David McKenna is missing, but I see him now. So if it's up to the committee, if they want to continue

going on and then they can have a longer break, I guess that's probably what we'll do then.

Translation, I hope you're okay with that? I think so.

I have a quick question and my question is in relation to the calling of the witnesses. I found these new rules quite interesting. I take it that has to be by a majority of the Committee?

**J. Reimer:** Pardon me? You mean the calling of the witnesses?

**R. Ghiz (Chair):** Exactly. For example, if the Auditor General, No. 18.13: "if an Auditor General makes a recommendation relating to a Crown corporation whose annual report stands permanently referred to the Standing Committee on Crown Corporations, the PAC may call as an additional witness the chief executive officer." You would need a majority of the Committee to be able to call in a CEO of a Crown corp?

**J. Reimer:** We have never run into the problem where the request has been denied. We're working newly with these new rules, and so far the request for witnesses that we have called or come about, there's been no vote or blockage by the government to not allow them to come forth.

**R. Ghiz (Chair):** Okay, thank you very much.

I guess we'll move on to the next presenter. Down at the end of the table, go ahead.

**Doug Griffiths (Alberta):** Thank you very much. Good afternoon. My name's Doug Griffiths. I'm the MLA for Battle River-Wainwright in Alberta and I'm the deputy chair of the Standing Committee on Public Accounts. I'm pleased to be here in historic Charlottetown for this 27<sup>th</sup> annual conference. I got an explanation from the tour guides yesterday on why it's called the Birthplace of Confederation and I appreciated the comments that they had. With me this year is a fellow Public Accounts Committee member, Fred Lindsay, MLA, as well as our ever-hardworking and completely graceful Committee Clerk, Corinne Dacyshyn, who I don't think I could function without.

I'm also pleased to introduce MLAs Janis Tarchuk, who is the chair of the Standing Committee on Leg Offices, and Ivan Strang who is the vice-chair of that Committee. They are attending this conference as observers. The Standing Committee on Leg Offices is responsible for the oversight and approval of the budget for the Office of the Auditor General so their presence is greatly appreciated here.

The Standing Committee on Public Accounts is comprised of a Liberal opposition chair and a government deputy chair - myself - eleven government members and four opposition members. But any member is allowed and indeed, encouraged to attend and ask questions at our Committee meetings. Their only restriction is that they can't vote on proceedings that require a vote.

The mandate of the Standing Committee on Public Accounts in Alberta remains the same as it has in previous years: to review the Public Accounts of the province of Alberta by asking questions of the ministers of the Crown, so far, with respect to expenditure items in their ministries and to review the Auditor General's annual report. The Committee does not - I repeat, does not - have a mandate to make recommendations to the assembly or the resources to regularly meet outside of session yet.

The proceedings of the Standing Committee on Public Accounts continue to be open to the public and all meetings are recorded by Alberta Hansard. In November of 2005, the Committee held one meeting with Auditor General Fred Dunn on his most recent annual report which included recommendations provided for the benefit of all Public Accounts Committee members, Cabinet ministers, MLAs in general, the public and management.

The Auditor General and his staff attend and participate in all Committee meetings, supplement on questions to ministers, and often provide a briefing at the beginning of meetings after or before the department. During the fall of 2005, and in the spring and summer of 2006 sittings of the Alberta Legislature, the Public Accounts Committee held an organizational session as mentioned, and we had 12 meetings in 2004-2005 on Public Accounts and utilized the Auditor General's reports for 2004-2005.

Each ministry has their own reports signed by the minister and administration and one ministry and AG report are reviewed at each and every single one of our meetings. These meetings are attended by Cabinet ministers who are ultimately accountable to the committee. Ministers are accompanied by key departmental officials who answer questions if the minister directs them to. Discussion and questions used to focus on policy issues by opposition, but now there is a tendency for more of a focus on actual expenditures and public accountability questions.

In the past several years, questions and discussions have become broader in scope, focusing on the quality of performance measures

and value for money, thanks to the direction and encouragement and education from our Auditor General. Ministers continue, because of the questions that arise, to try and improve their performance measures from merely satisfaction surveys to input-output measurements and finally, to outcome-based measurements which really gets down to the heart of value-for-money questions.

The 2005-2006 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 plans, was released in June and is one of the most valuable tools that improves the effectiveness of the Public Accounts Committee and its members in looking for value for dollars.

The ministry annual reports for 2005-2006 are expected to be released later this month. The ministry annual reports integrate performance targets and outcomes with financial data into a single document, ministry by ministry. By standing order, these documents refer to Public Accounts Committee where one ministry is evaluated at each of the 1.5 hour meetings that we have.

This year there were several new occurrences. First, in March, the committee debated a series of procedural motions and then tabled a report in the Leg Assembly urging that the Public Accounts and all reports of the Auditor General of Alberta, and tabled in the assembly, immediately stand referred to the Standing Committee on Public Accounts, and that the Standing Committee consider the guidelines of the Canadian Council of Public Accounts as the framework to be used in future discussions and guidelines for the Committee. The recommendations were not debated in the assembly during the spring or summer sessions, but we are making progress in improving the effectiveness of Public Accounts.

Secondly, Committee member Art Johnston, an MLA, and I attended the re-energized summit on Results Based Management in Victoria in May. We listened to speakers regarding the origins of accountability and our Auditor General, Fred Dunn, and I, joined in the presentation about the use of annual reports and annual performance measures, moving to more meaningful measures, as I'd mentioned.

Thirdly, in June, the committee held meetings outside of session for the first time with the chairs and key officials from two government-funded agencies: the Alberta Alcohol and Drug Abuse Commission, the AADAC, and the Northern Alberta Development Council, the NADC. The

committee's records going back to the early 1970s do not show any other out-of-session meetings or meetings where the minister did not appear and was not ultimately responsible to the Public Accounts Committee for their responses. We continue to try and improve our reporting measurements by ministries. We continue to try and improve the questions and answers - or the questions anyway - that Public Accounts Committee members ask and the analysis that PAC members have, thereby improving the accountability and value for dollar for public funds.

I want to add that I feel the improved effectiveness of Public Accounts Committee's members is completely and most distinctly contingent on members' continued professional development through subject matter and methodology offered by conferences such as this and the one that was in Victoria.

I appreciate hearing about the operations of the other Public Accounts Committees. I look forward to meeting many of you through the conference and hearing more details about what happens in your jurisdictions, and my colleagues look forward to enjoying Charlottetown and PEI, in general.

Thank you.

**R. Ghiz (Chair):** Thank you very much.

If there are any questions?

If not, I'll just go to the top of the list for the next time, so we'll call on David McKenna, who is the vice-chairman of the Public Accounts here in Prince Edward Island. Mr. McKenna?

**Dr. David McKenna (Prince Edward Island):** As Robert said, my name is David McKenna, and I'm the vice-chair of the Standing Committee of Public Accounts for Prince Edward Island, and on behalf of the entire Committee I welcome you to our province, and we are delighted to be the host of this year's conference.

I hope you find the business sessions informative, and that you have a very good opportunity to enjoy the social program that we have arranged for you. I know there was quite a few people came to our hospitality suite last night and it was great to see that.

The jurisdictional report will cover the past year, from August 2005 to August 2006, of committee activity. Ron MacKinley has been the chairman of the Standing Committee on Public Accounts for the past seven years, and has served on the committee since 1987. I have been a member of

the committee since 2003. I was elected vice-president when Jim Bagnall, the former vice-chair, was appointed to Cabinet and ceased to be a member of the committee. In May, Olive Crane, newly elected in the March 2006 by-election, was appointed to the Committee, which restored the complement to eight members.

The present committee includes six government members and two opposition members, and the members are: Ron MacKinley, myself as vice-chair, Wayne Collins, Olive Crane, Cletus Dunn, Honourable Robert Ghiz, Wes MacAleer and Wilbur MacDonald. I believe they're all here today, in the room today.

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 deems appropriate.

The committee met 10 times in total over the past year. The committee reviewed, in detail, the annual reports of the Auditor General to the Legislative Assembly for the years 2004 and 2005, which included: the construction, business plans and profitability of the Atlantic Technology Centre; the forensic audit regarding Polar Foods International; and the Public Accounts of the province. Witnesses before the committee included the Auditor General and his staff, who appeared on nine occasions; the Minister of Development and Technology; members of the board of directors of the Atlantic Technology Centre; the Provincial Treasurer and the Director of Fiscal Management for the province. So it does indicate that the minister can bring whoever he deems necessary to the committee meetings and this happened on a couple of occasions last year.

The committee submitted three reports to the Legislative Assembly during the same time period, outlining its activities and placing its recommendations before the Members of the Legislative Assembly. All reports were adopted by the Assembly. There was occasion during the year for the committee to assert its authority to send for persons, papers and records. At issue was a request made to the Auditor General at a committee meeting in November. He was asked to provide supporting documents for the July 10<sup>th</sup>, 2003 decision of Executive Council to issue a \$14 million loan guarantee in regard to Polar Foods International. The Auditor General complied and provided to the committee a copy of an Executive Council memo, along with other information and responses to various requests for information.

There was some commentary in the media about the fact that a Cabinet document became public. However, the committee reiterated its authority, derived from Rule 83(2) of the Legislative Assembly and the *Legislative Assembly Act* R.S.P.E.I. 1988, Cap L-7, to send for persons, papers and records. The committee also clarified its own procedures for requesting information from the Auditor General, and determined it would do in the future by way of a formal motion.

Finally, the committee sought and received permission to meet past the prorogation of the Third Session of the Sixty-second General Assembly, and will report again to the Members of the Legislative Assembly during the first 10 sitting days of the Fourth Session.

Thank you.

**R. Ghiz (Chair):** Thank you very much, Mr. McKenna. If there's any questions or comments?

Just so everyone know, I believe we've got - if I'm correct - we've got about three presentations left and it's Nova Scotia, Saskatchewan and the Northwest Territories. So if they're all here, we will keep moving along.

**R. MacKinley:** Could I make a comment?

**R. Ghiz (Chair):** Mr. MacKinley, you got a question or comment?

**R. MacKinley:** Yes, I'd just like to make a quick comment here. We got a Cabinet document and it - all the details aren't here, but actually the fifth floor in the Premier's Office had problems with documents going out. Some of the Committee members decided then - because I had asked for the document and I guess they didn't catch it at the meeting what I meant. So now we got to explain it out to the them in fine, good print that we want a Cabinet document or if we want anything. Like if we want the auditor to bring back how many crayons the premier had at some social, we got to go through the committee and the majority of the committee will rule whether the auditor can take it back - information or not. So basically, they're tying the hands of the auditor at the committee meetings. You didn't mention that, Mr. McKenna.

**Dr. D. McKenna:** I think that's just your interpretation.

**R. MacKinley:** That's the interpretation (Indistinct). That's what it is. Who asked the questions for the Cabinet document?

**Dr. D. McKenna:** I don't know who asked the



question.

**R. MacKinley:** You don't - see, he doesn't even remember.

**Dr. D. McKenna:** That's what happened in a lot of cases. There was a lot of meetings on the Polar Foods file - we probably met on at least, probably, seven, eight, ten occasions - there was a lot of great questions asked on both sides of government, whether it was the auditor or from the members of the Public Accounts Committee. What normally we do when we ask a question, we do agree as a motion on behalf of everybody, but sometimes we ask so many questions that they just kept responding to the questions that were asked without a formal motion for it. So that's what happened there. So we just want to clarify that in the future.

**R. MacKinley:** They're going to clarify every question we ask. If you ask for a drink of water, we'll have to clarify it, I guess. Mr. McKenna says he doesn't know who asked the questions, but our meetings are all on our Hansard. Did you realize that they are on our Hansard? If you want to look up who asked the questions, it's all in front of you, Mr. McKenna. We'll continue.

**R. Ghiz (Chair):** Okay, thank you very much. I guess you can understand now why I asked the question, or the clarification from Ontario, on how they could have meetings without any dissenting votes.

We'll move on to our next presenters. Nova Scotia, please.

**Chuck Porter (Nova Scotia):** Thank you, Mr. Chairman.

My name is Chuck Porter, and I'm the vice-chair of the Nova Scotia Public Accounts Committee. With me at this conference is a long standing member and MLA Keith Colwell, and Mora Stevens, our clerk of the committee in Nova Scotia. Our committee is made up of nine people, three representatives from each party: three from the NDP, the Conservatives and the Liberal caucus. Our committee chair, Maureen MacDonald, was unable to attend this conference this year. She sends her regards and her regrets.

In June we had an election, as most of you are probably aware. I'll just overview a list of our activities during the last year. I am new to the House, so bear with me. From September 2005 to May 2006 Nova Scotia Public Accounts Committee held 20 public hearings; three of those in camera briefing sessions with either the Office of the

Auditor General or the Legislative Counsel's Office, plus 10 sub-committee on agenda and procedures in meetings.

Like in most provinces, the Public Accounts Committee in Nova Scotia was established for the purpose of reviewing the Public Accounts, the annual report or other report of the Auditor General, and other financial matters respecting the public funds of the province. The committee called before it a number of government departments, including the Department of Community Services, concerning the Canada-Nova Scotia Affordable Housing Agreement; the Atlantic Lottery Corporation concerning the agency agreement, (Indistinct) gambling and possible staff conflict of interests; the Department of Tourism, Culture and Heritage concerning the *Bluenose II* and other related tourism matters in Nova Scotia; and a first-time appearance by the Department of Justice concerning the *Maintenance Enforcement Act*.

As some of you may be aware, Nova Scotia's Public Accounts Committee spent a great deal of time and held a number of meetings with the Office of Economic Development concerning the Industrial Expansion Fund and the Nova Scotia Business Incorporated. Both of these organizations issue loans and grants to businesses in Nova Scotia. The Public Accounts Committee set aside the month of March to call in senior officials from the Office of Economic Development, Nova Scotia Business Inc., and the former minister of economic development, Ernie Fage, and former premier, Dr. John Hamm. The committee also subpoenaed all of the documentation held within the departments surrounding these two loans.

As a result, a number of legal opinions from both the Committee's counsel and the Chief Legislative Counsel and the House of Assembly and the Deputy Minister of the Department of Justice were exchanged on the issues of Cabinet confidentiality and solicitor-client privileges, and the matter was brought before the House of Assembly. The election writ was then dropped before the Speaker made his ruling on this issue. I understand Mr. Colwell will detail from his perspective this matter during his presentation tomorrow morning.

This year, in addition to our busy meeting schedule, our committee bid farewell to our long-time Auditor General, Roy Salmon, who retired after 14 years of service to the province, and welcomed incoming Auditor General Jacques Lapointe who was appointed last December. Mr. Lapointe came to his new role from the Ontario Internal Audit Division where he served as chief internal auditor and assistant deputy minister since

2000, and we're looking forward to working with him in the years to come.

Operationally, the Public Accounts is operating with a new dynamic, a dynamic dictated by the realities of minority government: equal representation by all parties on the Committee. Additionally, the recent election means there are several new members on the Committee and I am proud to count myself as one of those new members and looking forward to it.

This is a brief overview of the work of the Nova Scotia's Public Accounts Committee, and it's a real pleasure to be here. I look forward to hearing from other provinces and what we've heard today and tomorrow. Many thanks from all of us to those hosting here in Prince Edward Island for your great hospitality.

Thank you.

**Hon. R. Ghiz (Chair):** Thank you very much, and good luck on your new responsibility on the Public Accounts Committee.

Questions? Comments?

If not, we're going to Saskatchewan, I believe.

