



**CANADIAN COUNCIL OF PUBLIC ACCOUNTS COMMITTEES
TWENTY-FOURTH ANNUAL CONFERENCE
Winnipeg, Manitoba, September 14-16, 2003**

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OTHER DELEGATES

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Member of Legislative Council, Tasmania, Australia
Member of the Joint Public Accounts Committee
Office of the Auditor General of Canada

Joint Business Session # 1 – John J. Kelly Forum
Chair: Jon Singleton, Auditor General of Manitoba
Topic: Reporting Principles and Parliamentary Effectiveness
Presenters: Patrick Boyer and Mike Weir (CCAF)

*Note: This session took place in the CCOLA meeting room where no recordings were made. The following is an outline of the presentation:

The subject of this year's John J. Kelly Forum is Reporting Principles and their potential impact on Parliamentary Effectiveness.

As previously discussed (in Halifax, 2001) what gets reported influences the quality of understanding, discussion, decision-making, and oversight that follow. Recognizing the need for significant advances in the quality of reported information, CCAF had launched a major initiative to start developing a set of principles for governments that would serve as the equivalent of the 'generally accepted accounting principles' that discipline the reporting of corporations.

Since then, with input and support from members of CCPAC, the CCAF has worked with legislative auditors, managers and legislators to publish Reporting Principles – Taking Public Performance Reporting to a New Level. This publication:

- reflects common ground among the key communities of legislators, legislative auditors and managers*
- builds on, but goes considerably beyond, the best of current practice*
- provides a platform for agreed, national, standards of reporting*
- points the way to reporting that would be more meaningful, more credible and more useful to legislators -- helping them better understand, scrutinize, influence or explain choices.*

This session both reports on the progress made to close the loop on the previous presentation and also looks forward, to afford CCPAC members an opportunity to discuss how best to take advantage of this publication.

CCAF Research Associate Michael Weir, who worked with a Special Task Force of three legislators (including two PAC chairs), three managers and three auditors and a Consultative Network to develop the final report, will set the stage for discussion. His presentation will report back on what CCAF has done, how it went about it, and how it is supporting adoption and implementation of these principles.

Patrick Boyer -- lawyer, author, educator and former Member of Parliament will then take the stage to introduce and facilitate a discussion of how, from a parliamentary perspective, to take best advantage of this publication. A past president of the Couchiching Institute on Public Affairs, current chairman of Pugwash Thinkers' Lodge in Nova Scotia and President of Breakout Educational Network, Patrick has been engaged in democratic development projects in Canada and abroad. We intend that the discussion will generate ideas and suggestions for the future action of all participants.

Business Session #2

Chair: Mr. Jack Reimer

Topic: Round Table on Calling Federal Witnesses to Provincial Public Accounts Committees

Presenter: Mr. Russell MacKinnon

Mr. Jack Reimer (Chairperson): Good morning. Before commencing this business session there is one announcement. On your desk there is a form regarding attendance on Tuesday at the Legislative Building for Question Period and a tour of the building. Would you please complete this form and provide it to the conference organizers before the end of the day. Thank you.

Before we start I notice a lot of the people are looking at the beauty of this room here and this floor here. I will just give you a very quick history of this room. At one time this whole floor used to be a casino, a gambling casino. A lot of the ornate structures, and everything you see here, were all covered up and hidden for years and years and years. It was just a smoky palace for gambling. It was changed a few years ago and restored through various efforts, being designated as an historical building, and the fact that they were able to get some help, financially, from the levels of government. It has come back to its former beauty of being a great ballroom and a wonderful room to hold meetings in. I just thought I would give you a quick overview on it. It has become a centre piece of this hotel.

We will get back to business here.

In recent years, the Nova Scotia Public Accounts Committee has faced considerable challenges in calling witnesses from the federal department of Transportation to appear before them. As a standing committee of the legislature, Public Accounts has no power to enforce a subpoena, thus an impasse has been reached. The Nova Scotia delegation finds this dilemma interesting, to say the least. Other jurisdictions will undoubtedly share this interest, as well as sharing some observations on their own history in this area.

Following the opening presentation the floor will be open for general discussion.

I would like to call on the representatives from the Nova Scotia Public Accounts Committee, if they could. I would ask that when you are recognized to speak could you please announce your name, and your jurisdiction, to ensure that you are properly recorded in Hansard. As you will see the microphone in front of you needs the little button to be pushed in.

At this time I would like to call the Nova Scotia Public Accounts Committee.

There is an addendum: In order to operate the microphones please push the button, as I mentioned. If you are looking at the handheld sets, channel 3 is English and channel 4 is French. Thank you.

Mr. Russell MacKinnon (Nova Scotia): Thank you, Mr. Chairman. My name is Russell MacKinnon. I am an MLA from Nova Scotia with the Public Accounts Committee for the Province of Nova Scotia. With me is our vice-chairman, James DeWolfe, from Pictou East, also Marilyn More from one of our metro ridings in the Dartmouth area, and also the Clerk of our legislative committee, Mora Stevens.

At the outset, I pushed that little foot stand aside. I am a little taller than some of my colleagues, so I won't need that one. Thank you.

The resolution we have before you is an issue of concern that we in Nova Scotia have come up against for the last several years. I will try and paraphrase in layman's terms, as much as I can so as to ensure clarity and brevity, and that the focus will be very succinct. The premise of this particular resolution—first of all, does everybody have a copy of the resolution? Yes? It is fairly straightforward, and as we all know, all resolutions are subject to debate and amendment. Essentially our intent was, and is, to ensure getting the issue on the

table for some rather fruitful discussion, and hopefully with all the different perspectives around the table here today that maybe we can advance it to a whole new level.

The premise of the resolution is based on the fact that federal witnesses have been unwilling to appear before Nova Scotia's Public Accounts Committee to give evidence vital to the committee's deliberations in determining as to whether particular mutually-funded programs or projects, whether they are public or private, have derived satisfactory value for dollar to the taxpayers of Nova Scotia, and indeed to the citizens of Nova Scotia. I do also draw to your attention the issue of concern that was faced by the legislators in Prince Edward Island, and I am sure they will be willing to speak to this issue as well—the jurisdictional matter that came up when they wanted to subpoena federal witnesses before their Public Accounts Committee in dealing with the potato blight situation. Of course that eventually resulted in a court decision, where Justice Cheverie sided with the provincial legislative body in saying that it was certainly within their constitutional right to have federal witnesses subpoenaed to address their concerns that they had on the table.

For ourselves, ours was a slightly different perspective in the fact that the federal witnesses, on several occasions, indicated that they would appear before the committee. Then the day that the deliberations were to take place they did not show, which was very disturbing because it showed us a bit of disrespect. We felt that they did not give us the courtesy of at least a phone call to say that they would not attend, and it rather left the deliberations in an unsettled state because we did not bring closure to the issue at hand. In one particular case, in a jointly-funded venture a private corporation had received a considerable amount of money from both the provincial department of development and the federal agency ACOA, Atlantic Canada Opportunities Agency. We did the value-for-dollar with the provincial agency. The federal agency initially concurred that they would appear and then decided at a later date not to. So effectively we were not able to bring closure on this particular issue. So ergo we bring the issue before the body and asked for some direction, and hopefully the committee would maybe endorse this particular resolution, either in its present form or some amended form. Thank you.

Mr. Chairperson: I will open the floor up for discussion now then.

Mr. John Williams (House of Commons): Interesting situation that you have raised and I do have the court decision in PEI that suggests, or rules that the court's decision is that you can subpoena a witness. I was wondering exactly had you subpoenaed a witness after this court ruling—I would imagine the ruling would also apply to Nova Scotia, would think it would, it is a provincial ruling—and what response have you had to that?

Mr. MacKinnon: No we did not proceed with subpoenas at that point because our committee was in the process of shutting down for the vacationing months, then a provincial election ensued after that. We included all this material in our annual report. We, by the way, provide a written annual report to the Legislature for its approbation on an annual basis. It is a requirement, it is a prescription now of our committee, to ensure that. So that is—we are moving one step at a time and it became very frustrating. The fact that witnesses would say they would come and they—as you can appreciate time has a way of passing very quickly on these issues. Your point is very well taken.

Mr. Chairperson: Just as a footnote here, I realize that there are conversations between, but for the sake of recording unfortunately we do need you to identify yourself each time. Just so it makes it easier for the recorders and for the transcript, when we all get copies of it. Thank you.

Mr. Williams: In this new area of federal-provincial programs, it seems to me that the negotiations that put them into place seldom, or not seldom, sometimes do not address the accountability process. For example, does the Auditor General of Canada, does the provincial Auditor General, have jurisdiction to investigate the entire program? Or do you have to split it down the middle so the provincial Auditor can only look at it from the provincial perspective, federal Auditor General can only look at it from the federal perspective. Therefore we have a real vacuum, in my opinion, on this new and developing area of shared responsibility between the

federal and provincial governments. It is something that most definitely needs to be addressed. I would hope that as we continue to look into more and more of these shared agreements, that we would not have to resort to subpoenas all the time, therefore a more satisfactory and cooperative way, I think, of investigating the witnesses would be appropriate.

One thought that I just had, and I have not thought it through in great detail, is perhaps a joint meeting with the federal PAC and a provincial PAC, looking to a shared program where maybe the Auditor General of Canada and the Auditor General of the province, perhaps could do an investigation at the same time. Perhaps the two committees could meet jointly, which would alleviate the problem of federal officials being requested before a provincial meeting.

We may have to go down that way, Mr. Chair, because I am quite concerned about the lack of accountability on these federal-provincial shared programs. While this organization here, by resolution, I don't think would carry the weight of forcing people to show, I think it is great that we are bringing it up to all provinces. This is not a P.E.I. or Nova Scotia issue. Every province is now getting into shared programs with the federal government. It is something that we really have to think about because I do know the accountability and the investigation is being left out. We have to address that issue. Thank you.

Mr. Ken Krawetz (Saskatchewan): Upon reading the articles related to Prince Edward Island, and recognizing that the courts have agreed that the witnesses should appear, when I look at the gist of your resolution, Russell, and the fact that if you subpoena a witness, and the minister responds by saying, in writing, these are the reasons why this person is not coming, there does not seem to be any appeal procedure, or any recognition that if the public accounts committee disagrees with that explanation, that the witness still must come forward. This just says that if a written explanation is given, that is the end of the discussion. Is that what you are seeing, or is there something here that I am missing?

Mr. MacKinnon: The point is very well taken. One of the concerns that we came up against is the issuance of subpoena to federal witnesses outside of Nova Scotia. It became a jurisdictional issue. Those subpoenas were not enforceable, so that kind of goes hand-in-hand with the point that was well taken with the previous speaker. Legally we were not in a position to enforce such a subpoena unless we could have the witness found somewhere inside the boundaries of Nova Scotia, vacationing or other business, it was just all for naught.

As I have stated from the outset, it was more or less to get it on the table, make the issue. We know it is an issue that has profound implications in every provincial and territorial jurisdiction ultimately. I think the template is somewhat set by Prince Edward Island, the Supreme Court decision, but that was part of the rationale so as to perhaps get inside the minds of the federal jurisdiction and have them explain why there is so much resistance towards their provincial counterparts on these jointly-funded programs—on accountability, or course.

Ms. Rita Dionne-Marsolais (Québec): Moi je pense que la motion qui est devant nous, elle est intéressante et je ne partage pas l'avis du—je vais attendre qu'il mette les écouteurs—

Okay, voilà. Donc, je pense qu'effectivement l'objectif qui est poursuivi, c'est qu'au niveau des provinces on puisse entendre nous aussi des témoins dans le cas de programmes conjoints, et je pense que cette résolution-là, elle est importante, parce qu'elle permet l'autonomie de l'analyse de certains comptes de programmes conjoints par la province. La province est quand même extrêmement qualifiée pour juger de cela, et souvent les administrations sont très liées. Donc si on peut convoquer un administrateur ou un représentant d'une agence fédérale cela va ajouter à la compréhension et à la révision par les parlementaires des provinces.

Je donne l'exemple parce que je pense que cette exemple-là s'applique au Québec. En 1995-1996 on a lancé une très, très grande campagne de lutte contre l'évasion fiscale. Cette campagne-là a été initiée par le gouvernement du Québec. Et quand évidemment on fait une vérification de différents secteurs de l'économie, comme il y a aussi un impact sur l'impôt à payer au niveau du fédéral, je comprends que cela ne s'applique pas aux autres provinces entièrement, mais ça pourrait éventuellement se faire dans d'autres provinces, nous avons dû, nous avons développé un programme de vérification complète pour aller chercher les fonds et corriger la situation d'évasion fiscale dans plusieurs secteurs de l'économie. On a collecté d'ailleurs pour l'état québécois beaucoup d'argent.

Mais je mentionne ça parce que le gouvernement fédéral avait un programme à cette époque-là et il a signé une entente avec le Québec qui nous permettait d'appliquer et de collecter même pour le fédéral dans les cas où nous apportions des correctifs qui se traduisaient par de l'impôt additionnel à payer, par les gens qui avaient fraudé directement ou indirectement.

Donc c'est la même chose. Le principe de la vérification de certains programmes conjoints, c'est le même principe. Une fois que la province identifie ou qu'une commission parlementaire, qu'un comité d'une province identifie une vérification qu'elle veut faire ou une audition qu'elle veut faire sur l'administration d'un programme conjoint, la possibilité qu'elle à d'entendre un représentant fédéral va aider ses travaux et ce sera beaucoup plus efficace, moins couteux aussi pour les citoyens de réaliser l'opération.

Alors moi, je pense que c'est une proposition extrêmement importante qui va faciliter le travail des parlementaires. Parce que c'est vrai que c'est difficile. On ne peut pas convoquer un représentant fédéral sur certains programmes conjoints, et de plus en plus le gouvernement fédéral veut développer des programmes conjoints avec les provinces, mais sur lesquels on n'a pratiquement pas de mot à dire quand on veut faire une vérification ou quand on veut questionner l'opération ou l'opérativité de ce programme-là. Alors moi je trouve que c'est important. Je ne suis pas sûre que le fait de forcer les provinces à travailler avec le fédéral sur l'initiative du fédéral est une bonne chose, parce que les programmes, ils affectent les citoyens et ceux qui sont les plus près des citoyens, ce sont vraiment les élus provinciaux.

Mr. Williams: In response to the previous speaker, we subpoenaed a witness in the Public Accounts Committee last year, in the Groupaction file, a Mr. Guité, a federal retired public servant. That was the first time the House of Commons had used a subpoena power since 1911-1912. So it was almost 100 years since the House of Commons last used its subpoena powers. From my perspective I was glad that we did because we refreshed that power and demonstrated that a committee of the House of Commons can subpoena people to appear before the committee. Therefore I wouldn't want, as I said, to have to subpoena witnesses all the time. I would think that a more collegial way has to be developed, rather than supporting to a subpoena all the time.

I am also concerned about the roles of the auditor generals when they are doing the evaluations of these shared programs, because neither has the mandate to look at the program entirely. The federal Auditor General can only look at the federal input, and the provincial auditors can only look at the provincial input. And I am quite sure where the two come together there is a gap that neither auditor general can really examine and report on. So what I am thinking is we have to push forward for a new type of regime on these federal-provincial shared programs. I was suggesting perhaps we could examine the idea of a joint federal-provincial Public Accounts Committee meeting, which would alleviate the problem of subpoenas, but also bring to light this notion of the fact that you can not audit two halves and think that you are auditing the whole program. That is a more fundamental issue that has to be resolved, or should be resolved.

I concur with you that the provinces have a real and important role to play in shared provincial-federal programs, and health care where the federal government pays the money, the provinces by and large deliver the health care to the citizens. The provincial side is much, much more important than the federal side. Taking health as an example, we now have this health council that the federal minister has set up to try and

bridge that federal-provincial responsibility in some way. Whether we agree with it, I think it is an effort by the federal government to try and bridge this over to the provincial side.

So my point was I do not think this organization here today, if we passed the resolution, would cause it to be enforced. I have no problem supporting the concept, but we as a body do not have the authority to move that ball forward to any great degree. I think individually, federal-provincial public accounts committees could make an impact.

Ms. Dionne-Marsolais: Oui, juste pour compléter, au Québec la Loi sur l'Assemblée nationale donne le pouvoir de subpoena aux commissions. Nous l'avons, ce pouvoir-là. Donc—on ne s'en sert pas toujours mais on s'en est servi, à ce qu'on me dit, fréquemment.

C'est une chose que de dire, on veut qu'il y ait de l'échange entre les vérificateurs généraux et les différentes commissions de comptes publics fédérales et provinciales, parler d'échanges entre eux, au niveau des individus, c'est une chose. Parler de projets conjoints c'est autre chose, et si dans une province il y a des initiatives de programmes fédéraux-provinciaux qui sont jugés susceptibles d'être étudiés ou questionnés ou vérifiés par la province, je pense que c'est normal que la province veuille avoir les outils pour être capable de les vérifier correctement.

Peut-être que vous avez raison. Peut-être que ce groupe-ci n'a pas l'autorité de forcer ce mécanisme-là, mais que le groupe ici décide de proposer, de prendre une résolution à l'effet de la possibilité de convoquer des représentants fédéraux sous subpoena pour des auditions précises, déjà c'est une manifestation de la part des provinces de notre intention d'assumer nos responsabilités.

Parce que je pense que, un peu pour donner suite à ce que M. Boyer disait ce matin, les citoyens s'attendent à ce que leurs élus sur leur territoire prennent leurs responsabilités par rapport à la gestion, à l'administration des fonds publics, et les impôts que l'on envoie au fédéral, qu'on le veuille ou non, sont aussi les impôts des citoyens des provinces et c'est normal que les élus dans le retour de ces impôts-là vis-à-vis des programmes conjoints, c'est normal qu'on ait la possibilité de questionner les gens qui en assument la responsabilité et de voir à ce que ces fonds-là soient bien administrés dans la mesure où ils sont souvent des programmes conjoints. Il y en a beaucoup et puis il y en aura de plus en plus si on se fie à l'orientation que prend le gouvernement fédéral par rapport à l'administration de la chose publique.

Mr. Bill Bennett (British Columbia): We actually have an interesting situation that is just starting to develop around this issue in BC, as a result of us winning the 2010 Olympic Games. It is a shared program—federal money, provincial money. We have capacity within our new Auditor General Act for our Auditor General to do some interesting things. One of the things that he can do is, with permission of the Public Accounts Committee, he can actually be appointed as Auditor of Record to a non-government organization, such as the official committee for the Olympic Games. So we are wrestling with whether in fact our Auditor General can be appointed as Auditor of Record for that organization. We are going to be dealing with this whole question of what type of witnesses we can call to our provincial Public Accounts Committee.

I wanted to follow up on what Mr. Williams suggested. It seems to me that maybe what this organization should consider doing is requesting, on behalf of all the provincial public accounts committees and their respective governments, that a protocol be developed between the provinces and the federal government for the calling of federal witnesses to provincial public accounts meetings. I do not know how likely that is given the experience that provinces have dealing with the federal government. That to me seems to be a better way to approach this than to rely upon using a subpoena to have witnesses come to a provincial meeting. I would be interested in knowing what other people think about asking the federal government, and asking our own governments, to get together and develop this protocol for the calling of federal witnesses to our meetings.

Mr. Todd Hardy (Yukon): I have a couple of questions, maybe some clarification I need here. What we are talking about, my understanding is federal and provincial. The person before me just mentioned about the 2010 Olympics. In thinking of that that would also, in my eyes, involve the municipal because the bid was made by the City of Vancouver, I believe. If we are just talking about federal and provincial, the considerations we make around, would that not also consider joint partnerships and relationships at a municipal level. Would we not find ourselves by limiting a motion of this type for just the relationship with the federal government short, or not complete enough? I know where Nova Scotia is coming from because that is what you were dealing with. There are also many joint agreements now that are not just federal-provincial, but we are finding from our perspective in the territory they are federal, they are provincial, they are municipal and they are First Nation governments.

The direction we are going, and the issues we are raising here, also have to consider the development of the First Nation governments. We are seeing them in the north and the tremendous amount of joint agreements that are evolving with them, as well as the municipal. So I guess my question out there that I am putting on the floor is: Should this not be considered? Does a motion of this type not also have the potential to expand in that area as well?

Mr. Williams: Perhaps after my comments, because at some point there will have to be an official motion, and that is why I don't mind engaging in discussion for points of clarification. This type of dialogue is very constructive, I find.

I concur with my colleague from British Columbia. Perhaps an amendment to the resolution when it comes up, expanding that to keeping the resolution that we have and then put an amendment on to establish a protocol and so on, with regards to federal-provincial and perhaps First Nations as well.

With regards to municipalities, I suppose Nova Scotia's perspective, there is no jurisdictional difficulty there, in the fact that they are within Nova Scotia and they are bound, for lack of a better expression, they are creatures of the province. They always claimed that they were anyway, but they are an appendix to the provincial government at a different level. That really never has become an issue, because anytime they have ever been invited to appear before Public Accounts they have always responded accordingly.

Mr. Kevin Aylward (Newfoundland and Labrador): I wondered how far the resolution was proposing to go, if I could propose that to Mr. MacKinnon from Nova Scotia, in the sense that when I read it in the briefing book I have here, it talks about various federal government departments, Department of Transport and ACOA. In our province we have a lot of dealings with Transport Canada, and their requirements that they are supposed to spend and it has a financial impact on us, on our province. Like they are divesting Ports and if it is not done properly it is causing financial impacts.

I wonder how far, is it just federal-provincial funding arrangements? Or is it funding of federal programs that are being used in the provinces? A clarification if I could.

Mr. MacKinnon: We are effectively dealing with federal-provincial because it is essentially a public accounts issue. We are dealing with value for dollar. It is certainly not the intent of the motion that we will put on officially, and of our committee, to dwell into federal jurisdiction. That is not the intent because I think that is part of the rationale in suggesting that the federal minister, if a representative from his or her department can not appear for whatever reason, maybe national security or whatever, at least as Mr. Williams has suggested, rather than go with the heavy hand of the law you are going through the proper protocol—as we always say back home, you get more bees with honey than you do with vinegar.

I think that is just another step in the progression of making the various levels of government, all stakeholders, come to realize it is a shared responsibility in determining value for dollar. As the presentation this morning so eloquently stated, we all have a responsibility to ensure that this message is out there and that

we have an action plan to do something about it. We feel very strongly that this resolution will do that, obviously with some fine tuning.

Mr. Shiraz Shariff (Alberta): In Alberta, generally speaking, the Public Accounts Committee deals with reports that are tabled in the assembly and not outside the assembly. Ministers appear before us, including senior ministerial officials. So from our perspective I do not think we have ever had an occasion to request a federal program representative to come before us, or had a need to subpoena any one.

The offer that John is making about a joint federal-provincial public accounts committee to get into the matter, I am not so sure if I see all the merits of expanding the role that much, however, I do support in principle that if the federal-provincial programs are going to be delivered more and more as a joint initiative, then this needs to be discussed at every level. At the first minister's level, at the Auditor General's level and even at the legislative level, to establish a protocol, as BC said, on how do we hold people accountable for such shared programs. I would like to see a resolution more in line with what BC was proposing. Thank you.

Mr. Williams: I agree with Shiraz from Alberta that this is a bigger issue than just what is being presented here before us. As Bill Bennett mentioned, from BC, does the Auditor General's Act allow them to be Auditor General of Record for the Olympic Games? Again we run into the federal position of the Auditor General constraint to federal issues, which is why we have this problem with joint federal-provincial programs. How far can the federal Auditor General go, because she can only look at the federal side of it?

