

# CANADIAN COUNCIL OF PUBLIC ACCOUNTS COMMITTEES

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## SEVENTEENTH ANNUAL CONFERENCE SEPTEMBER 8-10, 1996 VICTORIA, B.C.

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### Report of Proceedings (Hansard)

Monday, September 9, 1996  
Morning Session

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The meeting began at 8:34 a.m.

**C. James:** My name is Craig James. I'm Clerk Assistant and Clerk of Committees of the Legislative Assembly of British Columbia. I also clerk the Public Accounts Committee in this jurisdiction, and for the past ten years now, I have been the so-called executive director of the Canadian Council of Public Accounts Committees. Over that course of time, the council has embarked upon a variety of different projects. I'll speak to those after the official opening ceremonies have concluded.

As you know, this is a joint conference and a joint opening. I believe that this is the first time in the history of this organization -- the Canadian Council of Public Accounts Committees and the Conference of Legislative Auditors -- that both groups have held their meetings in a parliament building. I think that certainly augurs well for both associations. It means, too, that the auditors and their staff are very welcome to sit and observe the proceedings of the council in the chamber -- and, I understand, likewise in the Douglas Fir Room. I'm sure everybody looks forward to doing that.

The program is meant to start at 8:30. We're just slightly behind schedule. The reason is that the Minister of Finance, the Hon. Andrew Petter, is cutting short a previous commitment to ensure that he is here to welcome, on behalf of the government of British Columbia, all of the delegates to Victoria and to the parliament buildings.

With that, I'll turn you over to the Chair of the Select Standing Committee on Public Accounts for British Columbia, Mr. Fred Gingell.

**F. Gingell:** It's a good opportunity for me to be able to upstage the Minister of Finance and beat him to the great pleasure of welcoming you all to this conference.

It seems to me, in thinking back over the last five years that I've attended these conferences, that we have a record turnout. I think that is good. I think that as more and more governments consider the issues of accountability, the importance and focus on the role of both Public Accounts Committees and legislative auditors is going to increase. I know that all the people within this chamber will support that. I'm sure many of you feel like I do. We work in a little bit of a vacuum, and the only notice that is taken of the work of both groups is when the auditor general's report comes out and the media has a feeding frenzy for 24 hours, if you've given them something to feed on. But clearly, we are going to play a more important role in the future. The accountability loop is not closed until after the auditor general and the Public Accounts Committee have done their work.

I hope that you will find this meeting well worthwhile. I have found it in the past to be a wonderful opportunity to meet members of Public Accounts Committees from other jurisdictions, to find out what they are doing and to get ideas from them as to how we can change what we do in our own committees.

I accept that the auditors general are a more permanent group. Chairs of Public Accounts Committees tend to come and go rather quickly. I'm surprised that after a mere five years, I'm one of the more senior ones. I think that shows I give some diligence to my job as Chair of the Public Accounts Committee, but it shows more what a lousy politician I am, because by this time I'm supposed to be sitting on that side of the House rather than on this side.

I welcome you all here, and I hope that you find these meetings well worthwhile. If you can't find Craig and you need some information or some help, please do not hesitate to ask me.

**C. James:** Now here is Mr. George Morfitt -- as you know, the auditor general for the province of British Columbia.

**G. Morfitt:** It's nice to follow the dean of Chairs of Public Accounts Committees. We've been working together for, as Fred said, five years. In the newspaper last week, the columnist for the local paper called me the godfather of legislative auditors. So we now have the dean of Public Accounts Committees and the godfather of legislative auditors operating in this province. I think we're operating quite well. You'll hear more about what we're up to in this province, I'm sure, over the next couple of days.

A very warm welcome to the province to everybody. We have guests here from all over the world, including our friends from Bermuda, who always accompany us to these conferences, and I'm very pleased to have them again. We have, of course, guests from Australia and the U.K. I may miss out some other spots from around the world, but if I do, I'm sorry. It's very nice to have everyone here.

Our two groups, the legislative auditors and the Public Accounts Committee members, have very important interactive roles to play. We are very dependent upon one another for ensuring that the work we do meets with good success. So it's very important that we get to know one another, that we get to know what we each are trying to accomplish and that we move ahead in what we're trying to do to keep the government held to account. The conference theme for the legislative auditors is auditing for better public sector performance, and that is indeed what we are trying to accomplish as we do our work.

The next two days, I'm sure, will be very instructional. We were very pleased to start off events last night with the presentation that we made to the Lieutenant-Governor. We know that things are going to move along at a very fast pace over the next couple of days, as well. We're going to meet together socially, as you know, over the next couple of days at the breaks, the barbecue this evening and the lunches. So we're going to try and mix amongst ourselves as much as we can, to try and meet as many of you as possible.

With those few remarks, welcome again, on behalf of the legislative auditors, to the province and to these meetings. Have a very good two days. Now we have Mr. Petter with us.

**F. Gingell:** It gives me a great deal of pleasure to introduce to you the Hon. Andrew Petter, Minister of Finance and Corporate Relations and Minister Responsible for Intergovernmental Affairs.

**Hon. A. Petter:** Thank you very much, Fred. It's always a pleasure to be in the House under these circumstances, because we can actually agree and have a pleasant discussion around things that sometimes one can't have when we're meeting more formally.

I would like to take the opportunity to welcome everyone to Victoria -- those of you who have travelled a great distance and those of you who have come from elsewhere within the country. I'm glad that the weather seems to be at least hospitable. I hope you enjoy your stay here and assist our economy by partaking of the pleasures of the capital city. It's a great honour for me to be able to welcome you to Victoria for what I understand are two conferences: the Canadian Council of Public Accounts

Committees and the Conference of Legislative Auditors, which will take place over today and tomorrow.

[8:45]

It's well known among politicians that some portfolios are more challenging than others. When I was asked to take over as Minister of Finance a few months ago, I knew that this portfolio would be a challenging one, although I may add that the scope of that challenge is becoming increasingly apparent and daunting to me day by day. People obviously have an understanding, and an understandable dislike, of taxes. That's nothing new. In the seventeenth century, Jean-Baptiste Colbert, a financial advisor to the French king, said: "The art of taxation consists in so plucking the goose to obtain the largest possible amount of feathers with the smallest amount of hissing." That's a fairly negative view. We should remember that goose feathers can be well applied and provide a comfortable night's sleep if applied in the correct way to stuff mattresses and pillows. Nevertheless, it does draw attention to the fact that this is a challenging task. Speaking of geese, we must also remember not to kill the geese that lay the golden eggs on which we all depend in order to have a healthy society and the benefits that government can provide.