**E. Hermanson:** Thank you very much, Mr. Chair.

Elwin Hermanson, Chair of the Public Accounts Committee in Saskatchewan. Pleased to be here with the Saskatchewan delegation which includes Lon Borgerson, to my left. Lon is the past deputy chair of the committee and still serves on our committee. Sitting behind me is Ken Cheveldayoff, who is the opposition finance critic and a member of the Public Accounts Committee. On my right is the former chair of the Crown and Central Agency Committee, and our clerk attending is Margaret Woods, who is the clerk who serves the Public Accounts Committee.

It is a pleasure to be here in Prince Edward Island again and enjoy your warm hospitality. You always roll out the red carpet for your visitors and we have already experienced that, and are looking forward to the events that will occur in the remainder of our time in the garden province.

The Public Accounts Committee in Saskatchewan has had 10 meetings over the last year since our conference at Niagara-on-the-Lake. We have reviewed 21 chapters and addressed several departments, boards, and agencies of the provincial government. The committee also reviewed and approved the business and financial planning including the estimates of the Provincial

Auditor's Office. I think that may be somewhat of the unique role for our committee in that we do review the business plan. The auditor and his officials bring their business plan and their budget before our committee and we have a session where we review that, and actually recommend to the Legislature of Saskatchewan the approval of the work plan and the budget.

Our Committee has been staying current. We review the volumes of the provincial auditor as they are released, two major volumes a year, each one about an inch thick. Our Committee reviews all chapters that are brought forward by the provincial auditor. We do not have a research budget, but we do invite members of the opposition critics to be involved, although if they are not members of the committee they certainly do not have a vote.

On December 1<sup>st</sup> of 2005 the committee adopted its first report of the current Legislature and tabled it in the Assembly. That report covered the period from April 21<sup>st</sup>, 2004 until December 1<sup>st</sup>, 2005. So that's quite a long period. During that period the committee considered 185 recommendations proposed by the provincial auditor. Of these, the Committee concurred with 172 and disagreed with one recommendation. In regards to the remaining 12 recommendations, the Committee adopted a further 10 recommendations of its own drafting. The government tabled its response to the report in the Committee on May 2<sup>nd</sup>, 2006, indicating its concurrence with the 10 recommendations proposed by the committee.

The Public Accounts Committee in Saskatchewan also requested a special report be done by our provincial auditor regarding a safe house for children. There was some concern that the house was not being managed properly. Perhaps even the well-being of children were at risk, and there were financial concerns. I'm pleased to report that the committee agreed unanimously to ask the auditor to undertake a special report and the report has been completed. It has not yet been reviewed by the Public Accounts Committee, but this is the second occasion since I've been chair of the committee that we have asked the auditor to review an issue. One, the first issue, followed in the normal course of work that the auditor would do, but this was a special project. We have the report here. We've gone through it and we will be dealing with that report in, likely in a fall session of our committee.

The other thing that is of, I think, particular interest to other members of Public Accounts Committees is that there has been a new initiative implemented by the government over the last year in which reporting of public losses is done on a quarterly

basis to the Public Accounts Committee. If anyone wants to come and have a look, I have a copy of one of those reports. The report is given to the chair of the Public Accounts Committee who brings it to the attention of the Public Accounts Committee.

This occurred because of, I think, some rather embarrassing losses, thefts, some employee integrity problems, and there was no means by which, in an orderly fashion, this kind of information would be brought forward to the public. Sometimes it came forward on a fairly timely basis, other times there was quite a bit of lag time. Of course, then that offers up the question: Why did we know about one case almost immediately, but didn't find out about another issue for months and months or perhaps even more than a year?

One of the reports that we received dealt with everything from a laptop belonging to the department that was stolen from a residence of an employee, worth \$2,300, to trust monies for Northern Corrections individual and collective trust accounts that were not properly accounted for by an employee which amounted to \$25,500. So it varies from small thefts that we don't know who the perpetrator was - somebody from outside of government - to internal problems with employee misappropriation of funds. We now, as a Public Accounts Committee, receive that information on a regular basis.

I believe one of the reasons this occurred was because members of the House, and particularly my colleague the finance critic who sits on our committee, went on a regular basis, in Public Accounts, asked the deputy ministers if they were aware of any frauds or scandals or misappropriation of funds. That has now become a ritual within our Public Accounts Committee. I believe the government's response to that is to bring us a quarterly report so that there are no surprises and there is a proper reporting mechanism. I think it has been warmly received by the public and I think it's been a wise move on the part of the government. I think the opposition also appreciates the fact that there is now a procedure in place for this type of reporting.

Our committee does not invite ministers to be witnesses before our Committee. We - I'm speaking maybe perhaps just as the chairman, but I think I speak for the opposition, and likely for the government members as well - we believe the ministers get a fair hearing and ample time in our Legislature through the estimates process and other avenues of the Legislature. We think it's quite useful, in fact, to have deputy ministers and their officials appear before us in Public Accounts.

It adds a new dimension and I think a less partisan approach to finding out how government works and how it can serve us better.

The committee has undergone some gradual changes, but there has not been a dramatic change in membership and I think that's been good for our Committee. I used to come to these conferences and say I was the rookie and I came here to learn. Now, I've been here for three years and I guess I'm a middler now. We have some members who are fairly new on the Committee but we have some that have served for a long time. I would say that from my observations, the process of sitting on a Public Accounts Committee is probably one of the best ways to learn how government operates and to learn all facets of government.

So I think that there's some advantage to having continuity. I also think there is some advantage to seeing gradual changes in the committees so more and more elected members are aware of how government works, what the department's are responsible for, and how they operate. I think it makes for better government both for government members and for opposition members.

As I said, we're very pleased to be present at the conference again this year, and hopefully, this gives you some insight as to what the Public Accounts Committee is doing in the Province of Saskatchewan. Thank you very much.

**Hon. R. Ghiz (Chair):** Thank you very much for that presentation.

We'll now go on to questions. I believe Mr. Patten from Ontario - *tu as une question?*

**R. Patten:** Thank you. Yes, my question has to do with - you said your committee doesn't have any researchers. Who does your research for you? Do you feel it's adequate? What would be your ideal situation? Would you prefer that your committee had its own researchers?

**E. Hermanson:** I think if we had our own researcher, our research capabilities, that we would have a bit more flexibility.

We depend very much on the auditor's work. Really, it's the Auditor's office that is our researcher. That's why I said we review every chapter of every document that the auditor brings forward. In lieu of not having research, I think that's the best alternative. As well, of course, the auditor and the auditor's staff are present at our Public Accounts Committee meetings. There are some sessions of Public Accounts where the

provincial auditor may be asked as many questions as is the deputy minister. So I guess perhaps we're doing some fact finding and getting a non-political view of an issue or of the way a department is being run.

Beyond dealing with the Auditor's work, though, we have very limited capabilities. We do, as I said, allow our opposition critics, of course, to sit at the table. They don't have a vote unless they are a member of the committee, but that brings in, again, the knowledge that they have from the research that they've done in the critic area. I don't know if one of my government side colleagues want to respond on how they prepare. I suppose they have ministers that they can call on if they want to receive information prior to a Public Accounts Committee that certainly wouldn't be available to members of the opposition. But beyond the work of the auditor, it's pretty sketchy.

**R. Ghiz (Chair):** Thank you very much.

Any other questions or comments? Mr. Murphy.

**S. Murphy:** Yes, Mr. Chairman, I just have one question.

In some of the reports I notice that the practice remains that they call ministers and it's their habit, and some provinces, like the last one that reported, does not. I'd like to get a comment from perhaps one of the provinces that still has this policy of calling ministers. Is this a directive, is this a policy that the committee has formulated, or is it a policy that comes from the executive of government? I'd just like to see where that emanates from. Again, I'm not the font of all knowledge, but I can't see how the Public Accounts Committee would be - I think it would be more effective not calling the ministers but that's my own personal opinion. But again, I'd like to get the comments of some of the provinces that continue the policy of mainly calling ministers, of which I believe there's several.

**R. Ghiz (Chair):** I see some thinking going on. Alberta, do you want to say something?

**D. Griffiths:** I know that there's been some discussion on our committee. We're somewhat divided, because calling ministers automatically elevates the discussion to one of policy, which everyone on our committee tends to agree is a prerogative of the Legislature. However, it's probably government members that are more supportive of removing ministers from the process and dealing with the bureaucracy to ensure that it's above public accountability. But there is a strong desire amongst opposition members to not lose

the opportunity for a media headline or some critical issue that would draw more attention if a minister was there for us to ask the question.

So generally the committee agrees that the Public Accounts Committee may be more effective without ministers there, but traditionally the ministers have been there ad infinitum for as far back as Alberta has had government. There's a reluctance to give up the opportunity to perhaps make political headlines. So we haven't resolved that issue.

**R. Ghiz (Chair):** Right down at the end of the table.

**J. Reimer:** Manitoba. A lot of our ministers, the ministers that come to our PAC meetings - a lot of it comes through consultation between the House leaders and the vice-chair and myself as to who's going to be presented at the meeting.

Usually, the ministers are there to protect the report that is coming forth. A little different than what you were commenting. Because usually the minister comes forth because he wants to control the situation instead of having the bureaucrat or a Crown corp coming and speaking. So a lot of times the minister will take charge, if you want to call it, during the questioning of the individual. Then a lot of times it's the opposition, in a sense that when the reports are being handled the House leaders will get together and say: Which reports do you want to talk about, which ministers do you want in regards to those reports? That's how we get the ministers before us at our PAC meeting.

**R. Ghiz (Chair):** Okay, thank you.

Mr. McKenna?

**Dr. D. McKenna:** In our province, I guess, it's the Committee that decides and it's a vote from the Committee. I guess with the government having the majority, sometimes we win.

But I guess, the reason we probably have the minister there is to - he's ultimately responsible for the department or for whatever report they're working in. But we've asked the minister to bring whoever he or she feels they should bring along with them. I've only been there three years, but this year two ministers came. The minister of finance brought his Director of Fiscal Management along with him to help answer questions as well, when we are discussing the Public Accounts of the province.

On another occasion, the Minister of Development and Technology brought his deputy and two directors with him when he discussed the building

of the Atlantic Technology Centre in Charlottetown here.

The question was probably to the minister, but through them as well. So that was two occasions since I've been here. I think a year ago we had a minister on our Island Waste Management System come forward and she brought her CEO of that corporation along, and he also was involved in answering the questions as well. So I guess it depends on the circumstance what we need them for. But usually, it's a committee decision and there's not a policy anywhere that I'm aware of. But maybe Ron can tell me otherwise.

**R. MacKinley:** On some occasions, as I said earlier, if we're looking for five crayons that are missing we can get the bureaucrats in because the committee makes a decision and the Public Accounts is - I chair the meeting, so I call the vote. The majority rules and basically, whatever side's in power seems to be the side that always seems they don't want the ministers before us.

But if you go back to the previous administration, there were bureaucrats brought through there at all times. This is a new way of Public Accounts since your government took over that they want the ministers to be responsible. Their argument is that the ministers are responsible. But for instance, let's go back to the Polar Foods fiasco, where we lost \$32 million. That minister who drew up the deal that all the rules in the auditor came out, all the rules pretty well were broken in approving the money or whatever, that minister is no longer a minister. See, they removed the minister. They dumped that minister and put another minister in. Now that minister sits on Public Accounts, not as a minister but as an MLA.

So you're taking a whole new minister in that didn't have anything to do with the details. But yet the deputy that you want in that knows the answers, he's been lost for three years. We can't even get him on the floor during estimates. Now that's how gun-shy they are from taking him forward. They send in the comptroller or something in estimates. But the deputy will come and talk, but we can't get him before Public Accounts because the majority in Public Accounts say: We don't need him. We've taken in a minister that wasn't involved in the decision making of the Polar fiasco. He's a minister now, so you can't really go back to him. The previous minister sits on Public Accounts, so you really can't call him a minister before us because he's not a minister anymore.

So what we need is the deputies to get to the bottom of it. There's nothing we can do about the situation that happened. What we got to try to do

is make sure it doesn't happen again by tightening up the controls. That's where the problem is. It's like a banana republic type of situation, as far as I'm concerned. It's just the way it is, David, whether you like it or not. You know, if you're chairman of Public Accounts - I don't know about David, he's just new to chairman - but when you get into an issue -

**Dr. D. McKenna:** Vice-chairman, right now.

**R. MacKinley:** - the vice-chairman, yes, the vice-chairman, when you get in an issue, Jim Bagnall who is now promoted to Cabinet, he would just disappear and phone the fifth floor to find out what his next order should be, and then they'd all fall in line in the vote, and you're sitting there trying to chair this meeting. I mean, it's just -

**R. Ghiz (Chair):** Okay. I think there's a couple of others who want to talk.

**R. MacKinley:** All right, that's all right.

**R. Ghiz (Chair):** Thanks for the clarification. I think Saskatchewan and then back over to Manitoba.

**E. Hermanson:** Thank you, Mr. Chair.

Certainly in Saskatchewan we can call ministers. If our committee agreed that we wanted to call a minister, we could certainly do that. I've not sensed from government members on the committee they have any desire to bring their ministers to the Public Accounts Committee, and I have not had a request from my colleagues that they want a minister.

I think - and I notice this immensely from moving from federal politics into provincial politics - at the provincial level we have far more access to our ministers. I don't know how every province deals with the estimates, but we can have the minister with his or her officials for several hours of estimate time and it gives the critic and all members of the Legislature all the time they need to question the minister about any issue that's relevant to the day.

I think we see it as an unique opportunity to have the deputy minister and officials there and talk about not policy, but about the carrying out of policy, and the practice, and plans, and budgets. Far more useful.

The only other comment I would make is I wish Saskatchewan was a little bit more like Prince Edward Island. In Saskatchewan they're far more worried about the five crayons than they are about \$32 million they're missing, at least the media are.

Of course, the media are the way to communicate to the public. So perhaps we can trade some media so we can get a little bit more attention to our larger financial problems and not be so focused on the crayons.

**R. Ghiz (Chair):** Okay, thank you very much. Yes.

**Jim Maloway (Manitoba):** Vice-chair, Manitoba. We have the opposite experience of Alberta, PEI and Saskatchewan, in that in fact it was the government's side that insisted on having the ministers on the committee as opposed to the opposition. The opposition didn't want them. The opposition wanted the Crown corporation heads and the deputies because I guess they weren't getting good media hits off the ministers, and the government wanted the ministers.

We even have gone so far as to have - the committee has called previous ministers and in fact, we even called a previous, previous minister, a Conservative minister, a former Conservative minister from the Filmon government, who is now an opposition critic. She appeared before Public Accounts to testify as well. So that's how far we've gone with calling witnesses.

**R. Ghiz (Chair):** Okay, thank you very much.

I guess what we're learning is it's different in every jurisdiction, depending on where you are and also, if I might say, I think depending on from where you sit. Whether or not you're in opposition or government, it does impact on your perception of who should be testifying before Public Accounts and who shouldn't.

We've got one more presenter now, so I think we'll move on to that presenter from the Northwest Territories.

**Kevin Menicoche (Northwest Territories):** Thank you very much, Mr. Chairman. As the last presenter, I'll try to be as brief as I can.

My name is Kevin Menicoche. I'm the chairman of the Standing Committee on Accountability and Oversight of the Legislative Assembly of the Northwest Territories. I also would like to recognize a member of our Legislative staff travelling with me, Ms. Colette Langlois, Director of Research Services.

We are, indeed like many of you, having a wonderful time here in Charlottetown. I would like to take this opportunity to thank our host for an exceptional organization and warm hospitality, as well as the flexibility that we may go out there earlier and enjoy the fine weather in PEI here.