So maybe we have to take a look at the auditor generals' acts around the country. Also on a program-by-program basis, when they are negotiated by the federal government and the provinces there is usually some kind of mechanism for reporting, but the auditing and the accountability tends to fall short. And because it falls into that nether land between the two areas of government that nobody really has the authority and the responsibility to do a full and comprehensive audit. Therefore I would suggest that you, as parliamentarians in the provinces, when you are looking at these agreements, and we are talking to the premiers, and those who are negotiating the programs that you insist upon a clear mechanism for audit and accountability and for reporting so that we can perhaps resolve this. We are going to see a lot more of these shared programs. I think the sooner we address the accountability portion of it—this is a good place for us to have that debate. I think it is very important.

Ms. Dionne-Marsolais: Justement, si on veut insister sur l'importance d'une vérification adéquate et d'un contrôle des dépenses, cette proposition-là, elle est quand même assez modeste, mais elle permet de donner le ton à cette responsabilité de reddition de comptes, d'un programme financé conjointement par le fédéral et la province. Il ne s'agit pas, je pense, de participer aux comités de reddition de comptes des provinces. Il s'agit, au besoin, dans les cas où le comité de la province juge important d'étudier une reddition, un programme en particulier, d'être capable de l'étudier complètement et donc d'entendre des gens qui sont des fonctionnaires fédéraux et qui ont la responsabilité d'administrer les fonds localement, c'est-à-dire dans la province.

Ce type de résolution-là pourrait atteindre deux objectifs, d'abord celui d'initier cet échange ou cette coopération entre les fonctionnaires des deux niveaux du gouvernement et la responsabilité vis-à-vis les élus des deux niveaux du gouvernement. Déjà il y aurait un opération de sensibilisation des fonctionnaires fédéraux à leurs responsabilités vis-à-vis la gestion des fonds locaux telle que perçue par les citoyens des provinces, puis aussi cette assurance que les élus au niveau provincial ont un portrait complet, même dans les cas où, au niveau du gouvernement fédéral, on ne considère peut-être pas ce programme-là comme prioritaire à un moment donné, parce c'est très possible que les élus provinciaux considèrent un programme conjoint extrêmement important à un moment donné mais que cette importance-là ne soit pas partagée par ou le bureau du vérificateur général fédéral ou même les élus fédéraux.

Donc ce que cela fait, cela permet aux élus provinciaux de suivre les impôts de leurs électeurs, de leurs citoyens et la manière dont ces impôts-là sont administrés dans un programme conjoint sur lesquels à

l'occasion, et souvent, les administrateurs provinciaux n'ont peut-être pas une liberté aussi grande que ce qu'ils auraient si c'était un programme exclusivement provincial. Alors c'est un moyen de sensibiliser les fonctionnaires fédéraux à leurs redditions de comptes aussi vis-à-vis ceux qui financent ces programmes-là, c'est-à-dire les citoyens qui sont représentés par les élus.

Quant à l'implication municipale, je ne pense pas que il y ait une difficulté au niveau des programmes qui sont municipaux ou conjoints municipaux et provinciaux, pour prendre cette exemple-là. Généralement le programme provincial, en tout cas chez nous, a une juridiction globale sur l'allocation des fonds. Donc les fonds seraient questionnés aussi et les échanges sont plus simples au niveau local, au niveau municipal. Ce n'est pas la même distance parce que l'administration municipale, elle est quand même très près de l'autorité. Les municipalités sont des créatures des provinces, alors il y a une coopération qui est plus naturelle, disons, que l'implication fédérale avec les provinces.

Mr. MacKinnon: I thought at this point I would put our motion on the floor. We will refine it a bit to address the issues of concern on British Columbia and the Yukon, as well as the federal jurisdiction. So if it is allowable with you, Mr. Chair, I will move the motion, put it on the table and if people want to go for further debate that is fine. Obviously that will preclude us from engaging in any further dialogue until the question is called. Would that be okay?

Mr. Craig James (British Columbia): Craig James, Clerk Assistant and Clerk of Committees in the Legislative Assembly of British Columbia. I am also executive director, loosely called, of the Canadian Council of Public Accounts Committees and I have been since about 1985. I thought it might be appropriate for me just to try to be helpful to the council today by offering some procedural advice: 1) that motions moved by this council really have no effect and are the opinion solely of the council in relation to what issue they wish to see resolved; 2) speaking technically as a clerk, in terms of the motion—that has some merit in my view—if it was moved in the British Columbia House it would be ruled out of order because it contains a preamble. So again, not to pre-empt what Nova Scotia wishes to accomplish, if I could just quickly read what might be helpful to the council to undertake today, I have just simply crossed off the preamble and written: BE IT RESOLVED that the CCPAC encourage the Canadian federal and municipal governments to compel federal and municipal civil servants to attend as witnesses at Canadian provincial and territorial public accounts committees when funding for a program includes contributions from those levels of governments. That might accomplish the same thing, it might not.

Some background: In British Columbia in about 1997 or 1998 we had a special committee on the Multilateral Agreement on Investment, the MAI committee as it was called. Many people at the time, legislators in particular, felt that the committee was operating beyond its ability to deal with these particular matters which some felt were more properly aligned with the federal government and in the federal jurisdiction. An issue arose where it was considered at the time that David Anderson, the minister of the appropriate department, should be called as a witness. Everybody was thumping their desks in terms of trying to get the minister to appear as a witness. In the end, as with the comments by John Williams and Bill Bennett, much more was accomplished behind the scenes by encouraging witnesses at the federal level to appear before a parliamentary committee to engage in testimony that in the end seemed to have satisfied this particular committee.

There are many other issues which surround the compelling of witnesses at parliamentary committees. I do not know what the terms of reference are for each of the committees present here today. I know in British Columbia the Legislative Committee on Public Accounts is, in fact, a quasi-judicial body and by statute can compel witnesses to attend their meetings for the purposes of the inquiry under consideration.

The flip-side to the argument that is being proposed today, that you might like to consider, is what would the course of action be should the federal Public Accounts Committee wish to examine witnesses from the

provincial body. So there are ramifications from the ability of the council to understand the implications of the motion that they are pursuing today.

There is also the aspect, from our standpoint, protection of witnesses. We know that in British Columbia, for instance, witnesses are afforded certain rights and are protected by statute, practice and precedent in terms of their appearance before any committee in the House. Would that extend, one wonders, to witnesses that are called from other jurisdictions? I'm not so sure.

In any event, I just wanted to throw those matters out before you to see if it helps you, in any way, to accomplish what you are setting out to do this morning.

Mr. MacKinnon: Some very good points made and I think easily addressed. We have a resolution that will, I believe, satisfy all the stakeholders. Certainly those who have spoken and I am sure those that would feel that this is a good resolution in general. Bearing in mind we recognize that ultimately it is not binding to any extent, but it certainly sends a message on how we feel on ensuring value for dollar and public accountability, whether it be at the municipal, provincial or federal level. I think we have to have a template, a benchmark to start somewhere. We felt that this was the right time and the right place.

So I would agree there is no need for any preamble, but we put it in there to kind of give the premise of why we were bringing it here. I will move a motion that I think will hopefully be agreeable to all at the table.

I move,

THAT the federal government be required, when requested, to send a representative or representatives from the department or agency in question to appear before the respective public accounts committee when the committee is examining programs, or issues, shared by the federal and provincial and territorial governments.

AND a federal-provincial First Nations protocol be established for the appearance of witnesses before public accounts committees.

Mr. Chairperson: Discussion?

Floor Comment: It would be useful if we could read it. That is not the same as the one that we have. So could you write it down?

Mr. MacKinnon: Sure.

Floor Comment: It would be useful.

Mr. MacKinnon: Would you like me to read it one more time and we could have somebody transcribe it?

I move,

THAT the federal government be required, when requested, to send a representative or representatives from the department or agency in question to appear before the respective provincial/territorial public accounts committee when the committee is examining programs shared by the federal, provincial and territorial governments.

AND a federal-provincial First Nations' protocol be established for the appearance of witnesses before public accounts committees.

We will have it typed up before lunch, if you want. What we can do is we will just put it on and we will have it typed up, and everybody can get a final read on it. There will be ample time for discussion. It looks like there is a general consensus on it developing. We will call for the question after, if you wish, Mr. Chair.

Mr. Frank Branch (New Brunswick): Mr. Chairman, if you need a seconder, we will second that motion.

Mr. Chairperson: Just looking at my clock, it doesn't look like we are going to have too much time left before we break for lunch. Is it the will of the committee that—

Floor Comment: Mr. Chair, on a point of order, if people have followed clearly the motion, if they feel comfortable we can call for the question now.

Mr. Chairperson: I was under the understanding that some people wanted to see it in writing before we made a decision. What is the will of the committee?

Ms. Dionne-Marsolais: He read it very slowly so we could know. We are comfortable with the text, except for the word "programs" instead of "issues".

Floor Comment: We deleted "issues".

Mr. Chairperson: My clerk is telling us there is no point of order.

Mr. Williams: I think the second time the motion was read, the last part was omitted dealing with developing a protocol—

Mr. MacKinnon: I read that in.

Mr. Williams: You did read it in? Okay. I'll either have to have it read a third time, or see it in writing.

Mr. Chairperson: Maybe we could read it slowly, one more time so we get a clear understanding.

Mr. MacKinnon: Thank you, Mr. Chair. The motion being that we move,

THAT the federal government be required, when requested, to send a representative or representatives from the department or agency in question to appear before the respective provincial or territorial public accounts committee when the committee is examining programs shared by the federal and provincial or territorial governments.

AND a federal-provincial First Nations' protocol be established for the appearance of witnesses before public accounts committees.

Mr. Chairperson: It has been moved by Russell MacKinnon of Nova Scotia, seconded by Frank Branch of New Brunswick,

THAT the federal government be required, when requested, to send a representative or representatives from the department or agency in question to appear before the respective provincial public accounts committee when the committee is examining issues shared by the federal government and provincial government and territorial governments.

AND a federal-provincial First Nations' protocol be established for the appearance of witnesses before public accounts committees.

All those in favour? Opposed?

In my opinion the motion is carried.

Floor Comment: For clarification, did you say the word "issues" or "program"? I think you read "issues".

Mr. Chairperson: I am sorry, you are right. It should be "programs" and not "issues".

Mr. Charles Dent (Northwest Territories): One thing I think we want to be cognizant of is that while we have representatives of federal, provincial and territorial committees here, we do not have anybody from First Nations. We may be criticized for including them without some discussion in this motion. I think we need to be somewhat sensitive to that issue.

Mr. Chairperson: We would need leave then to rescind the motion.

Mr. Hardy: That is a very valid point, but to develop protocol, I would assume that would be negotiated, sitting down with the First Nations negotiating, a process that respects their position and their rights, in order to ensure that Public Accounts committees can move ahead. Especially when you look at the fact that if the territorial-provincial governments and the federal government have an agreement on a program that also does involve First Nations, it would be very remiss that territorial-provincial governments are calling witnesses without have the First Nations involvement and ability to participate. Taking your concerns to heart, I think it is important also that we make sure that they have a seat at the table and have an opportunity to develop a protocol that would allow them to participate.

Mr. Chairperson: Then the motion would stand, as written. Agreed? [*Agreed*]

The suggestion is made that we have this typed up and circulated to the group right after lunch so that you have it in the proper writing.

I would like to thank the members of Nova Scotia Public Accounts Committee. It initiated a very interesting discussion. I would like to inform the delegates that lunch will be served immediately in the hall at the Concert Hall. We would ask delegates to please return to this room at 1:30 p.m. sharp. Thank you.

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Mr. Rick Yarish (Conference Coordinator): Good afternoon. For those of you who do not know me, I am the Public Accounts Clerk from Manitoba, Rick Yarish. I am also one of the conference coordinators.

I just wanted to steal a moment of time here before we get rolling, and let you know a little bit more about the tour of the legislature that we are offering tomorrow. Thank you to everyone who has already turned in your sheets. What we are going to be doing tomorrow is shortly after our lunch finishes, which is at the Winnipeg Art Gallery about a block from our legislature, we are going to have everybody take a little walk over to the legislature. Question Period starts at 1:30 p.m. and Question Period, along with Routine Proceedings, will take approximately one hour. So everybody will be invited up to the gallery to observe that. We will get gallery passes for everyone. Once that is concluded at 2:30 p.m. everybody will be meeting in the Rotunda of the legislature. One of our tourism people will be giving every one a tour of the building, there might actually be two people if we get everybody coming.

For those who are interested in further observation, our Legislature is currently considering departmental Estimates, and we consider those in three different rooms: there is the Chamber, as well as the two committee rooms. So you would all be welcome to come and observe Estimates. I am sure our Manitoba MLAs can attest to the excitement that is departmental Estimates. You are welcome to come along and observe that. That is why we have asked for every one to fill out a sheet and let us know if they are interested or not. We need to book a certain number of gallery passes, and figure out how many tour guides we need to have on the tour. You will all be shepherded through all of this tomorrow, but I just wanted to give everybody a rundown of what you could expect, and how that afternoon with play out.

That is all I have, and now I will call Mr. Todd Hardy, MLA, and Chair of Public Accounts Committee from the magnificent Yukon—

Mr. Richard Rumas (House of Commons): Rick, did you mention anything about check-out procedures for tomorrow?

Mr. Yarish: For the hotel?

Mr. Rumas: Yes.

Mr. Yarish: No, I did not mention that, but if I remember correctly it is 3 p.m. I am not certain.

Mr. Rumas: If we are going to leave here and go for lunch, it may be wise to check out sometime in the morning.

Mr. Yarish: Yes, that's true. Good point.

Anyway, Mr. Hardy from the wonderful Yukon.

Business Session #3

Chair: Mr. Todd Hardy

Topic: Best Practices: Lessons Learned from Public Accounts Committees around the World

Presenter: Mr. John Williams

Mr. Todd Hardy (Chairperson): Hello, I am Todd Hardy, as has been mentioned. I am from the Yukon. We will be starting this afternoon's business session with a presentation entitled Best Practices: Lessons Learned from Public Accounts Committees around the World, by John Williams.

John Williams is the Chairperson of the House of Commons Public Accounts Committee. We have already heard John Williams talking earlier on, in the previous sessions. Mr. Williams will be using *The Overseer*, a book by the Clerk of the New Zealand House of Representatives, as a starting point for the discussion of the role of public accounts committee members in addressing critical questions of accountability of the government. Mr. McGee's book assesses how public accounts committees are working in practice and whether they are fulfilling expectations as important guarantors of good governance. He tackles issues such as capacity building, independence and information exchange. Problems for developing countries, as well as the question of defining accountability are also addressed. Mr. Williams will explore these issues in the context of the federal Public Accounts Committee, while also touching on examples and information from other jurisdictions.

Mr. John Williams (House of Commons): Thank you very much. Good afternoon ladies and gentlemen. It is certainly my pleasure to be here to represent the federal Parliament at the Canadian Council of Public Accounts Committee meetings that we hold each and every year. It gives us an opportunity to get around the country. Last year it was St. John's, the year before that it was Halifax and here we are in Manitoba. I certainly appreciate that very much.

You, as members of the public accounts committees of the provinces, together with the federal Parliament, explore this area of accountability that Patrick Boyer talked about this morning. I met Patrick today for the first time. Much of what he has to say and much of what I have to say run parallel. Our thinking is very much in the same way; government needs to be held accountable. The institution of parliament has that responsibility to hold them accountable, and perhaps that institution of parliament is not working as well as perhaps it should.

A couple of year's ago—more than that I guess—in 1999 there was a symposium in Toronto put on by the Commonwealth Parliamentary Association. It brought a number of people from around the world to Toronto for a week to discuss the issues of accountability, in particular the public accounts committee and its role in the Commonwealth parliament, the Westminster style of government, and the role of the public accounts committee in ensuring accountability of government. From that we ended up with a book called *The Overseer*. Some of the participants, including myself, were: Michael McLaughlin [*phonetic*], he is here today; there was Erik Peters, the provincial Auditor from Ontario was participating in that; we had people from Australia, from India, from various other parts of the world; Jamaica, Australia, as I said, Canada, Singapore, Botswana, the U.K. We talked about the roles and responsibilities of the public accounts committee as an arm, and an institution, of the parliament at large because the parliament at large is too big a body to do too much on its own. This is why we have break down into the committees that we have.

The first thing, again as Patrick mentioned this morning, parliament is the institution of accountability. It is not an institution of management, it is an institution of accountability that says when things go wrong somebody has to be held accountable and there is some place where they have to be held accountable. That is the role of the parliament, and that is our role as PAC members.

I define accountability in a simple way: as motivators beyond your control that cause you to think and act in a certain way. Motivators beyond your control, and I underline beyond your control, that cause you to

think and act in a certain way. That is what keeps people honest, it keeps people focused, it keeps people being efficient and it keeps people on the right track. An example in the private sector is a simple one about competition. Competition is the best, and greatest, concept of accountability that has ever been developed. That is why we have the prosperity that we have in the western world, because the three things that business has to do is: better prices, better service and better value for money. If you can deliver that you will develop market share, your market share will grow, but the competitor says, no, no, we are not going to allow this to happen. I am not going to let my company disappear just because you have better prices, better service, better value for money. I am going to fight back. You fight back by better service, better prices, better value for money. Of course the consumer wins provided there is no collusion. We see the fight between McDonald's and Wendy's. Nobody ever said it was great food, but everybody thinks they are getting value for money, which is why they go there, and the prices are reasonable—or they figure they are reasonable—and the service is good as well. That is why McDonald's is all around the world, because they understood those three simple concepts.

You ignore it at your peril. A couple of good examples of ignoring it at your peril is back in the 60s General Motors said that famous quote: What is good for General Motors is good for America. Ten years later General Motors was fighting for survival. In come the Japanese imports. They were cheap, they were efficient and they had what the North American consumer wanted at that time. All of a sudden GM found that they were producing dinosaurs that nobody was going to buy. They had to re-engineer not just their vehicles, but the way they even made vehicles from the top right down to the very bottom. Competition came back and said you will change if you want to survive. You are accountable to the consumer, because if there is competition and choice for the consumer, and they are not buying your products it is game over for you. The biggest and largest industrial complex in the worlds' back was against the wall.

Another one is IBM. I remember reading 25 years ago that they were sitting on a pot of \$8 billion in cash. Along came the microcomputers, the desktop computers and the laptop computers and IBM said, that's for toys, that's for people who just want to play at computing, it is the big mainframes that everything will be done on. The next thing you know IBM was fighting for their life. They had to re-engineer, and they had to supply what the market wanted which were desktops, laptops and small computing devices. Better service, better prices, better value for money.

The other thing that regulates business is government regulation. We should be that motivator beyond their control that sets a level playing field for business to play the game. Building codes for example; safety for automobiles; health and product rules for vegetables and food and so on, that you must meet a minimum standard or you are shut down. Everybody has to play the game. Unfortunately when it comes to government regulation we are not always that motivator beyond control, because there are situations, especially in other parts of the world, where people just buy the regulation that they want. When government capitulates, when parliament capitulates and allows the rules to be bent to benefit somebody else, through bribery, through corruption, it is no longer that motivator beyond control. It is something you can control. Therefore you end up not living by the rules, but in getting rules that you think are beneficial to yourself.

The best ones for that are Enron and Arthur Anderson. Arthur Anderson was supposed to be that institution beyond the control of the business, beyond the control of Enron. It said, you have to disclose what you were doing, in a fashion that everybody can understand. Enron said, no, why don't you just accept what we are doing? And of course today Enron is gone, Arthur Anderson is gone because they got into that cozy relationship, rather than an adversarial relationship of you are accountable to us, we are a motivator beyond your control, you will follow the rules and if you do not there is a penalty. The penalty will always come along, sooner or later, as we found with Arthur Anderson.

What about government? Government does not have competition. Government legislates it out of existence as soon as it even shows up as some kind of competition. The government says we do not have competition, we do not want competition. So we cannot rely on the competitive model for government.

Government writes the regulations for business. We can not rely on the regulations for government, because they write them themselves. That is why, over the last 700-800 years we have developed a thing called parliament, unlike the private sector, that is a multi-complex, multi-faceted way of doing business. We have a simple hourglass concept that I use to describe the relationships of government and parliament. The bottom triangle is a typical triangle of any business, the workers at the bottom, rising through management to the people at the top. The people at the top are the cabinet and the prime minister, or the premier. Who holds them accountable? Above the prime minister and cabinet there is parliament, which is us. Above us are the people. So you have an inverted triangle on top of a normal triangle that everybody understands. In that relationship between the government, which as Patrick pointed out this morning, is the cabinet and the prime minister. If they enter into a cozy relationship with the parliament, in exactly the same way as Enron entered into a cozy relationship with Arthur Anderson, accountability is the first thing that suffers. We get lost on our way.

Small "c" corruption creeps in: lack of efficiency, lack of focus, wastage of money, spill-over, programs not properly designed to meet the needs, inefficiency of management. Then in creeps the big corruption of the cash being diverted. It all starts to unravel, and then we end up with scandal, as Patrick mentioned this morning. Scandal and then the accountability kicks right in and the government sucks it in, tightens the belt, they do an investigation and somebody loses their job, and they say it's okay, we've fixed the problem. Then in the *Globe and Mail*, HRDC are back in the news again after having fixed the problem the last time around with the billion-dollar scandal. Now there is more coming to the forefront. We will go through the same exercise again.

Unless we, as the public accounts committee and as the parliaments of the nation, can assure ongoing accountability and ongoing demand that they deliver what they are supposed to deliver, it will fall off the rails again. We have, as you know, representative and responsible government, but when was the last time a minister got fired for incompetence or corruption? We have had a policy in the federal government for the last 10 years that I have been there, where the Prime Minister will stonewall each and every attack against a minister, and never cause a resignation. Then we had one a year ago where the first hint of scandal—Groupaction—and the minister was gone. Resigned and off to Denmark before we even knew it. That told us right there that there is a lot more to this story than perhaps we will ever find out, because public accounts committee couldn't get at the truth. Public accounts committee investigated and the deputy minister said, I'm only the deputy minister, my God how do you expect me to know what is going on in my department. When the deputy minister stonewalls, and everybody else stonewalls, it is very, very difficult to really get down to what we really need to do to hold them accountable. We have to really learn this role of accountability.

Parliament does four things; we do four simple and fundamental things. We approve the legislation that the government wants. Government introduces legislation, new programs, new ideas. They come to parliament and say, may we do this? Now, we can have a rollover and say sure, not a problem, you've got it, it doesn't matter what you want. We can debate it, we can analyze it, we can take it back to our constituents, we can hold public meetings, we can do what we want and say, okay, good idea, we will approve it. We will check it and we have that responsibility to approve the legislation of government.

The second thing is we approve the budget and taxation policy of government. They introduce a budget in the legislature, normally, but not always as we've just found out, they come to us for approval of the budget. We are the ones that say, yes you can raise the taxes; or no you can not raise the taxes; this is how you can raise the money. It is our prerogative to say no.

The third one is we approve the Estimates process. We approve every dime that the government spends. It was made mention of the fact that, at best, we give perfunctory examination of the Estimates, but we approve them. The government has to come to us to approve the Estimates, but if we say no, that is the end of it.

The fourth thing is government reports to parliament, us. The Auditor General's investigations, come to us. It doesn't go to the government, it comes to parliament. What we do with it then is our responsibility, but they report to us. All these reports that get tabled in parliament are part of our responsibility of holding the government accountable because we are that institution of accountability.