While the debate regarding where tax money is spent will always be with us, one of the things our government is also trying to do is improve accountability. The public often hears conflicting views on the state of the province's finances. We sometimes hear such conflict in this chamber, and we are of course aware that there are perceptions, some more accurate than others. Nonetheless, a fairly common perception is that public accounting procedures are perhaps not as good as those in the private sector, so we are certainly working hard to restore public confidence.

The auditor general, who you have just heard from, has offered constructive advice over the years as to how we can do a better job of reporting our fiscal position to the public, and we have acted on that advice. In addition, the comptroller general has been proactive in ensuring that government accounting is presented in a readily understandable format. We are also constantly looking at ways to improve reporting, so that we can offer accurate and fair comparisons to other jurisdictions whose accounting procedures or government structures differ from British Columbia's.

In a personal way, I want to say that this has been very much a non-partisan exercise in this province over the last term of government and since I have been in this House. That is due in large measure to the efforts of Fred Gingell, who, notwithstanding his status as an opposition MLA, has headed up the Public Accounts Committee in exemplary fashion. He has shown tremendous leadership for all of us in terms of

pioneering recommendations and steps forward in improving public accountability. I certainly intend to listen to and learn more from Fred as we go ahead.

That's really the value of this kind of conference: the topics that you will be discussing during these conferences will indeed assist us and will assist governments across Canada. I look forward to chatting with some of you during your visit here. As I say, I hope you don't work so hard as to deprive yourself of the opportunity to enjoy this capital city at a beautiful time of year. I'm sure that any of us who live here will be happy to steer you to appropriate venues, attractions, restaurants, and the like.

Let me close by welcoming you here. I hope you have a productive and enjoyable time, and I look forward to meeting with many of you over the next few days.

**C. James:** I have a few program notes before we conclude the joint opening ceremonies. The coffee breaks will be held, as you know, in the Ned DeBeck Lounge. Some of you have already experienced the labyrinth of hallways to get to the dining room this morning; it's not as complicated as getting to the Ned DeBeck Lounge. We will have people stationed in the Speaker's corridor who will lead you up to the lounge for coffee. As you know, the two lunches, today and tomorrow, will be held in the parliamentary dining room.

The Canadian Council of Public Accounts Committees is videotaping their two-day conference. Anybody interested in obtaining a copy of the videotape should let me know directly, so we can make arrangements to provide that to them.

As well, before we embark upon our separate sessions, I would just like to recognize the fact that there is quite a large international contingent at both conferences this year. For the first time, certainly for the Canadian Council of Public Accounts Committees, we have guest speakers from as far away as Washington, D.C.; Portland, Oregon; and London, England. We have a good, solid contingent from New South Wales who are here today and tomorrow, as well; and, of course, we shouldn't forget Bermuda.

In the program, you will notice that later this morning there will be a joint photograph. It is scheduled to occur on the back steps of the Legislative Library, and we will guide you in that direction. Photographs near the buildings sometimes are problematic because of lighting, and so we may have to, at a moment's notice, switch to the front of the buildings depending upon the lighting situation or rain or otherwise.

Having said all that, this concludes the official joint opening session. We look forward to having everybody in the chamber again tomorrow for the actual joint business

session. I'm sure everybody will find that most worthwhile and provocative, hopefully.

For those of you who haven't been to the Douglas Fir Room -- the Conference of Legislative Auditors delegates -- if you leave the chamber through the revolving doors, turn left, go to the far hallway and turn left, you will see people stationed outside the Douglas Fir Room who will lead you into your conference and the proceedings thereof. We will just take a five-minute break while everyone clears out and we get set for our own sessions.

The meeting recessed from 8:52 a.m. to 8:58 a.m.

**C. James:** If I could have your attention again, we're ready to commence with the formal business sessions of the council. You will see on your conference program that the very first thing is something by me: the Canadian Council of Public Accounts Committees Internet home page.

[9:00]

For some of you who have not been associated with the council much, I would just like to point out that over the past decade, the council has been somewhat active in a variety of different projects they've embarked upon that have been more educational for not only their members but certainly for auditors and for the public at large. Three distinct publications come to mind. One is the *Canadian Public Accounts Committees and Legislative Auditors* handbook. Now, the handbook is really a directory of all members of the Public Accounts Committees across the country, the legislative auditors across the country and also the comptrollers general across the country. The second portion of the handbook consists of the various standing orders applicable in the various parliamentary jurisdictions which guide committees in their work related to the Public Accounts Committees. You will see, having had a look through it, that the handbook and certainly the standing orders offer the very diverse ways in which various Public Accounts Committees operate throughout the land and indeed throughout the Commonwealth.

I don't have a hard copy of the handbook with me. The handbook has been updated and is on the Internet. What we're trying to do through the use of the council's home page is reduce the number of printed copies of publications that it produces and rely solely, I suppose, on the use of the home page itself.

A couple of other publications that we've produced over the last while . . . .  
The *Comparative Jurisdictional Implementation Survey* is a document that was produced during 1990-91. In some detail, it goes into guidelines for Public Accounts

Committees. That was a publication produced in the mid-eighties, which enabled some ability to understand how the various Public Accounts Committees across the country operated, who used what protocols, what standing orders applied -- everything from how many members were on the committees to what issues they were able to deal with, what reports they published and so on; a very extensive publication. The *Comparative Jurisdictional Implementation Survey* is also on the council's home page.

The third document which is on the home page is the *Task Force Report on Crown Corporation Accountability*. This report was the work -- almost three years' worth of work -- by members of the association in the early nineties. Being on the home page, it comprises the third official document that I'm sure all members would like to avail themselves of.

There are only a few of these publications in print now. We're hoping not to reprint. If you have a look in the Cedar Room, which is just adjacent to the chamber, there are a number of documents that have been left for delegates to pick up as they wish. There are just a few of the council's publications there, as well, so you may want to scurry over there and get them before they disappear.

The council's home page is initially very simply designed and can be retrieved from your computer by typing in <http://ccpac.ca> -- it gets you right in there. We will try over the course of the next year to expand upon its ability, to provide more information than what is currently contained. What will be added to it over the course of the next month will be the council's conference program, so that everybody can see what happened, and so on. But also I have in mind a number of other projects over the course of the next two years.