Since this time last year, our Standing Committee on Accountability and Oversight reviewed two Auditor General reports. The first was a 2004 report which included a review of the government's consolidated financial statements for the years ended March 31<sup>st</sup>, 2002 and March 31<sup>st</sup>, 2003.

Some of the key issues in this report were: first, an ill-fated venture by our housing corporation to sell housing units to Alaska. Nine units were shipped to Barrow based on verbal agreement only, which fell through. The lack of formal contract, insurance and other normal business precautions was, of course, a concern. The auditor also questioned the authority of the housing corporation to undertake ventures of this nature. Following the Committee's review of the report, members were not convinced that the housing corporation has procedures in place to prevent something like this from happening again. We therefore recommended that the Auditor General undertake a comprehensive performance audit of the corporation, and we are pleased that she has agreed to do so, and we are very much looking forward to this report.

A second major issue in the 2000 report was the government's program of guaranteeing loans for the NWT's fledgling diamond manufacturing industry. The government has taken some losses as loans have been called. Some committee members question whether these high-risk investments are an appropriate use of taxpayers' money at all. However, the concern of the majority of the committee is to ensure that the government exercises due diligence and protects itself as much as possible if it's going to continue the practice of making loan guarantees.

With respect to the review process itself, the Committee felt it was necessary to comment in its report to the House on the lack of preparation on the part of some senior government officials who appeared as witnesses before the Committee. We hope we will not have to repeat this comment in future reports.

The second Auditor General's report we reviewed this year was specifically on the Workers' Compensation Board, which is a joint board between the NWT and Nunavut. The report addressed a number of concerns with the board's operations, including: communications, both with claimants and with stakeholders such as employers and members of the Legislative Assembly; the need to improve consultation on policy development; the respective roles of the minister, the Governance Council, and the administration; the need for better quality control, training and supervision of frontline staff and customer service; and the need for a better

process to resolve cases where there are conflicting medical opinions.

As the WCB is a joint board of the NWT and Nunavut, the report was provided to both assemblies. I am not aware of any other situation where an auditor's report would be referred to the committees of two legislatures. This situation required us to balance the principle that a committee is the master of its own proceedings with the obvious need to work together with our Nunavut counterparts.

The solution we did arrive at was to go ahead with our own NWT hearings, while inviting our Nunavut counterparts to attend the proceedings. We are also keeping lines of communication open at the political and staff levels. We were very pleased to have one of the Nunavut committee members participate in both our in camera discussions and in our public hearings. We look forward to reciprocating when the Nunavut committee conducts its own hearings.

In closing, Mr. Chair, I would like to take this opportunity to thank you for hosting the 26<sup>th</sup> annual conference of Public Accounts, and I look forward to the music and dinner tonight, especially Paula the lobster.

**R. Ghiz (Chair):** Thank you very much.

Are there any questions or comments before we get ready to adjourn?

If not, with that, I'd like to thank everyone for their presentations this afternoon. *Merci beaucoup pour vos présentations.* This is my third year serving on Public Accounts and I guess, compared to other members, it's a little different, I guess, being the Leader of the Opposition while at the same time serving on the committee. I'm not sure how it works in the other provinces. But I found today's presentations to be very informative.

*C'était vraiment informatif. Ça m'a donné plus d'informations sur comment les autres comités fonctionnent.* I think it gave us a good perspective on some of the issues that other jurisdictions are dealing with, especially when it comes to procedural issues. As we can see, I guess there are different procedural rules in each jurisdiction, and there's different interpretations of some of those rules and why those rules are put in place.

So I think, if one thing that we can take from today is learn what's good from other jurisdictions, hopefully we'll be able to try and adopt them into our own provinces and in our own Committee hearings, and hopefully, at the end of the day, we'll

end up all being in a better position to serve the public at our Public Accounts meetings.

I know a lot of people talked about our Island hospitality. I guess that's why I agreed to hurry things along because in our Island hospitality way, we'd like you to get out and spend as much money as you can in our province. So this will create a little extra time for you. I really do hope that you enjoy your stay here. I know I already heard one person from Ontario talking about postponing their flight for an extra day. I encourage everyone to postpone it for an extra day or two so you can spend some time here in our province.

Thank you very much and enjoy the rest of the conference.

[There was applause]

Tuesday 12 September 2006

**Business Session No. 5**

**Chair:** Hunter Tootoo, MLA, Nunavut

**Topic:** *The Warranting of Cabinet Documents in Nova Scotia*

**Presenter:** Keith Colwell, MLA, Nova Scotia

**R. MacKinley:** We're already 10 minutes late. Hunter, if you could come back up here, Hunter. Hunter's going to chair this session. I hope you enjoyed the lobster last night because I certainly did.

She's all yours.

**H. Tootoo (Chair):** Good morning, everybody. I'm glad Ron's up here with me. I thought our presenters from Nova Scotia were going to sit over there and do their presentations and leave me sitting up here by myself. Ron, being a good host, decided to join me. I appreciate that.

Maybe we'll start it off. I'll just turn it over to - I believe, Keith from Nova Scotia is going to be giving us a presentation. Since we're already 10 minutes late, please go ahead, Keith.

**K. Colwell (Nova Scotia):** Thank you very much.

First of all, I'd like to thank our Prince Edward Island hosts for the fantastic lobster last night and the unbelievable hospitality, as always, when you come to Prince Edward Island. We may torment you a little bit when we're here, but from the heart, it's wonderful to be here and it's great to know that,

as our neighbours in Nova Scotia, your hospitality's second to none.

Before I begin I'd like to just mention that a package of documents has been distributed. One copy is made for each jurisdiction. The documents contain the following: Order-in-Council of both loans of Nova Scotia's Ministerial Code of Conduct; the Nova Scotia's Public Accounts Committee Mandate and Operating Procedures; copies of subpoenas and warrants that were sent out during this issue; some samples of the edited documents that the committee received; and the excerpts from Hansard transcripts from the House concerning the possible breaches of members' privileges.

Good morning, everyone. As was mentioned yesterday, Nova Scotia Public Accounts Committee spent a great deal of time this spring holding a series of meetings with the Office of Economic Development and Nova Scotia Business Incorporated concerning two highly publicized loans.

Firstly, a little background.

The Government of Nova Scotia created Nova Scotia Business Inc. in 2001. NSBI is an arms'-length agency used to direct Nova Scotia's business development efforts. NSBI works with provincial organizations and the Office of Economic Development as well the Atlantic Canada Opportunities Agency to facilitate loans, bring new business to the province, and to help existing businesses to expand.

Within the Office of Economic Development is the Industrial Expansion Fund, which is a fund that was created by the Government of Nova Scotia in the 1950s to ensure that the government could take advantage of business opportunities as they arise. This fund was used to advance the economic interests of the province in higher risk situations that private sector would not be willing to fund. The IEF is currently authorized to spend \$258 million on a yearly basis.

In February of 2006, during one of Premier John Hamm's last Cabinet meetings, the Executive Council approved two loans. As Chuck mentioned yesterday, one was a forgivable, interest-free loan in the amount of \$250,000 to a PEI-based company named S&J Potato Farms Incorporated that grows seed potatoes in Cumberland County. The purpose of the loan was to help the company buy lighter trucks so it could comply with the road weight restrictions in the area.

A perceived conflict of interest on the part of

Economic Development Minister Ernie Fage and the MLA for Cumberland North came to light a few days after the loan was announced. S&J Potatoes Incorporated leased land in Cumberland County from a company owned by Mr. Fage and his brother upon which S&J Potato Farms grows seed potatoes. It leases 180 acres at an annual price of \$30 per acre. Ernie Fage resigned as Minister of Economic Development saying that, on reflection, he had come to believe that he had violated the Ministerial Code of Conduct by being in conflict of interest.

The second loan approved at that meeting was a \$350,000, again forgivable loan, to Village Developments Limited, the company that operates Magic Valley Family Fun Park located in Pictou County, to allow the owners of the company to bring new rides in and upgrade facilities. It was later discovered that the owners of Village Developments Limited were acquaintances with the now former premier at the time the loan was made by Executive Council.

The Public Accounts Committee set aside the month of March to call in senior officials from both the Office of Economic Development and the Nova Scotia Business Inc., the former Minister of Economic Development, Ernie Fage and the former Premier, Dr. John Hamm. The committee also subpoenaed all of the documents held within the departments surrounding these two loans. In preparation for the meeting and prior to receiving documents, the committee asked the chief legislative counsel for a written opinion on whether or not the doctrine of Cabinet confidentiality posed any limits on the Committee's powers of inquiry, and if so, what those limits were.

The legislative counsel concluded that the powers of the Committee was almost without limits and a minister of the Crown is in no different position than any other witness. The opinion recognized the concept of Crown privilege, sometimes called public interest immunity with respect to Cabinet and other documents, but was clear that it is not an unchallengeable right. The legislative counsel wrote: The Committee is not bound to accept the claim and where it does not, questions must be answered and documents produced.

I must stop here and mention that throughout this process Nova Scotia Business Inc. was cooperative with the committee. NSBI did not grant these particular loans, but they had in the past loaned funds to Village Developments Limited. The documents that the committee asked for were received in an unedited form. NSBI did provide two packages of information to the subcommittee. One package contained what NSBI felt was not



sensitive information and the other package contained information that they determined should remain confidential. They asked the committee to respect this request for confidentiality.

The committee set up a process so that when the documents were received, to be distributed to the subcommittee members - of which I am a member - the chief legislative counsel and the clerk. The meeting with OED and NSBI and the subcommittee took place in camera and every document, page by page actually, received was discussed. It was at this point that the subcommittee would make a recommendation to the full committee on the documents. The committee tried very hard not to impact the competitive position of the companies involved and it tried to respect their financial situations. There were documents that the committee did not release. The company owners were notified and given copies of all documents that were released so that they would be aware of what had now been in the public domain.

A number of problems arose when on March 1<sup>st</sup>, 2006 the Office of Economic Development started delivering heavily edited copies of documents and the Attorney General - also the deputy minister of justice - provided a letter to the Committee asserting Cabinet privilege over these documents. After a warrant to produce documents was issued by the committee on March 2006, the deputy Attorney General wrote a longer letter asserting Cabinet privilege and solicitor-client privilege and asserting that, by having the heavily edited documents delivered, the government had, in fact, complied with the warrant.

After having been significantly stymied in its efforts to obtain answers to the various inquiries, the committee asked the chief legislative counsel for a further written opinion addressing the various claims of privilege that had been made and the committee's opinion respecting a failure to answer its questions and/or follow its direction.

That second written opinion, dated May 3<sup>rd</sup>, 2006, is very clear and detailed and reasserts the first opinion. All of the opinions are in your handout.

Essentially, the Public Accounts Committee had to decide on how best to proceed. It did not have the power to sanction the persons who were flaunting its authority. It had to refer the matter back to the House to be dealt with. It could submit a report, a notice of motion could be introduced, or the matter could be raised as a point of privilege. All of these options were raised in the May 3<sup>rd</sup> opinion. There was a problem, however. By the beginning of May, rumours of an early election called to gain a new

mandate for the new premier were running rampant and it looked like the Assembly might be dissolved before the issues could be resolved.

On May 5<sup>th</sup>, 2006, members of the Public Accounts Committee rose in the House of Assembly to raise points of privilege with the newly appointed Speaker. The first was the leader of the House Liberal Party, who was a member of the Public Accounts Committee. The member outlined the efforts of the committee to obtain documents from the Office of Economic Development, both by request and by subpoena, and the refusal by the staff to produce the complete documents. The member asserted that his rights and the rights of all members of the House had been interfered with due to the lack of compliance by the Office of Economic Development.

The Chair of the Public Accounts Committee also rose and spoke in support of the claim of breach of privilege and advised the Speaker that the subcommittee on Public Accounts had agreed to bring forward at the next committee meeting a report that it was recommending be tabled in the House looking for a remedy from the Speaker on the breaches of members' privilege.

The Speaker took the matter under advisement and said that he would report back to the House at the earliest possible opportunity.

I, myself, rose on a point of privilege and asserted that the refusal by the Executive Council and the Attorney General to provide disclosures representing the two loans constituted a breach of privilege. The Attorney General - also the Minister of Justice - rose and argued that the Crown privilege and solicitor-client privilege had a long history of being respected in the province. The Speaker also took the second point under advisement and said he would report back to the House as soon as possible.

Finally, a third member of the Committee rose on a point of privilege respecting Ernie Fage's refusal to answer questions posed to him by the members of the Public Accounts Committee on March 8<sup>th</sup>, both in open meeting and in an in camera session. The member pointed out that immediately after the meeting Mr. Fage had answered questions put to him by the media that he refused to answer during the meeting on the grounds of Cabinet confidentiality.

By the next week there were strong indications that the new Premier intended to call a election, either May 12<sup>th</sup> or the 13<sup>th</sup>. On Wednesday the 10<sup>th</sup>, the Leader of the House Liberal Party rose again to ask the Speaker when his ruling could be

expected, as the committee had once again, on that morning, been faced with the uncooperative witness from the Office of Economic Development who used the excuse of Cabinet confidentiality and solicitor-client privilege to refuse to answer questions.

The Speaker indicated there had been an intervening point of privilege raised by Mr. Fage objecting to the three earlier points and he was looking at the process and procedures involved in the matter. He said he would report back as soon as he could.

On the following day the Leader of the House of the Liberal Party rose once again on a point of privilege saying he was at a loss to determine why the Speaker had not yet ruled on the three points, especially considering that the election call could be expected within two days. He argued the lack of ruling by the Speaker was a violation of rights of a member and suggested that the delay was due to partisanship on part of the Speaker. The Speaker again said he was reviewing everything involved and would rule on it as soon as possible. Two days later the election was called and the House was dissolved.

The short sitting of the new 60<sup>th</sup> General Assembly was held from June 29<sup>th</sup> to July 14<sup>th</sup>, 2006. The matter was not raised. To date, there has been no ruling on the points of the Speaker.

The newly appointed Public Accounts Subcommittee on Agenda and Procedures met last Wednesday, September 6<sup>th</sup>, 2006, and the possibility of the Public Accounts Committee continuing to look into the issue surrounding the Office of Economic Development's loan to S&J Potatoes and Village Developments Limited was discussed. It was mentioned at the subcommittee there would be a follow-up on this issue with a report to the committee and subsequently to the House of Assembly. The Chair is now in the process of writing a letter to the chief legislative counsel to ask for a written opinion on how the Public Accounts Committee can proceed with the issue.

Now, just a couple of words before anyone has any questions. I was involved in this whole process from the beginning and it was very aggravating, to say the least. We received the documents three or four inches thick, and three-quarters of the document was either blank pages marked client-solicitor privilege or Cabinet privilege. I don't why they would even bother sending us blank pages, but there were blank pages. We knew there was something on those pages that should be made public, or at least in a situation where we

had with our committee that we made an arrangement that anything that was damaging to the companies we would not release. We did follow that procedure to the letter.

It was a very unfortunate situation. So it was quite an experience going through this and going to the meetings and have the minister stand there and just absolutely not answer, and the premier the same thing, and the staff in the departments.

Thank you. If anyone has any questions?

**H. Tootoo (Chair):** Thank you very much, Keith.

Ron, with a question. Go ahead.

**R. MacKinley:** Just looking over this, I know the frustration you must have went through, but I got a question there.

The whole purpose of this \$250,000 loan to S&J Potato Incorporated, you said, was to buy lighter trucks. Did they have potato storage in this particular area? They must have dug the potatoes over there and stored them over in Nova Scotia or New Brunswick, wherever. Nova Scotia, was it?