I want to use a little analogy to explain how it sometimes works and sometimes does not. When I drive the roads of Alberta I put on my cruise control 10 kilometres over the speed limit. I always apologize and acknowledge that I break the law, many, many times. I just take a little bit, 10 kilometres. Why do I take 10 kilometres, and just 10 kilometres? Because I know I can get away with 10 kilometres. When I meet the RCMP on the highway, I do not give them a wave, but I do not slow down because I know I will get away with going 10 kilometres over the speed limit. I don't go 30 or 40 kilometres over the speed limit, because if I meet the RCMP I know I will not get away with it. I do not know how much a ticket is, but I think it is expensive and I will get demerit points. Too many of these and I lose my licence, and too many of that and my insurance goes up. Maybe I get into an accident and that will be my fault because I go too fast. The ramifications are endless. So I take what I can get away with and I leave the rest. Now that is a simple concept of human nature. We will take what we can get away with and leave the rest.

So the question to parliamentarians and to legislators, is how much are you prepared to let the government get away with before you say, that is it, not any more. I say I take my 10 kilometres. I do not take 30 or 40, I know that is too much. In a public accounts committee, I can only deal with a certain number of issues. We do not have the capacity to go through everything that the government does, but we are the institution of accountability. We lower the boom on the government enough times, they will be held up and they will fix things in no time flat.

I also say about the public accounts committee, and my little analogy there, or statement there, is if the departmental official has a choice between going to the dentist and going to the public accounts committee, take the dentist. It should be less painful. That is the way it should be, in my opinion. They do not need to think that going to public accounts committee is a desirable way to spend the afternoon. I know one deputy minister who went back to her department and said, never let that happen to me again. How do you stop her from showing up again? You fix the problem. It is that simple. You have accountability that says I do not want to do that again, and hopefully the problem will be resolved. If it is a revolving door, you give it a little tap on the hand and say that's okay, you don't have to worry about it, you will find nothing changes. Like the 10 kilometres on the speed limit.

You have to do your job of holding government officials accountable. They have to know that going to public accounts committee is not a pleasurable experience. Government has to know that coming before parliament is a real experience on accountability, that you have to be convinced that what they are doing is right. If you do not, and vote the way that they want, accountability is diminished or eliminated. There will be a day of reckoning. It may be many, many years down the road—but there will be a day of reckoning when democracy has slipped to the point when the public take things into their own hands as we see around the world; or other governments take things into their own hands as we have seen this past year. There is always the day of accountability, sometime. The longer it is put off, the worse it is.

So we have that mandate to hold the government accountable in PAC. We work through the Auditor General; she is our eyes and ears. She has the authority to go right in and look at the actual files, and do a report. With that information we can really hold the government accountable.

Somebody asked this morning about the role of the media. The role of the media is crucial. Remember the pyramid that above the government is the parliament, and above the parliament is the people. If the people are upset we will know about it. If we are upset then government will know about it. That is why free and open media are absolutely crucial. One has to learn how to work with media to create stories, to get them to educate the public about what the government is doing. At election time, when we stand for election we

are accountable on our record. If people believe we are doing a good job they will put us back in, if not we are out on our ear. The same applies to the government. We have to ensure that the media knows what the government is doing, because that is how they respond. We can think about on the federal scene, the billion-dollar boondoggle at HRDC that I mentioned, a billion dollars on the gun registry.

There is a third billion-dollar wastage that never really caught the media's attention, therefore never caught the attention of the public, therefore the government never really responded. This is an example of how using the media gets the government to change their position. It happened to deal with the heating fuel rebate that was introduced by the government just days before the last election. It cost the Canadian taxpayer \$1.4 billion. The Auditor General's report said only \$400 million went to the people who needed it—by the government's own definition of who needed the money—and 90 000 people who should have got it did not see a dime. A billion dollars paid to people who did not need the money, by the government's own definition, but it did not resonate in the media. You likely never heard about it. You are a politician, you are tuned into the political process. What is the likelihood of the guy in the street knowing another billion dollars is down the drain. That is how the media have a real, and a complete and a significant role to play.

A couple of years ago I was in Brussels at an auditor's meeting over there. They were complaining about the same thing. We write these reports and nothing happens; write another report and nothing happens; more reports and nothing happens. Their reports are as dry as dust, absolutely dry. The media can not get their mind around them, and because the media can not get their mind around them, they do not resonate in the media. The public is not aware of what is going on. There is no accountability.

What I said to them is you have to rewrite your reports so that they have some pizzazz to them. No, we have always done it this way. Why would we change? So why are they complaining about the idea that their reports are not being effective when they are totally and absolutely resistant to change. It is because they are not accountable. It always comes back to this accountability. If they had to sell those reports and get paid on the number they sold, they would be out of business the following day. They are not dependent on developing a market. They are not dependent upon ensuring that they get value for money for what they write, they just write.

It is your job to ensure that the auditor general is doing their job properly, and communicating with the public, through the media. That is why we have talked about in *The Overseers'* book, and I will just quote on page 62—it was a good little quote about training for parliamentarians—and this is what they said: Members who are assigned to serve on PACs can not be assumed to have an in-depth knowledge of accountability as they relate to government, nor understand the role of the PAC in reinforcing that accountability. Indeed given the general policy preoccupations of members, it is unlikely that even an experienced member who is appointed to PAC for the first time will be well-equipped enough to understand the new issues. Therefore they talk about training for the parliamentarians on the PAC. Training for parliamentarians in general, I think, is absolutely vital. I said to one Member of Parliament, who shall remain nameless, I said, parliament is an institution of accountability. He said, Williams, what are you smoking? He did not see it that way. He thought it was a place for partisan debate, but you have your partisan debate, you call the vote and guess who wins? The government, every time. So it is not an institution of partisan debate, it is that institution of accountability.

We talked this morning about program review and program evaluations, and how we should be doing that. I am glad to say that we have been able to move the Government of Canada in a small way, in this direction. A number of years ago there was a report called the Catterall-Williams report that talked about changes in the way parliament holds the government accountable. Part of that dealt with program review. We spend a lot of money in the federal government, \$175 billion this year. We spend the money and we have no idea if we are getting value for money, no idea.

Therefore we said, why do we not ask four simple questions: 1) What is this program designed to do in the society at large, because it is not written down today? 2) Once we know what the program is designed to do we can ask the question of how well it is achieving that objective. 3) Is it doing it efficiently, productively? 4) With this rapidly changing world, can we achieve the same result in a different way or a better way? Four simple questions—the Government actually came up with five, but I am glad to say that Minister Manley introduced in the budget, program evaluation, program review for non-statutory spending in the federal government. That is going forward, albeit slowly, but it is getting there.

When I tell people in the private sector, and give speeches across the country, about the fact that we just spend money with no concept of what we are getting for it, they are aghast, just aghast, because they understand: No accountability. They have accountability; if you are in the private sector you have to earn your wages or the boss says you are gone. If you have a business and you cannot make money, you are gone. This notion that you can just spend money, and get paid to spend money without having to achieve anything—like audit reports in Brussels—it is not going to advance democracy at all.

So what we have to do is change the motivator. When you change the motivators, you change the results. When the motivators start to work, you will get different results. Accountability: Motivators beyond one's control that cause you to think and act in a certain way.

We lament sometimes about our own parliament. We lament about our provincial parliaments and legislatures about how effective they actually are. We look around the world and realize that while they may not be great, they are a lot worse elsewhere. Parliaments there are truly, totally and completely, and absolutely 100 percent ineffective. We have dictatorships that have parliaments. In the Ukraine, the president has a veto on everything that the parliament does. When the president was implicated in the murder of a journalist who showed up in a quarry with his head cut off, the parliament said, perhaps we should investigate. The president said, I think you have something more important to do. No accountability, none.

We had elections in Zimbabwe recently, a year or so ago, and Mugabe is continuing to steal the land from his own citizens. He is continuing to steal everything he can get from his own citizens. Parliament is totally and absolutely ineffective. There are some rays of hope. In Kenya, for example, there was an election last December. Arap Moi is gone. A new government is in. They have already started to introduce anti-corruption legislation. Billions of dollars that have been stolen by the government in Kenya has meant that its standard of living has fallen from one of the best in Africa to one of the worst. It is not a good place to be. It is not even a safe place to be. When I was in the parliament for dinner, and it was 75 yards to the hotel, you had to take the bus. You were not allowed to walk. You likely would not have made it, it is that simple. Even in a democratic government the place was so corrupt. There was no money for anything, nothing.

That is why, in my opinion, corruption is the single component on why the third world is destitute. The money has disappeared. I am glad to say that, and I mentioned this at the conference here last year, about the organization of GOPAC. It is now starting to develop around the world to try and elevate parliaments as institutions of accountability. Believe it or not, Africa has a growing chapter that people are now saying, how can I sign up and how can I participate. In Latin America, the same thing. China and Japan, the same thing, we have a chapter out there as well. Parliamentarians in every parliament—there are always one or two or more—who are committed to the idea that they should be doing better, and are prepared to join forces to help each other. To elevate the institution of parliament as an institution of accountability; to say to the government that you can not take the billions of dollars and park it in the Switzerland, or London, or New York and say this is fine. In the meantime people go destitute, with no help, no food, no housing, no water, nothing. It is because of corruption. It is because the legislature and the parliament do not do its job.

So it all started a few years ago. One of its roles is *The Overseers'* book about the public accounts committee. The other way, part of the puzzle is GOPAC, its chapters. International development agencies are coming on side. The Prime Minister at the G-8 summit last year announced the NEPAD initiative, a New

Partnership for Africa's Development, \$5 million of your money going into Africa in the next number of years. One of the big focuses is governance, because we have now realized that throwing money into international development, throwing money into hospitals, housing, and food and so on, disappears because governance—accountability—does not exist.

It starts here in this room; we have a role to play. We have a role to play to enhance accountability in our parliaments, hold our governments accountable, to demonstrate to the rest of the world how it can be done, how it should be done, how it can work and to join with them to ensure that they know the way to success. That is why we have the capacity to really help those around the world who are destitute, in a small way. The people in this room, that is you and me, have a large role to play. We can do a lot if we recognize one simple thing: Accountability is where it is at. You and the public accounts committee, me and the public accounts committee have a special role because the parliaments have delegated it to us.

I am going to stop there. I hope there are some questions, Mr. Chair, and we will go from there. Thank you.

Mr. Chairperson: Thank you, Mr. Williams. Now I would like to remind people if they have questions or comments to make that they do identify themselves before they do it, for the record. I open the floor up to any discussions, either directed at Mr. Williams or in general.

Mr. Bill Bennett (British Columbia): John, just wondering if you could comment, from your experience, on the role of government members on public accounts committees. We have an unusual situation that I know you are aware of in British Columbia where our chair is from the opposition but there are only two opposition members in the legislature out of 77. So there are two opposition members on the committee and the rest of us are government.

I have to be honest, listening to your presentation, I agree with the thrust of your presentation and where you think that we should be going as legislators. However, having been in government for the last two and a half years there are also practical considerations for the government, for the government caucus. There has to be some discipline within government caucus. There has to be some sense that you are all on the same team, you all run on a platform that you have committed to. There is no changing your mind later if it is a platform issue, but then again you balance that with your obligation as somebody who was elected by the people to ensure that there is accountability in the way tax dollars are spent.

I am just curious to know what you have to say about those kinds of things.

Mr. Williams: Yes, it is a balancing act as you say. Government backbenchers who are not part of the government, and that is the first thing that I acknowledge is: Government backbenchers are part of the institution of parliament, they are not part of government. Yet they are sympathetic to the government's agenda, that is how they got elected, on the government's platform. Opposition members are not usually that sympathetic to the government's agenda, and in BC there are only two of them who are unsympathetic.

So what do you do? How do you draw the line? It is not easy, but the first thing is a commitment to openness and transparency. The first rule in democracy, is openness and transparency. If you are prepared to go out and tell it to everybody, then it will likely meet the test of acceptance. Anything that is done behind closed doors and you say we better keep it there; you are running the risk of this lack of accountability. As I said—and it may take a long time—eventually it will come back and haunt you. It may kick you out of office and put the opposition back in, which is what happened just recently, in the last election in British Columbia. They ran up against this wall of accountability.

It is not something that you can say does not apply. It is something that you can ignore for awhile, but the longer you ignore it the worse it will be. It becomes this balancing act, but the test is: Can you go out and

tell the general public of what you have done. If so, then there is no problem supporting the government on that basis.

Mr. Jim Maloway (Manitoba): Last year, John, when we discussed this matter a question was raised about how you were going to make certain that the criminals did not join these committees in these countries that you were talking about, forming these anti-corruption committees. It seemed reasonable to people sitting around the room last year, that the criminals would be inclined to join the anti-corruption committee and that there was no way you could stop them from doing that.

One other idea that was thrown up last year was that you should be looking at the civic levels of government as one area where corruption could easily flourish, much more so than provincial MLAs like us. There is no possibility for corruption on our part; I can assure you of that. Federal MPs, like yourself, I do not see where you could be involved. So it is kind of isolated, I think, to ministers of the government, civil servants and certainly the civic area is certainly a big area. You had endeavoured last year when you withdrew your resolution, to make an effort to talk, to voluntarily get people to join your organization and make an effort to approach the civic levels. Have you been able to do that?

Mr. Williams: Two questions. The first one is to try and keep the criminals on the outside rather than to have them come in and corrupt the organization. We have developed a code of conduct, a standard commitment that sets a high standard for anybody that belongs to the organization, making statements that they do not, will not contribute or participate in corruption. If they are, they are out the door with the exposure, and everything else that comes along with it.

Going down to the municipal level, we have estimated around the world about 50 000 people who are eligible to join at the two levels of government, federal and provincial. I would not even guess at how many, maybe double, triple, quadruple that if you went down to the municipal level. The idea is to get it off the ground first, to stay at these two levels because it is the governors of the state—if they are honest, municipal politics will be honest too. There is no question that if the guy at the top is corrupt, and that is where the billions disappear, if he is corrupt he must tolerate corruption underneath to support it, because the honest people down below will depose him at the top. If you can get the federal, national government honest and accountable, they will ensure that municipal government works that way too. Focus on the top and that way you will fix the bottom as well. This is not an easy situation. We have had this for 10 000 years. There has always been corruption, always will be corruption. The question is: How good are the accountability mechanisms to control it? That is your role, and how good are you as a public accounts committee in ensuring corruption is not in your jurisdiction.

Remember the speeding analogy. I can assure you it is right here in Manitoba, and it does exist in the Province of Manitoba. Sometimes it is small "c" corruption, sometimes it is large "C" corruption where they run off with what they can. Sometimes they do not get caught. We had a situation just a few weeks ago in Ottawa, where a civil servant got away with a quarter of a million dollars. He has been retired for four years. Just by an accident, and a fluke, they found it. It happens here too. You have a job to ensure the accountability mechanism is working well. That is why knowing what our job is as parliamentarians is very much our responsibility.

Mr. Kevin Aylward (Newfoundland and Labrador): I am enjoying the presentations, Mr. Chairman.

I just wondered what your comment would be to the following: In Ottawa at this point, do you sense that the bureaucrats, when they are called to the Public Accounts Committee, do they show respect for the public accounts system. I was reading the case—Dennis Mills was talking about this company. A lawsuit was filed recently; they won a lawsuit against one of the crown corporations. It was 20 years and there were examples of some bureaucrats who went awry, who were trying to put the company out of business basically.

We have had a couple of examples in our province of dealing with Ottawa, where we have run into some of the bureaucrats who kind of think it does not matter what the politicians say in Ottawa, that they are going ahead and doing it anyway. We end up having to go and talk to the politicians. It is quite a struggle. I just wonder what your sense of it is, in the sense of the Public Accounts of Canada. Is there a sense that some are out of control, or if the control mechanism is much more accountable these days, in the sense of decision making.

Mr. Williams: The accountability process in Ottawa could be improved dramatically, no question about it.

On the issue of Public Accounts, after we table our report in the legislature, the Government responds and says we either fix it, we agree with the recommendations, or whatever. The Auditor General goes back after a couple of years and sees what has transpired. Have they implemented the changes? Have they done the improvements? Have things got better?

Health Canada delivery of prescriptions to the First Nations—they have been back three times before they started to get the message. The third time, when we tabled the report, we had a press conference live on television, including two Liberal Members of Parliament who were standing up there denouncing their own government and the Department of Health in the delivery of prescription drugs to First Nations. We had heard about a couple who had overdosed on prescriptions paid for by the taxpayer. In fact we had the mother in from Saskatchewan. Her brother and her son had both overdosed in a period of about three weeks on prescription drugs paid for by Health Canada. Health Canada just did not get the message that there was a problem, that they were accountable. Three times they were back, and they have the message now I believe, but we will find out when the Auditor General goes back. If they have to be there a fourth time, I would not want to be the guy—wanting a root canal, I think would be preferable to coming back to Public Accounts Committee.

You have to, as public accounts committees, ensure that you instill the same type of accountability in the people that come before you. That is your responsibility. If you do it well, they will listen. They will pay attention. They will change their ways. Remember accountability is motivators—you are the motivator—beyond their control that will cause them to think and act in a certain way. You are going to change their mind. That is your responsibility.

Mr. Craig James (British Columbia): Public accounts committees have long been known to be part of the accountability cycle in parliament. What is not generally recognized is how far public accounts committees have come over the last number of years. Traditionally public accounts committees were considered to be post-expenditure review committees, which meant that public accounts committees, up until recently, considered expenditures of their particular government that may be one, two or three years out of date. What has happened to change the situation, with public account committees, has really occurred through the auditors, the provincial auditors and the Auditor General. What has occurred, certainly over the past decade, is that auditors have been less inclined to publish annual reports containing all of the work that they have undertaken over the course of the preceding year, to issuing—as is the case with British Columbia—special reports, which number anywhere from six to eight specific reports over the course of a particular year. These reports have actually worked out better for our public accounts committee because that means that much of the work that our public accounts committee does is handled in a much more timely fashion. Reports to the legislature, reports to the House are much more frequent than an annual report by the public accounts committee a year after—generally up to a year after. It considers an annual report of the Auditor General, which in itself, might be one or two years after the fact. That is not such a bad thing.

What is happening with public accounts committees across this country, it seems to me, is that they have been less inclined to be considered more post-expenditure review committees, as opposed to considering past expenditures, but also considering current expenditures and looking into the future. Probably quite rightly so. I think that much of what is contained, certainly in the Auditor General's reports which flow to the

committee in British Columbia, a lot of what is contained in those reports are also forward-looking. So there is this evolutionary process which has occurred, enabling public accounts committees to break out of that old tradition of looking only backward and considering matters under the year under review, as opposed to now thinking more about what has been spent, what is being spent and what are the prospects for this expenditure in the future. The classic case in British Columbia is a report by our Auditor General, an initial report, dealing with what was the proposed winter Olympics, and what is now the winter Olympics for 2010.

So I just throw that out just for information for the members of this council, some of whom may be new to it. There has been a longstanding practice by public accounts committees to look in the past, at post-expenditures, as opposed to what is happening now. I am not too sure in a lot of other jurisdictions how many reports are issued by your auditors general, or your provincial auditors, but I notice I seem to be receiving a fair number of reports from auditors across the country with increasing frequency. That is not necessarily a bad thing.

Mr. Williams: Thank you for your comment, Craig. More timeliness of reports I think is also a good thing. Interesting dynamic change, when the Auditor General of Canada Act was changed to allow more frequent reporting, up to four times a year—and the Auditor General now reports four times a year—that the media attitude has changed. It used to be a big, big, big, big affair, and it would resonate for several days. If you have an Auditor General's report coming out after three months, and if you read the media, you will still see them referring to the Auditor General's annual report, but the public's mind is saying, it doesn't seem like a year since the last one, here it is again; what is the problem; now something else is coming along. So you get this constant litany of problems being put out in front of the public and it has changed the dynamic of the Auditor General's reports. So that part of it is not quite as good, but having the timeliness of the investigation is good.

We are going to have, in the next two or three weeks, a special report tabled by the Auditor General on the Radwonski affair. It blew up in June and here we are in September, or early in October, we are going to have a report tabled on that particular issue. Timeliness, it is still in people's minds. They will be able to identify with it, rather than trying to drag it up from way back when. So timeliness is important. It is part of the accountability. As you know, when you do something wrong punishment should not only be sure, but it should be swift. That changes your mind, and therefore the Auditor General's report on a timely basis is progress.

Mr. Chairperson: Are there any more comments? Questions? I do not see any, so I would like to thank Mr. Williams for his presentation and being willing to answer the questions we put to him.

Mr. Williams: *The Overseer: Public Accounts Committees and Public Spending*, by David McGee from New Zealand, it is available on the Web site. Perhaps we can ensure that Web site—or you can get it from our research people in the Library of Parliament in Ottawa, as a guide for your own public accounts committees. I would recommend it to you, as a guide and an in-depth analysis of the role of the public accounts committee, what it should do, its rapport with the auditor general.

Thank you very much, ladies and gentlemen. I appreciate the opportunity to talk to you this afternoon. Have a great day, and by the way I do not think I will be able to join you tomorrow. I have to head back to Ottawa, there is a big vote coming up, you may have heard. Part of my accountability is to be there so I can tell my constituents how I voted on the issue. Thank you again.

Mr. Chairperson: Thank you, Mr. Williams. It was interesting to turn the TV on and the leader of the Alliance party was asking the first question in Parliament. The first question was about the RCMP investigations that are pending against the Liberal party. So there is another level of accountability, and it is called Question Period.

We are ahead of the schedule so it has been decided to go directly into the next report. We will do that for a few minutes—the jurisdictional reports. I will have Mr. Bennett come up, from British Columbia, and then we will take our scheduled break when we get to it. Is that all right with everybody? Okay.

Business Session #4

Chair: Mr. Bill Bennett

Topic: Reports from Jurisdictions

Mr. Bill Bennett (Chairperson): So we will carry on until 3 o'clock, or we will get as close to 3 o'clock as we can with these reports from jurisdictions across Canada. Before we hear from the jurisdictions from across Canada, we are going to hear from Mr. Wilkinson from Tasmania.

Mr. Jim Wilkinson (Tasmania, Australia): Thank you very much. You will have to excuse the voice. I have picked up a bit of a bug on the way across from Tasmania over the last couple of days.

It is a pleasure to be here at your conference. I know a lot of people from Australia, and also Tasmania, do speak highly of your public accounts conferences. A friend of mine, Tony Fletcher who some of you know in this room, came over to a conference in Canada approximately three years ago. Another fellow, Rene Hidding—in charge of the opposition, the Liberal party in Tasmania at the moment was coming across two years ago, but 9-11 intervened. Therefore he was left at the airport and could not come across. It is a pleasure to be here and I thank you all for the hospitality that I have received.

Rather than dwell on a report on what is happening, even though I will touch on it briefly, with the Tasmanian Public Accounts Committee, I have been asked to give you a thumbnail sketch of the setup of the Public Accounts Committee in Tasmania, for that matter in Australia. Tasmania, like all the seven states of Australia, has a bicameral system of parliament but for one of the states and that is Queensland. In fact Queensland did have a bicameral government up until 1922, when interesting enough, and as you may well know from time to time the Westminster system always argues whether there should be two houses of parliament. Should they retain the bicameral system. They had that argument back in 1922 in Queensland. What the Queensland lower house did was send a number of the members of the Legislative Council away on a holiday, and then finished up having a vote on whether they should retain the upper house or not. Funnily enough, the upper house was not voted in because all the members who would have voted for it were away on holiday. So that is a true story. That happened in 1922.