There will be links to other relevant and useful home pages, particularly other Public Accounts Committees, whether they are here in Canada, in the United Kingdom, in Australia or throughout the Commonwealth; but also links to the very useful and important work that's being done south of the border -- Washington, D.C. Of course, you have a variety of state legislatures and the U.S. Congress itself. We have with us for the two days Harry Hatry from the Urban Institute. If they have their own home page, I'll be discussing some way in which, or receiving some advice upon which, we can have links to the work that's being done there, as well. That's not to leave out, of course, the home pages that the various legislative auditors throughout the country have put together, too, all of which is meant to make your work a little easier, I hope, and certainly to provide more pertinent and more timely information in your role as legislator, Public Accounts Committee member or Clerk thereof. So that essentially is where we are now. There is just a very cursory printout of the front page of the

council's home page on the Web. Stacks of them are in the Cedar Room, and you're very welcome to pick those up, as well.

Are there any questions? Because we are being recorded on videotape, could you identify yourself and the jurisdiction from which you come?

**J. Chagnon:** Jacques Chagnon, délégué du Québec. J'aimerais savoir si, sur le site web du groupe, il sera possible de recevoir les conventions comptables, généralement admises par le Bureau des vérificateurs généraux du Canada et de chacune des provinces. Comme parlementaires, on a parfois des questionnements sur certaines conventions comptables choisies ou déterminées par les gouvernements. On s'aperçoit que dans ces années-ci, particulièrement au moment où tous nos gouvernements mettent beaucoup d'énergie à faire en sorte de diminuer les déficits dans chacune de nos provinces et aussi au gouvernement fédéral, on a des tendances dans certaines provinces à transporter des dépenses qui autrefois étaient des dépenses -- qui sont, qui devraient, à mon avis, être généralement considérées comme des dépenses d'opération -- on a une tendance à les envoyer dans des dépenses d'immobilisation. Cela pour faire en sorte, évidemment, de réduire son niveau de déficit. Les questionnements qui pourraient se faire au niveau des conventions comptables, je me demandais si le site web pourrait permettre justement cet échange entre des parlementaires et l'association.

**C. James:** I don't see why not. I think it probably would be more relevant if . . . . I don't know if Alan feels comfortable in speaking to this issue. He is involved with a certain section, I believe, of the Canadian Institute of Chartered Accountants. Maybe I could just turn it over to Alan Barnard. He might like to respond.

**A. Barnard:** This is an entirely unexpected pleasure.

I think the whole issue of accounting for capital versus operating is something that the Public Sector Accounting and Auditing Board will be presenting some guidance on to jurisdictions in the fairly near future. We have been dealing quite extensively with the question of accounting for physical assets and making some recommendations there, but this also ties into the whole concept of how jurisdictions do their budgeting. The budgeting issue relative to capital budgeting and what is determined to be a jurisdiction's annual operating surplus or deficit is obviously tied in with this. The recommendations, which are currently under discussion, have not yet been issued but are in fairly advanced draft form. They would indicate that a jurisdiction's annual operating figure would be what we call the change in net debt. The change in net debt is the difference between a government's financial assets and its liabilities. The change in that figure, essentially, would be an expenditure-based deficit. I think those recommendations would probably help the situation that you're looking at.



**J. Chagnon:** Les travaux sur cette question devraient se terminer prochainement. Est-ce que vous avez une idée du moment où vous allez terminer ces travaux? Est-ce que ce sera d'ici la fin de 1996, par exemple?

**A. Barnard:** As with the work, the schedule is to be completed by the beginning of 1997. We have a meeting, which will probably be in December of this year, and the board meeting, which I am hoping will give final ratification, should be in early 1997.

**C. James:** I don't know if the Canadian Institute of Chartered Accountants has their own home page. I suspect they probably do, but one of the issues that you raise, of course, is whether all of this can somehow be on a home page somewhere. I suspect that it probably will, and it seems to me that it certainly would be a useful link to have on the council's home page. So I'll follow that up.

Any further questions or comments?

**M. Abdurahman:** Just following up on the delegate from Quebec's question, I was wondering what work has been done in the area of reserves being used in operating budgets. Have the auditors looked at a way of reporting that? There are indications in Alberta that this is indeed happening, where reserve funds are now being used as operating, and it's the subtlety of it being hidden.

**C. James:** You're asking the wrong person. Maybe I could defer to Alan Barnard, who is the comptroller general for the province of British Columbia.

**F. Gingell:** We'll have to define reserves.

**A. Barnard:** Relative to government accounting, the recommendations that are in place right now would have all jurisdictions reporting on the totality of their operations. They would, in fact, be asking for fully consolidated financial statements, which would include all of the funds as well as Crown corporations that have been spun off to do specific things. It is the summary financial statements which are considered to be the prime financial statements of government, and they are all-inclusive. There is a fairly well defined definition of what should be included in the government summary entity.

**C. James:** I suspect that some of this may be dealt with later today at 1 p.m., when Alan, Fred Gingell and Errol Price, from the office of the auditor general, will be dealing with managing public sector performance, the view from British Columbia. Some of this, I'm sure, can be canvassed at that time.

Are there any further questions or comments? Aside from that, are there any projects or areas that the council might find useful to incorporate into its own web site? If not, I think we can -- we're running a little ahead of schedule, which is just fine -- go to reports from jurisdictions. Reports from jurisdictions in the past have been presentations by the Chair or designated member of the Public Accounts Committee from each jurisdiction, simply to report upon activities during the past year and to highlight briefly areas or issues which have surfaced which may be of some interest and value to other members of the council. Could we start with the House of Commons and, for this session, could members speak from their desks rather than coming to the table, then identify who they are and in what capacity they serve on their particular Public Accounts Committee. So if we could start with the House of Commons.

**M. Guimond:** Bon matin à tous et à toutes. Mon nom est Michel Guimond. Je représente la circonscription de Beauport-Montmorency-Orléans qui se trouve à être le berceau de la civilisation française en Amérique, particulièrement la côte de Beauport, et l'île d'Orléans, qui est située près de la ville de Québec. J'ai été élu sous la bannière du Bloc québécois à l'élection fédérale du 25 octobre 1993. Je suis le président du Comité des comptes publics depuis mars 1996. Je remplace ainsi M. Richard Bélisle que certains d'entre vous ont peut-être eu l'occasion de rencontrer à la conférence de Charlottetown il y deux ans. Je peux dire que M. Bélisle et les membres du comité ont fait un excellent travail durant ces deux années et les 18 rapports qui ont été adoptés sont là pour le prouver.