**K. Colwell:** Yes. The way it worked was they grew seed potatoes in Cumberland County, and there's a section of road there that they needed to haul the seed potatoes out of when the spring weight restrictions were on. They claimed that they need these trailers, these light-duty trailers, to haul the seed potatoes so they wouldn't be in violation of weight restrictions in the spring and do it in an efficient enough amount. There was no argument about that.

**R. MacKinley:** Yes, but these light-duty trailers, how far would they have to haul the potatoes from the warehouse until they hit an all-weather highway where the weight restrictions don't apply?

**K. Colwell:** I can't remember the exact distance. It was something like five to 10 kilometres.

**R. MacKinley:** Why would it not be simpler just to load them up on ten-wheeler trucks, smaller loads, and reload them when they get to the other - I can't see why they'd need to buy these light-duty trailers.

**K. Colwell:** No. There's something funny about the whole thing.

**R. MacKinley:** There's something funny there. I'm a farmer, and if you loaded the potatoes and you just set up an area that you'd load them onto trailers five kilometres away, it's not very far. Like,

you just transport them out there and then load them onto the other trailers. The light-duty trailers, there's not that much difference in the weights. What's the registered weight you can haul, do you know, on that particular road?

**K. Colwell:** It's very limited when the weight restrictions are on that secondary road. I can't remember the exact weight they can haul but it was seriously cut. I believe they could only haul half-loads or less than half-loads in the regular trucks they did. They claim - according to the documents we had - that it would cost them too much to partly load and then move and load them again.

Also something we didn't mention in here, the province is also going to upgrade that road at over \$3 million so they can haul them all the time anyway. That might have been a better deal to start with. Let them upgrade the highway and everybody would have gained in the area.

**R. MacKinley:** The thing I see is - I'm familiar with trailers - you have, like, the standard trailer and then you go to aluminum type trailer which is lighter. But it's not going to allow you to haul 50% more weight because your trailer - there's something just not fitting the puzzle here.

**K. Colwell:** I would agree with that. It also appeared too that one of the things they put in here was, in the documents they provided, was that these trailers they could also use when they're not hauling potatoes, to haul other things to compete with other truckers that didn't have the advantage of a \$250,000 gift from the province.

**R. MacKinley:** Just something's not adding. Do you know how many acres they grew over there?

**K. Colwell:** I'm not sure of the total amount. I know it's quite a bit.

**R. MacKinley:** Would it be 300 acres?

**K. Colwell:** Probably more than that. Probably five or 600.

**R. MacKinley:** That many acres.

**K. Colwell:** Yes.

**R. MacKinley:** And it's all seed.

**C. Vermette:** Could we ask a question?

**R. MacKinley:** All right.

**H. Tootoo (Chair):** Thank you. It's a lot of

potatoes.

Someone else had a question. Please go ahead.

**C. Vermette:** I just have a clarification question. Did the minister resign?

**K. Colwell:** The Minister stepped down as minister and sat as an MLA.

**C. Vermette:** Did he ever get re-elected?

**K. Colwell:** Yes, he did and now he's back in Cabinet again at a different post.

**C. Vermette:** You gave us these papers, and in that the office of the legislative counsel gives you an opinion and the Department of Justice has given you a contradictory opinion?

**K. Colwell:** That's correct.

**C. Vermette:** So what's the status of this file now?

**K. Colwell:** Basically what we did at the last - I'm on the subcommittee of Public Accounts, as Chuck is. I raised it again this session, because basically when the House adjourned it basically stopped all the investigation. We have to start from scratch.

So what we did, we requested the Chair of our committee to write a letter to legislative counsel to see exactly what our process is now to move forward on this. It was also decided that the Chair would finish a report for the approval of the committee to present at the Legislature when the Legislature opens again this fall or winter.

**C. Vermette:** You have conflict of interest guidelines. Are they clear and do they clearly state how the minister should avoid this conflict of interest?

**K. Colwell:** They're not really clear to us. There was one put in place by the government, but we have really never seen the document in detail to see exactly what they're not supposed to be doing. But this was a clear conflict of interest and it was a substantial amount of money. If you look at the \$30 times 180 acres, I believe it was, it's a substantial amount of money every year that the minister had, or his business had, an opportunity to have received from this company.

**H. Tootoo (Chair):** Thank you.

Maybe, just before we continue on, I'll ask people when they start their questions to say who they are so they have it on the record, instead of just a whole bunch of words and no one will be able to

say they said after.

Go ahead, Norm.

**N. Sterling:** Yes, Norm Sterling. When you issued the subpoena, who actually issued it? Was it the Speaker or was it the Chair?

**K. Colwell:** It was the Chair on behalf of the committee at a motion by the committee to issue the subpoena, which the Chair has the authority to do with the consent of the committee.

**N. Sterling:** Is that in your standing orders? How did he derive that power? I know in Ontario, if we wanted to subpoena a witness, we'd have to go to the House and ask the House for that power.

**K. Colwell:** Actually, in Nova Scotia, the committee has that power.

**N. Sterling:** Under the standing orders?

**K. Colwell:** Yes.

**N. Sterling:** Okay. That's what he says.

**H. Tootoo (Chair):** Okay, thank you.

Any other questions? Yes.

**R. MacKinley:** I just got one there.

**H. Tootoo (Chair):** Go ahead, Ron.

**R. MacKinley:** You talked about the minister. I think you said it was 130 acres or something he leased, wasn't it?

**K. Colwell:** A hundred and eighty, I believe it was, yes.

**R. MacKinley:** A hundred and eighty acres - was it \$30 - would be \$5,400. But if that land was in PEI, across the water, the lease on that would be about \$150 an acre a year. So the \$30 an acre is almost like a give-away price. I remember reading it in the paper. As far as what he's getting for that land, it's almost a give-away price. The taxes would be probably \$10 an acre over there. I don't know. Anyway.

**K. Colwell:** Yes, it was a 20-year deal from what I understand as well. So when you look at it over 20 years and it's land they weren't using, it's still a pretty good deal. I believe that was the going price that everyone else was getting because they also leased land from other people for the same purpose.

**H. Tootoo (Chair):** Thank you.

Just a question on those points of order or privilege that were raised by the members before the House dissolved. Do those just disappear? Is there a way they can still look to get back a ruling on those points?

**K. Colwell:** The original points of privilege we raised disappear once the House was dissolved. We can raise them in the House again and present them again under the new session. Under the 59<sup>th</sup> Session we were under, once the writ was called everything died. So we have to raise them again, and that's a process we're reviewing now and what process we're going to go through.

**H. Tootoo (Chair):** So do you have to go through the whole process of subpoenaing, going through all the hearings again and having the same guys come in and not say anything, or can you just bring them forward?

**K. Colwell:** No, we don't have to go through the whole process again. Basically what we're going to do is put a report to the Legislature indicating that we're not satisfied with the process, the way it worked, and the failure of the employees of the Crown and the ministers to respond. We can pick it up from there.

But we have to start the points of privilege over again. We have to pick up from where we left off as if we hadn't done the points of privilege. Everything else in that is still valid.

**H. Tootoo (Chair):** Do you have the same Speaker?

**K. Colwell:** Yes, we do.

**H. Tootoo (Chair):** That should be fairly familiar. He should be waiting for it to come.

**K. Colwell:** I would say he's probably anticipating this and it's a very difficult situation for him to make because he is a government member and he can't win either way, as far as I can see.

**H. Tootoo (Chair):** That's a problem with having appointed Speakers. Like in Manitoba, they just switched a few years back to an elected Speaker.

**K. Colwell:** Well, ours are elected Speakers but basically the way it works is you make a deal and we get a deputy Speaker and they get a Speaker. So it's a deal made in reality, even though it's elected.

**H. Tootoo (Chair):** Those kind of deals never

happen in politics.

**R. MacKinley:** I've got a quick question for you.

**H. Tootoo (Chair):** Go ahead, Ron.

**R. MacKinley:** In PEI now, our auditor, in this situation, would have been able to go in and get all the information from Cabinet and review the documents. When we request information from the auditor he basically gives us everything he's got. Like, if we want a Cabinet document - we haven't asked for them too much - but I did ask for one there probably last spring and he give the whole details of the Cabinet document. So the auditor on PEI has basically all the information when he goes to do an audit on anything. Is that the same in Nova Scotia?

**K. Colwell:** The auditor would have that information but I don't believe as a committee we can get that information through the auditor. That's my opinion.

**R. MacKinley:** Yes, but if you go to a section - we brought it up here the other day, Dave McKenna brought it up - it's a section of the report there. Under a certain part of the act the auditor prevails in getting any information he wants. The committee, we used to have around the table, you just ask the auditor: Will you give me this information? This time I asked for information that happened to be a Cabinet document. The Premier's office didn't like it too much getting out. All the committee could do then was change the format or make it more official. Now if you ask for information you've got to have a motion and it's got to be seconded, but if that motion is moved and seconded the auditor has no choice under the act. Maybe we're a different act than yours, but under the act he have no choice but to table that information.

**K. Colwell:** That's one route we didn't proceed with but the auditor, he's at all our committee meetings, the auditor and staff of the province. We had discussions with the auditor but at the point, our ways to get information was through subpoena. We went through that process.

Now, we never looked at the possibility of subpoenaing the auditor to get that information. Maybe it's something we should do. It's one that hadn't occurred to us because it's really not anything, I believe, that's ever been done in Nova Scotia history. Not that it's not the thing to do. Even the points of privilege that we did were very seldom ever used for information in Public Accounts. But this is a very unusual situation. I mean, when you get page and page and page in a

document just blanked out, and basically you could read through the whole thing, you know, 500 pages, in about 10 minutes. There was that little information in it.

**R. MacKinley:** Yes, but on PEI - and I'll read it, I found the report - it refers to Cabinet documents: However, the committee reiterated its authority from Rule 83(2) of the Legislative Assembly and the *Legislative Assembly Act* R.S.P.E.I. 1988, Cap L-7 to send for persons, papers and records.

So basically we have it in our act here now. In 1988 we must have - I was elected at that time too but I forget it - but we must have changed the rules. Basically under that act, the auditor, you don't have to subpoena them. He comes before the committee and you ask him to produce the information, and under that particular act he cannot refuse to produce the information. I can get you a copy. Maybe you should be looking at changing your act so you don't have to go through all the subpoenas. Freedom of information came into PEI here a few years ago and -

**Unidentified Speaker:** That was a setback?

**R. MacKinley:** It's a setback, yes, exactly what it is.

Because basically we request the information through freedom of information and you get page after page of blank, blank, blank. You could almost get more information, I thought, before it. Actually I didn't support the freedom of information coming through because I heard other people too, that it's really a setback. It lays out ground rules and the ground rules aren't that good for people looking for the information.

Yet under our act here - and I'll get you a copy of this and maybe you could look up the act - you might be able to, with your close majority over there, like one way or the other, you might be able to get the rules changed in the House that the auditor, when he goes in to do an audit or he can be asked by the committee to do an audit, any information he takes, even though it's confidential, becomes public. The auditor couldn't give it to you on the street and say: Here, Mr. Chairman or committee, here it is. But once he comes before the committee, he's got the protection of the House. Once he tables it in committee, then it's made public.

**K. Colwell:** That's a very good point and it's one we'll pursue, guaranteed.

You talk about freedom of speech, the access to information, we got a new bump in Nova Scotia.

They used to give us blank pages. Now they give us the blank pages with a big bill. We just requested some information here a while ago in a bill in conjunction with these documents, actually. The quoted price was \$7,000 to get the information, and then when we get the information it will be all blanked out.

**R. MacKinley:** Well, that's something the same as here.

**K. Colwell:** It's just another game for the government to keep covering up the information they don't want released.

**R. MacKinley:** The Freedom of Information is not too bad for Members of the Legislative Assembly because the taxpayers are paying the bill, but for an ordinary person to try to find out some information they're looking for, it's impossible. Because the government will come back with the suggestion it could cost you a thousand, it could cost you \$600, it could cost you - one person, it was \$2,500 for some information that they were looking for.

**K. Colwell:** But even for us it's a problem because, you know, our caucus has limited funding and if you start spending seven, eight, \$9,000 for each or several one of these, first of all, you can't do them all.

**R. MacKinley:** No.

**K. Colwell:** And that's what the government hopes.

**H. Tootoo (Chair):** Just on that, getting that information, it's going to the Public Accounts Committee, right? Do you not have a budget within the Assembly to take care of looking after that?

**K. Colwell:** Actually, the committee doesn't need to put in an access to information request. That's what the subpoena is for and they actually get the staff there to produce documents. We could order the documents issued but again we run into the problem we've run into: the documents come, they're blank. So we don't have to do an access to information through the committee. That's not necessary. Only through our caucuses if we're trying to do research to get ready for the committee meetings and prepare.

**H. Tootoo (Chair):** We get lots of reports like that. We've had a few reports tabled too, Keith, that most of it is all blanked out, but they don't use these arguments. They say it's the protection of privacy act that - this allows them to - and some of the stuff that they cover out, like one was a survey.

You know, between one to five, how do you rate this program or service? They had the answer to that blocked out (Indistinct).

So, I mean, I know it can be very frustrating trying to find ways to get that information out there. Some of the I guess you could call them lame excuses that they use to hide behind to not get that information out there. I'd say there should be a way through the committee to make sure that that information gets out there. Because if they don't give it to the committee -

**Unidentified Speaker:** (Indistinct).

**H. Tootoo (Chair):** My mike's not on?

**Unidentified Speaker:** (Indistinct).

**H. Tootoo (Chair):** I usually never have that problem.

If they're not giving the committee the information, you know, the committee, on top of the points of order in the House, (Indistinct) they're not allowing you to fulfil your mandate, as a committee, in what you're supposed to do. It might be another issue that you want to look at it from that viewpoint. If they're stymying, I think is the word that is used in the report, not allowing you to do what you're supposed to be doing by what your mandate of the committee is supposed to look at, that might be another approach to add a little weight and put a little more pressure on them, for the committee to say that's parliamentary privilege that they're blocking.

**K. Colwell:** As we went through this process - and as I say it was very aggravating - we really worked hard as a committee, all parties, to ensure that we didn't release any information that was made available to us that would have hurt the companies. We thought that was very important. We weren't out for a witch hunt. We were out to see why this money was spent.

The S & J potato file is a good investment because they're a good company. But the other company is another question. They had a loan that went back to the 1970s that they never repaid and it was written off and they got another one after that that was never paid and set up, and it's a questionable account. I mean, it's just a horrible story. The last \$350,000 when they brought their business plan forward, if you read the one that was there 25 years before, it was the identical plan with the date changed on it. They didn't even change that. Then when we asked what they're going to buy with this \$350,000 they didn't have a list of stuff they were going to buy. I mean, it was a \$350,000 forgivable

loan with no financial information that was solid enough to justify a loan, no indication where they were going to spend the money, based on projections that were identical to 25 years ago that never worked.

So the whole thing really smelt bad. On top of that, I found out that the premier at the time was very good friends with the gentleman that owns this place. It was unlike the premier we had at that time because he had a very solid reputation of being a very straightforward premier with a very excellent record. So the last Cabinet meeting they had they approved these two loans, and it's unfortunate that these things have to happen with taxpayers' money. Now if it's a good investment and they were pleased with the investment, they should have provided the information. So it raises more and more questions as we look at it further and further and further.

**H. Tootoo (Chair):** Any more comments or questions from anyone?

**N. Sterling:** Has the Legislature met since the election?

**K. Colwell:** Yes, we had a very short session in June, early July, to go over the budget and we just strictly did the budget.