It is interesting though, when you talk about accountability with governments, Queensland has been a real problem as far as accountability is concerned. Queensland, as I say, is a unicameral parliament and their Premier, for many, many years was a fellow by the name of Joh Bjelke-Peterson. He thought committees were a waste of time, and when questions were asked to him he always used to say, in a different style of voice: "D-d-d-d-don't you worry about that." As a result the Queensland parliament suffered a great deal of embarrassment. They finished up having to elect a criminal justice commission that cost \$23.3 million a year to run. It was not democratic; the people were given the post of being on the criminal justice commission. Once they got it running they could not get rid of it. So I think Queensland, to some extent, have really found out that accountability is something that they have to look at, they have to embrace, in order to get things back on track. They have done that in recent times.

As I say I come from Tasmania. Tasmania is one of seven states of Australia. It is the smallest state. We have approximately a half million people in Tasmania. The lower house, which we call the House of Assembly, has five electorates. Each of those electorates votes in five members of Parliament. So the lower house has 25 members of Parliament. The upper house, in comparison, has 15 members and each of those members comes from a single electorate. So there are two electorate systems within our state: 15 for the upper house, a single electorate, whereas downstairs you have five of five. That creates some interesting debate because what occurs is our upper house is predominately independent.

That also is rare when you look at the Westminster system of government. The majority of upper houses, in fact if not all upper houses in the Westminster system of government, are really aligned along party lines. Not so in Tasmania. In order to continue with that, what Tasmania does is it has two members each year up

for election, and elections come around once every six years for each of the members. One of the years, there are going to be three members come up for election. That keeps in place, or it has to date, the independence of the upper house. Parties have endeavoured, from time to time, to take over the upper house, but they have every time pretty well failed. I know the last two elections there was a strong contingent of support for Labour people to come into the upper house, and they are in government. The premier, in fact, wrote a letter to all of the electors and requested that they vote for his person as opposed to an independent. I was on the brunt of that a couple of years ago, but the electors came back and overwhelmingly elected an independent. I know Tasmanians say, look, if you are going to have a well-run upper house, it has to be independent because if you act in its proper role, as a house of review, then what you should be doing is looking at legislation unbiasedly, looking at it after speaking with your electorate and then voting accordingly.

It does make for some interesting committee meetings. Our Public Accounts Committee has six members. It has three independent members, two members of the Labour party and one member of the Liberal party. In that committee there is a lot of robust debate from the Labour party members who are in government, in relation to whether you should or should not investigate certain issues. They will do all they can to hose down certain issues. The Liberal party: that member will do all he can to ignite certain issues. I suppose it is left to the independents to endeavour to act as that happy medium, to decide whether they should or should not proceed.

The interesting point is if they are joint house committees, they are committees from both the lower house and the upper house. There are three upper house members and three lower house members. Interesting, just recently we looked into a deed which the government entered into with Federal Hotels, who have two casinos in Tasmania. Now table gaming in Tasmania, and throughout Australia, is not as lucrative as it was because, as we call it, network gaming which are your poker-machine-type gambling, has really taken off. Licence has been given to Federal Hotels to meter out a number of network gaming machines to what we call the pubs and clubs, the hotels and the clubs. The community was saying there were too many of the network gaming machines in the clubs and in the community. It was causing a great deal of distress to people who could not afford to play them.

The government, therefore, in order to put a cap on those machines had to enter into a new deed with the Federal Hotels for that cap to be applied. If they did not enter into a new deed, which was going to finish by the end of 2008, there could have been approximately another 2000 to 4000 machines depending upon the number of hotels and clubs, but up to 4000 new machines rolled out in Tasmania over the next five years. The government, in order to stop that, entered into a new deed. That new deed gave Federal Hotels an extra 15-year monopoly to run network gaming machines within Tasmania. To do that the Federal Hotels promised a number of things. The members of parliament, and a lot of the people out there in the community said, look is Tasmania getting a good deal from the new deed?

The only way that deed could properly be investigated was through the Public Accounts Committee. It got there by way of the upper house. A member of the upper house moved a motion for the deed to be investigated in the Public Accounts Committee. As a result it was investigated, and the recommendations were made only two weeks ago. Interestingly enough, there was a new member of the Labour party on that committee. He was very, very upset if he did not get the agenda at least two days before the committee sat. There was quite a bit of aggression when he came to a number of the meetings and did not get the agenda until the same day as the committee met. He said to me: Can you sense a certain amount of aggression in this committee? I said to him, honestly I can sense it, and you are it. He said: What do you mean? I said, well look, you are causing that aggression, you are asking things that are not out of the ballpark, but you are asking things that from time to time can be impossible to achieve; you get your agenda; sometimes the agenda arises as a result of what has been happening in recent times; you get it on the same day and therefore you have got to cope with it. He said I've got my riding orders. I have to go back to the Labour party. I have to go back to caucus, I've got to tell them exactly what is going to happen in the committee and they have to give me my riding instructions before I come back to the committee. So I said to him, they are not the committee, you are

on the committee, and you have to make the decision; try to put aside what a number of people in your party would think appropriate, but you are on this committee, not the whole of the party; therefore you have to make your decisions accordingly. As a result of that, he came back and he did agree. Things have toned down, and only two weeks ago when we handed down the report he said that's not a bad report, that was fairly good advice you gave me.

It is interesting when you look at members of parliament and members of, should I say, parties that come onto a committee. They believe that what they have to do at all stages is fly the party flag, as opposed to look for the greater good of the community. I think our Public Accounts Committee, I know it has over the last couple of years, has come back with what I would class, and probably biasedly class, as very good reports, very good recommendations. As a result of those recommendations, and I think everybody out there can see that we do investigate it, we do investigate the issues that come before us robustly.

We have the power to subpoena a number of witnesses. A short time ago we had to look into the sale of the trust bank, which a lot of government monies were involved with one of our banks in Tasmania, which was a peculiarly Tasmanian bank. It had a lot of different changes. It was a bit like a chameleon. It used to change every few years. What occurred in the end that had to be solved—again the Public Accounts Committee was given the role at looking at the sale to see whether Tasmania did fair well as a result of the sale of that bank. The chairman of the board was a well know businessman in Tasmania. His whole board was well known as far as Tasmanians are concerned, and 500 000 people are not a lot of people. So most of the time you do know who is on the board, and you know their expertise or otherwise. It was interesting when he came before the committee, he was grilled for two days, and it was a fairly searching cross examination. I know I was a lawyer by profession before I was a member of parliament—and I still do some trials when I can—but the cross examination of the chairman of the board was a searching cross examination. It was one which was making him twitch. Originally the whole of the board at the start of the cross examination came to give him support. By the end of the two days, he was the only one left. So when the analogy was drawn of would a person rather go to the dentist or come to the public accounts committee—if that same type of question was posed to him, he would have opted for the first as opposed to the second.

That is just a thumbnail sketch of where we are at the moment. If you have any questions, please do not hesitate to ask. I will do my best to answer them.

Mr. Craig James (British Columbia): Not so much a question as a comment. For the information of members of the Council, you may or may not be aware that the equivalent of this Council exists in Australia. It is called the Austral-Asian Council of Public Accounts Committees. It meets every two years, and I forget exactly where they met. I think they met this year—

Mr. Wilkinson: They met in February, in Melbourne.

Mr. James: It was in Melbourne, that's right. Yes. I was very fortunate two years ago to have attended the meeting when it was in Canberra. They have excellent meetings. They bring in guest speakers and it is a very professional organization. I think it goes on for several days. In any event, I just wanted to make members aware of that.

Mr. Chairperson: Some further comments or questions? Mr. Wilkinson has come all the way from Tasmania.

Mr. Wilkinson: Not specifically to answer questions, mind you.

Mr. John Williams (House of Commons): I was down in Melbourne, in February, and I think the ACPAC conference brought the CCPAC as an observer, or associate member. Is anybody aware of that? Are you aware of that?

Mr. Wilkinson: As a matter of fact I was in Deer Valley in February when it was on. I have a son who is in America traveling around, he finished university last year. He was a ski bum, I think they call it, in Deer Valley. I went over to meet him.

I know what occurred in Canberra a couple of years ago. There were a number of people from different countries. As we have heard there were people from Canada, there were also people from New Guinea, people from Fiji and people from South Africa. As a result of that South African connection, a few of us were invited to South Africa last year, in Cape Town when they had a similar conference. We spoke in Cape Town last year—I think it was around about April or May of last year.

Mr. Chairperson: Anybody else? Okay. Thank you very much, Mr. Wilkinson.

Mr. Wilkinson: Thanks again for your hospitality.

Mr. Chairperson: So we are going to the Canadian reports and I am told we are supposed to keep them to around five minutes, and then time after that for a few questions or comments. Manitoba is up.

Mr. Jim Maloway (Manitoba): As we reported in St. John's last year, our most significant recent development was the initiative to reform our Public Accounts Committee adopted by our House as rule changes last year. I will not go into any detail on these matters today, as we did cover them last year in St. John's. If you would like any more information, please speak to our clerk, Rick Yarish. He will give you any details you want about the changes.

As you probably know we have had a very busy political season this year. Actually it has stretched an entire year, with both sides of the House diverted to other activities. I would like to report that the government was re-elected with an increased majority, on June 3. We now have our rules in place and we have a new legislature under way. I would like to also report that the House sat for two weeks prior to the election. We had a one day session in June and we have returned just last week for the fall sitting. As a matter of fact, we may be called away for a vote before too long. I understand you will all be visiting the legislature tomorrow, and you will be there for Question Period so you will see how exciting a place it is.

We have the rules in place now. We have the new legislature under way, and we have plans to resume the regular meetings of the Public Accounts. As a matter of fact, our process is done through the House leaders. The previous chair did not seek re-election. The new chair-designate, as of this morning, is Mr. Jack Reimer who you met yesterday, and will be seeing for the rest of today and tomorrow. He will be elected as of our next meeting, which will be held in the first three weeks in October.

That is all I have to report at this point.

Mr. Chairperson: Thank you, Mr. Maloway. Are there any questions for Jim? Comments?

Our next report will be from Newfoundland and Labrador. Just one person, right? That is a very bad joke from BC.

Mr. Kevin Aylward (Newfoundland and Labrador): The joke was a good thing. It is always a good thing. Humour is a great thing to have.

It is a pleasure to be here at this conference. Our committee, I was late at being appointed to it this year. I will just give you a quick two minutes as to its efforts this year. It did meet a total of almost 20 times this year with the House of Assembly in Newfoundland and Labrador. There were six public hearings. One of the topics that they stumbled on was a review of one of the departments, Protocol. In that Protocol expenditure

review, they found that the Premier's office was charging off a variety of travel that was not supposed to be charged off there. The Premier's office corrected that, or was directed to correct it by the PAC. Of course all of us on the committee were well-liked by the Premier for doing that. Anyway, it went very well.

There were a variety of other hearings that were held. The school boards were reviewed intensively, large expenditures there in those budgets. They were reviewed very, very extensively. Also our Newfoundland constabulary, our police force that we have—the oldest police force in North America—there was a firearms review because we have just recently approved firearms for them. Up until the last couple of years there have been no firearms for our police force. There was a lot of public scrutiny for how it is being operated. That was reviewed very carefully.

Also the marine services for Labrador were reviewed. Again the PAC was able to recommend some new financing mechanisms that came out of the expenditures. The amount of maintenance that we were expending on the existing fleet, we were able to look and ask the Department of Finance to review ways to look at leasing replacement vessels at the same cost, pretty well, that we had for the maintenance. There were some very good benefits that came out of that.

Overall it was a successful year for the Public Accounts Committee. It is a very active Public Accounts Committee. The media does not pay that much attention to it in our province. Occasionally when the Auditor General's report comes down, the first few days there is a flurry of activity. Some of these issues did get media play. Again there were some positive contributions made by the PAC as to some changes in government policy.

Thanks very much.

Mr. Chairperson: Thank you. I think we are going to stand down for our break, and then we are back here. Is it 3:30 p.m.? *[interjection]* I think your Clerk just told me that he would like to break. So I think we are going to break until 3:30 p.m..

* * *

Mr. Chairperson: We might as well get started, ladies and gentlemen.

We are going to carry on with reports from the respective jurisdictions. The next on the list is Nova Scotia, the great province of Nova Scotia.

Mr. Jim DeWolfe (Nova Scotia): Thank you, Mr. Chair. Good afternoon everybody. I would like to start by thanking the Manitoba Public Accounts Committee for hosting this year's conference. It has been a pleasure.

My name is Jim DeWolfe, and I am the vice-chairperson of the Nova Scotia Standing Committee on Public Accounts. With me today are two other members of the Public Accounts Committee: Miss Marilyn More, a newly elected member of the official opposition in Nova Scotia, as well as Russell MacKinnon, a member of the opposition and a long time member of the Public Accounts Committee. Also in attendance today is Mora Stevens, our committee clerk.

All standing committees in Nova Scotia are set up through legislation. The mandates of the committees are included in the *Rules and Forms of Procedure of the House of Assembly*. The committee's mandate includes: reviewing the public accounts for the province and its crown corporations; the annual reports and any other special reports of the Auditor General; along with any other financial matters respecting the public funds of the province. Nova Scotia's Public Accounts Committee also has a set of operating principles and practices. Some of you may recall that last year our Public Accounts Committee approved an opening statement to witnesses. The statement is provided to witnesses when they are initially contacted by the clerk concerning

their appearance before the committee. The statement seems to be working extremely well. It provides guidance to the witnesses concerning their rights when appearing before the committee.

Standing committees have nine members in Nova Scotia. The number of representatives that a party has on a committee is determined by a special committee of the House of the Assembly called the Striking Committee. The Striking Committee is struck at the commencement of the first session of each assembly. The committee consists of three members, one from each of the three parties. The Nova Scotia legislature has 52 members. The most recent election in Nova Scotia found the government in a minority situation. Currently the governing party, the Progressive Conservatives, hold 25 seats; the official opposition, the New Democratic Party, has 15 seats; and the third party, the Liberals, hold 12 seats.

In Nova Scotia, only the chairperson of the committee receives remuneration. The Public Accounts Committee chairman receives \$2,000 per year. The committee is mandated to report annually to the House of Assembly. The report may, or may not, contain recommendations for government departments and agencies that have appeared before the committee that year. Nova Scotia Public Accounts Committee was extremely active this year. The committee generally meets weekly from mid-September to the first week in December. Then there is a short break for the Christmas holiday. The committee resumes meetings in mid-January and meets until the beginning of June. From September 2002 to May 2003 the committee held 24 meetings. There were 18 public hearings, three in-camera briefing sessions, two agenda-setting sessions and one follow-up meeting concerning last year's conference.

All of Nova Scotia's public hearings take place on Wednesday mornings from 8 a.m. to 10 a.m. in the legislative chamber of our House of Assembly. Agenda-setting sessions and in-camera meetings are held in one of the two committee rooms. All of our public hearings are broadcast live by legislative television and also are carried live on the Web. Complete transcripts of all our public hearings are also available online, through the legislature's Web site.

In Nova Scotia the Public Accounts Committee has an excellent working relationship with our Auditor General and his staff. When the committee selects the issue that it wishes to examine, the Auditor General and/or his staff will, in camera, brief the Public Accounts Committee on any audits they have conducted and made public in recent years, on a particular topic the committee wants to investigate. During these sessions committee members are free to ask the Auditor General and staff any questions that would help to give them some insight into the issues being examined.

Agenda topics with witnesses to be called before the Public Accounts are decided upon by a majority vote. All three of the caucuses supply lists of possible agenda items and a meeting is held to determine a schedule of topics and witnesses they wish to call before them. Witnesses who have been called to appear before Public Accounts are usually senior officials from various government departments, crown corporations and private industry. In the past the committee has called cabinet ministers and even a sitting premier to appear before the committee as a witness.

The staff of the legislative committees' office prepares briefing binders for each one of the public hearings. This information is distributed to committee members the week prior to the meeting to help them with their deliberations.

Topics examined since September 2002 have been numerous and varied. The committee held a number of hearings on the 2002 report of the Auditor General, as well as the Auditor General's Performance Report and Business Plan. The Department of Education, specifically special education policy and funding, P-3 leases and the school capital construction program were also reviewed. Senior department officials from the Department of Health were also called before the committee concerning Pharmacare and the Nova Scotia Health Research Foundation. Service Nova Scotia and Municipal Relations, which is a department of government, was also examined. The committee looked at property assessments, taxation, equalization, as

well as infrastructure works committee. The committee also examined: the energy strategy with witnesses from the Department of Energy; the legal trade of fish with the Department of Fisheries and Agriculture as witnesses; occupational health and safety, we had the Department of Environment and Labour in for that one; Emergency Measures Organization, the 9-11; Nova Scotia Liquor Commission and the Nova Scotia Sport and Recreation Commission. So you can see we were quite busy in the past year.

With those brief remarks I conclude my report. If anybody has any questions, I know our Clerk has some briefings on each of the topics that we have covered during the year. We would be glad to answer any questions or provide any briefings that may be of interest to any of the members here. Thank you.

Mr. Chairperson: Thank you. Questions? Any questions or comments?

Mr. Todd Hardy (Yukon): The question I have is accessibility to your report. Are they available through the Internet?

Mr. DeWolfe: Yes, the reports are available through the committee office and online.

Mr. Hardy: Online. Thank you.

Mr. DeWolfe: Just as an example of the sort of a briefing package that is given, it is similar to this for each of the sessions. They do a great deal of research at the committee office. They put together these booklets. It is great to take home for the weekend to get ready for the Wednesday morning session. Good Sunday reading.

Mr. Chairperson: Thank you. Any other questions? Anybody else?

Mr. DeWolfe: One thing that was mentioned in here, that only the chairman gets paid, they are considering paying the vice-chairman \$2,000 as well. No, that's not true.

I would be interested to hear just what vice-chairmen get in the other provinces. I think vice-chairman of Public Accounts is almost a career in itself. Wouldn't you agree?

Mr. Chairperson: Any comments on that? The vice-chairman of the Public Accounts Committee of BC gets \$3,000.

Floor Comment: And the chairman?

Mr. Chairperson: Six.

Any one else? I do not think there is anybody from P.E.I. to present today, so next up is New Brunswick.

Mr. Frank Branch (New Brunswick): Mr. Chairman, fellow conference members, my name is Frank Branch. I represent a riding called Nepisiguit, which is located in northeastern New Brunswick surrounding the city of Bathurst. I am the newly-elected chair of the Public Accounts Committee. I am accompanied today by Donald Forestell who is the clerk of our committee. I was not in the House last year, although I am not a new member, but I just was not there last year when most of this report happened, so I do not have the details that I would have had otherwise.

The Standing Committee on Public Accounts is one of the most active committees in the New Brunswick legislature. The committee last year held 14 meetings. The committee currently consists of 12 members: seven government members, four members of the official opposition, which is the Liberal party, and one NDP member. So you can see they have a much greater majority on the committee than they do in the House.

In New Brunswick, the Public Accounts Committee generally meets when the House is not in session. All government departments are required to appear, annually, before the committee for review. Departments are represented by their deputies and senior staff. In addition to the government departments, the committee also reviews various other offices such as: the Youth Council of New Brunswick; the New Brunswick Police Commission; the Labour and Employment Board, as well as the office of the Comptroller and the office of the Executive Council.

The committee met last fall to review the public accounts of the province for 2001-2002 fiscal year. Specific issues that were raised by members included: the future of the crown-owned utility New Brunswick Power Corporation and the question of whether privatization of any aspect of the utility was being considered by government. This issue boiled over into the election campaign. At many of the doors that I went to, people were quite concerned that NB Power be privatized. When they see what happens in jurisdictions where it was privatized, it perhaps enabled the opposition to gain a few extra seats. Other issues such as the overall cost of early retirement packages offered to government employees; the restructuring of the province's eight regional health authorities and the deficits faced by each of these authorities; the financial impact of removing the tolls from the new Fredericton-Moncton highway project; the use of revenue obtained from lotteries and video gambling in the province.

Normally the Public Accounts Committee would continue meeting following the prorogation of the House in the spring. The committee has not met this year; however the legislative assembly was dissolved on the 10th of May. A provincial election was called on June 9. At the time of dissolution, the standings in the House were 46 Conservatives, 7 Liberals, 1 NDP and 1 vacancy. As a result of the election, the Conservative Party under Premier Lord was returned to power with a slim majority government. The Progressive Conservatives elected 28 members and the Liberal party elected 26 members, the NDP retained their single seat. The Liberal party under the leader Shawn Graham increased the representation in the House, returning some of us older, experienced members along with a number of new members. NDP leader Elizabeth Weir retained her seat, as I said, as the sole representative of the New Democratic Party. The House was called into a rare summer session on the 29th of July to deal with the issue of raising automobile insurance rates in the province. The House met for a total of eight days and was adjourned on August 8.

I can assure you this, that the Public Accounts Committee will meet in the very near future in our province. We will likely be discussing issues which draw back to last year, and are of a major concern to our electorate such as the rural governance proposals of government. That is particularly sensitive to me as I represent a rural riding. I say the tolls will likely come back into an examination because that is an issue that will not go away, because I think it takes away the capacity of the government to look after the roads of the province. Public insurance will likely be a very hot item. What government pays out in insurance on school buses and government vehicles and what have you, could well be discussed in greater detail.

I would like to take this occasion to invite each and every one of you to New Brunswick next year when we host this same conference. I am told that the time frame is August 28 to September 1. We certainly hope that you can join us in New Brunswick and partake in the best hospitality that we can possibly put forward for you. So mark that time on your calendars and I really hope you are looking forward to your visit to New Brunswick.

Mr. Chairperson: Thank you, Frank. Are there any questions or comments?

Mr. Williams: I thought I heard you say that you continued meeting after prorogation. Is that correct?

Mr. Branch: After the House prorogued. Yes.

Mr. Williams: We normally consider that when the House prorogues, all committees are dissolved because the House is dissolved.

Mr. Branch: I think we are off on our language here.

Mr. Donald J. Forestell (New Brunswick): In New Brunswick we would usually pass a motion that certain committees could meet after prorogation, not after dissolution. If the House is dissolved and no longer exists, then no committees would meet. Simple prorogation of a session, a motion could pass that certain committee could continue to meet after prorogation until the beginning of the next session.

Mr. Branch: Once the House is dissolved, there are no more committees. There is nothing.

Mr. Chairperson: Any more comments or questions for New Brunswick?

Mr. Russell MacKinnon (Nova Scotia): I was interested to hear you say that the individual departments appear before Public Accounts on an annual basis for review.

Mr. Branch: For the year in question only. That is a hard and fast rule.

Mr. MacKinnon: What type of micro-detail do you receive? Do you get into intense line items?

Mr. Branch: Whenever you see a particular account which is raised from the previous year, or changed, and there is no clear explanation why more money should have been spent, it is a natural thing to zero in on this and say, why was this money spent and was it spent wisely. We are dealing with the year past and sometimes you can get into a heated exchange—

Mr. MacKinnon: I raise that, Mr. Chair, because in our province we generally do most of that type of work during Estimates. We have 80 hours of debate that we can go into individual detail on budgetary matters.

Mr. Branch: We go through the Estimates as well, but you are dealing with the year proposed, coming up. This is the year behind you; it is the money they have already spent. You have to hold their feet to the fire to make sure that if something was misappropriated that it never happens again. I do not know if any of you follow New Brunswick politics, but I can remember when hotel bills would be examined, and all kinds of things. Like this year with accusations and things like this. So it can generate into heated discussion. Thank you.