With me are two other members of the subcommittee on agenda and procedure, M. Denis Paradis is on my left, one of the vice-chairs. He is a member of the Liberal Party of Canada and the MP for Brome-Missisquoi in Quebec.

[9:15]

On my far left -- far left, I hope, is a good expression -- is Mr. John Williams, a member of the Reform Party. I mention the far left, but he's the MP for St. Albert, in Alberta.

Je ne parlerai pas de tous les sujets que le comité a étudié depuis deux ans, parce que j'en aurais certainement pour longtemps. Je vais présenter brièvement certaines questions qui ont retenu l'attention de notre comité. Moi qui siégeait au Comité des transports à la Chambre des communes, je suis encore étonné de la diversité des sujets auxquels touche le Comité des comptes publics dans le cadre de ces travaux.

Le premier sujet dont je peux vous entretenir: on a parlé de science et de technologie. En mars et mai '95, le comité s'est penché sur trois chapitres du rapport du

Vérificateur général du Canada, portant sur certains aspects de la gestion gouvernementale en matières de science et de technologie. Lors des audiences, le gouvernement était sur le point de déposer une nouvelle stratégie en matières de science et technologie. Le sous-ministre ne pouvait rien révéler des prémisses de la stratégie, sauf pour dire que cela répondrait aux préoccupations du Vérificateur général. Pour sa part, sans remettre cette démarche en question, le Vérificateur général de son côté faisait remarquer que malgré les nombreuses discussions au cours des 30 dernières années, les questions de stratégies, de priorités, de résultats, n'ont jamais été réglées jusqu'à maintenant.

Comme le comité voulait s'assurer que les éléments clés soient présents pour qu'ils puissent donner lieu à de véritables changements, notre comité a recommandé que le Vérificateur général nous fasse rapport sur le contenu de la stratégie, peu après son dépôt qui a finalement eu lieu en février dernier. Selon M. Desautels, le Vérificateur général du Canada, cela semble encourageant, mais le vrai défi sera de mettre la stratégie en place.

Un autre exemple que je pourrais vous donner est celui de l'Office national des transports. En juin 1995, le comité s'est penché sur le programme de subvention aux transports des marchandises dans la région atlantique. En '93-94, le gouvernement avait consacré 106 000 000 \$ à ce programme. Après l'évaluation du programme, le gouvernement libéral annonçait dans le budget de 1995 que les subventions se termineraient le 1er juillet 1995. Le programme était géré par l'Office national des transports. Dans son rapport, le Vérificateur général a constaté que, «puisque les subventions versées correspondaient à un pourcentage des frais de transports, cela pouvait inciter les transporteurs à gonfler les prix chargés aux expéditeurs avec lesquels ils étaient affiliés.» Le Vérificateur général craignait que le gouvernement soit exposé à ce risque, à l'étape de la dissolution du programme. Notre comité voulait donc déterminer, en outre, si on pouvait réduire la possibilité de versements excédentaires.

Au cours de la réunion, le président de l'Office national des transports a exposé sa procédure d'examen des taux et des activités de l'office, en disant comparer les demandes de subventions avant et après l'annonce de l'abolition du programme. Si les taux sont haussés sans explications valables, la demande sera rejetée. Pour notre comité, cette procédure ne tient pas compte de la possibilité que les taux des transporteurs à risque élevé ont été gonflés avant l'annonce de l'abolition.

Dans son rapport, le comité a demandé que l'Office national des transports modifie sa procédure d'examen. Notre comité a aussi exprimé sa déception devant le fait que des mesures n'ont pas été prises en temps opportun par ceux et celles qui avaient la responsabilité de régler les problèmes.

Un autre exemple sur lequel notre comité s'est penché est les systèmes en développement. En novembre 1995, le comité s'est penché sur les systèmes d'informations. Il y a environ 25 grands projets en cours dans les différents ministères à Ottawa dont la valeur totale atteint 2 100 000 000 \$. Notre comité s'inquiétait du fait que sur les quatre projets examinés par le Vérificateur général, un seul était géré d'une façon qui tenait bien compte des risques. Le sous-secrétaire du Conseil du trésor a reconnu que le bilan n'était pas des plus brillants, et il a remis à notre comité un plan d'action qui propose des améliorations au cadre des gestions déjà existantes. La probation du financement des projets se ferait par étapes et non plus par blocs. Le passage à l'étape suivante aurait lieu seulement si les résultats sont atteints.

Dans son rapport, notre comité a recommandé la publication d'un rapport annuel sur l'état de la situation concernant les investissements des ministères dans les systèmes en développement. Nous avons aussi recommandé qu'avant d'accorder le financement de tous projets, le Conseil du trésor s'assure que les éléments de parrainage et de réédition de comptes soient présents.

Another subject we studied today is the advance rulings. One of the last things the committee considered before the end of the session of Parliament in June was the well-known issue of the two advance rulings concerning the transfer to the United States of assets worth at least \$2 billion held in family trusts in Canada.

On this matter, Revenue Canada had received a request for an advance ruling on whether residents could hold taxable Canadian property. Without going into detail, since the transaction was rather complex, I will note that the legislation was unclear on this matter. Revenue Canada therefore discussed the matter with the Department of Finance and the Department of Justice. The recommendation provided to the auditor general indicates that Revenue Canada had decided not to make a decision favourable to the taxpayer.

After several weeks of discussions, this decision was set out in a memorandum dated September 23, 1991, sent from the assistant deputy minister to the deputy minister. In a matter of hours, however, everything changed. The same day, after two or three meetings with the Department of Finance, Revenue Canada reversed its decision. It seems that the trigger was a letter from the Department of Finance indicating that Parliament intended to adopt certain provisions that were critical in this matter. The troubling thing in this entire matter is that no documentation is available to clarify what happened on the day of September 23, 1991. It is important to point out that the AG did not question the integrity of the departmental employees.