**N. Sterling:** Did anybody raise the point again?

**K. Colwell:** No. No, we haven't done that. We're in the process of doing that now. Because the committee was just reappointed because the committee had to be reappointed at that session and it's just now that we're starting getting back into the committee meetings. So this fall you'll see it back in the Legislature again.

**N. Sterling:** The two issues are: Can you subpoena somebody or -

**K. Colwell:** That's not an issue.

**N. Sterling:** The warranting, the Cabinet documents is the issue for you.

**K. Colwell:** Yes. Even those, that's not an issue. It's the information that they provide in the documents, that's the issue. We can get the documents but they're blanked out. The warrants aren't a problem. The only issue we have of the committee is we can't enforce the warrants. The Legislature has to do that, and that's what the points of privilege were about, to enforce those warrants to make sure we get all the information.

It will be interesting to see what the Speaker rules

on and what process we have after that. Because according to the counsel we have, which is Legislative Counsel, it has indicated we have the right to all those documents. So it's a really complex issue. You have a department, deputy minister and a Minister of Justice got mixed up in all this too, which is unusual, because it wasn't anything to do with Justice but all of a sudden they were involved in this process, giving a legal opinion on it, where it really should have been Economic Development through the whole process.

They got mixed up in it too, so it really seems like it smells even worse because it's getting deeper and deeper in all the different government departments.

**N. Sterling:** How do you prevent, you know, let's say - I'm not sure on which side of the issue I stand because I've been on both sides. I've had nine different Cabinet portfolios in my career, including the Attorney General and ministry of transportation and environment and energy and a whole bunch of them. What prevents a fishing expedition in a minority parliament if we have the power to warrant Cabinet documents?

**K. Colwell:** I'm a former Cabinet minister too, but really a minority doesn't make a difference in this case. We still have the same number of committee members. We have three from each party on the committee, so it's pretty well balanced. So it could happen in a majority situation as well. I think it depends on the committee. This was not a fishing expedition. This was real fact. This was some deals that were very questionable, to say the least, and we requested information specifically on these deals. We weren't on a fishing expedition. This is information we had found out about and we started to pursue as a committee.

As a former Cabinet minister, the information that we requested, I think, is reasonable. We withheld a tremendous amount of information from the rest of the committee as subcommittee members that really wasn't relevant to the documents we were looking for. Some could have been damaging to government and to the companies, and we didn't want the companies to be damaged and we weren't out to damage the government in this of anything that they did right.

**N. Sterling:** But in the fall of 1980 in the Ontario Legislature the Justice Committee went to the House - it was a minority parliament - and forced a resolution on the House to subpoena a Cabinet minister and warrant police investigation documents. They were clearly on a fishing trip. They were clearly going to go after - it was a

political issue and an election which was about to be called, which was called in February of 1981. So you just can't create rules for majority situations, you've got to create rules that stand in place for all kinds of circumstances.

So I guess my concern is that while your motives were honourable and right in this particular instance, when you start changing the rules you've got to also be concerned that they're going to not be used in the proper fashion.

**K. Colwell:** I would concur with that because this is the third minority government - I was Cabinet and then my second term as opposition now. It's a fine line. It's a very fine line.

When we've seen in the past abuse, some abuse from the confidentiality in the committees by some former party members of another party besides ours or the government party that we went to - I can recall one time a confidential briefing by the RCMP, that the leader of the party at the time walked out of the meeting and stated everything that was said in the committee. There was no repercussions we could take against the person, which is unfortunate, because it hurt a lot of people.

But that hasn't happened in our committee since then and the committee has been very balanced, and I'm really pleased to see that. I have that same concern, but at the same time the public has a right to know when these deals aren't done properly, and these were not done properly. If you looked at the financial information they forwarded, this was a terrible mess.

**N. Sterling:** In Ontario, we have the integrity commissioner who any MPP can go to and allege that either as a minister the minister acted improperly, and the integrity commissioner - who is a former justice of the court of appeal in Ontario, now retired but serving as the integrity commissioner - goes and then does his investigation into the allegation and comes out with a report.

As recent as last year our minister of transportation got severely slammed by the integrity commissioner for some acts which he had taken which were clearly outside of his - shouldn't have done as a minister of transportation. So there is that mechanism within our system to try to get at what I think you're trying to get at here through the Public Accounts Committee.

**K. Colwell:** Actually, we have a conflict of interest commissioner, again, which is a former justice. Quite frankly, we've raised that on many

occasions. I have one occasion that I raised an issue that was blatant and the conflict commissioner came back and said: That's outside my scope of responsibility.

We have never received any kind of positive response. When I say positive, really, where the justice would look at that and say this was done improperly and so on. It seems like the scope of that system isn't maybe as strong as it should be. I think that's one of the shortfalls in it. The justice is not doing anything wrong, I'm not saying that, but when the reports come back they're vague, they're not to the point, and oftentimes, if it's out at all, if it's borderline whether they should rule on or not, he just says: This is outside of our jurisdiction. That's an issue that probably should be addressed in Nova Scotia.

We're almost free to get the information, but our hands are tied. In every avenue we take it seems like there's a block there to stop it. We have all those things available. As far as putting a resolution in the House to change the rules, we have to get the government to call a resolution in our Legislature and there's no way they're going to call that resolution, even a minority government. We can put the resolution forward. Unless it gets unanimous consent, which it wouldn't do, it just dies. So it's a process that's very aggravating, but it has a lot of protection in it for the government, which is not a negative thing, because you have to have -

**N. Sterling:** Bottom line, in your opinion, after going through this particular experience, what do you believe the committee should have access to in terms of Cabinet documents?

**K. Colwell:** In this particular case - and of course, once you set a precedent it's every case - in this case we should have had full disclosure of the documents to see why the loans were made the way they were. The committee, and I can tell you from the committee that we sat on, if it was justified and it was done properly, it would have died right then and there. I'm very surprised for an all-party committee that it acts like that, but I guarantee it would have.

You just really have to see the documents. We haven't seen the documents that we need to decide whether or not those loans were sensible or not. We're not trying to look at every loan, but these ones were very questionable. Even with the information they provided, it just asked more and more questions.

**N. Sterling:** So how would you limit that power to prevent what I was talking about before?



**K. Colwell:** It's a very fine line. It's very difficult because, number one, you don't want committees interfering with what the government is trying to do to help the economy and make good solid loans.

One of the suggestions that was made, actually a platform we had when we weren't successful in the last election, was that every loan over \$250,000 would have to be reviewed by an all-party committee to ensure that the homework had been done, on a very confidential basis. That's one concept that could be used. There's several that could be used. But every time you use taxpayers money - there was an example of one on Prince Edward Island here yesterday of \$30 million going astray. But these, I think, have to be investigated. The ones that are solid should be left alone, and let the companies grow and hopefully employ people in your province.

**H. Tootoo (Chair):** Okay, thank you.

Please go ahead.

**S. Murphy:** I just want to follow up on this issue. I don't want to prolong it and again, I don't know what side of the issue I'm on because getting at Cabinet confidences wouldn't be a normal procedure we would follow in the House of Commons committee. The only time we've ever seen it would be at the sponsorship issue and an exception was made.

But my question is, or comment: all this information that you're looking for, which would be the background application, background documents, all this which go to the financial regularity, propriety and economy that you're looking at and was taxpayers' money protected, wouldn't that not be in the file of the Economic Development Minister or similar person? Would that not be there? If you subpoenaed the deputy minister of Economic Development and he came before the Public Accounts Committee, wouldn't all that information be in the file?

**K. Colwell:** Sure was, and all the pages were blank and it was all stamped either - I'll give you an example of what we got. We got some documents that were headed from one director to the PR person in the department. We don't know what's on them, but marked "Cabinet Confidentiality." Absolutely nothing to do with a Cabinet minister. Just a blatant -

**S. Murphy:** As I see this issue, they're using Cabinet as a shield.

**K. Colwell:** Cabinet, and solicitor-client. We don't even know who the solicitor was. Wasn't identified.

It wasn't even documents in a lot of cases that even were directed to the Cabinet minister. There was between staff some of these things were stamped "Cabinet Confidentiality."

**H. Tootoo (Chair):** I think maybe that's probably why the Minister of Justice was brought into it. Because as soon as he's gives an opinion they're a client, that department is a client and they're hiding behind that client-solicitor.

**K. Colwell:** We're not even sure it was the Department of Justice that this solicitor was. It could have been an outside law firm. We have no idea. But it was just marked. We even asked those questions: Who was the client and who was the solicitor? We never even got those answers.

**H. Tootoo (Chair):** Another question. Go ahead.

**Julia Munro (Ontario):** Yes, it's Julia Munro. I wanted to ask you whether or not you would be able to have the power in the committee to ask the auditor to take on this as a special project?

**K. Colwell:** I'm not sure. I know we can subpoena information. We went through this whole process and the auditor was present during this whole process, or the assistant Auditor General was there during the whole process. I can't recall if we had asked the Auditor General for the information or not. I don't know if he could release the detailed information again without the permission of the department. Now, the general information, he can and does report to the committee on a regular basis, but the detailed information, I don't know if it's under his jurisdiction to be allowed to do that or not.

**J. Munro:** In Ontario we can, as a committee, make a decision to ask the auditor to look at a particular issue and I can think of two occasions where, as a committee, we have asked.

The reason I asked you if that was an option available to you was that obviously the Auditor General is in the position of being able to use documents that we as a Public Accounts Committee would not have access to. But at the same time, it means that he's in a position to offer the comment on what he has obtained. It would just seem to me that in the circumstance that you're in, this would give you the kind of, for want of a better term, the clout, if you have the auditor then expressing grave concerns about the nature of the material that he has been able to use. That's kind of a starting point for you that seems to me to be a much stronger position than you're currently in.

**K. Colwell:** Yes, that's one we'll take under advisement and follow, guaranteed.

**H. Tootoo (Chair):** Thank you. We have another question.

**N. Sterling:** I asked -

**H. Tootoo (Chair):** Norm.

**N. Sterling:** I asked Jim -

**H. Tootoo (Chair):** Norm -

**N. Sterling:** Norm Sterling.

**H. Tootoo (Chair):** But Norm, this other lady had a question.

**N. Sterling:** I am sorry.

**H. Tootoo (Chair):** Ladies first. Please go ahead.

**C. Vermette:** *Oui, mais je veux demander si, comme nous sommes tous ensemble réunis, nous avons tous entendu, en fait, les propos de notre collègue. Si (Indistinct) pas une possibilité que nous passions une motion et que nous demandions au CCPIC d'aller faire le tour des vérificateurs avec des normes de vérification afin de pouvoir constater qu'est-ce qui se passe au niveau de la vérification et des conflits d'intérêts qui pourraient exister entre les vérificateurs et l'effet (Indistinct) aux conseils du Trésor qui a un problème (Indistinct) à ce niveau-là. Est-ce qu'il (Indistinct) une possibilité pour nous de passer une motion à ce niveau-là, au niveau de CCPIC? Je pose ma question.*

**H. Tootoo (Chair):** I don't know if I'm hearing the same thing or not, but go ahead.

**K. Colwell:** Yes, I think that would be an excellent approach.

**H. Tootoo (Chair):** Go ahead, Norm.

**N. Sterling:** Hunter, I was asking Jim McCarter before we came, at breakfast, what he would do in a situation where the committee said to him: We'd like to know what that Cabinet document is or isn't? Because Jim has access to Cabinet documents. His practice is to ask specifically, very specifically, for a particular document. If any of his staff are asking for it, it goes through him to ensure that people are not on a fishing expedition in terms of the Cabinet documents he goes after.

But I did ask him: What would happen if the committee said: We want to see that document?

Or if the Committee said: Who told you about such and such a matter? He said that he would not reveal that to the committee. But as Julia has pointed out, he would take our direction to investigate a particular matter and he would have access to those particular documents.

So in some ways I prefer that approach because then it's not in a political forum, but you're getting your auditor, who we trust, to have the access and present to the committee the results of his findings. Quite frankly, they would have more credibility than in a political forum anyway. So if he found that the loans weren't justified or warranted or that there was conflict, then I'm sure that he would point that out.

**K. Colwell:** That's a very good point. I guarantee we're going to investigate this further.

**H. Tootoo (Chair):** I don't know how it is in other jurisdictions but I know for us, Sheila Fraser does our audit - the Auditor General, the federal office - and we meet with them and we can ask them to look at different things. We can tell them: You have to look at this. We can request and it's up to the auditor's office to decide whether they're going to do it or not.

But you know, a lot of times, at meetings like this and other meetings that we have with them, we can say: These types of issues are things that you may be interested in looking at in your next audit. So I mean that's - and again, as Norm said, I think that way it would be a lot more difficult for them to hide anything and, again, take the political jockeying out of it and just putting the facts out there and saying: It wasn't done properly or it was done properly. You know, coming from the auditor, it would have a lot more strength.

Anything else? Okay, that was good.

Thank you very much, Keith.

We're supposed to be done at 10:15 and it's not quite 10:15 yet, so do we want to take a break now and instead of coming back at 10:45, come back at 10:30, move things up a little bit?

We'll be back here at 10:30 after a health break. Thank you.

HEALTH BREAK

### **Business Session No. 6**

**Chair:** Shawn Murphy, MP

**Topic:** *The Changing Role of the Select Standing*

*Committee on Public Accounts in BC*

**Presenter:** Rob Fleming, MLA, British Columbia

**S. Murphy:** I just want to welcome back everyone to the final session of this conference for our particular group. There are a couple of housekeeping announcements that I have before going to the formal presentation by Rob Fleming. There's a couple of housekeeping announcements I've been asked to make.

First of all, the official photo of the group will be at 12:00 o'clock sharp upstairs here. That's 12:00 o'clock after this session is over, right on the second floor.

Secondly, I've been asked to ask everyone to return the headsets once it's over. Make sure you just leave them at one of the tables at the back of the room. I've also been asked to ask people that when you do speak, before you speak, if you could identify yourself. We may know who you are but there are minutes of the meeting being taken and it's going to be difficult for the people that prepare the minutes if people do not identify themselves.

One final sanction I'm going to impose as Chairman in this section: we're not going to at all talk about potatoes this session.

**Unidentified Speakers:** (Indistinct).

**S. Murphy:** No potatoes.

Ladies and gentlemen, colleagues, the final session is entitled: The Changing Role of the Public Accounts Committee in British Columbia. Our presenter, and seated to my left, is Rob Fleming. Rob is the Chair of the British Columbia PAC. Rob originally is from Windsor, Ontario. He is a graduate of the University of Victoria. He has worked in research and communications since his graduation. He served two terms as a councillor with the city of Victoria and he was elected in 2005 to the provincial assembly and was elected chair of the Public Accounts Committee.

What I propose to do is ask Rob to make his presentation and then open it up for a panel discussion, or a discussion. But also, too, what I'd like to do is, at some point in time before the meeting closes, we've had a number of sessions in this conference and we all see the challenges that each PAC has across Canada. One thing that is very clear is that there's no two committees alike and we all have different challenges. Some of us operate with experienced committee members. Some of us represent smaller provinces, some larger provinces. Some act in minority

governments, some in majorities. So we all have unique experiences.

But what I'd like to do before the meeting closes is just go around the room and just ask each province just what they see as the challenges in the year ahead. Because it's September now. We'll all be going back. The meetings will be starting. We're all doing some planning for our committees. I'd like to get some comments from each of the individual provinces.

But also, too, what I'd like to get a comment on from everyone is - the next year's conference is, as everyone is aware, it's in Victoria, British Columbia. If there's any particular topic area or any particular subject that you people want to see discussed or on the agenda for the next year's conference, perhaps I'd like to get that on the record also.