Mr. MacKinnon: That is very positive. Thank you.

Mr. Chairperson: Any one else? Thank you again.

Next province presenting is Québec.

Ms. Rita Dionne-Marsolais (Québec): Alors bonjour, bon après-midi. C'est avec beaucoup de plaisir que je vais présenter à cette vingt-quatrième conférence annuelle du Conseil canadien des comités des comptes publics les résultats pour Québec.

Je me nomme Rita Dionne-Marsolais. Je suis députée de Rosemont qui est un comté sur l'île de Montréal et je suis la présidente de cette commission depuis le mois de juin dernier. Vous savez qu'aussi au Québec nous avons eu des élections et qu'il y a eu un changement de gouvernement. J'aimerais présenter mes collègues députés qui m'accompagnent aujourd'hui. D'abord, le vice-président de la Commission de l'administration publique, M. Pierre Marsan, qui est aussi le député de Robert Baldwin, aussi sur l'île de Montréal; ensuite Mme Solange Charest qui est membre de la Commission de l'administration publique et qui

est députée de Rimouski, une très belle région; et Mme Lise Thériault qui est députée d'Anjou, aussi sur l'île de Montréal et également membre de la commission; et enfin Mme Nancy Ford qui est greffière de la Commission de l'administration publique et qui prépare nos travaux de manière très rigoureuse.

D'abord, peut-être pour l'information des nouveaux membres de l'Association, parce que j'ai constaté qu'il y a eu beaucoup de changements depuis l'année passée, et comme moi-même je n'étais pas là, il y en a plusieurs autres, j'aimerais peut-être rappeler que la Commission de l'administration publique au Québec est l'équivalent des comités des comptes publics dans les autres provinces du Canada. Par règlement elle se doit d'être présidée par un député de l'opposition officielle.

Dans notre commission nous avons donc dix membres. Vous pouvez constater que cinquante pour cent sont des femmes. Ça n'a pas l'air très généralisé ailleurs au Canada, et la présidente aussi est une femme.

Alors le cadre du mandat de notre commission relève du règlement de l'Assemblée nationale qui nous confie trois responsabilités principales: une responsabilité de vérification des engagements financiers, une responsabilité d'entendre le rapport du vérificateur général, qui dans notre cas aussi vous l'avez peut-être remarqué ce matin, est une vérificatrice générale, c'est une femme. Et enfin nous avons un mandat d'audition de l'administration publique.

Donc le premier mandat, c'est de revoir l'ensemble des engagements financiers de plus de 25 000 \$, 25 000 \$ et plus, pour chacun des ministères et organismes dont les crédits sont votés par l'Assemblée nationale. C'est le premier mandat. C'est une fonction dont on me dit qu'elle est unique au Canada, et elle a été introduite en 1969 pour remplacer l'étude des comptes publics. L'objet du mandat est d'assurer une surveillance parlementaire continue de l'utilisation des crédits budgétaires qui sont alloués aux ministères et aux organismes, en particulier eu égard au respect des règles et des normes gouvernementales qui encadrent l'octroi des contrats et des subventions. Donc toute dépense de 25 000 \$ et plus est soumise a posteriori devant notre commission et nous avons le loisir de questionner les administrateurs publics.

C'est une tâche excessivement considérable puisque cela représente pour le Québec à peu près 20 000 engagements par année. Inutile de vous dire que nous sommes à étudier sérieusement une façon de modifier cela parce que c'est presque impossible à réaliser. D'ailleurs en 2002-2003 notre commission a procédé à la vérification de 15 000 engagements financiers, notamment ceux du vérificateur général ainsi que ceux des ministères de la Famille et de l'enfance, le ministère des Affaires municipales et de la métropole, le ministère de l'Agriculture, des pêcheries et de l'alimentation, ainsi que les engagements du Conseil du statut de la femme et de la Régie du logement.

Au moment de la dissolution de l'Assemblée nationale le 12 mars dernier, quarante pour cent des engagements transmis à cette date restaient à vérifier.

Le deuxième volet de notre mandat est le devoir de questionner le vérificateur général sur son rapport annuel de gestion et sur tout autre mandat qui lui a été confié par l'Assemblée nationale. C'est un exercice auquel la commission s'est livrée justement il y a à peu près deux semaines. C'était la première fois sous le nouveau gouvernement. Nous avons entendu la vérificatrice générale sur son rapport annuel de gestion 2002-2003 et sur son plan stratégique de 2003 à 2006.

Enfin le dernier volet de notre mandat, c'est d'entendre les administrateurs publics nous parler de leur gestion. C'est là qu'ils rendent des comptes. La commission réalise ce mandat en invitant les sous-ministres et les dirigeants des organismes du gouvernement à venir exposer publiquement leurs réactions à la suite du rapport du vérificateur général dont j'ai parlé un peu plus haut. Ce rapport est déposé à l'Assemblée nationale normalement en décembre et en juin de chaque année. Cette année la vérificatrice générale a déposé son rapport un peu plus tard parce que, comme je vous l'ai dit, nous avons eu des élections le 14 avril.

En décembre 2002 la commission a déposé à l'Assemblée nationale son neuvième rapport sur l'imputabilité des sous-ministres et des dirigeants d'organismes, et ce rapport faisait état des travaux de la commission depuis février 2002. Au cours de cette période, diverses questions ont été examinées par les membres de la commission, notamment les services de garde en milieu scolaire qui était un programme extrêmement ambitieux du gouvernement précédent et qui engageait énormément de fonds. Nous avons aussi questionné les administrateurs des services à domicile qui relèvent du réseau de la santé et des services sociaux et les services d'hébergement offerts aux personnes en perte d'autonomie.

L'examen des cinq dossiers contenus dans ce rapport a conduit les membres de la commission à recommander treize mesures qui visaient à appuyer les ministères et les organismes dans leurs démarches d'amélioration de leur gestion administrative. De plus, en février 2003 la commission a entendu le sous-ministre des Ressources naturelles concernant la gestion de la ressource forestière, surtout pour ce qui a trait aux calculs du potentiel forestier et aux risques de surexploitation de la forêt. Chez nous le sujet de l'exploitation forestière a fait l'objet d'une très, très forte attention médiatique dans la dernière année où la population s'est inquiétée de justement ce risque de surexploitation. Bien sûr la dissolution de l'Assemblée un mois plus tard pour notre élection a mis un terme à ces travaux et surtout à ceux qui étaient planifiés pour le printemps 2003, mais depuis que nous avons nommé de nouveaux membres nous avons déjà établi notre plan pour l'an prochain.

Un mot en terminant sur l'importance que notre commission accorde à l'imputabilité des sous-ministres et des dirigeants d'organismes publics et à toute cette question de reddition de comptes qui ont été renforcés il y a presque trois ans et demi maintenant par l'adoption d'une loi, la Loi 82, qui est essentiellement la Loi sur l'administration publique. Elle a été adoptée en 1999-2000. Cette Loi sur l'administration publique prône une meilleure gestion des services offerts à la population axée sur les résultats. Le gouvernement permet donc une plus grande décentralisation et une plus grande flexibilité du pouvoir décisionnel dont les hauts fonctionnaires bénéficient, mais pour responsabiliser davantage ces gestionnaires de nos ministères et de nos organismes.

En contrepartie la loi exige une reddition de comptes plus rigoureuse et oblige chaque ministère, chaque organisme ou unité autonome de services à produire trois documents, d'abord une déclaration sur son objectif quant à la qualité des services. Donc c'est toujours le concept que le gouvernement est là pour fournir un service aux citoyens. Alors le ministère ou l'organisme ou l'unité autonome de service doit identifier quel est l'objectif principal quant à la qualité de la livraison de ce service.

Le deuxième document que le ministère doit produire est un plan stratégique sur une période qui peut comprendre plusieurs années, généralement cinq ans, et enfin à chaque année un rapport annuel de gestion qui compare les objectifs et le plan avec les résultats obtenus, toujours dans le contexte du service au citoyen.

Environ 75 ministères et organismes sont assujettis aux dispositions de cette loi et doivent comparaître annuellement devant la Commission de l'administration publique pour rendre compte de leur gestion administrative. Cela représente bien sûr un nombre impressionnant d'heures d'audition et nous sommes à étudier la possibilité de partager ces heures d'audition avec d'autres commissions parlementaires qui sont plus sectorielles, comme la Commission d'aménagement du territoire ou la Commission de l'économie et du travail. C'est un nouveau partage de responsabilités qu'il faut définir justement parce que la loi est récente. On commence à vivre avec cette expérience-là.

Pour l'instant seulement la Commission de l'administration publique assume ce mandat. Nous avons lancé un projet pilote qui englobe l'examen des rapports annuels de gestion avec le ministère des Relations avec les citoyens et de l'immigration, et aussi avec une unité autonome je crois, ou alors un organisme qui s'appelle la Régie de l'assurance-maladie du Québec. Ce sont les deux organismes avec lesquels nous procédons à un projet pilote pour voir comment cet arrimage peut se faire entre ce que les ministères veulent atteindre comme objectifs et ce qu'ils, dans les faits, réalisent durant l'année.

J'aurais aimé, et je suis sûre que mon prédécesseur, Geoff Kelley, aurait aimé vous parler du projet pilote aujourd'hui mais les élections générales l'ont propulsé au pouvoir au gouvernement et donc nos travaux ont été retardés. Donc notre prochaine rencontre sera peut-être l'occasion de vous faire part de ces résultats.

En gros, je pense que ça termine ce que nous avons fait cette année au Québec, et je tiens à vous dire que nous avons tous le même défi comme parlementaires, qui est celui de faire comprendre le résultat de nos travaux afin de répondre à la question des citoyens: Qu'est-ce que vous faites avec notre argent?

Je vais peut-être profiter de quelques minutes pour réagir à la présentation de John Williams tout à l'heure. Je ne crois pas que dans l'organisation des affaires parlementaires québécoises ou même canadiennes l'enjeu de la corruption soit très important. C'est possible qu'il y en ait. Il y en a, sûrement, mais je pense qu'il faut faire attention entre la corruption et l'irresponsabilité ou l'abus de pouvoir. Parce qu'il y a une différence au niveau, à mon avis, entre l'abus de pouvoir et une mauvaise gestion qui découle de cet abus de pouvoir-là et puis la notion de corruption. Moi je suis toujours un peu préoccupée quand-on a beau être dans l'opposition; je pense qu'on a un rôle aussi dans l'opposition pour sensibiliser les citoyens à la responsabilité parlementaire que nous avons vis-à-vis d'eux, c'est-à-dire à s'assurer qu'ils ont le meilleur service au coût, bien sûr, le plus bas.

Alors je vous remercie de votre attention.

Mr. Chairperson: Are there some comments or some questions? Thank you again.

We are going to change the order here, John Williams from Canada will present tonight or tomorrow. John will present to us and then we will start off tomorrow's session with Ontario.

Mr. Williams: Thank you very much, and hello again.

The federal Public Accounts Committee, in the past year, met 35 times. It has tabled 19 reports. We have six that we would like to deal with quite quickly because there is a chance that we may be proroguing for some political reasons that we are all aware of down in Parliament. The things that we dealt with this past year, a couple or three highlights I just wanted to bring to your attention, we dealt with the relief for heating expenses, as I mentioned earlier, where \$1 billion of taxpayer's money did not go to people who needed it by virtue of the government's own definition. We had a meeting of the Employment Insurance account. As you know, there is a \$40 billion surplus in there that the Government has not adequately explained. The Auditor General is quite concerned as to how that is to be resolved. We had a hearing on that.

We dealt with the financial information strategy. When we table the Public Accounts of Canada in the next few weeks, they will be for the very first time on the accrual accounting basis. So there is going to be a whole change in the way that financial statements of the Government of Canada are presented. We have been pushing and motivating them to move that process along, since it was 1989 when they made the decision to move to accrual accounting. Here we are 14 years later finally getting that. The Government does get there, sometimes, far too slow.

We had a meeting on the Groupaction Marketing, of which charges are now being laid. One of the things that we did, for perhaps one of the first times, is demonstrated that a public accounts committee can continue, and can hold hearings, while a police investigation is ongoing. We had some briefings by the law clerk of the House of Commons as to how we would not jeopardize the police investigation. Therefore we had our meetings in camera to ensure that we did not jeopardize that investigation, with the proviso that the minutes of the meeting would become public either after all criminal proceedings, including appeals, were exhausted or three years later if no charges were laid. So again, the meeting would be, in essence, a public meeting. The other thing that we did, was we subpoenaed a witness for the first time in many, many years.

We also, on other issues, had called ministers for the first time. This year we had three ministers before the Public Accounts Committee. We had the Minister of Justice and the president of the Treasury Board on the gun registry issue, and the Minister of National Revenue on an issue of GST fraud that became an issue in the media. It was not a satisfactory experience, from our point of view, calling a minister. I am quite sure the Public Accounts Committee will revert back to its normal practice of only calling senior officials, leaving the ministers alone. It was not a satisfactory experience.

We also had a meeting on the Main Estimates. We always have a meeting on the Main Estimates of the Auditor General of Canada. At that time, I always ensure that the question is asked of the Auditor General: Does she have sufficient resources to do her job? That, I think, is a question that should always be asked in public, so that we have it on the records that she feels that she is not being restricted by the government in the size of her budget.

We dealt with Social Insurance numbers after five years, when we found out that Social Insurance numbers were being used to generate several hundred million dollars in fraudulent use of Social Insurance numbers. You may recall they were introduced way back in the '60s as your Revenue Canada number. Back in the '60s, if you had a Revenue Canada number, Revenue Canada was looking for cash. Now, today, if you have a file with Revenue Canada there are so many benefits being administered through Revenue Canada that it now means a cheque in the mail. One guy had 72 Social Insurance numbers. He was getting 72 cheques in the mail every month. That was only one example. Here we are five years later and the government is still wrestling with now are we going to reform Social Insurance numbers to eliminate fraudulent use. They need to be motivated a little bit more than they have been.

We dealt with the issue of Goods and Services Tax fraud from the point of view that we did not want to slavishly follow the Auditor General. This was an issue that crept up in the media, and we felt it was important enough that we should deal with it and therefore we did have a hearing on that issue. That was one of the times we called the minister, and as I say it was not as satisfactory as perhaps it could have been.

We dealt with the NATO flight training. That is a rather special situation, which is—as I say small "c" corruption becomes large "C" corruption. This is a situation where the Government of Canada decided that they wanted to buy some planes to provide training for our pilots in NATO, and also to bring NATO pilots to Canada to provide training for them. A fairly simple thing you think. What they did is they created a company called Milit-Air, a not-for-profit organization, no share capital. Now this not-for-profit, no-share-capital company could go onto the capital markets and borrow \$720 million, because it had a 30 year no-cut contract of \$26 million every six months from the Government of Canada. So here we have this shell company now borrowing \$720 million, in essence, guaranteed by the Government of Canada, but we are told as a private corporation. They buy the planes because it couldn't be a private organization; they bought them from the states. They have some military connections. The U.S. military would not allow a private company to own these planes, which is why the Milit-Air. We then turn around and gave them to the Government of Canada, who had entered into a contract with Bombardier, who then provided the training. So you have this real shell game. What actually transpired is \$720 million that the Government of Canada is committed to, by virtue of this contract, does not show up on the financial statements. That is now, in essence, what happened in the end.

That is the type of thing that the Public Accounts Committee should be speaking out against, it is when the government end-runs the taxpayer, end-runs the financial reporting and yet at this point in time it is not illegal. It is certainly not ethical in my mind that they would go that way. So these are the types of things that we were dealing with, including we have one report coming down on the firearms situation. As we all know, that was an expensive situation. We have a report that we will hopefully get done this fall, before the government prorogues Parliament with the leadership convention.

My report, Mr. Chairman.

Mr. Chairperson: Thank you. Questions or comments? Anyone? Okay, thank you, John.

So that concludes this afternoon's business. Before we go there are a couple of announcements that I would like to make. I would like to thank everyone who made a report this afternoon, as well.

Two announcements, first of all this evening, the event is at the Hitch'n Post. The bus leaves here at 5:30 sharp, it says here. I am supposed to remind you that the dress is casual and that blue jeans, it says here, are very acceptable attire. The second announcement involves what we do when we leave here. At 4:30 we are supposed to meet downstairs, on the main floor in the lobby, where we will assemble and then go out to the front of the hotel and have a photograph taken. So we will see you all down there at 4:30.

Thank you again.

Business Session #5

Chair: Ms. Rita Dionne-Marsolais

Topic: Reports from Jurisdictions

Ms. Rita Dionne-Marsolais (Chairperson): Good morning everyone. I hope you enjoyed your evening last night. I would like to thank our friends from Manitoba for wonderful hospitality and good food, good entertainment and thank you for all the effort and the Prairie Dog Central trip was great.

So for our English speaking friends you can put your translator on now.

D'abord on va maintenant passer ce matin à la présentation des rapports des provinces et des territoires. On a commencé hier, alors on va poursuivre ce matin. Je vais demander à ceux qui vont faire la présentation pour chacune des provinces et des territoires de limiter leurs interventions à cinq minutes. Et après je leur demanderai de rester au lutrin pour que nous puissions voir si il y en a qui ont des questions, pour faire un échange, parce qu'il y aura peut-être des questions.

Donc on va commencer par le représentant du Manitoba—pardon. Excusez, on l'a fait hier, alors je vais passer donc la parole au représentant de l'Ontario. Je le cherche. Bonjour, madame. Vous voulez monter s'il vous plaît? Vous pouvez venir là, oui, je crois, pour que les gens vous voient. D'ailleurs il n'y a pas beaucoup de femmes. Ce n'est pas mauvais que vous veniez en avant. Histoire de leur donner l'exemple.

Ms. Anne Stokes (Ontario): Good morning everyone. My name is Anne Stokes. I am the Committee Clerk for the Public Accounts Committee in Ontario, and, as you may be aware, I am the sole representative from Ontario at this conference. I am very pleased to be here.

I am sure you are also aware there has been an election called in Ontario. It was called on September 2 for October 2. With the dissolution of parliament the committees were dissolved as well, so we have no committee members. I was fortunate to be allowed to come to the conference anyway.

We have a very active committee in Ontario. We have been continuing work over the last year. But I think the most interesting things that have been happening to us are: One, the election; and the other is the resignation of our provincial Auditor who is scheduled to leave on September 30.

In June, before the House rose for the summer, there was an order in the House to establish a panel made up of one member from each party as chosen by each respective House Leader to confer with Human Resources to establish selection criteria and an interview schedule over the summer with the panel to be chaired by the Speaker, Speaker Carr.

My understanding is that no action has actually been taken with this panel over the summer. Speaker Carr himself has decided that he is not running for re-election and I do not believe that he involved himself in the process. At the moment we have Erik Peters, our Auditor, leaving at the end of the month. The Audit Act does allow for the assistant auditor to act in his absence, so it is up in the air at the moment as to what will actually happen. They may wait until after the election because, of course, with the election they would have to elect a new speaker, so there could well be a new process.

Back in 1992 when they hired our current Auditor the Public Accounts Committee was involved in the selection process. Again, an order of the House allowed the committee to consider selection criteria. The Clerk met with Human Resources to develop the selection criteria, and the committee conducted interviews during the summer months and made recommendations in a special report to the House, and they recommended their selection for the new Auditor. That was done at the end of September and the new Auditor started in January of the following year. So I do not know whether the committee would be involved

in it this time. With the panel from each party it was not involving the committee, so I do not know what is going to happen.

In terms of the work that the committee has done, from the time of the last conference in September, we spent the fall months continuing work on the 2001 Provincial Auditor's Report and five reports were completed from that. The Auditor tabled his annual report in early December, in the first week of December. The committee made selections of certain sections from that report to consider further and we held public hearings in the month of February. We had 10 days of public hearings or hearings with the deputy ministers, I should say, of the relevant ministries, and started report writing in closed session and we have tabled four reports since then.

The four were on corporations tax; long-term care facilities activity; consulting services, which is used by a number of ministries of consultants; and not following management-board practices. There was one on training division, which is the Ministry of Training, Colleges and Universities. We are expecting the 2003 annual report of the Provincial Auditor in early December. Whether the committee will continue with any of the work outstanding from the 2002 report remains to be seen.

There were also three private members' bills referred to the committee over the last year. There was Bill 53, An Act requiring the disclosure of payments to former public sector employees arising from the termination of their employment. The committee considered this and held clause-by-clause and reported it back to the House in September.

There was another bill, 189, An Act to remove barriers to the practice of occupations, professions and trades in Ontario for persons with appropriate qualifications obtained outside Ontario. The committee did not consider this bill and it died on the Order Paper.

The committee spent some time considering Bill 5, An Act to Amend the Audit Act, to ensure greater accountability for hospitals, universities and colleges, municipalities and other organizations which receive grants or other transfer payments from the government or agencies of the Crown. This was a bill to expand the Auditor's jurisdiction in terms of providing value-for-money audits for those public-sector organizations such as universities, colleges and hospitals, and municipalities, which now he can only do the regular look at accounts. So this would provide the opportunity to do value-for-money audits. At the moment there is no opportunity to do that.

The committee conducted clause-by-clause, reported back to the House with amendments. Both those bills that were reported back to the House were not considered further and have died on the Order Paper with the dissolution of Parliament. So I think we are all anxiously awaiting events in Ontario in the next month or so and we will continue work with the committee perhaps this fall, and perhaps in the new year.

Thank you.

Madam Chairperson: Thank you very much. Would anybody care or be interested in asking some questions to the Ontario representative? I guess you have been very clear. Thank you very much.

Mr. Hunter Tootoo (Nunavut): Thank you, Madam Chair. First off I would just like to thank Rick and JoAnn and all the people that helped organize and set up this conference. I know I have really enjoyed myself here and I am sure everyone else has, so I would like to take this opportunity to thank them for a job well done. I know it must be tough working for their boss.

My name is Hunter Tootoo. I am MLA for the constituency of Iqaluit Centre and also the Chair of the Legislative Assembly Standing Committee on Government Operations and Services. I have been chair for the standing committee since the fall of 2000.

I always feel particularly at home here in Manitoba. The economic and geographic and cultural ties between Manitoba and Nunavut are strong and enduring, and cover many areas of trade, tourism, infrastructure and economic development. I lived in the most northerly community of Manitoba for a few years, and that is where a lot of my family were born and raised up there in Churchill, Manitoba. Great place, I encourage you all, if you get an opportunity to go and visit and say hello to a couple of polar bears.

I also feel particularly welcome here given that the honourable Speaker of Manitoba's Legislative Assembly, Mr. George Hickes, is my uncle and he is also a former resident of our territory having lived in Rankin Inlet, and also being born on the land just north of there.

I understand that George is the only Inuk Speaker in a provincial legislature, and that he uses Inuktitut in the Manitoba House from time to time. Maybe just a note to the staff here, the Manitoba delegates, if they ever want to know what he is saying just send us a copy of Hansard and we can let you know. Also, you can let George know that if his voters ever decide to let him go or if he decides to retire from public life down here, then I am sure he could come back to the North and join us.

As you know Nunavut, along with the Northwest Territories, is one of two Canadian jurisdictions that operate on a non-partisan consensus basis. A foreign concept to some people here.

The Standing Committee on Government Operations and Services, along with other responsibilities, reviews the annual public accounts and reports of the Auditor General. Last fall the Auditor General's second report to the Legislative Assembly was tabled and subsequently referred to the standing committee for review.