At the meeting we had with representatives of Revenue Canada, the Department of Finance and the office of the auditor general, the committee learned little about what

had happened to make Revenue Canada change its decision. The matter was then transferred to the Finance committee, which was given responsibility for considering the ambiguity of the legislation on taxable Canadian assets and the taxation of capital gains when Canadians leave Canada. A report is expected in the fall. In order to shed light on what happened, the Public Accounts Committee will hold its first fall meeting on this subject. It intends to invite the representatives involved in that decision.

En terminant, j'aimerais vous parler de la publication des rapports périodiques du Bureau du vérificateur général. À la conférence de Charlottetown, M. Bélisle vous avait annoncé que la Chambre des communes avait adopté un projet de loi qui permettrait au Vérificateur général du Canada de produire plus de rapports par année. En 1995, le Bureau du vérificateur général a fait un rapport en mai, octobre et novembre. Une moyenne d'environ 10 chapitres par rapport ont été publiés. Cette année, un premier rapport a été déposé le 7 mai dernier et le Bureau du vérificateur général prévoit publier les autres en septembre et novembre.

Il n'y a pas de doute que les rapports périodiques ont permis de se pencher sur des sujets de façon plus rapide et, par conséquent, de rendre le travail du Bureau du vérificateur général et du Comité des comptes publics plus efficace. Prenant, par exemple, l'affaire des fiducies familiales dont je faisais état tout à l'heure. Ce chapitre a été publié en mai, et à sa sortie, le ministre des Finances a demandé que l'ambiguïté au niveau fiscal, soulevée par le Vérificateur général, soit clarifiée par le Comité des finances dans un rapport à la Chambre à l'automne. Le problème sera peut-être réglé au mois de novembre prochain au moment même où était habituellement déposé le rapport annuel du Vérificateur général. Toutefois, je ne crois pas, personnellement, que le Vérificateur aura avantage -- et c'est vraiment mon opinion personnelle; je ne parle pas au nom des membres de notre comité -- à publier quatre rapports par année à moins qu'une urgence ne le justifie. La publication d'un rapport a un peu tendance à faire oublier le précédent, et il faut bien avouer que nous, politiciens, surtout quand on est dans l'opposition, aimons mieux battre l'affaire pendant qu'elle est encore chaude.

Je suis convaincu que cette conférence sera des plus profitables pour mes collègues de la Chambre des communes et moi-même. Merci de votre attention.

**C. James:** Thank you very much. Are there any questions about the House of Commons?

If not, let's proceed alphabetically. We'll have Alberta next.

**M. Abdurahman:** I'm Muriel Abdurahman. I'm a Member of the Legislative Assembly for Clover Bar-Fort Saskatchewan, which has all varieties of industry, from petrochemical to agriculture.

I've been Chairman of the Public Accounts Committee for three years. I should start off by saying that there was a resolution in the Alberta Public Accounts Committee that no one from a political arm should be represented here. After three years of being in the wilderness, I made a decision that I would be in Victoria for this Canadian Council of Public Accounts Committees Conference, irrespective of the majority vote in the Alberta Public Accounts Committee.

I would like to start off on a positive note and stress that the auditor general's department, under our new auditor general, Peter Valentine, has certainly been doing an incredible job in tabling timely reports in the Legislature. There's certainly been an openness coming through the auditor general's department over the past three years I've sat in the Legislature.

One of the major frustrations from auditor general's reports in the province of Alberta is that the government accepts in totality the recommendations of the auditor general, but they're abysmal when it comes to actually acting on those recommendations. I'll only be satisfied when we see 100 percent action on the recommendations from the auditor general.

The Public Accounts Committee, from the Chairman's point of view, is very frustrating. In my view, it's impotent, inasmuch as it's an extension of question period: what we literally do is ask questions. If the majority of the committee members feel that we're getting into policy, the Chair is challenged. So I do not see the public accounts process in Alberta giving the level of accountability that Albertans deserve. I fully believe that if the Public Accounts Committee adopted all the Canadian public accounts recommendations, we could have an effective and accountable process.

We're only allowed to meet when the House is in session. For example, this August we had the fall session, which lasted one and a half weeks. All we've dealt with is the auditor general's report. No ministers appeared before the Public Accounts Committee, because the majority of the committee passed a motion that we cannot meet outside of the House sitting. So I'm going to be giving you a frustrated Chairman's perspective on public accounts in the province of Alberta.

I have a paper that I presented to chartered accountants on the invitation of the deputy auditor general, Andrew Wingate, where I put forward my perspective on how you could make a Public Accounts Committee very effective and bring full accountability on tax expenditures. One of the areas that I highlighted was the concern about delegated administrative authorities, where public money was finding itself going down the system into private hands with no accountability back to the floor of the Legislature. I think we should all be concerned about that, when we see the move to privatization.

[9:30]

The other issue identified -- following the delegates from Quebec -- is that in our educational system and even in municipal, where we have acquired reserves, I'm certainly aware of reserves now being shifted to operating, and it's not evident. So I think that's another area we should be very conscious of: why reserves were put in in the first place and what's happening to them in today's economy. I believe that could result in us having a very difficult time when that becomes public knowledge.

I'm very pleased to be here. I may not be the Chairman after being here, because we are coming up to an election. I hope that I will continue to be involved in bringing greater accountability back to governments -- or for the first time, in many instances. That's the very reason I ran for public office.

**C. James:** Are there any questions of Alberta?

**J. Chagnon:** Est-ce qu'en Alberta vous n'avez pas un processus d'imputabilité de hauts fonctionnaires pour répondre aux questions soulevées par le rapport du Vérificateur général? Quand je parle d'un processus d'imputabilité, je pense à un processus où un haut fonctionnaire, prenons par exemple un sous-ministre ou un président d'une société d'état, viendrait devant une commission parlementaire répondre aux membres de votre commission parlementaire sur leur gestion dans leur ministère particulier.

**M. Abdurahman:** In the province of Alberta, it's the ministers who are required to appear. They certainly do bring their staff, but they have the prerogative. If they don't want to answer a question, they don't have to. Now, in fairness to the government of Alberta, certainly the ministers have been much more forthcoming and have brought staff to the Public Accounts meetings to hopefully answer all their questions. But there's still no requirement. They do not need to answer questions. This is where we get into the issue where a government member will move a motion that it's into policy, if you get into very sensitive areas.

**J. Chagnon:** Donc, cela s'applique uniquement au ministre. Vous ne pouvez pas, par exemple, convoquer le sous-ministre du ministère des Finances ou du ministère des Transports à votre commission parlementaire pour lui demander des questions soulevées par le Vérificateur général dans son rapport sur la gestion de son propre ministère.