So without anything else that I have to say, I'd like to turn the floor over to Rob Fleming.

**R. Fleming:** Thanks, Shawn.

Good morning, everyone. Before I begin my presentation this morning, I want to add my thanks to our PEI hosts for their wonderful hospitality. If my voice has diminished in any way this morning, you'll know - because I saw most of you at the PEI hootenanny that was hosted last night, and what lovely singing voices we all have.

This is only my second CCPAC Conference and I have enjoyed it very much. It's been wonderful to be here in Charlottetown. As you know, just to begin with, Shawn has just reminded you that Victoria, British Columbia is going to host next year's conference. Here's something you can take away for your calendars. We do have dates now. You've also got a pamphlet from the Grand Pacific Hotel in front of you where you will get a conference rate. August 19<sup>th</sup>-21<sup>st</sup> will be the dates for hosting. We're very much looking forward to having you all there, and your colleagues, to the capital of British Columbia.

What I'd like to do with the presentation this morning - which isn't a long one, you'll be glad to hear - is just describe the context within which the BC PAC has conducted - I'll start by talking about BC PAC briefly over the past decades. Some parts of our external environment in BC are going to be very familiar to you. All PACs operate in an environment where accounting principles are evolving for senior governments, where higher auditing standards are being demanded of the accounting profession. I note that something like 40% of public sector auditing guidelines have been

changed in the past three years alone. So, you know, we all struggle to keep on top of that and, of course, our offices of the Auditor General. We're also an environment where governments are experimenting more and more with alternative service delivery arrangements and public-private partnerships for infrastructure projects.

There are some other factors that I think are probably unique to BC's PAC and they have to do with legislative changes. We have acquired, I think, a reputation as a leader with respect to the completeness and the timeliness of public sector budgeting and financial reporting, and I'll begin with the *Budget Transparency and Accountability Act*.

Let me just say, though, in terms of financial reporting one of the things that British Columbia has now every year is our fiscal year ends March 31<sup>st</sup>. By the end of June now every year, our Public Accounts are actually published and released, so the turnaround time is incredible. Just a few years ago I would be sitting at a conference like this in September and we would have no idea what the Public Accounts of the province would be at that time. So now we have them down to just over two months in terms of their release and sign-off by the Auditor General.

*The Budget Transparency and Accountability Act.* The impact of this act, which promotes greater financial accountability since 2001 when it was introduced, I think it's well known. It's been discussed at previous conferences, but just to recap, the main highlight was that it legislated compliance with generally accepted accounting principles. It's resulted in the consolidation of the SUCH sector. So schools, universities, colleges and hospitals now are on the same set of financial statements as every other ministry and entity of the government, of the summary financials. As a result, the office of the Auditor General has been able to give an unqualified audit opinion on the province's Public Accounts for the past two fiscal years. Just going into our third.

I think less well known is the role that PAC actually played in setting the stage for these changes. In the mid-1990s, we had a Chairman - the late Fred Gingell, Chairman of the PAC - who championed financial transparency and new legislation governing the release of the province's Public Accounts. They were consulted to reform the financial management in BC and released two reports in 1996. Really, it was the Public Accounts Committee that started to generate the momentum for these changes: the compliance with GAAP, etc., in British Columbia.

*The Auditor General Act.* I want to move to another important development reflecting the role of BC's PAC. The new act was passed in 2003. I don't think it had been amended since 1978 and it not only - the act enhances the capacity of the Legislative Auditor. It also makes the Auditor General more accountable to the Legislative Assembly via the committee system. I know that the auditors this morning are upstairs meeting in camera, probably talking about openness and transparency or some other subject. But the sessional motions approved by the House on February 20<sup>th</sup>, 2006, allocated responsibilities to two parliamentary committees. You have a handout there that identifies the section of the act and what responsibilities have been assigned to the Public Accounts Committee and what responsibilities have been assigned to the Finance and Government Services Committee.

Nobody got that joke about the Auditor Generals meeting in secret to talk about openness, right? Okay.

I'll go through some of the highlights of the new AG act which has clarified some of the responsibilities and the practices of the Public Accounts Committee. But it hasn't been without problems. Let me just start with Section 2 of the *Auditor General Act*, the appointment of an Auditor General. Just to clarify, the recruitment of a new Auditor General is a new task for the PAC. It was previously done by a special parliamentary committee set up on an ad hoc basis. So for the first time in November 2005 the PAC was identified by sessional motion as the committee that the Legislative Assembly would use to conduct the search for the new Auditor General and come up with an unanimous recommendation to the House to hire this person.

From 1977 to 2000, as I mentioned, we used a special committee rather than the Public Accounts Committee. So there's obviously a logic for the PAC, since it works most closely with the Auditor General, to be the hiring committee for that individual and that was put into legislation.

Looking again at section 7, like its predecessor, the new act in 2003 anticipates that in some cases your search for a new Auditor General is not going to be seamless. The outgoing Auditor General is going to finish their term before the Legislative Assembly has found the means to make a recommendation to have the new Auditor General in place. So the act provides for an interim appointment to deal with the situation. If the House is sitting, the Legislative Assembly, on the recommendation of the committee, ratifies the acting auditor appointment. However, if the House

is not sitting an acting Auditor General can be appointed by only a majority vote of the committee, not the higher test of unanimity required if the House were sitting. So once the House rises and if this committee has still not made a recommendation for an acting Auditor General, the lower standard with only a majority is the guideline, and that's exactly what happened this spring.

What's interesting is that in section 7.2(c) which talks about an acting Auditor General there's actually no constraints or shelf life on the term of an acting Auditor General. So you know, the provision is there to deal with those special situations where you don't align the outgoing Auditor General with the new one, but in actual fact - I suppose it's poorly written legislation, or maybe it was a loophole that was put in there - there is no shelf life on when an acting Auditor General ends their term. Under the previous act before 2003 there was, however. An acting Auditor General's appointment was deemed to be terminated immediately after the expiry of 20 sitting days following the next session of the Legislative Assembly.

Now from my perspective it's critical that an acting Auditor General serve only in a caretaker role for a limited period of time, whether it's 20 or 30 sitting days, to accommodate the parliamentary schedule. Otherwise there simply is no incentive for a divided PAC on party lines to reach an agreement on a suitable candidate that is then going to be recommended to be appointed by the House as the new Auditor General.

So this loophole, I'll call it, has really had a function of being almost a steam valve that has relieved the pressure of all parties to compromise and reach consensus at the committee stage on recommending who the Auditor General is going to be.

I think the unanimity rule that is required for the Committee should be required by the whole House. I know that legislatures vary and maybe when we get into discussion, we can talk about this in more detail. I know that it varies, what the practices are. In New Brunswick, I understand that Cabinet still appoints the Auditor General. But I think for the Legislature and for the public it's critical, given the importance of the independence for the office of the Auditor General, to have the support of all parties in the House. To have that test of unanimity, I think, is critical to determine and set beyond question the independence of that office.

Section 10.8. Another a new task for BC PAC assigned under section 10 is the review,

amendment and approval of the Auditor General's annual financial statement audit plan. Just to clarify, this plan covers the fee for service work undertaken by the audit office, not the 19 ministry audits that are done by the annual appropriation. So the plan lists the distribution of financial statement audit responsibilities between the audit office and the private sector accounting firms that the OAD contracts with. We have had some questions on this. Since acquiring the assignment, the Public Accounts Committee, the line of questioning has focussed on the level of fees charged by the audit office and whether they're market-based and those kinds of things and how specific audits are, in fact, chosen by the auditor. Sometimes it appears very arbitrary. Which school board, for example, is going to be randomly audited by the Auditor General, especially when that school board happens to be in the constituency that you live in and you have to explain that to your local school board or something like that.

The new *Auditor General Act* also makes provision for a legislative committee to approve each year the fees for service performed and the audit office's budget as well as to commission an independent audit of the accounts of the office of the Auditor General itself. So I think it would be more logical for the PAC to have this responsibility in clarifying who audits the auditor. However, that is not the case. It is a special committee structure that is in charge of auditing the Auditor General's office.

As you can appreciate, the division of responsibilities can be quite confusing at times. It's there in your handout to see the back and forth that must go on between the Finance and Government Services Committee and the PAC. Unfortunately, the government has decided so far not to follow the advice of the office of the Auditor General itself which has submitted two proposals to update the *Auditor General Act*. They had recommended that PAC both review and adjust its annual estimates and also be responsible for making the decisions regarding the fee-for-service work that I've just talked about. If these recommendations had been implemented, obviously we wouldn't be facing the existing quandary of a dual reporting relationship for the Auditor General.

The final legislative change I want to discuss is section 13, the new provision giving the Legislative Assembly or a parliamentary committee the power to request that the Auditor General undertake a special examination. I'm not supposed to talk about Nova Scotia but, you know, this is an important power obviously for the potato fiasco.

Clearly PAC has the ability to request, and the Auditor General can independently accept, should they wish, taking on a special examination of that kind of a situation. It's only been tried once, a PAC member requesting a special examination. One of my colleagues, Adrian Dix, who is an MLA from Vancouver, tried unsuccessfully last session to persuade the PAC to ask the Auditor General to investigate the impact on patient care of privatization of food, cleaning and security services. Not a loaded request at all.

Changes in PAC practices. I want to touch briefly on how our operating practices are evolving in response to some of the broader trends identified at the beginning of my talk.

Public-private partnerships. Let me just say a few words about the experiment with P3s and how that's affecting our work at PAC. The Office of the Auditor General has recently reviewed three of the largest public-private partnerships in BC: the new Abbotsford hospital - it's a \$400 million project; the upgrading of the Sea-to-Sky highway which is going to Whistler but is not an Olympic related project, depending on who you talk to; and the construction of the new rapid-transit Canada Line which will go from the Richmond Airport to downtown Vancouver.

To date, our PAC has actually only received one Auditor General assessment and that was on the first project, the one dealing with the hospital.

The auditor's reporting format for P3s, though, is quite different from other reports that the Auditor General submits regularly to PAC, and let me explain why, using the findings of one of the province's best known forensic accountants, Mr. Ron Parks. According to the Parks report in June 2006, in all three cases the office of the Auditor General did not conduct a direct independent audit. Instead, the audit team reviewed value for money reports that were prepared by the organizations that manage and promote P3s. Then the actual report of the Auditor General was only two pages long. It was merely a brief attestation letter appended to the report of the organization itself.

So in two of the three cases the audit office was actually paid a fee to conduct the reviews. So those market-based fees that I mentioned before were paid for by the organization that promotes P3s to the Auditor General office which only issued a brief attestation letter. This is an area of active interest by our PAC.

Getting back to the Parks report, he mentioned that to maintain the independence of the audit

office he recommended that the Auditor General prepare his own direct reports on the controversial experiment with P3s in the future, and if this suggestion is taken up, in future, such reports would automatically be referred by the Speaker to the PAC for review in accordance with the normal operating practice.

I don't think BC is alone in coming to grips with the challenge of P3s, as my colleague from Quebec has pointed out in a CCAF publication. Her province has not yet defined the accountability principles and conditions that would allow the National Assembly to play its role regarding P3s, the same as the dilemma in BC as well.

Our report format and follow-up process. I think a less controversial change in the operating practice relates to the format of our BC PAC report presented to the House. Since the 2001 sessional year, the committee now reports annually on its activities to the House rather than issuing separate reports on each topic. I don't think the House of Commons is like that. You issue something like six or seven reports typically in a year. We now just do one, which is in a sort of simple format, to the House. I think to illustrate why the change was made, in the 36<sup>th</sup> parliament, two parliaments ago, the PAC was producing, in some years, 14 separate reports within the space of the year. It was burning out our staff. It wasn't of any use to members of the Legislature. We now just do it in an annual report and I think that format is working quite well for members.

As well, a formal follow-up process was initiated in 2000 as an important part of the accountability loop for the BC PAC. The follow-up of the auditor's and/or PAC's recommendations to improve government performance is now undertaken by the office of the Auditor General. The audit office then reports back to the PAC on progress made on implementation. A description of our follow-up process, if you're interested in that - and I think a gentleman raised it the other day - is available on the website, and Josie Schofield, our researcher, has copies of that, as well.

Let me just conclude by saying simply that while the implementation of the recommendations is an important measure of any parliamentary committee's effectiveness, I think there are other criteria as well. I've only been the chair of PAC very briefly, and so I don't want to dwell on the negative but just mention a couple of things that I think are affecting the Committee's capacity to perform its oversight role.

First, there's been a decline in the number and regularity of meetings since 2001 and I talked

about that yesterday in terms of the circumstances of BC politics and landslide elections and all those kinds of things. The result of that has been a considerable backlog of work and we still have to tackle it. So we have something like 17 outstanding reports staring us in the face and new ones coming on stream all the time. Adding to the workload pressure, of course, are the new statutory responsibilities that PAC now has, that I've mentioned today.

The other is just the less tangible human element. I mean, politicians are human beings. They get a new job when the electorate gives them one, and as I mentioned yesterday, 12 out of our 14 MLAs are brand new to the job. When you're dealing with the subject of public finance, the language is extremely technical. It's a very steep learning curve, and in my opinion, it has dramatically affected the capacity of our PAC to do its job in providing the oversight of the finances of government. So it's a learning curve that we have to tackle and there's just no way around it. Maybe that's why CCAF and meeting colleagues here is so important for PAC Committees because I'm sure this phenomenon is not just isolated to British Columbia.

A subject, too, that I'd like to talk to you about individually is that our PAC members from the two parties need to develop a better working relationship with one another. We have votes. They are regularly according to the numbers of the party numbers on the Committee, and that's unfortunate. Sometimes we have unanimous votes on less controversial issues. We do have that regularly. But my biggest challenge as a PAC Chair is trying to tone down the partisanship on the Committee and foster some collegiality so that we can maturely work together and provide the oversight.

Instead of the government members being seen there as playing defence for their ministers, and the opposition trying to use PAC as an extension of question period, we need to be more, perhaps, like the Quebec National Assembly in their tradition of decorum on the Public Accounts Committee. So any advice you can offer me on that matter would be greatly appreciated.

Thanks for your time this morning.

**S. Murphy (Chair):** Thank you very much, Rob.

It certainly appears that the British Columbia PAC is like every other PAC across Canada. We all have our own unique challenges and unique circumstances.

At this point in time, I throw it open. Any questions of Rob or perhaps any additional follow-up comments?

I'll have to ask you to come to a mike and identify yourself.

**D. Zimmer:** David Zimmer, Ontario. So you talked about the learning curve when you got a whole lot of new PAC members. What's the plan to get people through the learning curve quickly so they can do some effective work, rather than having to wait two or three years before they figure it all out? I was elected in 2003 and went on the PAC, and although I had some background in private section finance, I found it a learning curve exercise too, and I still am.

**R. Fleming:** Yes, I mean, there's no substitute for experience and that takes time, but I think what we're doing right now is the orientation that new members had was perhaps not as good as it could have been. You know, we had sort of fairly dry presentations by the Comptroller General and the Auditor General as well.

So we're looking at trying to animate that a bit more and make it more interesting. We're going to have the CCAF actually come meet with us this fall and remind members of the mission and mandate of PAC and try and get that on top of minds. Maybe that will help with the working relationship between the two parties on the committee.

So I think there are ways. I think we just simply have to set aside more time to do it, you know. A one-off three-hour meeting on everything you need to know about PAC isn't going to do it. You have to, you know, regularly - I think Doug from Alberta was saying the other day we need to have skills development of PAC members on a regular basis. Some of that's conferences, but a lot of that is one-on-one time for members. I think some jurisdictions have really good Auditor Generals that actually don't just talk about having a relationship with all the members of the PAC, but they do. They get that face time and they have more than enough opportunities to get all their questions answered.