Earlier this year members of the standing committee had the pleasure of again welcoming Miss Sheila Fraser and her senior officials in Iqaluit.

The standing committee held two days of hearings on the contents of the Auditor General's report. Our hearings were open to the public and the media to observe, and we were very pleased with the considerable amount of coverage that we received from the northern press on the work that we were doing, and the interest that they showed in it.

Over the course of the two days we invited a number of deputy ministers and other senior government officials to appear before the committee to respond, and if not always fully answer questions from the members. It is quite an enjoyable time when you are asking senior officials questions and they know the Auditor General's staff is sitting right there so you get a much better answer than you do in Question Period.

The standing committee subsequently presented its own report on the recommendations and we anticipate that the Government will be tabling their response to our report in our upcoming session next month. Our report is on the Legislative Assembly's Web site and it is: www.assembly.nu.ca, if anyone wants to go and have a look, and we will also post the Government's response when they provide it.

During our hearings this year we also pursued the Government with follow-up questions stemming from its tabled response to our previous report and we intend to keep pushing them on a number of issues that remain outstanding.

The committee has been concentrating on the following issues: Pushing for greater accountability on the part of departments that overexpend their budgets or do not fulfil their statutory tabling or reporting requirements; improving the accountability of Crown corporations; improving the level of detail provided in the Government's annual financial statements with respect to where and how public money has actually been spent. Although the level of detail in Nunavut's Estimates documentation has improved over the last few

years we continue to push for improvements in this area, including more detail on the Government's prior year's actual expenditure.

Working towards better performance measurement: Although departments prepare and table annual business plans the Government has not yet produced annual performance reports. In our reports we have recommended that the Government begin to do so and we look forward, with interest, to the Government's progress in fulfilling this recommendation.

Achieving greater transparency with respect to contracting and leasing practices: The Auditor General, in their first report to the Assembly, noted a number of concerns with respect to the Government's leasing practices and we continue to follow-up on this. We have also recommended that the Government improve its transparency by tabling on an annual basis such items as comprehensive lists of grants and contribution recipients, tender awards and awards made pursuant to the Government's request for proposals. This has been an area we have encountered significant resistance to progress and I look forward to pushing them to get rid of some of that resistance.

Providing a better picture of the Government's financial position including more transparent reporting on the Government's borrowing activities, that is another area that we have been looking at. That about sums up some of the work that we have been doing, more on the public accounts and accountability area.

In closing I would like to thank everyone here for sharing their experiences and insight so far. As always it is a great benefit for us, a young jurisdiction, and we appreciate it very much. *quannameek* and thank you very much.

Madam Chairperson: Are there any questions for Hunter? Everybody is very quiet this morning. There is one, yes.

Mr. Russell MacKinnon (Nova Scotia): I am curious as to the committee infrastructure that you have to assist you in your deliberations and research. Would you be kind enough to inform members here today as to what type of committee infrastructure you have to assist you in doing your research and deliberations? How does that work in terms of budgetary staffing and so on, because you indicated you have a lot of resistance on certain issues and that would be a very important aspect to deal with I would think?

Mr. Tootoo: Our committees are struck by a striking committee. We appoint members to—we have four standing committees, there are five members on—actually five on two committees and six on two. The makeup of the committee, we do not just look at the public accounts. Like I mentioned our standing committee looks at the Main Estimates and stuff for the Department of Finance, Department of Human Resources, Executive and Intergovernmental Affairs, Power Corporation, Workers Compensation Board and there is one more, the Liquor Act that falls under Finance.

The money that is set aside, the budget amounts that we need to do our job, whether we take something on the road or we want to take the Auditor General's report on the road for example, there is money in the—let us say the Assembly budget for standing committee to do their work. So far we have not had to worry about those resources running dry and that is one thing that members have expressed concern about in the past is, you know, make sure that we have the resources to be able to do our job properly. You know, if we need to take legislation on the road or hire extra staff or a consultant or someone to come in and help us, which is something we usually do not have to do. We have very competent research staff and a clerk who also assists us in our work that are staff for the Legislative Assembly.

I guess that is a little bit different than in the party system because they do not have that here. So I guess the difference is that the research and admin staff that work for the Legislative Assembly also do work for the standing committee.

Madam Chairperson: So how many people do you have as staff? Do you have staff?

Mr. Tootoo: Myself or the committee?

Madam Chairperson: The committee.

Mr. Tootoo: The committee, we have two staff. We have a researcher, each standing committee has two staff. They have a researcher and a clerk of the committee.

Madam Chairperson: Very good. Anybody else who would be interested in a brief exchange with Hunter. No? You were so clear, thank you very much.

It is interesting to see how the different committees are staffed with support people.

Mr. Charles Dent (Northwest Territories): Thank you. Good morning, my name is Charles Dent. I am the Chair of the Standing Committee on Accountability and Oversight. I represent the constituency of Frame Lake which is one of the Yellowknife constituencies in the Northwest Territories. With me today is the deputy chair of the standing committee, Mr. Floyd Roland who represents one of the Inuvik constituencies, and also Doug Pon who is our committee researcher.

Maybe just to follow-up on what Hunter was talking about in terms of staffing, before I start on our report, our committee started out with basically the same sort of support with a researcher—we have access within the Assembly to a staff of four researchers but there is typically one who is assigned to each committee and specializes in working with that committee; and a committee clerk who is assigned to the committee.

Early on in our mandate we decided that we needed some help that would be—not through the Assembly which needs to be non-partisan—but we wanted to have somebody who could also work with us on the political side of issues. So the committee decided that we would hire a committee assistant is how we term the position. So we increased our staff pretty well on our own to do that. We had to apply to the Assembly for the funding but there was never any question about whether or not that would be provided, So we found ourselves fairly, adequately resourced.

One of the other themes that people were asking about yesterday: The committee chair gets an extra \$3,000 a year and the deputy chair does not get any additional stipend. I think having done it now for four years I have made it pretty clear that if I do not get on Cabinet next time I am not going to do this job again.

I too would like to take this opportunity, on behalf of our team, to thank our Manitoba hosts. We have had a marvelous time. Last night in particular was exceptional, and we certainly have enjoyed our stay thus far.

Just a bit about the Assembly. Our Assembly has 19 members, that includes the Speaker and the Cabinet and all regular members. We have the Premier and Cabinet of seven in total, and with the Speaker out that leaves 11 members who all sit as members of the Standing Committee on Accountability and Oversight. So all of the members who are not on Cabinet are members of our committee and, as in Nunavut, the public accounts is only one part of our function. We actually meet every morning when the House is in session, and in some ways function like an informal opposition to the Government.

We do not have a stand-alone public accounts committee in the Northwest Territories so we, as in Nunavut—our committee provides the checks and evaluations on government operations, legislation and spending. We also, in the territories, evaluate the performance of territorial boards and corporations.

In an e-mail to our clerk the organizers asked if we could, in our reports, concentrate on anything unusual that may have happened in the past year. So rather than spending a lot of time about how our committee functions, we have had one interesting and unusual occurrence in the last year that I think you will find of some interest. So I will launch into that.

Our committee mandate requires review of the Government's supplementary appropriations. In March of 2002, subsequent to one of those reviews, we presented a motion in the Legislative Assembly, which was adopted, that requested the Auditor General to conduct a special audit into all matters and circumstances arising from the Government's approval of a special warrant. This warrant included significant payments for termination compensation and benefits to former, and I use "former" in quotation marks there, employees of the Premier's office. The employees were the principal secretary to Cabinet and the Premier's chief of staff. The majority of committee members and obviously the House requested the special audit because they were not satisfied—we were not satisfied—that all of the information surrounding the circumstances for the termination packages was being made available to us.

The Auditor General completed the special audit and provided the report to the Legislative Assembly in October of 2002. Our committee considered the report and met with the Auditor General, Miss Sheila Fraser, and her staff to discuss the matter further at a public meeting on October 24, 2002. A majority of our committee agreed with the Auditor General's finding that the terms of the termination agreements were without justification and that those terms were set in place at the direction of the Premier. The cost to the Government to terminate the employment of the former principal secretary to Cabinet and the former chief of staff were \$280,000 and \$400,000 respectively.

The Auditor General found that the former principal secretary to Cabinet was paid an additional \$6,000 and the former chief of staff was paid an additional \$250,000 over and above what had been set out in their employment contracts. The former principal secretary to Cabinet tendered his resignation effective October 28, and the chief of staff—and this is why I used former in quotation marks—by the terms of her termination, her resignation will be tendered on January 4, 2004. So on paper she is technically still an employee of the Government of the Northwest Territories, and collecting salary and benefits too until that time.

The special audit also pointed out that despite the lack of documentation justifying performance bonuses and the fact that they both had letters of reprimand of their files, both employees received bonuses of \$25,000 and \$20,000 respectively, which represented the maximum that was payable under their contracts.

Both employment contracts were at-pleasure appointments and could have been terminated at any time, with or without cause. The Auditor General reported that the Government had previously stated that they were concerned about liability and potential litigation by the chief of staff. However, the Government of the Northwest Territories was not able to provide any documentation or legal opinions that supported their concern about this liability or any other potential litigation. Further the special audit found that there was no evidence the Government sought legal advice during the discussion, negotiation and drafting of these termination agreements.

The Auditor General and the committee also found it unusual that the chief of staff's termination agreement had a unique clause that states if the Government fails to perform all of its obligations under the agreement it would have to pay for all of her legal costs associated with the enforcement of the agreement. So if we try to back out of the deal we would have to pay for her court costs to force us to pay it.

The special audit found that the Government did not adhere to the termination clauses and did not comply with the government policies for either employee. There was no justification for paying the significantly higher termination payments and benefits. Accordingly, the Auditor General suggested that the

Government should ensure that it adhere to the termination clauses set out in employment agreements and comply with government policies or substantiate the reasons for deviating from them.

Our committee tabled its report in the Legislative Assembly with the following recommendations: That the Legislative Assembly accept the Auditor General's conclusion that the Government did not handle the matter reasonably and with prudence; and that in light of these findings the Premier submit his resignation forthwith as Premier and as member of the Executive Council. Our motion to accept the Auditor General's conclusion was carried in the House, however the second motion that the Premier submit his resignation was defeated. So I think that fits the criteria of something unusual and out of the ordinary. I hope that you find that of interest.

Our Legislative Assembly is scheduled to dissolve on October 24, and we will be going to the polls on November 24. We have fixed terms so everybody knows when our elections are taking place and we have one short term when we get back or one short session, about ten days, and then we will be dissolving and going on the campaign trail.

Once again I would like to thank Manitoba. It has been a very nice trip here. We have enjoyed our stay. Thank you very much. If there are any questions I would be happy to answer them.

Madam Chairperson: That was most interesting. Any questions for Charles? Yes, there is one question from Ontario there.

Ms. Stokes: I am curious. Were the termination contracts terminated? Were the payments made?

Mr. Dent: The payments they are continuing to be made.

Ms. Stokes: So they went through.

Mr. Dent: Yes, what was found is that the contracts were valid. The problem was that they had been negotiated. The termination contracts had been negotiated basically by the Premier without legal advice is what the finding was. Once they were signed they were still valid contracts and would have stood up. In fact we would have had to pay the other party's costs to take us to court to enforce it.

Mr. Todd Hardy (Yukon): Like everybody, I would also like to thank Manitoba. It has been a tremendous visit here once again. I do not feel that well today. When I was younger it was because I would indulge too much in the drink and now that I am a little bit older it seems I indulge too much in the food so I feel a little fooded-out. It was actually quite tremendous. Actually my highlight of the trip so far has been the train. I had a great time talking to all the old retirees on the train. It was an amazing experience.

Interesting comments from N.W.T., it reminds me of a former premier of ours, Mr. Tony Penikett, some of you might have met him. I was talking to him a couple of years ago and after he left elected politics he became a deputy minister. He worked I think in Manitoba. He worked in Saskatchewan. He ended up in BC. He made a comment that if he would have known how much power the deputy ministers had, he would never have run in politics but directed himself towards there. In this case it seems like in N.W.T. it definitely shows that some people can have a tremendous amount of influence and power if they are not kept in check.

The Standing Committee on the Public Accounts of the 31st Yukon Legislative Assembly was appointed by resolution of the Assembly on March 25, 2003. The committee consists of six members: three from the governing party, two from the official opposition and one from the third party. I was elected chair of the committee on May 6. My election was in keeping with the Yukon's usual practice of having an opposition member chair the Public Accounts Committee. The vice-chair elected at the same meeting is Patrick Rouble—and Patrick Rouble is here, as well as the clerk for ourselves who looks after us and that is Floyd McCormick.

The other committee members include the honourable Peter Jenkins, Pat Duncan, Dean Hassard, Eric Fairclough.

We have a slightly different situation here in that a minister decided to put himself on the committee, and that is something I think that we still have some issues to resolve around. Four of the six current members have some experience with the Public Accounts Committee from the previous legislatures. Since its appointment the committee has met three times. One of these meetings included meeting three officials from the office of the Auditor General of Canada: Ronald Thompson, Roger Simpson and Eric Elstyre [*phonetic*]. The committee has also scheduled a retreat with these individuals for the 29th and 30th of this month.

We focussed largely on organizational issues as the committee seeks to re-establish itself as a working committee of the legislature. From 1980 when it was first formed until '91 the Yukon Public Accounts Committee was quite active in holding annual meetings with senior civil servants and issuing annual reports on the administration of government. However, the committee's activities have been more sporadic and far, far less systematic.

For example, during the 30th Legislature the Public Accounts Committee met only once; held no public hearings and issued no reports. We therefore have a fair amount of catching up to do. The group that has now been named to the committee are quite eager and active. We are here to learn a lot, and we are here to be inspired by the work that you yourself do throughout Canada, and, I think, we are going to come away with that feeling and hopefully we are going to reestablish the Public Accounts Committee to be active and play a role in the governance of the Yukon. Thank you very much.

Mr. Jim Rondeau (Manitoba): Just wondering if you have any staff or support for your committee, you only met once in that long time.

Mr. Hardy: Yes, it is always interesting to come south and hear the tremendous amount of support and activity that happens down here. None of us are paid. We do not have 3000 or 6000 for any role. Basically I guess you can look at us as volunteers on the committee, and we do not have any staff other than Floyd who is a clerk. He is assigned to us but we have no research staff or anything like that.

Madam Chairperson: It is hard work. Is there anybody else that has a question for Todd? No?

Mr. Hardy: Does anybody want to volunteer and come to the Yukon with us.

Madam Chairperson: Yes, give him a hand. Thank you. Thank you very much. The next report will come from Saskatchewan.

Mr. Ken Krawetz (Saskatchewan): Good morning everyone. I am Ken Krawetz. I am the chair of the committee in Saskatchewan and I have held that position I guess since the last election in 1999 and as everyone knows we are anticipating an election in Saskatchewan from now until spring as my colleague would indicate over there.

I would like to introduce the people who are here representing the Saskatchewan delegation: Ron Harper is the member for Regina Northeast on the government side and sits as the vice-chair; Andy Iwanchuk represents a Saskatoon constituency, Saskatoon Fairview; and June Draude—who just, I believe, took a phone call, represents the constituency of Kelvington-Wadena—is not currently on our Public Accounts Committee but is an active person who has stood in a number of times. We have that ability in Saskatchewan as well, that we can have what we call "chit in" where if on a given day a member is unable to attend—there she is, June Draude from Kelvington-Wadena—we have that ability to chit-in; of course, a very important person to our committee is Margaret Woods. Margaret Woods is the clerk assistant and has been a very capable person for us and we just would be lost without her.

Our committee numbers 10 and the committee has had numerous changes. Unfortunately we had an untimely death of one of our members, as well as movement on the government side of people assuming ministerial positions. As a result we have had changes. We have managed to do our work during the course of the year in that we have had eight meetings since my last report in St. John's and that brings our total number of meetings to 37 since we have had this session, the 24th session of the Saskatchewan Legislative Assembly. So we have just completed our fourth report to the Assembly just before we prorogued on June 27, and that report again contained the areas that we had touched on.

The Provincial Auditor of Saskatchewan, Fred Wendel, produces a number of reports for us. There is not just one major report in Saskatchewan. He will have two or three fall reports. There will be a spring report, and there will be other topics that he does produce as well for the Crown corps committee, which is also a standing committee in the Assembly that works on reviewing the Auditor's reports that pertain to Crown corporations, so we have a lot of work to do in the course of a year.

The fact that we have been anticipating an election call means that we have not had meetings since we prorogued in June, but if we do not have an election call near short term I am sure we will be getting back to work in the next month and a half. But we anticipate that election call, do we not Mr. Harper.

A couple of interesting things that I would like to report on unique to Saskatchewan. We were talking yesterday about the ability to call witnesses. One of the concerns that we have had in Saskatchewan that goes back a fair amount of time is that our Auditor reported on three different chapters in two different volumes back in 2000 and 2001 on the First Nations fund and the SIGA, and Liquor and Gaming Authority funds and we—we meaning the Public Accounts Committee—had sought the advice of Justice. Justice indicated to us that because there was a police investigation and an investigation by the prosecutor that we were encouraged not to pursue the calling of the various departmental officials on those chapters.

That occurred twice but this past spring we received a letter from the minister, or communiqué from the minister that indicated that the investigation by police and the review of the file by the Public Prosecutions Office had been completed thereby enabling the committee to complete its review of those chapters. So we were in a bit of a dilemma in that we did not want to in any way affect the investigation, the legal investigation that was going on but we did have the opportunity now to deal with the appropriate chapters and as a result we have completed that work. So we see that as a positive in terms of working co-operatively to complete what was necessary.

Later on this morning I am going to be providing you with some information about our selections process in Saskatchewan for an auditor, but one of the changes that the Auditor's Act of 2000 proposed in Saskatchewan was that the committee could create an Audit Committee. The Public Accounts Committee could create an Audit Committee. We spent a lot of time looking at that and creating an independent committee to assist us. So when we talk about research or talk about the ability to have external guidance, the Saskatchewan Legislature now through the Public Accounts Committee has created an Audit Committee of five individuals.

I am just going to share some of the things that we did to create that committee. When we first looked at this we wanted to have a representation of a number of areas so we indicated that one person would be a member in good standing of the Institute of Chartered Accountants of Saskatchewan. The second one would be in good standing of the Society of Management Accountants of Saskatchewan. A third person would have a background chosen from the faculty of a post-secondary educational institution. The fourth one would be a member in good standing of the Law Society of Saskatchewan whose preferred area of practice involved financial dealings, and a fifth person would be a person who would be operating a business in the private sector.

The Public Accounts Committee asked me to communicate with the various professional groups in the province, and the last one was a letter to the Saskatchewan Chamber of Commerce where we asked them to submit names to us. We had as many as five or six names that would be submitted by each of those associations who they thought would be capable representatives for us. As a result of deliberations through the year 2001-2002 we met and agreed to appoint a member from each of those five areas that I have just described. So that is the creation of an Audit Committee, just recently created.

As a Public Accounts Committee we have not used that advisory body yet. I do know that the Crown corps committee and I believe the Minister of Finance has also used that committee to provide some advice. So we see this as a way of extending the Public Accounts Committee and other bodies within the Legislative Assembly outside of the Legislative Assembly. I think it will be very useful. The Auditor Act specifies what that Audit Committee can be involved in. One of the things, of course, it can even be involved in providing advice on the selection of the Provincial Auditor whenever we do that again. I am looking forward to how that Audit Committee could serve the Legislative Assembly.

Another change, and the last thing I am going to report on, is that the changes to the Provincial Auditor Act now requires that the Auditor presents a business and financial plan directly to the Public Accounts Committee. It no longer goes through the Board of Internal Economy. It is the Public Accounts Committee that reviews the business and financial plan of the Auditor and then submits that budgetary request through to the Speaker. So that is a significant change. We have been able to do that now twice where the business plan has been submitted to us. We had the ability back in December of 2002 for the first time to consider the financial requirement of the Auditor's office and to then forward that to the Assembly. So we believe now that independence has been assured of the Auditor's office in that is no longer through the Board of Internal Economy and the Executive Council.

The final point that I would like to make is that during this past session our rules committee has met and has proposed numerous changes. Numerous changes on how we function, and I am looking forward to this afternoon's visit to Manitoba where Manitoba is operating on a committee structure in that Estimates are being considered in three different committee rooms. We have not followed that practice in Saskatchewan. All of our business has been done in the Chamber and everything has been broadcast publicly through the Chamber. We have new rules that will come into effect when we have the next session, whenever that may be, and the only committee that really has not changed a whole lot will be the Public Accounts Committee. It will still operate under the regulations and the rules that are there currently, except that the membership will be reduced from 10 to 7. Other than that the Public Accounts Committee will continue on the same basis as it has over the last number of years.

So with that I would like to thank the many faces, the acquaintances that I have been able to see since meeting many of you in Halifax. Unfortunately, Saskatchewan was to host this conference back a couple of years ago but due to 9-11 that was postponed. It is great to see also new faces, and I want to thank Manitoba for just a great couple of days. Any questions?

Madam Chairperson: Ken, I have a question. Your Audit Committee: Are the people sitting on this committee volunteers or do you pay them?

Mr. Krawetz: They are volunteers in terms that they do not get paid, other than they will receive expenses if we call them to a meeting. A number of people on the committee come from a great distance from Regina, like a two-and-a-half hour drive, so there will be mileage and expenses for meals, but they do not receive any remuneration as far as a fee.

Madam Chairperson: Okay.

Mr. Krawetz: If I just might add, Madam Chair, the Audit Committee members who I have spoken with who have been selected are really enthused about assisting us. I have met a couple of them who say: When are you going to ask us to do something?. So we are looking forward to meeting with this group, and assisting us in providing guidance to us.

Madam Chairperson: Do you ask them to sign any confidential agreement?

Mr. Krawetz: No, there has been no—

Madam Chairperson: There is no risk of conflict of interest in there, in any way, no.

Mr. Krawetz: We do not believe so because the Public Accounts Committee operates in public and when we consult with that group there will be times when we will have to be *in camera* if we are dealing with Human Resources, things like I have indicated. But we do not see that as a conflict, and in fact, the Minister of Finance has already used that committee to provide him with advice.

Madam Chairperson: That is very interesting. Are there other jurisdictions, to your knowledge, that have an Audit Committee like that, that works with the Public Accounts Committee?

Mr. Krawetz: Show of hands. Are there any jurisdictions that have an Audit Committee?

Madam Chairperson: That is very interesting.

Mr. Craig James (British Columbia): What kind of questions or assistance would this Audit Committee provide to the Public Accounts Committee? What would you ask them typically to do?

Mr. Krawetz: Well, as I have indicated, we have not yet. The Auditor Act specifies that the Crown Corporations Committee or the Public Accounts Committee can call on the Minister of Finance. I see the Public Accounts Committee using that committee to look at what might be controversial issues regarding acceptable accounting practices in the province; what kinds of interpretations is the public looking for versus what we as legislators interpret. We have already had some discussion, of course, as I indicated one of the areas that is causing us some conflict right now is the Saskatchewan Indian Gaming Authority and the Auditor's ability to audit that. It is an arms-length creation of government, yet, there is some resistance. So I see it as a useful tool for us in getting assistance from a level closer to the public.

Mr. MacKinnon: Do you have written terms of reference by which this Audit Committee would operate from?

Mr. Krawetz: Yes, Russell, I can have that for you. I have the copy of the Provincial Auditor Act, and section 20(4) I believe identifies how the Audit Committee is to be created and what it can or cannot do. I can provide that for you.

Mr. MacKinnon: Thank you.