**M. Abdurahman:** No, you don't have the legislative authority.

**C. James:** Any further questions?

**J. Williams:** When you're talking about reserves, I presume that these reserves you allude to or mention are not carried over from one year to the next. They're strictly misrepresented, shall we say, in the budget documents, and the funds are allocated elsewhere as they are spent. When the final public accounts are tabled later on, the moneys showing up as having been spent in one area don't really line up with the budget documents that have been tabled at an earlier date. Am I correct in saying that the reserves are not holdovers and carryovers into subsequent years, but that it's strictly money allocated in a different area in the current year?

**M. Abdurahman:** I should make it clear that the reserves that I'm aware of and am concerned about right now are usually in the educational institutions and can be in health. The reporting system since we restructured health and also the substantial cutbacks to our educational institutions are the areas that I'm concerned about. I would like to see within the public accounts that arm's length, but still publicly funded institutions, would indeed show in more detail what's happening in the budget process and with expenditures.

**C. James:** Any further questions or comments about Alberta? If not, we'll proceed with British Columbia.

**F. Gingell:** My name is Fred Gingell. I'm the member for Delta South. Those that came over on a ferry yesterday from Tsawwassen left from my riding. I represent the southwesterly corner of the mainland. I normally sit in the second chair over there, and I shout a lot and wave my fists, but I'll try this morning not to do that. It's a strange feeling sitting on this side of the House for a change.

The British Columbia Public Accounts Committee has suffered until this past year from the time restraints that were mentioned by Muriel from Alberta. We have been restricted to sitting only when the House is in session. The committees are automatically dissolved at the closing of each session, so the Public Accounts Committee can't start work in any new session until after the Special Committee of Selection has sat and a process has been gone through. It normally takes us two to two-and-a-half weeks before the Public Accounts Committee knows who is on it and has been given the authority to meet. While the House is in session, we meet on Tuesday mornings at 8 o'clock. We are not allowed to meet while the House is actually sitting, so because the House sits at ten, we sit from eight until 9:30. Under those circumstances, it just isn't possible for the committee to do as good and thorough a job as is clearly mandated.

In the past year, when the House adjourned in July 1995, the auditor general's office and the deputy ministers' council had just tabled a major joint study, called *Enhancing Accountability for Performance in the British Columbia Public Sector*. For the first



time, the Public Accounts Committee was authorized to sit out of session. I had a tacit understanding with the Government House Leader that we would deal only with that report, and that we did. We dealt with it in a fairly major manner, holding public hearings, and we will be discussing the report and its consequences later in this session.

The Public Accounts Committee in British Columbia works reasonably well, if somewhat restricted by time. We have tried to keep the work of the committee and the tenor and tone of the meetings as non-partisan as we reasonably can. Because the House came back for only three or four days this year before the election was called, the committee didn't have a chance to meet. When the House was called back on June 28, we sat only until the middle of August, so the committee hasn't had any time at all to deal with the five reports the auditor general has tabled since that time.

During July we were able in our new committee to review and deal with the work and the recommendations that the committee had made in the spring of 1996 on the joint report of the auditor general and the deputy ministers' council, to which I've just referred. For the first time, we were authorized, on the day the House adjourned this year, in the middle of last month, to sit out of session. So we are presently planning our schedule. We have at least five reports that the auditor general has tabled in the past year that we haven't dealt with yet or that we've only just started. We intend to meet during the winter months and get those reports dealt with by the time the House is called back into session next spring.

Our auditor general breaks his reports into particular groupings. First of all, there is the annual report on the public accounts. The committee, in dealing with that report, has gone into the issue that we all have, the question of unfunded pension liabilities; the question of capitalization of assets; and the question of debt that will only be repaid in the future through further appropriations. It is what we in British Columbia call agency debt, a means by which the government has borrowed funds for hospital boards to build hospitals, for school districts to build schools, for university boards to build university buildings. All these funds have been borrowed by an agency of the provincial government and then reloaned to these independent boards. The independent boards get annual grants from the government to enable them to turn around and make the payments back to the government on these loans -- an issue, as you can well imagine, that's been the subject of a lot of discussion.

The second group of reports that the auditor general's office produces is what they call compliance-with-authorities reports. This is a particular group within the auditor general's office who look at the issue of whether government ministers and agencies are complying with legislation, fulfilling their mandate and responding to their responsibilities. We spend quite a bit of time on that. Is the Attorney General's office

ensuring that travel agents are properly registered and that they are in fact following the requirements of the Travel Agents Act and similar requirements.

Then there is a series of value-for-money audits -- whether the government is successful in operating their programs efficiently, effectively and economically. The only arguments between members of the Public Accounts Committee that we ever seem to get into are in these areas, where we get into the question of what government policy is. Government members -- I'm sure you all have similar experiences -- are most keen and determined not to allow the Public Accounts Committee to discuss policy. The committee tries to keep itself to the issue of whether the policy as stated is being carried out. Of course, the problem we have -- and I'm sure all of you do -- is that governments don't like telling you what their policy is. They don't like telling you what they're trying to accomplish. I think that all provinces are working towards changing that.

[9:45]

The last set of reports the auditor general's office puts out is items that he refers to as items of special interest. The report that has just been tabled, which we haven't dealt with yet, deals with the use of special warrants. It deals with the inconsistencies of counting employees of the provincial government and reporting on them. It deals with the issue of government advertising just prior to election campaigns, and opposition members are certainly looking forward to our discussing that report. The committee specifically dealt in depth with the issues surrounding government debt, and the reporting of it, and the issues of unfunded pension liabilities. We specifically dealt in some depth with the issue of the difference between contributions and grants and the handling of grants to non-government organizations, how they account for those funds, and whether it is done in an efficient and effective manner.

We also got into the issue that the government should keep its accounts on the basis that if it is a contribution for services to be rendered, the grant should be in the same period of time that the services are going to be rendered. But if it's a grant, that same set of rules doesn't work. So you get into the issue, of course, of being concerned about whether the public accounts are properly recording the cost of government for a particular year or whether those costs have been moved into the year before or the year after, by prepaying or delaying the payment of grants.

We also dealt with the issue of tax expenditures or implicit expenditures, and have made recommendations that there be greater detail disclosed of those matters. In fact, listings of tax expenditures were made in this year's budget reports.