**D. Zimmer:** My other observation would be, as I understand the Quebec PAC and certainly the Ontario PAC under your leadership, Norm, I guess most of the people on the PAC after 2003 were - probably the majority were new members, so they were on a learning curve. It's much easier to work through that learning curve when you're working in a non-partisan environment.

I don't know how you get through the learning

curve at a PAC if your first attention you've got to watch out for all the partisan stuff going on at the PAC. How do you work through that and work through the learning curve at the same time?

**C. Vermette:** May I respond?

*Je réponds qu'au Québec, on a atteint un niveau de maturité important en ce qui concerne cette commission parlementaire. Notre objectif dès le point de départ a été de faire de cette commission parlementaire un succès. Et pourquoi? Parce qu'on voulait justement rétablir la crédibilité des parlementaires par rapport à la population.*

*Tres souvent, on est tellement pointés du doigt. Comme États, la plupart du temps, on est tous pareils. On est tous des voleurs. On est tous des gens qui essaient de profiter du système. Donc, notre objectif, c'était de défaire la menterie, en fait, cette rumeur-là.*

*Et aussi, le deuxième objectif, c'était de protéger nos fonctionnaires, en ce sens qu'on ne voulait pas les intégrer dans la prise des décisions politiques, mais bien dans la gestion de leur administration. Et pour nous, ce sont les deux principes de base qui font qu'on était capables d'établir un consensus et d'être au dessus de la partisanerie.*

*Alors, c'est sûr qu'il y a des périodes un peu difficiles lorsqu'on arrive (Indistinct) électorales et qu'on a des dossiers un peu plus chaud, mais on s'est fait un devoir de rigueur sur le plan de la gestion et ce qui fait, en sorte, qu'on est capable d'arriver à maintenir ce niveau-là de non-partisanerie.*

*C'est cette rigueur de la gestion qu'on s'est donnée comme objectif et ça marche. Ça marche tres bien. Honnêtement, c'est - moi, ça fait au moins cinq ans que je suis la (Indistinct) du comité - depuis le début, en fait, de ce comité- là - et je peux vous dire qu'on a évolué et même quand on a des collègues qui viennent, qui s'ajoutent à notre commission parlementaire parce qu'ils sont responsables d'un dossier qu'ils veulent savoir un peu ou prendre un peu d'espace de notre commission (Indistinct) toujours à l'heure. Donc, il n'y a jamais personne qui a un écart de conduite par rapport aux objectifs qu'on s'est donnés sur cette commission-là.*

*Et maintenant, on atteint beaucoup de crédibilité de la part de néo-fonctionnaires et je peux vous dire que lorsqu'on leur donne des devoirs à la fin parce qu'on n'est pas satisfaits de leurs réponses, je vous garantie que (Indistinct) vite et maintenant, on a beaucoup de bons résultats. Il y a une tres*

*belle collaboration avec la plupart des gens que (Indistinct) audition.*

**D. Zimmer:** Thank you. That's very impressive, and it sounds very much like the Ontario model in terms of its professionalism and nonpartisanship.

So then I would just throw out this observation. It seems that the two largest jurisdictions in terms of budget that they're overseeing - Quebec and Ontario - would seem to have the least partisanship and a high degree of professionalism. Does this have something to do with just the sheer magnitude of the size of the operation that one's overseeing that sort of really drives the message home that you can't really horse around with these huge budgets, or is a more partisan environment endemic to smaller budgets, smaller jurisdictions? I just ask the question. I'd be interested in some responses on that.

**S. Murphy (Chair):** Madame.

**C. Vermette :** *Je ne crois pas que c'est une question de budget. Ce que je pourrais dire, c'est la taille, peut-être, de l'État. Le fait que nous, on n'a pas de relation (Indistinct) avec nos fonctionnaires. En fait, on les connaît moins parce que c'est tellement grand. Ça vient de partout, un peu partout.*

*Donc, tandis que je me rends compte comme en Nouvelle-Écosse - en Nouvelle-Écosse, c'est que tout le monde se connaît. Tout le monde connaît tout le monde et tout le monde est (Indistinct) à quelqu'un. Lorsque nous, en fin de compte, on n'a pas cet État tout à fait là et peut-être, c'est plutôt la taille. Je dirais que quand je regarde moi, mon comté, la ville que je représente, on a 560 000 habitants. Donc, c'est un peu près la taille de la Nouvelle-Écosse.*

*Donc, évidemment, quand on est grands, on est sept millions en population, c'est sûr que ça fait une différence que quand on est moins de population. On se connaît moins, en tout cas. On est plus anonymes, les uns et les autres.*

**N. Sterling:** Rob, your act has changed, did a lot of parallels with our most recent changes as well. Have you thought at all about - your auditor has not yet brought any value for money audits on hospitals and universities. That hasn't happened yet, has it, in BC?

**R. Fleming:** No, on those P3 projects -

**N. Sterling:** Outside of the P3 issue.

**R. Fleming:** Yes, we have had some over the



years. I think the office of the Auditor General in BC would say that their value for money, you know, performance audit, would be almost half of the office's work and the other half being mostly financial statement stuff.

**N. Sterling:** I'm just wondering. We're going to go school boards, universities and hospitals. I don't know what form the auditor is going to report his value for money on, whether he's going to group them all together, whether he's going to show differences from one end of the province to the other with regard to value for money.

I just wondered if you had given any thought. We have not. We haven't had a discussion in our committee yet how we are going to conduct our hearings with regard to how the transferees are spending the money or how they are giving value. I just wondered if you had thought - you know, do you call in, let's say - I'll just pick one area. Ottawa University is targeted in the auditor's report for some sloppy spending or whatever it is. Do we call the deputy minister of colleges and universities or do we call the chancellor of Ottawa University? I just wondered if you had given any thought to this yet.

**R. Fleming:** PAC hasn't directed a lot of the value for money audits, but the Auditor General's office has, of their own accord, picked some interesting topics.

Like, on the subject of universities, for example, the government has said in many throne speeches and budgets that they want to increase the number of university and college seats in BC by 25,000 between 2004 and 2010. So there's actually going to be a value for money audit or a performance audit, I suppose, of where they are. Are they on target, what are some of the issues, and how are they rolling that out?

Sometimes they pick some very interesting topics. Like, the Auditor General has released a report, for example, on how the government has managed wild salmon stocks in its various programs through what was once called the ministry of food and agriculture. You know, sector by sector, there's a range of topics. I have not seen a value for money audit of a particular university in BC, just to comment on that example that you had from Ontario.

Actually, one other comment, though, just on the P3s. Where we're at, we have this debate, and the position of the office of the Auditor General right now is that public-private partnerships often involve 30-year agreements and complicated documents and the partnership can be structured

in so very many ways. The reason that they're doing this sort of very low level of assurance, the attestation letter, etc., the review as they call it - review engagement - is they're saying these are very future oriented agreements and you can't really audit them until you're very far into the life cycle of the agreement.

But some members of the PAC think that the office of the Auditor General should be a little more interested in probing in the area of what assumptions are used in the public-private partnerships. For example, when you use a public sector comparator to evaluate whether the deal has merits and benefits, what assumptions are they based on and are they valid? How do they compare to the international experience? Australia has done a lot of work on that that we could benefit from.

**J. Maloway:** Jim Maloway, Manitoba.

Certainly for the last 20 years that I've been around on the committee, both the government and the opposition essentially churn people through the committee opposition to get their critics on to make their points, and the government just basically appointing people at the last minute. So nobody really gets any kind of grounding in what the Public Accounts Committee's all about. So recently in our changes we have limited the amount of substitutions to two from each side. So they're doing that. Do you, Rob, in BC, what is your mechanism for substitutions? Because that's certainly a big area of abuse.

**R. Fleming:** There are no substitutions permitted. There's no, whatchamacallit, like a backup member. We don't have that system. We just have quorum which is 50% plus one, I think, and the show goes on.

**S. Murphy (Chair):** If I can speak to that issue from the House of Commons committee, that is a major problem with our committee and has been for quite a few years, in that we see a continuous churn of members.

Right now a lot of the members - after the January 2006 election I think we had about - of the 12 members, I think, seven or eight were new, or more than that. It just seems that after a member is there for six months or eight months or 16 months, for some reason the whips of the different parties move the member on to another function. It really is a disservice to the committee when you see that. I'm coming back in next week, we start, and I have two or three new members coming on the Committee for different reasons - one legitimate and one you wonder - and that causes

certainly a lot of problems. Because, as has been identified here, it does take a while to - you really have to understand that the role of the committee is totally different than any other committees. It does take a while for members to appreciate that.

**R. Fleming:** I was just going to add to that, Jim.

The two House leaders had had a discussion and sort of had an agreement on a strong suggestion that PAC appointees, right after the first session was struck, be considered, informally anyway, four-year appointments. We have fixed election dates in British Columbia, so you know when the next election is going to be and it was suggested, but there's already been some sliding on that. We've already replaced a couple of members of PAC, and I expect a couple more will be replaced, and we're not even half-way through the four-year mandate.

**Yasmin Ratansi (Ottawa):** Yasmin Ratansi from the House of Commons.

My question is: Does your Auditor General sit down with you and do a risk assessment of what are its priorities and what are the projects it's going to audit, number one? Number two: When new members come in, is it the clerk that is doing the orientation or is it relying on their own opposition or party members to teach them what is going on? Number three, what's the lead time of the reports that your members get so that they can, you know, speed up on what the issues are and not be intimidated?

Because one thing I find is when people come in who have no accounting background and look at the Auditor General's report, which is really a huge amount of wording - it's very wordy - so you try to see where the issues are. If you don't get the report on time or get it in advance, people don't know what they are asking or what questions should they ask. The researcher gives them questions which sometimes it's not the right questions to ask anyway.

**R. Fleming:** One of your questions was about the clerk of committees and the orientation for new members. They sort of convene that process and bring in the Comptroller General, the ministry of finance and the Auditor General. The problem there is that it can be done better. It has to be made more interesting, I think, and more engaging. We have to do it in an ongoing way instead of just: Here's your three-hour presentation, there you are, you're informed, and there's no follow-up or there's no ongoing professional development I guess.

The Auditor General's work plan, we have quite a bit of input there. We have a subcommittee on agenda and planning, which includes the vice-chair and the chair of the committee. So we get an early view of what the auditor's plan is going to be and some influence there, and then it's brought to the committee. There's all kinds of questions and amendments that can happen. Of course, with the new *Auditor General Act*, as I explained, at any time the Auditor General can take on new work that they're interested in and the PAC, with the agreement of PAC, PAC members can request and have assigned additional work. So it's up to the auditor to see which priorities get bumped out should new work be assigned. But now it's sort of a living plan that can be influenced at any point to be responsive.

**Y. Ratansi:** The third question was: What lead time do you give your members to read the report of the Auditor General?

**R. Fleming:** I would say a week is typical. Is that right, Josie?

**S. Murphy (Chair):** Perhaps you could identify yourself too, Madame?

**J. Schofield:** Sorry, Josie Schofield, researcher for BC PAC.

In BC's case, the Auditor General automatically sends his or her reports to every Member of the Legislative Assembly as soon as they are tabled with the Speaker. The Speaker automatically refers those reports to PAC.

My observation is that members get a lot of lead time to review these reports. In fact, our problem is, as identified under the conclusion, that we have a considerable backlog of reports waiting to be reviewed by the committee. So it's kind of the opposite situation, I think, to the House of Commons. We have plenty of lead time. It's a question of getting the members focussed on actually reviewing the reports, with due respect, Rob.

Thank you.

**N. Sterling:** In Ontario, what happens is our researcher for the committee works with the auditor to ask certain questions about the section we have identified as of interest. So he or she works up a paper which we normally receive a week in advance of our meeting which would be called to deal with that particular matter, and then we have an in camera session immediately prior to interviewing the deputy and the staff with regard to that particular section.

Typically, the researcher would lead off that in camera session going over the main points or whether there has been any most recent information in the last week that he or she has received. Then the auditor would then comment on some of the notes. Then there would be questions back and forth, and that would normally take us somewhere between 40 and 60 minutes immediately prior to the other meeting. So that going into the meeting, members are fairly well-focussed on the areas of weakness in terms of where the ministry may be in responding to the auditor's criticisms.

**R. Fleming:** Just an additional comment about how it works in BC too. Because for agendas for PAC Committees it works as Josie described. For new reports being released from the office of the Auditor General, what typically happens is the Chair and vice-chair get briefed in confidence, sometimes the morning of an announcement, sometimes a day or two in advance. In fact, John Yap and I had one this morning about a report that is going to be issued on Thursday.

Of course, the PAC never gets the jump on the government or the ministers because they always have the opportunity to give comments and actually have them published typically in the Auditor General's report. But that's sort of how it goes in BC. It sounds similar to Norm.

**S. Murphy (Chair):** Rob, I have a question. How many times does your PAC meet? Is it twice a week? Once a week? Are there regular scheduled meetings?

**R. Fleming:** It has changed a lot due to that section I was talking about, the appointment of the Auditor General, which I think met 21 times and did not come up with an unanimous recommendation. We haven't met since late May at this point.

But in our first session, when we were addressing the backlog of reports, I would say we met about six times between September and December. We tend to go for meetings every second or third week that are longer rather than more frequent shorter meetings.

**S. Murphy (Chair):** What again I'd like to do, if the colleagues are agreeable, is just perhaps go around the table and get a report from every province.

We're starting the sessions now or in the next two or three weeks, and perhaps get a report from each province as to what they see as the challenge facing their PAC in the upcoming year,

and what changes they'd like to see to improve their product. Because the whole nature of these meetings is best practices, what works in other provinces that might work in the province that you represent, but will not work in the province, and how, I guess, the whole purpose of the exercise is when we leave here, is that hopefully we've learned something, and hopefully, we can improve our product. We're all representing the same taxpayers and we all have the same overall objectives in mind.

If anyone cares to speak, speak. If not, we'll just move along the table. Hunter.

**H. Tootoo:** I thought you were going to skip us because you said just the provinces.

**S. Murphy (Chair):** Provinces and territories. My apologies, my apologies.

**H. Tootoo:** I was hoping to get away with that one.

**S. Murphy (Chair):** That's an oversight on my part. It's inexcusable.

**H. Tootoo:** Kevin and I thought we were going to get skipped over and we said: Oh, good.

Basically, we sit down and listen to what goes on, and hearing some of the challenges that are faced in the other jurisdictions really makes me feel grateful, I guess, the fact that we don't have - we have a non-partisan government. From what I hear over the last few years at these conferences, a lot of problems in the PAC come from the differences in the parties. We're able, because we don't have that, to be much more objective and we're not looking at it as trying to go after, like, an extended question period or whatever, to go after the other party or the opposition.

We're very fortunate in that sense that that's one thing that we don't have to worry about. It really helps. We do a lot - we've had some pretty gruelling, some of our hearings on the auditor's report, they've been like three or four days of witnesses, and I know they all have to be there and none of them want to be there. If you look at over what we're doing now for the next year, we'll continue to hold hearings and review reports and prepare reports.

Thank you.

**S. Murphy (Chair):** Anyone else down the line?

**K. Menicoche:** Thanks a lot, Mr. Chair.

The last couple of days has been an eyeopener in

terms of how the other jurisdictions are dealing with their public accountability. Processes and frustrations, like Nova Scotia as well, exist in our jurisdiction. I think for ourselves in the Northwest Territories, it was noted to me the other day that for the last three or four years, like in terms of the auditor, we've been looking at Crown Corporations and not specifically government departments. But recently, we had an experience - like I said in my statement - that we had witnesses come to our Accountability and Oversight Committee and they really were reluctant witnesses.