Madam Chairperson: Ken, I think all the members would benefit from that. Maybe you—

Mr. Krawetz: Where is JoAnn? Rick indicates that I can get that copied so I will have that for you when we reconvene after coffee.

Madam Chairperson: Thank you very much. Any other questions? No? Thanks.

Mr. Shiraz Shariff (Alberta): Merci beaucoup. Bonjour, mes amis. Je m'appelle Shiraz Shariff. Je suis député et vice-président du Comité des comptes publics.

How have I done so far?

Madam Chairperson: It is very, very good. Continue.

Mr. Shariff: I was intent on speaking a little French here today. I will improve myself next time.

Friends, my name is Shiraz Shariff and I am an MLA from the Calgary McCall district, which is basically the northeast end of Calgary. I am also the deputy chair of the Alberta Standing Committee on Public Accounts. I am pleased to be here representing the Legislative Assembly of Alberta at this 24th Annual Conference. With me this year are Public Accounts Committee members Dave Broda, MLA for Redwater; and our committee clerk, Corinne Dacyshyn.

On behalf of all of us from Alberta I would like to take this opportunity to thank the organizing committee for a wonderful conference, particularly Rick and JoAnn. Thank you so very much.

The Standing Committee on Public Accounts is comprised of an opposition chair, a government deputy chair, 12 government members and three opposition members. The mandate of the Standing Committee on Public Accounts in Alberta remains the same as in previous years: To review the Public Accounts of the Province of Alberta by asking questions of ministers of the Crown with respect to expenditure items in their ministries and to review the Auditor General's annual report.

The committee does not have the mandate to make recommendations to the Assembly or to meet outside session. In 2003 the committee held one meeting with the Auditor General on his annual report, which includes recommendations provided for the benefit of Public Account Committee members, cabinet ministers, other MLAs, the public and management. The Auditor General and his staff attend and participate in all committee meetings.

During the 2003 spring sitting of the Alberta Legislature the Public Accounts Committee held an organizational session in nine meetings on the 2001-2002 public accounts and the 2001-2002 Auditor General's report. These meetings were attended by Cabinet ministers who continue to be ultimately accountable to the committee. Ministers are accompanied by key departmental officials who answer questions if the minister directs them to respond. Discussions and questions used to steer strictly away from policy issues and focus only on actual expenditures. Recently, however, questions have become broader in scope following the input of our new Auditor General.

The 2002-2003 Annual Report of the Government of Alberta containing consolidated financial statements of the Province and a comparison of the actual, versus desired, performance results set out in the Government's business plan was released this June. The ministry annual reports for 2002-2003 are expected to be released later this month. The ministry annual reports integrate performance targets and outcomes with financial data in a single document for each ministry. By standing order these documents are referred to the Public Accounts Committee. The proceedings of the Standing Committee on Public Accounts continue to be open to the public and all meetings are recorded by Hansard.

I have appreciated hearing about the operations of other public accounts committees, discussion topics of common interests, and meeting with many of the Canadian Council members. So I would like to thank each and every one of you for enriching us today and yesterday in these discussions. Any questions?

There was some discussion yesterday about payments to committee members and I just have a clarification. In Alberta the chair of the Public Accounts Committee gets paid \$350 a month. The deputy chair and committee members do not get paid anything.

Well, Corinne has put in a little extra sentence here, let me try. She says:

J'aime les Québécois et les Québécoises.

Madam Chairperson: Surtout les Québécoises, non?

Mr. Shariff: Well, if there are no questions I just want to say something personally for me because I am trying to exert this right as a Canadian. I am fighting for a very personal issue of trying to obtain a treaty card and this is my thesis behind it, so if there is any support around the table please write to me. I believe that Christopher Columbus came looking for me. He found the other people and called them indians. I am the real Indian and I want my treaty card. Thank you.

Mr. Bill Bennett (British Columbia): I remember when I was going to law school in middle age we had a chief from the Tomogami [phonetic] band—this is a follow-up to that last comment. We had the chief from the Tomogami band [phonetic] come in and speak to us in law school and he said he was only happy that we were looking for India and not Turkey.

I want to, first of all, just introduce a couple of people with our delegation over here. Now I feel guilty about this because I have support. I have a research analyst here, Josie Schofield; and also a Clerk Assistant and Clerk of Committees, Craig James, who has enormous experience around these public accounts committees so I guess I have learned that I am quite fortunate and that we are very fortunate in BC, I guess, in a lot of ways.

I am a member of government and we were elected in May of 2001. One of the promises that we made in the election was that we would open up government and make it more accountable to the people who pay the bills in our province, and our premier, Premier Campbell set a high target. He stated that we would become the most transparent and accountable government in the country. I think we are on our way to that. We are not there, but we are on our way.

One of the things that we have done that I thought you might be interested in hearing about is we have established fixed election dates. I can tell you that our next provincial election is on May 17, 2005. It is interesting to hear so many of you comment about: Well, we think there is going to be an election call; or there has been an election call; or there might be an election call; we do not know when we are going back to the Legislature; those kinds of comments. We know when our next election is and, frankly, it takes a lot of heat off. It certainly does not allow politicians to manipulate things, that is one thing you do not have to worry about.

We also have a fixed parliamentary calendar so that the public knows when the Budget and the Throne Speech will take place. Also, importantly I think, MLAs know when they are going to be in session in Victoria, and that is twice a year; when they will be at home with their constituents and with their families. Clerk, Craig James, tells me that we have saved a bundle of money by having a fixed legislative calendar so that is another good reason I think to think about doing that.

We have also set up what we call a citizens assembly, which is completely independent of any political influence. That assembly as it is—it is just now being put together—will examine the way that we elect MLAs in BC. This will be a randomly chosen group of people, a representative group of people from across the province. If they recommend a change to the way that we elect MLAs there will be a referendum at the time of the next provincial election and people will be asked to say whether they want to change the way we elect

MLAs or not. There are very specific rules around how much of a percentage is needed to support a successful vote and how many people from each of the various regions of the province have to vote yes.

We have also been given a very strong voice in BC through our active select standing committees. We have committees travelling the province, and, again, I guess we are lucky we have the resources to do this, but we do have committees travelling the province of British Columbia almost every month of the year listening to people. That has proven, I think, to be very beneficial for us as legislators to know what people are thinking. We even went out when we had to go through our very difficult restructuring period the first couple of years. We went out during that time and listened to people and they vented, they told us what they thought and I think it was good for them and it was good for us.

Premier Campbell has set up several caucus committees that work directly with ministers on policy. Just to give you an example, I am on the Natural Resources Caucus Committee in BC and that committee looks after what we call the dirt ministries, which are Agriculture, Food and Fisheries, forestry, mining, Water, Land and Air Protection, which in most provinces is probably called Environment and Sustainable Resource Management. Each one of those meetings, which are held, let us say, once every two or three weeks maybe sometimes more during session, the five Cabinet ministers responsible for those ministries must attend those meetings. They have to get leave from our caucus whip to miss those meetings and the Premier has made it really clear that he wants them there. So we have this opportunity as backbenchers to spend time with ministers to help them create their policy. They do not always agree with what we recommend and they do not always follow our recommendations, but often they do so it certainly has left us with a feeling that we are actually involved with the policy making in BC.

I want to mention three pieces of legislation that are relevant, I think, to public accounts committees. One is the Balanced Budget and Ministerial Accountability Act; the second piece is the Budget Transparency and Accountability Act; and the third is our new Auditor General Act.

The first act, the Balanced Budget and Ministerial Accountability Act, mandates a balanced budget by 2004-2005. It is coming up very quickly, this coming spring. We have just had about a little more than \$500 million in extra forest-fire-fighting costs, in emergency costs, so it is going to be tough to balance the budget but we are committed to doing that, and we will somehow or other, I think, make it. That act also makes us more financially accountable by tying ministers' salaries directly to our budget targets and to their personal performance. As of April 1, 2002, the Government started to withhold automatically 20 percent of each Cabinet ministers salary.

Ministers can earn 10 percent back by meeting their own ministry budget targets and then the other 10 percent is paid out only if we meet our full provincial budget target, which obviously provides I think a new level of both individual and collective political accountability.

The second piece of legislation that I want to tell you about is the Budget Transparency and Accountability Act, which amongst other things ensures that we move to fully implement generally-accepted accounting principles, and we are very serious about that and we are going to get there. The act also eliminates the traditional use of special warrants. I am not sure to what extent other provinces use them but our province in the past has used special warrants a lot and we just decided that we are not going to spend people's money without due process and debate in the Legislature. We will allow special warrants in the case of natural disaster or immediately following a BC election for a brief period.

The third piece of legislation, which is most relevant to this group, is the new Auditor General Act in BC, which was passed this past spring and we think that it puts our Auditor General on the cutting edge here in Canada in terms of transparency and also independence. This new act confirms the independence of the Auditor General in such matters as the auditor's appointment; the approval process for the Auditor General's

budget; access to information; and the ability to report the results of the Auditor's work to the Legislative Assembly.

It also strengthens the Auditor General's accountability to the Legislative Assembly by very clearly defining the mechanism, frequency and standards of reporting to the Legislature. Specifically the act empowers the Auditor General to audit, and I quote from the definitions section: Government, government organizations and trust funds. As these various organizations change the reporting structure can amend itself to reflect those changes. An example of that already is that this year the office of the Auditor General will be looking at schools, universities and health authorities as part of the government entity.

Now the new act also empowers the Auditor General to do a few things that I think will be of interest to you. One is the Auditor can request that he or she be appointed as auditor of any new government organization or trust fund for its first three years in order to learn about this new organization. So that is something that the Auditor is specifically empowered to do. The Auditor is also empowered to audit an individual or an organization outside of government in reference to a situation where that individual or organization is using public monies, or whether as a government guarantee involved supporting the activities of that individual or organization.

Thirdly, the Auditor can undertake an audit respecting government, government organization or trust fund on request by the Legislative Assembly or by the Public Accounts Committee.

Fourthly, there is a new provision in the act allowing the Auditor General to be appointed as the Auditor of Record for an organization other than a government organization. That provision makes the auditor's appointment subject to the consent of the Public Accounts Committee so anyone who was around yesterday I think I mentioned that we have a committee being struck to operate the Olympic Games in 2010 or get ready for the Olympic Games in 2010. It is called the Official Committee for the Olympic Games. It will be spending provincial money but it will also be spending federal money, and as somebody pointed out, a municipal component as well. So we are right now trying to figure out whether this act empowers the Auditor to be appointed as Auditor of Record to that committee, which is not yet struck but will be soon. So that is going to be an interesting experience, I guess, for us on the Public Accounts Committee because we are the ones who are going to have to make the final decision on that.

The act also stipulates that the Auditor General must provide annually to a parliamentary committee a service plan, a three-year audit plan and an estimate of the resources required by his or her office to carry out the mandate. Finally, the new legislation provides statutory authority to do value-for-money audits and to comment on whether a government or a government organization is operating effectively, efficiently and economically. So that is what is new in lotus land.

I am proud of the fact that we are making an attempt to become more open and more transparent and I know that I would like to say that my Premier is very serious about achieving that goal. So thank you for your time and if there are questions I would be happy to try and answer them.

Mr. Tootoo: It is an interesting concept, performance bonuses for ministers. I did not hear, is this something that is new or is it something that you guys have had for some time?

Mr. Bennett: Well, Hunter, I do not think any of them consider this process to be a bonus. We took the existing salary levels that were already there prior to the election and we actually deducted 20 percent from the existing salary and they only earn that back if they perform individually within their ministry and if the government performs collectively and we meet our budget targets, so whether they are bonuses or not I guess it is a question of definition, but it certainly gets the minister's attention.

Mr. Tootoo: you. I am just wondering if it has just started, have you gone through a full year with it yet, and, if so, were there any ministers that did not receive their hold-back of 20 percent?

Mr. Bennett: In the last fiscal year it was the first time in BC and I will not get the number right, I should not even guess at it, but it is something like 15 or 20 or 25 years where every single ministry, either met or exceeded its budget target. So we have gone through a full fiscal year and, yes, everybody made their targets.

Mr. Tootoo: One last question. I guess, you know, that concept of trying to work within the appropriated amount, the budget that we know, in our case like our Health department—there is no way that it can do it. Each year it has gone over budget, you know, \$20 million, \$30 million every year. Those are uncontrollable type costs. I know you look in BC with all the forest fires and things like that, that there would be some uncontrollable costs that you have to deal with. When this process that you went through to come up with this, was there any discussion on what maybe the cons of having this type of a setup. You know I am not saying it would happen, but you could have potentially decisions being made—ah, I do not want to spend this money because then I am going to go over my thing but it may be something that is needed. You know, not being made from the right angle. So I was just wondering if there was any discussion on that and how did you guys deal with that.

Mr. Bennett: Well, Premier Campbell had the benefit of an extra five years to get ready for being Premier. When we lost the election in 1996 it was a great disappointment. We had the majority of the popular vote and I think there were some hard lessons learned and there was an awful lot of work done to get ready for 2001. There was a transition team in place for at least a couple of years prior to the 2001 election and, in terms of whether there was any discussion about these kinds of accountability measures—at least the ones that we are discussing right now, the hold-backs—it was his decision that that is the way he was going to run the government and if you were in his Cabinet you either came in under those rules or you did not come in. So there was not any discussion at that stage. What you raise in terms of a situation where you just need more money, we have three-year service plans that roll from one year to the next and there is always the capacity to add more money to your budget in the budget process, and that is when you do it. You do not do it after the budget has been passed.

Mr. Kevin Aylward (Newfoundland and Labrador): Just wondering if all Crown corporations are covered under your Public Accounts Committee, and also if the debt load of those Crown corporations or hospital boards now, is that counted as part of your deficit or in your financial calculations?

Mr. Bennett: Like other jurisdictions that are here we have a separate Crown Corporations Committee that does the same kind of work. I was vice-chair of that committee up until getting on PAC last spring and they do the same kind of work with the Crowns that we do with everything else. And, yes, we have moved to generally-accepted accounting principles in bringing everything into the Government reporting entity, so in BC today there are very few opportunities to play around with the books.

Mr. Aylward: So you are telling the truth, okay, very good.

Mr. Bennett: Absolutely, Sir.

Mr. Krawetz: I am wondering, just adding to what Hunter has asked, I believe obviously Premier Campbell was intending that there be more accountability and more planning and a greater control by ministers of their departments, and in preparing their budget and ensuring that it is an accurate request. However, as you have indicated, I am sure that the minister responsible for the environment or forestry did not anticipate \$500 million worth of additional expenses. No one in western Canada I am sure anticipated BSE and the mad cow crisis and as a result now we see huge expenditures. Is there any fear that when ministers are unable to access additional revenues that the only way that they can obtain their pay would be to cut programs, and is

there a fear that in the middle of a year an expenditure that is significant in value is suddenly cut because the office needs to be balanced?

Mr. Bennett: That is a lot of questions. There is always concern out there in the public that fiscal accountability and fiscal discipline will lead to reduction of spending. I mean they kind of go hand in hand. The Premier and various Cabinet ministers have indicated that no programs will be cut as a result of the extra forest-fire expenditures this year, so that is a specific response to that. We do have a fairly large contingency in our budget and we just got really, really lucky a few days ago with a \$400 million-plus purchase of oil and gas properties in northeastern BC. That was a one-month total. It was \$400 million plus, so that is going to help.

Mr. Jim Maloway (Manitoba): Bill, at least for a year now anyway I have been hearing about your attempts or your looking at the idea of changing your first past-the-post electoral system and I was rather intrigued by that because it would seem that the first past-the-post would be something that an incumbent government such as yours would be benefiting by and would want to keep things the way they are. But, having said that though, I am just wondering how things are developing on that score and what will the changes likely be? The final question would be: Are you considering also banning union and corporate donations such as Manitoba has done just before the last election and Québec has had now for a number of years?

Mr. Bennett: On the last question, I am not aware that we are considering that option. We might be, there might be somebody thinking about it somewhere in government but I am not aware that we are. On the citizens assembly: that was an election promise. It was in writing. The Premier made the promise and he is going to keep that promise. You are right, a lot of political experts or people who think they are experts, think that we are nuts to expose ourselves to this kind of situation where, in fact, we might end up sacrificing the opportunity to be government and so forth, but it is just a really neat thing to do to allow the people to decide whether they agree with how you elect people in the province. I mean they may decide, this panel of—what is it Craig? 183 in total—may decide that our current system is the best system.

They are going to have lots of opportunity to be educated and to talk amongst themselves over the next year once they are appointed. Then they may say, well, the system we have right now is the best one we have got. They may also make a recommendation to go to proportional representation or whatever and, again, that will be voted on in the next provincial election.

Madam Chairperson: If I may, I have a question, Bill. My experience is that ministers do not always control a 100 percent of the money outflow of their own, or even their budget. The deputy ministers, at least in Québec, have a very, very strong influence on that.

In cases where the deputy minister and the ministers do not agree, and it happens, do your government employees at the deputy minister and executive level, are they submitted to the same performance objectives and results, meaning: Do they get a pay reduction or a pay increase if they make their targets?

Mr. Bennett: The short answer is yes. All of the deputy ministers have entered into performance agreements with the Government, but there is an attitude that comes from our Premier in the Government: They are not elected, we are elected, and they are the experts. I think there is a respect for relationship between the deputy ministers and their ministers and MLAs like myself. But they are not elected, bottom line, we are responsible. We make the decisions about where the money goes and how much we spend on what, not them.

Madam Chairperson: Alors s'il n'y a pas d'autres questions, je vous remercie beaucoup et cela met fin exactement à 10 heures à notre séance de travail aujourd'hui sur les rapports des provinces et des territoires quant aux comités des comptes publics. Si vous voulez bien, on va prendre une pause et nous allons revenir à 10 h 30. Il y a des rafraîchissements à l'extérieur. Prenez quelques minutes pour vous détendre.

Business Session #6

Chair: Mr. Hunter Tootoo

Topic: Round Table on the Relationship between Public Accounts Committees and the Office of the Auditor

Presenter: Mr. Ken Krawetz

Mr. Hunter Tootoo (Chairperson): Welcome back everybody, well, almost everybody. I guess we have a quorum so we can get started.

The next business session is a round table on the relationship between public accounts committees and the office of the Auditor. This topic will be presented by Ken Krawetz the Chairperson of the Saskatchewan Public Accounts Committee, and I believe he touched a little bit on the topic during his report this morning.

At the 2002 conference in St. John's a discussion arose regarding the authority of the Saskatchewan Public Accounts Committee over the budget of the Office of the Auditor. This round-table discussion will begin with a closer look at the relationship between the Saskatchewan committee and the Auditor's office. Specifically, looking at the role of the Public Accounts Committee in the selection process in the approval of the Auditor's budget. Delegates will be invited to offer their own insights following Ken's initial presentation.

May I add, our predicament—not a predicament—our situation in Nunavut is a little different. The Auditor General of Canada is our auditor, so we do not have to worry about things like selection and budget approvals. Our relationship with the Auditor General's office has been excellent over the last four years and I know that we have a great working relationship with her staff and her office. She has been up to Nunavut twice already and she will be coming up again in February.

When they do come up to Nunavut I think it is great because her office makes a great contribution to our local economy. As most visitors there they all purchase carvings and jewelry and other Inuit art. In fact after her last visit I believe she was wearing a polar bear brooch when appearing the next day in front of the federal PAC on the gun registry boondoggle that was going on over there. I say boondoggle because I think everyone here knows how the North feels about that particular legislation.

So with that I guess I will turn it over to Ken to get started.

Mr. Ken Krawetz (Saskatchewan): Thank you very much Hunter, and, again, good morning to all. Being the last business session of the day it is great to see so many of you still here. That is remarkable, especially my colleagues from Saskatchewan who I thought were going to leave and not show up after the coffee break.

As I indicated to you before in Saskatchewan's presentation—I think each of you should have a two-page summary from the Provincial Auditor Act, that would be sections 20, 21, 22, that would apply to the Audit Committee so it gives you an idea about what we created in Saskatchewan and the role that our Audit Committee might play. As I said it has not been used yet by our Public Accounts Committee but I do see room for it.

As I indicated to my colleague from Québec during the coffee break, the material that I am going to share with you may not be applicable to all provinces and I know each and everyone of us does things differently, and as Hunter has indicated, of course, the territories and Nunavut rely on the federal Auditor General to do their auditing, so the information may not apply to you.

I hope that I can share with you some of the questions that were raised last year in St. John's regarding the process that Saskatchewan was following in the selection of a provincial auditor. I want to take you back to when did this process start for us because it just did not happen in a very short time. It does take a long time to initiate changes.

I guess one of the first things that did occur in Saskatchewan is that British Columbia hired the former Auditor of Saskatchewan, Mr. Strelieff, to be the Auditor in British Columbia and thus we had a vacancy for the position in Saskatchewan, that was in the year 2000. So when we started to look at changes, and, again, as an opposition member it does not occur often, but very clearly I want to express my appreciation to then-Minister of Finance in Saskatchewan, Mr. Eric Cline. Eric Cline indicated that he felt that it was necessary to move the selection of the Provincial Auditor away from Executive Council and that that person should become an independent officer of the Assembly at which the Public Accounts Committee would be responsible for hiring that individual. As a result of that we had changes to the Provincial Auditor Act in June of 2001 that brought about a number of changes.

Of course one of the changes immediately was that it was the responsibility of the Public Accounts Committee to unanimously recommend the name to the Assembly for the position of Provincial Auditor, not majority but unanimously recommend. So again we faced a dilemma in terms of this process had not been followed and we needed to identify what we were going to do as a committee to bring about the possibility of recommending that name to the Legislative Assembly.

I do have to express, you know, as I indicated to you I have been Chair now since the spring of 2000 after the '99 election, but I think it was the intent of our members, all members that served at various times on our Public Accounts Committee, that we wanted this process to work. That we had a responsibility given to us under the Auditor Act to secure a new provincial auditor for the Province of Saskatchewan.

We couldn't do that because right at the very beginning when Mr. Strelieff did leave us we were still in the actual changes to the Provincial Auditor Act. The minister did consult with our committee in terms of recommendations that were put forward by his working group and we had input into that in terms of reference and selections criteria and the like. So we were consulted during the actual changes that were being proposed to the Auditor Act, and when that auditor's act was accepted—Margaret correct me if I am wrong—I believe it was June of 2001, okay, the act was changed in June of 2001, so that allowed us then to begin our deliberations on what we were going to do to hire a new auditor.

So the very first thing we did was we said, well, as a Public Accounts Committee we need the assistance of a selections committee, and that is exactly what we called them, a selections committee. We asked for, first of all, a representative from the Clerk's Office which turned out to be Margaret Woods who assisted us very, very capably; and we asked for a representative from the Public Service Commission, an individual's name to be put forward who would assist us; and we asked for a person to come forward from the accountants group. So after some consultation with names we ended up with a committee of three. This selections committee then met with our Public Accounts Committee to determine our game plan in terms of, not only a time line, but when we were going to do things.

The very first thing that our selections committee was looking at is that we had to determine who was responsible for doing what. What was the actual 10-member Public Accounts Committee going to do and what was the selections committee going to do. The selections committee was entrusted with developing first of all the draft of what we were looking for in terms of an advertisement, and I am going to ask Margaret if she would not mind distributing the actual advertisement that we placed in newspapers. Now we went through a wide range of contacts, not only our weekly papers and our daily papers, but we also enlisted the various accountants' groups in Saskatchewan so that we could e-mail every accountant registered with the various groups in Saskatchewan so that they would know what the position was that we were looking for in terms of applicants.