There has been quite a bit of work done by the Public Accounts Committee in dealing with reports by the auditor general on work done within the Ministry of Health, primarily on the issue of, when major mental institutions were closed in the province, the treatment and planning for looking after the patients from those institutions as they were moved into the community. We also dealt with the issue of availability and delivery of psychiatric services throughout the province.

For one of the first times, the auditor general moved outside the direct government role and looked into the issue of purchasing practices in school districts, made some recommendations there, and the committee dealt with them.

I'm not sure whether the committee has a right to call ministers; that doesn't happen. No ministers sit on the committee. The officials who attend on behalf of the ministry are the deputy ministers or senior personnel who are in charge of the particular programs. The exchanges are very open and are frank, and I think they work well.

I'm hoping that, with the ability to meet out of session in the coming months, we'll not only deal with the auditor general's office but also with some reports from the very substantial internal audit department of the comptroller general. I'm sure there are some issues that members of the committee would also like to bring forward; as I say, in earlier years we haven't had the time or the resources to deal with them. But I'm hopeful that it will be different this year, that this year will be a precedent that will be carried on and that the Public Accounts Committee will be freed of its time restraints.

I'd be happy to answer any questions.

**C. James:** Are there any questions of British Columbia? Again, for those of you who would like, many of the publications to which Mr. Gingell referred are in the Cedar Room, including the substantial second report, which is really the first report on the issue of accounting for performance in the British Columbia public sector. The various other reports leading up to this from the deputy ministers' council are on the table in the room next door, as well. If there are no questions or comments, then we'll move on to Manitoba.

**C. Santos:** My name is Conrad Santos, and my colleague here is Ed Helwer. I will make the presentation; he will answer all the questions.

Having met three times, the Standing Committee on Public Accounts of Manitoba was affected by the general election. It was reconstituted at the commencement of the new Legislature, when I was elected as Chairperson. I am the MLA for the heart of the city, called Broadway. I'm very new in this kind of work, so I will just be guided by this paper. Just as a note of interest, this change -- the election of the Vice-

Chairperson for the committee -- is a first for Manitoba. This took place because of a change in the rules. The rule change provides for the election of a Chairperson and a Vice-Chair for each of Manitoba's standing committees at their respective first meeting in the new Legislature. The persons who are elected to these standing committee positions are elected for the duration of the Legislature, unless, of course, the member resigns or they die, upon which event a new Chair or Vice-Chair would be elected.

In terms of other changes, the former provincial auditor, Carol Bellringer, resigned from the office of the provincial auditor in March 1996 and took up the office of auditor of the city of Winnipeg. A new auditor for the province was announced in July 1996, in the person of John Singleton, who had been with the auditor's office throughout the 1970s and 1980s, after which he was moved to being Vice-President of finance of the Crown corporation council.

Manitoba's Public Accounts Committee is responsible for examining the public accounts of the province and for scrutinizing the provincial auditor's annual report. There are generally two or three meetings a year during the session. As Chair, I have no authority to call meetings; they are called at the whim of the government of the day. However, the committee has also met intersessionally from time to time, as the need warrants.

Unlike in other jurisdictions, the Minister of Finance sits as a member of the committee and is the minister responsible for the public accounts. The Minister of Finance provides answers to questions regarding these accounts. The provincial auditor also sits on the committee and attends the meetings. The auditor provides answers in relation to the auditor's report and also answers other questions that committee members may have. The auditor has recommended that the committee invite, or request, department or agency officials to appear before the committee. This recommendation, however, has not been taken up by the committee.

A change in process of some notable significance for the Public Accounts Committee and for this council, I believe, is that the Public Accounts Committee is adopting a so-called working agenda before its meetings. This practice began in 1991, when the Public Accounts Committee had agreed to certain recommendations put forward by the provincial auditor. The process included members of the committee providing notice for questions requiring detailed answers in advance of the meeting and adopting the so-called working agenda for the committee. This was agreed to by the Public Accounts Committee, and the Chairperson, whoever it may be, has regularly sent out requests for questions or agenda topics for meetings before they take place.

This new approach was never really picked up until the current session of the Manitoba Legislative Assembly. For two meetings held in the spring of 1996, the Finance critic for the opposition, Mr. Timsale, provided a letter with a list of questions as a working agenda to the Public Accounts Committee Chairperson -- who is myself -- prior to the meeting. These questions were subsequently circulated to all committee members and to the auditor. Prior to the meeting, there would be some discussion and negotiations between the Minister of Finance and the opposition Finance critic about the agenda, and the agenda might be slightly modified.

At the same meeting when this happened, the opposition critic for Finance moved a motion requesting that the committee invite the former provincial auditor to attend the committee meetings and provide information on previous reports that the committee was then considering, given that the former auditor had a direct hand in the preparation of such reports. There was some discussion over the motion. The government argued that it was not appropriate, as the former auditor was no longer an employee of the Legislature. The motion to invite a former provincial auditor was eventually defeated. The opposition Finance critic moved a second motion, requesting that the former auditor be invited to subsequent meetings, and this second motion was also defeated. That's majority government, as we call it, and that is democracy.

This new practice of having a working agenda in the form of a list of questions for all committee members to follow during committee meetings seemed to work well. It provided a flexible structure to the committee. The practice was beneficial to the auditor and to the Minister of Finance, as it allowed them and their staff to prepare answers for questions that were often quite detailed. Whether this practice of providing questions prior to the Public Accounts Committee meetings and preparing the working agenda will continue remains to be seen. The current Finance critic seems to be committed to continuing with this practice. If you are the government, you have one point of view; if you are in the opposition, you have another point of view, so this is the way it works.

As for the Public Accounts Committee inviting witnesses to its meetings, that also remains to be seen. In terms of the material the committee is examining, there is a change in the format of the provincial auditor's report. Until 1993-1994 the annual reports of the auditor were in one volume. However, in December 1994, the auditor released the first of four volumes for 1994-1995. In the first volume, the auditor wrote as follows: "Our reporting practices continue to evolve to respond to our understanding of what members need from us to exercise good governance. We are reporting more frequently, this being the first of four volumes expected for this year." So instead of one volume there will now be four volumes. They were accordingly done, the last volume being in February 1996: *Report on the Provincial Auditor's Office for the Year Ended March 31, 1995*.