So we're exerting our authority, but I don't know if they realize the consequences that are there if they're not participating with us. We haven't really gotten that far either, so as we learn and grow, that's some of the things, that if they're before us, they should be shaking in their boots because the public demands answers and we demand answers, and we should get them. That's what public accountability is all about. So I just wanted to share that.

One other thought, too, it's about when we're doing our jurisdictional reports. I was talking with Colette Langlois, the researcher that's with me, is that I believe for the next meeting perhaps, if we can format it, maybe, because then we'll all have the same type of report and maybe we can pick out some kind of trend that's occurring throughout the country or something. So that is a suggestion from us as well.

*Merci.*

**S. Murphy (Chair):** We'll go down the line there. Anybody here want to make a comment?

**D. Griffiths:** I found this incredibly -

**Unidentified Speaker:** Who are you?

**D. Griffiths:** I'm sorry. Doug Griffiths from Alberta.

I found this incredibly valuable. This is my second trip to this conference. I learned a lot and I heard a lot of discussion around research capacity, sub-committees of PAC accounts, impartiality, compelling witnesses, press releases. It was all very valuable.

For Alberta, we have incredible tools at our fingertips as a PAC because we have annual reports from each ministry that are signed off by the minister and the bureaucrats and we have the Auditor General's reports that are ministry-by-ministry. So we have incredible tools. One of our challenges now is learning how to utilize those tools to the maximum to ensure that

we're getting value for dollar, which is the role of Public Accounts.

Two things I wouldn't mind seeing next year are perhaps an audit of the practices and procedures of the Public Accounts Committees through the provinces and the territories so that you can see it on the matrix on what people are doing now and what they're evolving to. Then I think it would help formalize what the best practices are across the nation, and it would definitely help Alberta with improving the role of Public Accounts. So I think those are two things I'd like to see.

As well, this was the first time I'd actually heard an incredible debate around Nova Scotia's experience. That was one of the most valuable parts of this conference. I think sharing the experiences between jurisdictions helps us understand. Instead of all having to learn independently what Public Accounts' challenges are and how we can utilize them to the best, that was an incredible experience to inform us in case we ever have a similar situation. I'd like to see that more formalized next year.

Other than that, these are always great conferences, and I really appreciate the opportunity to be here.

**S. Murphy (Chair):** I think I should add, too, at this time before we move to the next person is that one of the beauties of a conference like this, you can always get on the phone to somebody if you see - if it's a chair or a member of the committee, that you see you're getting into a problem, it's just not - you don't know how to handle it, get on the phone to somebody that's like Norm, or somebody who has been around awhile and maybe had the very same experience in another province.

Let's move around the corner.

**E. Hermanson:** Thank you, Mr. Chair. Elwin Hermanson from the Saskatchewan Committee.

We anticipate that 2007 will be an election year. Looking back at what happened to Public Accounts prior to the last election, they got behind. So one of our challenges will be to try to stay current when the focus shifts from accountability to election campaigning. That's a challenge that I think we will endeavour to meet. Of course - now I'm being partisan - but very likely there'll be a change of government in Saskatchewan so that means there could be some shakeups in the Public Accounts Committee. That might impact the future of the committee, and we'll have to try to endeavour to make sure that there is the proper orientation and training following the next election.

There'll obviously be changes whether there is a change in government or not.

We also anticipate a visit from CCAF in the fall, as well as British Columbia, and perhaps all the four western provinces. We're looking forward to that. I think that will be a time of strengthening for our committee and also reviewing what we've done and how we work with the auditor and the functioning of our Committee.

Just to comment on the professionalism of the Public Accounts Committee and whether that has any bearing on size of jurisdiction, there may be some impact as to the collegiality between, say, members and public servants, because the smaller the jurisdiction, you may know more people. But I would say, with due respect, that I think the Saskatchewan committee is relatively professional and well structured. I've heard a lot of discussion about the need for non-partisanship. I actually think a better term is constructive partisanship. Because it's pretty hard to be totally non-partisan - except perhaps in the territories - given the nature of the party system in which we function. But in Saskatchewan, for the most part, we have taken our responsibility to be defenders of the public good and put that ahead of partisanship. Not that we don't come from a partisan perspective. I think that's a healthy attitude to have on a Public Accounts Committee and I hope that we can maintain that, as well.

One thought that I've had that we haven't discussed at this meeting because it's so new and that is: What is the impact of the *Accountability Act*, federally, going to be on the effectiveness of government, the auditing of government? I think there probably is some relationship, and so one subject that might be worth considering for future conferences of this nature as the impact of that act becomes more known is to sit around this table and discuss that.

Thank you very much.

**S. Murphy (Chair):** That's a good point.

**J. Reimer:** Jack Reimer, Manitoba.

As has been mentioned, the word nonpartisanship being thrown around a room of politicians, I think that's a bit of an oxymoron, really.

I think that in Manitoba the Public Accounts Committee has never really had a strong presence because of consecutive governments. Sometimes we even only met once a year because of the political nature of each party, that the PAC was never that strong. It's only changed in the last little

while, I would think, in a way, because we've sort of come to the realization that having the meetings and having more public pressure has put Public Accounts more in the spotlight.

I think part of that is because of what has happened federally with Sheila Fraser and some of the things that she's brought back through Public Accounts. It sort of brought Public Accounts onto the people's minds a bit more.

So there has been change in our session or our presence in Manitoba in that we are meeting more regularly. We've got to a point now where we're committing ourselves to between six and eight meetings, minimum, of a year. Our board members, we have a problem a bit with that because of the changing of the board members that has been mentioned, a churning of members on that. We're advocating for a better stability in that.

The thing that some of you were mentioning of subpoena rights and all that, calling of witnesses, we've moved a bit on that. We've been able to move towards getting previous ministers and deputy ministers now to bring forth testimony. Before it was strictly just the minister. To a degree, the minister is still part of the board makeup in Manitoba. I believe we're the only PAC with a sitting member of the executive council.

But things are changing. I think that there's a willingness to change. We seem to get that indication through the House leaders and through the political parties, so in Manitoba, we're cautiously optimistic that things are getting better in the Public Accounts.

**S. Murphy (Chair):** Norman.

**N. Sterling:** We're going to face an interesting year in the next year, as I say, with the universities, hospitals and school boards. We're going to be dealing with that report and that will be interesting to go through the process of how we handle that.

My belief is that you become less partisan as you get further down into the problem, and therefore, I think that if Ottawa university - as I used the example before - is pointed out as an institution which wastes money, then it would be my desire to probably have the University of Ottawa answer directly and not shove that particular responsibility from the Ottawa university up to the ministry of colleges and universities. I don't think it's fair to say to the deputy: You're responsible for the fact that somebody is wasting money, some transferee is wasting money, given the relationship between

universities and the provincial government, and their claim to be autonomous and those kinds of things.

I think that one of the main things that we continue to have a problem with, that I hear around the table as well, is that when you are in fact operating in a constructive partisanship committee, the reports are important perhaps to the public servants but they don't seem to be important to the public. The consequences, therefore, are only that the auditor may report them again or may be on their back again in two or three years or that the Public Accounts Committee may be on their back again. But that may not be that bad for the ministry because if you slap their wrists again and it's in a report that gets shelved and it doesn't get published, then in fact the consequence isn't that great if they continue to mispend and that kind of thing.

I don't know if any of you looked at the website for the Public Accounts Committee in England, in Britain, but their chair issues quite a number of press releases. Coincidentally, when I was over there a year ago, driving along, I heard the Public Accounts chairman - I think his name is Edward Leigh - said this and this and this, and it became quite newsworthy. Therefore his power and the power of the committee in England is quite substantial because of that.

Perhaps, Shawn, it might behoove us to invite Mr. Leigh or somebody from Britain over to school us on how it's done there and how the attraction or the consequences of what his committee does at Westminster is much more significant than what you or I do either in Ottawa or in Toronto in terms of where we are.

I think the other part that we continue to struggle with - and I heard the retiring information commissioner for Canada comment on this last week or early September - is the data. The data that the ministries are keeping continues to be lacking in providing information to allow us to make a fair judgement as to whether or not the ministries are spending our money wisely.

So I would love to see committees gain additional power to dictate to the government that they must keep certain records. This is very much different than - and I was responsible for freedom of information in the Bill Davis years - it's very much different from the freedom of information. The freedom of information says: You can get information from the government if you identify the document. It doesn't say to any citizen you can ask the government to present you a conglomeration of data.

I think that's where the Public Accounts Committee, if we had that kind of power, we said: Ministry, we want you to keep these records, we want you to show these numbers on a quarterly, a monthly or a yearly basis, and then we would, in fact, be calling those ministries into line. As I said in my statement before, numbers don't lie.

So consequences, data, those continue to be problems.

**S. Murphy (Chair):** Thank you very much, Norman. That's an excellent idea about the Westminster system because, to follow up on a previous discussion, England has had for a number of years the deputy ministers being accountable to the Public Accounts Committee.

Colleagues, I think it's a tremendous discussion we're having. However, we have a problem with time. We have the photo at 12:00 o'clock. But I've also received notice from the Quebec delegation, Madame Vermette, that there is a motion. What I'd like to do - I feel reluctant to invoke closure on our discussion, but I don't think I have any choice - to deal with this motion. I will read it, and I will ask the Quebec, Madame Vermette, if she has anything to say in it.

I will read it. I think, I believe, it has been circulated:

The Canadian Council of the Public Accounts Committees express its support for Nova Scotia's Public Accounts Committee in their efforts to acquire disclosure from the government departments and agencies. We urge the committee to follow through on this issue in conjunction with their Auditor General to ensure that the public interest is protected.

Again, that was moved. I take it it's appropriate for this assembly to move and second and debate and pass the resolution. If anyone has anything negative to say? If not, I hear nothing, I'll continue.

Monsieur Proulx.

**Marcel Proulx (Ottawa):** I just want to confirm that I'm seconding.

**S. Murphy (Chair):** The motion has been seconded by Marcel Proulx, the Member of Parliament for Hull-Aylmer, and a member of the House of Commons Standing Committee on Public Accounts.

Madame Vermette, do you have anything to say to the motion?

**C. Vermette:** It would be better if I say it in French.

*En fait, ce sera un très bel exercice pour nous à la suite de nos délibérations et de nos travaux de terminer par une motion de cet ordre-là parce qu'un de nos objectifs, c'est de mutuellement améliorer, en fait, la façon qu'on fonctionne à l'intérieur de nos différentes communautés dans nos provinces respectives.*

*Donc, quant à moi, ça serait une très belle façon de démontrer notre solidarité les uns envers les autres, de partir de notre expérience pour aider d'autres alliés aussi loin que nous sommes arrivés au Québec. Donc, c'est pourquoi je demande le support de l'ensemble des gens ici à cette rencontre autour de la table.*

**E. Hermanson:** Elwin Hermanson, Saskatchewan.

If I could speak to the motion. While in spirit I might be able to support a motion like this, I'm not confident that it's the role of this committee to get involved in the affairs of other Public Accounts Committees when it comes to the actions of that committee. We don't know all of the partisan cut and thrust that's involved here.

Also there's some legal matters, I'm sure. I've looked through the package and I see lawyers involved. I'm a little nervous about sitting around this table and voting on this type of a motion.

Also, we would need to know who is qualified to vote. We have clerks in the room, we have chairs, we have deputy chairs, we have Committee members and others. I just am not sure that voting on motions like this is a proper function of this body and I would think that there should be some discussion on that issue before we would vote on this motion.

**S. Murphy (Chair):** We don't have a lot of time to get into a long discussion. Again, I mentioned, we're totally, as far as I am concerned - I'm not even the chair of the meeting, I'm the chair of this particular session - we're in totally unchartered waters. Another comment here?

**J. Maloway:** Jim Maloway, Manitoba.

Mr. Chairman, I would see this resolution, certainly as being in order. I recall two or three years ago John Williams, the federal - your counterpart past - came to this committee proposing a motion regarding the issue of money being stolen internationally, and we entertained the motion at the time. Now some of us rallied to defeat it, but the point is it was entertained. It was in order. It was discussed.

**S. Murphy (Chair):** Again, it's not binding on anyone. It would just be an expression of the meeting's sentiment. I certainly see it being in order. But again, we're only an assembly representing certain PAC organizations across Canada, and certainly our resolution would not be binding on any individual PAC member.

Mr. Zimmer, do you have a comment? If you want to come to a microphone?

**D. Zimmer:** With the greatest respect to the Quebec delegation that brought the motion forward, it may well be appropriate or not appropriate. But I just want to follow up on your comments. There's obviously, or there must be, a whole lot of background here and I'm just on to this for the last couple of minutes. I just don't have a full enough appreciation of the context of the motion. I haven't had an opportunity to think the thing through, so I would suggest that we defer it, or not deal with it today.

There's also the issue of who at this committee would be entitled to vote. Does that include the nonpolitical people, the political people? I'm sure there are some members here who are not members of a Public Accounts Committee but they're here as observers.

So, two issues. I don't fully understand the context of the motion, and I see some technical difficulties about who or who should not vote.

I in no way mean to take away from the substance or the intent of the motion either from the movers or obviously - I presume this is being presented with the encouragement of the Nova Scotia delegation, but I don't know that.

**S. Murphy (Chair):** If we may, let's have a show of hands as to the whether or not the sentiment of the assembly is that we should receive the motion.

Those in favour that we should deal with the motion, please raise your hands and we'll get a sense of whether or not we should go forward.

Those opposed to this assembly dealing with the motion.

Oh dear.

Okay, I've been just informed - and again, this is totally unchartered waters - but I'm just going to take the vote again. Because I've just been informed that only the chairs and deputy chairs are entitled to vote and apparently, that's in the constitution. And Members of the Legislative Assembly.

So all those in favour of dealing with the motion?

All those opposed to dealing with the motion?

I think the sentiment is that we not deal with the motion at this point in time. I think there seems to be a strong sentiment that we not deal with it and I think that's the way I'd like to proceed.

Colleagues, it's five minutes to 12. We can either continue on with one more presentation, but I believe that we're expected at the official photo upstairs on the second floor. So I would suggest that we adjourn the meeting now so that we could all assemble upstairs.

Since this is the final session, I want to wish everyone a very safe trip home. We certainly enjoyed having you in Charlottetown, Prince Edward Island, and we look forward to seeing each and every one of you back in Victoria next August 19<sup>th</sup>.

[There was applause]

**S. Murphy (Chair):** Mr. Tootoo, you have a final comment?

**H. Tootoo:** Thank you, Mr. Chairman.

Just on that last issue with the motion, I don't know if there is a process or something involved for how things like that get presented at a forum like this. I don't know if that's something that maybe you should look at in the future. There was obviously some confusion on it.

**S. Murphy (Chair):** We will look into that, yes.

**H. Tootoo:** I'd also like to thank yourself and all of the other hosts from Prince Edward Island here, hosts and hostesses, for a great conference. I know they put a lot of work into it. We're going to leave happy and they're going to be happy we're leaving, I think, and get some rest.

We really appreciate all of the hard work that they've done to make sure that we've had a very enjoyable conference. A special thank you to the entertainers last night. There was a few of them.

**S. Murphy (Chair):** Ronnie, do you have any closing remarks? Ronnie MacKinley, do you have anything - the final say?

**R. MacKinley:** Thank you for coming to the Province of Prince Edward Island.

**The Canadian Council of Public Accounts Committees 27<sup>th</sup> Annual Conference ended**