Before we actually advertised we had produced a document that we called the position profile of the provincial auditor. In other words we as a Public Accounts committee developed a document that anyone could refer to. It was on the Web site that could be accessed by any individual that would enable them to

have a full description of what the Provincial Auditor was expected to do for the Province as well as its relationship with the Public Accounts Committee. That I think was a very useful undertaking by our committee as well because we then had to look at the changes in the Auditor Act to be aware of the kinds of things that were now our responsibility; and I made mention of that this morning in that the Auditor now submits to us the business and financial plan. That document is delivered to us as a committee in about December. It identifies the business plan; the objectives for the Auditor's office for the upcoming year; and it also presents us with the estimates of the Auditor's office. So we have an ability to question, to change and to then recommend to the Assembly the financial plan for the upcoming year.

After the selections committee was created and we did the advertisement, the selections committee of those three individuals that I indicated that represented the various groups, they put in place the time line of receiving applications. We had international applicants. We had applicants from outside of the borders of Saskatchewan—I will refer to them as Canadian applicants—and then of course we had applicants from within Saskatchewan. So we had a broad base. The selections committee went through a process of reducing that number to a point where an interview process was held with the selections committee first to, I guess, confirm that those applicants would then be listed and would become part of the interview process for our Public Accounts Committee.

Our entire Public Accounts Committee interviewed the people that were short-listed. We had a prepared set of questions that was exact for each of the applicants, and the questions were asked in the same fashion to each of our applicants. In that way the committee had the ability to go through that selections process.

When the committee met to interview those three individuals, we actually met on two different days, two successive days, and at the conclusion of that second day it was pretty clear to all members of the committee that the current person that is acting as our auditor was the person that we wanted. It was indeed a unanimous recommendation. In a letter then that I as Chair was instructed to draft, we then moved notice in the Legislative Assembly that recommended the name of Fred Wendel to the Legislative Assembly—a unanimous recommendation on behalf of our Public Accounts Committee for the position of auditor.

That process took almost two years to complete. It was a very open process in respect of members having input into discussions; into preparing the criteria; into preparing the advertisement; into determining—as you can see on the ad it has the length of office in it; those were the kind of changes that were entrusted to us as the Public Accounts Committee by the Auditor Act. So we are pleased that it went as smoothly as it did and that we are now working with Mr. Wendel as the Auditor of the Province of Saskatchewan.

That is a short summary and I expect to have a few questions regarding our process so I did not want to take up a lot of time, but I would now like to open the floor for any questions or any comments that you might have regarding the process that Saskatchewan followed.

Mr. Chairperson: Thank you, Ken. Having listened to you I say we do have something in common there. Although we do not do that for an auditor we have a standing committee that appoints the other statutory officers of the Assembly—the Integrity Commissioner; the Language Commissioner; and the Information and Privacy Commissioner. We went through the exact same process. The standing committee with the two staff that work for the committee went through that whole recruitment and appointment process as well, so there is a lot of familiar stuff I have heard there.

Mr. Jim Rondeau (Manitoba): My question is: What is the relationship between your committee and the Legislature as far as the budget? What happens if the Auditor General decides to double their staff because they are going to go off on a lot of investigative or value-for-money audits? What is your relationship with the Legislature with that budget?

Mr. Krawetz: First of all that budget would come to us now beforehand and that budget includes the expected expenditures for the Auditor's office for that year. Addition of a staff member or whatever the case may be, the anticipated additional responsibilities that may be given to a provincial auditor's office because of a particular investigation—and I am referring to some of the things being done in SIGA—so that budget comes to us first. As members the one and only budget which we have considered, which was for 2003-2004 fiscal year that we are in, I think that the Auditor recognized that we were not in a position to drastically increase the budget at all and the presentation made by Mr. Wendel was completely within the financial expectations that our committee had and as a result there was absolutely no change with very limited change to the previous year's expenditure.

We have a situation also where previously the Auditor was able to retain funds in a special fund if they were contracted out with other agencies et cetera. That has been eliminated and any funds, of course, that the Auditor receives are actually then brought back into the Legislative Assembly. But what we have created is that we have created a contingency fund so that the Auditor then can access his own contingency fund if instructed to carry out an unforeseen investigation, or, in fact, even not with the Public Account Committee's direction. If the Auditor deems that something must be checked he can do it under the expenditure of that contingency fund. At the end of the fiscal year if any monies remain in that fund they are transferred back into the general revenue fund.

Mr. Russell MacKinnon (Nova Scotia): I have a number of questions that perhaps you might be able to clarify my concerns that I have on this matter.

Number one: The mandate of public accounts as I understand it is to deal with past expenditure and it would appear that your committee seems to be moving in a whole new direction; it would appear that you are moving in the direction of approving budgetary measures at the committee level and not through the normal budgetary process, i.e. Cabinet setting its budget for the upcoming year and going through the normal deliberations before the Committee of the Whole or Supply, departmental budget by departmental budget, whereby there would be an opportunity to raise this issue.

The second issue is the issue that we are in effect changing the mandate, or the terms of reference of public accounts: To deal specifically with past expenditures by becoming involved with the Auditor General's office in setting budgets. I am not so sure, maybe it is because there is not a template to go by, so I am more of a skeptic than if we had evidence to support it, but essentially, allowing the Auditor General's office coming in through the back door, depending upon the strength or weakness of the committee membership to, in effect, control the budgetary process at the governmental level that would satisfy his or her needs. Now I know that sounds a little harsh but you are breaking new ground here and I guess I would be a little concerned about usurping the authority of the Legislature and the authority of the Cabinet, the Government in general.

Mr. Krawetz: Thanks, Russell. You raise some interesting points and I will try to address hopefully all of them.

First of all, the previous method of determining the budget for the Auditor's office was a committee called the Board of Internal Economy, so that is not a whole lot different other than that the Board of Internal Economy really was not aware of what the Public Accounts Committee's needs were, and, therefore, there were times when it may have questioned expenditures, you know, either increases or decreases without a whole lot of knowledge.

The second thing I think is that the Legislative Assembly is still the final body that will approve our recommendation, okay. So I think I may have confused you in saying that even though the business and financial plans are presented to us, the Public Accounts Committee, the process still is that it will go through the Speaker of the House and it will be printed as an entire set of estimates that includes the expenditures for

the Auditor's office. Now the Government has the control on that expenditure. Obviously this last year they did not send it back to us, so, therefore, it went to the Legislative Assembly and was voted on by the Legislative Assembly. So I do not know that, you know, we are breaking a whole lot of new ground in that respect because we are not the final body that will approve those expenditures. It will be the Legislative Assembly.

Now the other part, of course, is that the Public Accounts Committee—I was talking with vice-chair, Mr. Harper, during the break about our uniqueness. I think the fact that our committee has been able to look at a position a little bit different than Manitoba's here where I understand that the election was held in September of last year and the Public Accounts Committee has not met—June of this year, okay. When we look at our committee we as individual members, and I do not know if it will change based on, I think you said strengths or weaknesses of members, the committee looks at the responsibility in saying we have a responsibility to the people of Saskatchewan to do our job, and that is to ensure that we review the reports of the provincial auditor, that we do our job in preparing a responsibility now that has been given to us which is the questioning of the Auditor regarding his business and financial plan.

I hope it does not become what you see. As I said, we do not have enough history behind us yet to see whether or not that responsibility would in some way be abused by the Public Accounts Committee or the Auditor—I guess is what your concern is.

Mr. MacKinnon: One supplemental, Mr. Chair, if I could. I suppose, not so much the strength or weakness of the individuals on the committee so much, perhaps I should have clarified that point—the composition of the committee. I have been one of the ones who have been fortunate enough to live in the days of a minority government as well as to live pre and post. I am a rare breed in that context. I applaud your objective. I believe it is, however, a bit altruistic in the real world. I think ideally for your proposal to be effective and complete you would almost have to operate in every jurisdiction in a minority government situation but would the opinion and the mandate alter slightly if you were in majority government situation.

I do applaud. I think it is good to take every available opportunity to increase accountability. That is what we are all here for. However, having lived through a minority government I saw instances where the Legislature was effectively highjacked, for example, Public Accounts. There was the issue of, question of the value-for-dollar on the casino deal in Nova Scotia and that committee was turned into an inquisition in a quasi-judicial form. Historically we would meet two hours every Wednesday morning to do value-for-dollar on any issue that would come. Next thing you know we have lawyers coming before the committee dealing with a case that is before the Supreme Court of Nova Scotia, we are dwelling into that and subsequent to all these deliberations I ended up being subpoenaed to a discovery to give testimony on the questions I raised at public accounts and even for documents that I tabled.

So what I am saying in essence is the issues of today change by the composition of the membership in and out of government. I think we have to keep that in perspective. We become more and more altruistic and evermore idealistic about what we would like to achieve when we are in a minority-government situation. But for the mainstay of Canadian politics, whether it be in British Columbia or in Newfoundland or wherever, that is not the way it works.

Mr. Krawetz: You have raised a lot of issues. I do not know if there is a real question there but I will make a couple of comments.

First of all, since 1999 we have a coalition majority government so there has been no minority in the province of Saskatchewan and, as I have mentioned, I think it was the goal of the minister to create changes to the Auditor Act that would enable the position to be moved so that person would become an independent officer of the Legislative Assembly.

I was fortunate to sit on a very similar committee prior to '99 when the position of Chief Electoral Officer became available in the province of Saskatchewan and that person is also an independent officer of the Legislative Assembly. It is not an appointment by the Premier or Executive Council, so it is still done through the very similar process that I have just outlined.

The point that I am trying to make this morning is that Saskatchewan followed a process of selecting the Auditor in an all-party situation where we developed the criteria and the selections committee was used. There are going to be difficulties at the Public Accounts Committee in terms of the business that a committee will handle and that has not changed. I can honestly tell you that the Auditor's reports in Saskatchewan will contain a particular recommendation where, because the Government has the majority on our committee of four and myself as Chair, the vote will end up on a recommendation five to four, yes or no, regarding a particular recommendation. But, you know, that occurs occasionally. We do have many recommendations that will be approved nine to zero or they will be defeated nine to zero, so I think our committee has been fortunate in that respect.

Now, as far as controversial items, as I have indicated the Minister of Justice responded to my request on two different occasions to say we recommend to the Public Accounts Committee that you do not carry out questioning of officials of SIGA and the Liquor and Gaming Authority because there was a prosecutor who was investigating the case. As soon as that was turned over to the RCMP for further investigation then we went ahead with our business of dealing with the chapters and the recommendations that the Auditor has put forward. So there will always be those clashes. I have just shared with you a process of selecting the auditor and I know that there are many who have still acting auditors.

I believe Québec is still in a situation where you have an acting auditor, you know, so maybe our information will be beneficial to you in terms of how you will go about selecting the next provincial auditor.

Thank you for those points. They are very well taken, Russell, very well taken.

Mr. Bill Bennett (British Columbia): Ken I have a few questions about the Audit Committee. My first question relates to the functions of the Audit Committee. It indicates in Section 21(1)(d) that the Public Accounts Committee could ask the Audit Committee to assist it, the committee, with a review of any report as to find in Sections 12 and 13, and I was just curious, does that include most of the Auditor General reports that are done in Saskatchewan?

Mr. Krawetz: Yes, in fact I think it includes all of them. There are certain circumstances where some of our reports that the Auditor does, because of the large use of Crown corporations in the province of Saskatchewan, our Standing Committee on Crown Corporations reviews a number of reports. So as a Public Accounts committee even though we have been entrusted with that by the statues we sort of move that business over to the Crown corporations. So this clause then says that as a Public Accounts committee we could use the Audit Committee to, not only do some work for us in the documents that we are going to be handling, but also some of the documents that Crown corps will be handling.

Mr. Bennett: I realize this is a new process, but how do you think this is going to play out? I mean will the Audit Committee actually come and sit with the Public Accounts Committee while it examines witnesses or you will ask them for a report of their own on the report that is being examined, or how is that going to work?

Mr. Krawetz: Personal opinion here, Bill, okay, because we have not used it yet. I see the Audit Committee being requested by the Public Accounts Committee to act as almost a research group where we will have an issue that may be controversial in nature, it may require further research because some of you have indicated you have a lot of research staff. We have no research staff for the Public Accounts Committee in Saskatchewan. We have one person from the Clerk's Office who assists us. So I see the Audit Committee

being a tool that the Public Accounts Committee might use to enable us to better understand a controversial issue that is out in the Province of Saskatchewan.

We would bring them in, in an informal setting, and through discussion through a subsequent meeting enable them as individuals in all of those sectors that I identified to be able to bring back information for the Public Accounts Committee to enable us to do our job better.

Mr. Bennett: Okay, thanks. The next question involves, I think it is section 21(2), the act indicates that there are a number of officials who can activate this Audit Committee. There is the Provincial Auditor, the Minister of Finance, there is another Cabinet Minister responsible for Crown Corporations and then there is the Committee on Crown Corporations, I am curious about how the timing of asking the Audit Committee to do work, particularly when the Audit Committee—I think you have indicated the Audit Committee does not have any particular resources itself so it goes back to the Auditor for information, which means you are going to increase the workload of the Auditor. The Auditor General has already done a budget for that year. It has already been approved and so forth. Does this mean that you actually would not be able to activate the Audit Committee until the following year given that it would require resources from the Auditor General's office to supply information to the Audit Committee?

Mr. Krawetz: No, I do not see it working that way, Bill. What I expect is that if we as a Public Accounts committee will be using that body under our budget of public accounts, we will be then paying for the expenses of transportation or meals or whatever for the committee. I would suspect then that if the Minister of Finance is also using this Audit Committee, that the expenditures for its expenses will come out of an appropriate section of the Minister of Finance.

So, in each of those cases it will not be the Auditor's, unless the Auditor has decided to use the committee and obviously then if the office has made that determination that it wishes to use the Audit Committee it will have to be within the budget that he has put forward.

Mr. Bennett: It is possible under your act for the Audit Committee to be activated by the officials and ministers that I indicated a minute ago, and then in the next section it is also possible for the Audit Committee to ask the Auditor General for information, which is quite likely. I mean that is something they would probably do. So I guess what I am getting at is: How does the Auditor General pay for that under unexpected work?

Mr. Krawetz: I am not expecting that to be new work. I think what we are suggesting here is that in a review of documents by the Audit Committee it may rely on previous reports that the Auditor has done and is then granted that ability to ask the Auditor's office: Could you please supply that? So we do not anticipate new work for the Auditor's office as a result of what the Audit Committee may be asking for. We anticipate that it will be assisting and getting a perspective of what already exists.

Mr. Bennett: Okay, thanks. I just have one quick question, Mr. Chair. In section 22, I am just wondering, that is the section that deals with the information that has to be provided to the Audit Committee and if you look at the very last line of the first paragraph of subsection one, it says may provide the information requested as opposed to shall provide the information requested, which indicates that, in fact, if the entity to which the request has gone for information decides they do not want to provide the information, they do not have to.

Mr. Krawetz: That is correct, and I think that was something that the government wanted to ensure that there was still some degree of control by government and I guess that is a clause that was looked at in terms of the debate on the floor of the Legislative Assembly [*inaudible*]

Mr. Shiraz Shariff (Alberta): On the issue of selecting legislative officers: In Alberta we have five legislative officers and we do have a select standing committee that is in charge, entrusted with the recruitment and scrutiny process, as well as the reviewing of the budget and this is an all-party committee, so the work is done at that committee level. In your case you have decided that this is going to be part of the Public Accounts Committee. This being an all-party committee what happens is when they have made a final decision they make a recommendation to the Legislative Assembly, and, generally speaking, because it is an all-party recommendation it goes through with out much objection.

The recruitment of officers when either they retire or decide to resign: We appoint a special committee, a search committee, which is generally made up of members of the all-party select standing committee on legislative officers. They would go through a similar process as you have identified in your case and make a recommendation to the Legislative Assembly. In the past, that I recall, there really has not been much of an objection to that recommendation, and generally the Assembly has accepted and adopted the recommendations of that committee. So I just wanted to add that for the record.

Mr. Krawetz: Obviously the system that you have in Alberta, Shiraz, is working and your five members that are appointees of the Legislative Assembly they are not appointees of Executive Council, and I guess that is the difference that Saskatchewan was wanting to change. Previously to these changes in the Auditor Act it was the Premier that would appoint after, I think the word was consultation, and you know what consultation means.

Mr. Jim DeWolfe (Nova Scotia): It seems to me that this is creating another level. It is not in keeping with streamlining of government, making government more efficient. As I indicated in my report yesterday, we have in Nova Scotia a great working relationship with Roy Salmon, our Auditor General, and his staff. They provide us briefings on their audits with reference to topics of interest to the committee, and generally the Auditor General himself attends with staff. Failing that, his staff are there, the Deputy Auditor General, at all meetings of the Public Accounts Committee.

If we have a topic that we feel some more information is required on, we have requested and received special audits and he has reported back to the committee with the results of those audits on two occasions that I am aware of. So why not utilize the existing auditor general's office rather than create another Audit Committee?

Mr. Krawetz: I should not be speaking for the Government because this is a proposal put forward in the revision of the Auditor Act that Mr. Cline put forward, but I do support the ability to be able to seek outside assistance outside of the realm of the Legislative Assembly and the Auditor's office. Does it have to be used? The answer is no, and as I have indicated to you the Audit Committee has been in existence for a year already and we as a Public Accounts Committee have not used it yet. So while it might create, and I agree with you, it is another level, we felt that it was going to be a useful tool to be able to communicate with a group of individuals that would be closer to the public perception that is there in the public, to be able to have interpretations of issues. I think that is how we see it being used. Whether or not it will be used, whether or not it will do things that the Auditor's office should be doing, I hope not, because it is very clear that the independence of the Provincial Auditor's office is there now. It has been an independent body that has been reinforced by the changes to our Provincial Auditor's Act and I would hope that this Audit Committee is in no way looked at by individual MLAs on the Public Accounts Committee as a tool to replace the Auditor's office. I hope not.

Mr. Craig James (British Columbia): In British Columbia the Auditor General becomes involved with three committees and in the current context he becomes involved first with the Special Committee to Appoint an Auditor General, which consists normally of about nine members, and the trend has been toward utilizing the members of the Public Accounts Committee who seem best suited to determine what kind of

auditor they are looking for in that position. We do all of the selection process in-house and we do it very cost-effectively, saving a fair bit of money as opposed to using a headhunter in a private sector.

As with our other five statutory officers—we call them statutory officers—such as the Ombudsman, and the Freedom of Information and Protection of Privacy Commissioner, a special committee to appoint is normally done about every six years. Once the committee has made its recommendation a report is prepared, the committee unanimously approves its report, it is presented to the Legislature by the Chair and the House normally adopts the report and the wheels are then put in motion to appoint the Auditor General.

The Auditor General also becomes involved with two other committees, as you know, the Select Standing Committee on Public Accounts to which his reports are referred by the Legislative Assembly and our Deputy Chair has alluded to the fact that the Auditor General in British Columbia also will for the first time this year, in fact, in November be bringing his audit plan to the committee for approval by the Select Standing Committee on Public Accounts.

But it does not stop there, the Auditor General also appears before the Select Standing Committee on Finance and Government Services, which over the past two or three years has received two mandates. One, pre-budget consultation and the other, a review of the statutory officers, all of the statutory officers. In that context the Select Standing Committee on Finance and Government Services reviews the budgets and three-year rolling-service plans for each of the statutory officers, including the Auditor General.

Some of the big issues which have arisen over the past couple of years has been the notion of shared services. Early on in this current parliament members have observed that with each of the statutory officers they occupy separate accommodation. They have separate financial officers. They have separate human resource officers, and to the extent possible have encouraged them to share as many of those services as is possible.

It has been difficult, I think, for some of the statutory officers to undertake this process but by and large it is succeeding. They are beginning to share accommodation, share computer services, share human resources and share their financial services. To that extent the office of the Auditor General I understand is becoming involved as well.

The Select Standing Committee on Finance and Government Services approves nothing. It recommends the budgets, the three-year rolling-service plans, the three-year budgets for each of the statutory officers, including the Auditor General to the Legislative Assembly, which then has in the past approved the committee's report. Those figures are communicated to the Ministry of Finance who then puts them in the estimates along with vote one, which is the Legislative Assembly Estimates itself.

I have made a few notes here. The contingency issue that some members have spoken about in terms of what happens when a statutory officer, such as the Auditor General, runs out of money. In the case of British Columbia any statutory officer who feels that they need extra funding has to apply to the Select Standing Committee on Finance and Government Services; a process which is unfolding over the last couple of years and we have had from the Chief Electoral Officer, because of the recall issues in British Columbia, cost overruns and the committee has recommended contingency funding on that basis.

So, just for the information of members, that is how the situation unfolds in British Columbia. The Auditor General becomes involved with three committees: The Appointment Committee; The Public Accounts Committee, which is sort of the bread and butter, I guess, in terms of the work that he does; but also the Finance Committee, which scrutinizes in detail the budget and recommends to the Legislature a budget for the following three years.

Mr. Krawetz: Thank you very much, Craig. You know, Craig, when we were doing our initial planning we looked at the process that BC followed and we did copy a lot of the things as far as using a selections committee in-house, rather than going externally. So, after listening to Shiraz and hearing about Alberta, what I want to leave you with, of course, is that the information that I have presented to you has been presented through the Legislative Assembly on either our second reports or third or fourth reports in the Legislative Assembly. They are on our Web site and they can be accessed like we accessed British Columbia information.

So that is what I hope that this morning's discussion has done. It has given you some ideas about what has happened in Saskatchewan, useful or not useful to you, take advantage of that by checking into our Web site at the Leg Assembly and you will be able to get further information. So, again, thank you very much.

Mr. Jim Maloway (Manitoba): Thank you, Ken. Well, I am the only obstacle between you and lunch at this point. I would like to take this opportunity to thank all delegates for their attendance at the Manitoba conference. I hope that you found your stay a pleasant one and we hope that you will be back again to visit us again very soon

Next year's conference is scheduled to be held in New Brunswick. I would like to recognize Frank Branch and/or Don Forestell to advise us of the dates of the Public Accounts conference for next year. Frank or Don?

Mr. Frank Branch (New Brunswick): The next conference should be on the 28th of August to the 1st of September, and we would like to take this occasion to issue a very hearty and warm welcome to New Brunswick. We shall certainly endeavour to make things as interesting as possible. We hope we can come up somewhat to the measure of Manitoba with the masterful way that they handled things here this year. We certainly hope to see a lot of you people there next year, and, God willing, it will be a very successful conference. Thank you and we will see you in New Brunswick.

Mr. Maloway: We thank you and I am sure that all delegates will look forward to attending the conference in New Brunswick.

I would ask that all members now assemble down in the lobby. The bus will be leaving at 11:30, in another five minutes, for lunch at the Bridgeport restaurant at the Winnipeg Art Gallery. For those of you wishing to walk it is about five blocks. Jim Rondeau from the Manitoba delegation will be leading the group that wish to walk. The rest of you can ride the bus. The lunch at the Bridgeport officially closes this year's conference. Following the lunch for those of you who have indicated that you wish to attend Question Period and participate in the building tour we will be leaving immediately for the Legislative building right after the lunch.

Following the tour delegates can make their way back to the Fort Garry, and I was also asked to tell you that there will be a bus coming back from the Art Gallery for those who are not going to the Legislative Question Period this afternoon, so you will not have to walk back, you can ride back.

Once again I want to thank you for your attendance at this year's conference. Thank you very much.