[10:00]

Finally, the provincial government of Manitoba is moving in the direction of contracting out more audit work. Currently, Manitoba has 15 special operating agencies -- so-called SOAs. These are organizations or agencies that are not government departments. They are not Crown corporations, but they do answer to a minister responsible. They operate essentially as an independent, market-oriented, service SOA. It is the special operating agencies that government is focusing on as candidates for outside audits.

Some outside audits have already been done, and more are likely to take place in the future. The contracts are awarded by the government of the day, not by the provincial auditor. The concern that this raises for some people is the question of what the line of accountability is, or where it should be for audits of public agencies that are not under the domain or jurisdiction of the provincial auditor. Perhaps this matter will be discussed in our upcoming session, because it raises some fundamental questions of interest for all of us here who are seriously concerned about the basic foundation principles of public accountability.

Let me conclude by saying that every conference we have of this Canadian Council of Public Accounts Committees results in some addition to what I shall call the house of public accountability that the founders envisioned. But let us reassure ourselves that we are building upon a foundation of rock, not a foundation of sand: And the rain descended and the floods came, and the winds blew and beat upon that house and the house stands, as it was a house founded upon a rock.

My colleague will answer all your questions.

**C. James:** Are there any questions or comments of Manitoba?

**G. Pouliot:** I'm astonished by the comment that the committee Chair has no jurisdiction or role in deciding when the committee will meet -- that it's basically decided by the government. Is that true?

**E. Helwer:** That's correct.

**G. Pouliot:** And the Minister of Finance sits on the Public Accounts Committee?

**E. Helwer:** That's correct.

**G. Pouliot:** How long has that been practised in Manitoba?

**E. Helwer:** It's been the case for quite a few years. I'm not sure how long, but for quite some time that has been the practice.

**G. Pouliot:** Are the majority of members of the committee members of the opposition? Do you have majority votes?

**E. Helwer:** In this case, the members of the government have a majority on the committee.

**F. Gingell:** Are you suggesting that the special operating agencies which are taking over roles and responsibilities previously carried on by ministries . . .? Is that suggesting that their operations are not subject to scrutiny by the auditor general, because they've appointed independent auditors.

**E. Helwer:** No, what we're saying is that even though these are special operating agencies of the department, they can contract out. They have the responsibility of contracting out their own auditors, but it is still scrutinized and administered by the auditor general of the province, who has the final say as to the audit.

**F. Gingell:** Does the auditor general have any role in the appointment of the auditors and in setting the terms of reference or the contract with the auditors to ensure that when the auditors are finished, the accounts have been done in such a manner that they meet the standards of the auditor general for inclusion in the public accounts?

**E. Helwer:** Yes. Even though the contracts are by the departments, they must meet the auditor general's requirements. Yes, they are scrutinized by the auditor general. He does the final audit.

**F. Gingell:** So the Public Accounts Committee won't have any problems in pulling the string, as it were, and calling the executive of the special operating agencies in front of the committee to answer questions about the operation of their agency.

**E. Helwer:** No, there wouldn't be a problem there. I think the Minister of Finance could instruct those particular departments or special operating agencies to appear before the committee.

**J. Williams:** I'm intrigued by this public perception of conflict of interest, where the government seems to control the agenda of Public Accounts. The Minister of Finance sits on the Public Accounts Committee. The Chairman can't call the meetings when he feels that they are appropriate, yet it's the Public Accounts Committee whose role is to hold the government accountable and to examine and peruse the accounts of government on behalf of the public. How do you feel about that?

**E. Helwer:** I think the Chairman of the Public Accounts Committee, and usually the critic of the Department of Finance and the Minister of Finance, who is mainly responsible for the Public Accounts Committee, try to work together to try to come up with an agenda and with the dates for the meetings. It hasn't been a problem up to now. I think they've always worked together quite well, and it seems to be continuing on that basis. There have been times when the opposition has asked for special meetings which have not been able to be accommodated for some reason or another, but usually the Minister of Finance and the auditor general try to accommodate the critics from the Department of Finance.

**G. Pouliot:** I'm the member for Lake Nipigon, in northwestern Ontario. It's nice indeed, because it's been almost an hour and a half, and I haven't been reminded that I'm out of order; nor have I been tossed out. So it's quite unusual; this is a departure.

My question, with high respect, is to the member from Manitoba, by way of a supplementary. I need your help, and I speak candidly. I find it -- and I'm trying to reconcile what you've said -- passing strange that a minister of the Crown, the Minister of Finance no less, would be appointed as the member of a committee. I had four portfolios with the previous administration before the benevolent taxpayers decided that there was to be a change in government. Ministers of the Crown do not sit on any committee. They can answer questions only when under the estimates process. So what rationale, what argument, would a minister of the Crown make for sitting on what is supposedly "the most independent" -- politically, that is -- "committee of all"? Is it to get firsthand knowledge? Are they that pristine? Or is it to make sure that the government's agenda is better served, under the guise of a committee?

**E. Helwer:** That's a very difficult question, but certainly I think the committee is there to try to examine the different accounts of the various departments of the government. Since the Minister of Finance is mainly responsible for the financing of most of the various departments and, in fact, Crown corporations, I think it's only natural for him to sit on this committee and to be there to answer questions. He does bring in staff whenever necessary to answer questions. The auditor general also sits on this committee, although not as a member of the committee. The auditor general is always there, and also his or her staff. Basically, I think the staff of the Department of Finance and the auditor general's department are there to answer questions from the opposition critics. In most cases, the questions come from the critic of the Department of Finance, because I guess when you talk about accountability, the Department of Finance is certainly involved. In Manitoba, we certainly want to give the opposition party and the critics an opportunity to ask the questions and to get their answers. So it has worked quite well, as far as I know, in the past, and it continues to work quite well.



**C. James:** Any further questions or comments for Manitoba?

New Brunswick.

**E. Robichaud:** I want to proceed in French, because in New Brunswick, 32 percent of the province is French.

Je suis le président du comité, et je suis député de l'opposition. Les élections générales ont eu lieu le 11 septembre de l'an dernier au Nouveau Brunswick. En tout, 55 candidats et candidates ont été élus à l'Assemblée législative, soit trois de moins que l'année précédente, parce qu'on a eu un redécoupage de la carte électorale. La première session de la 53<sup>ième</sup> législature s'est ouverte du 6 février dernier et c'est le lendemain, le 7, que le comité a été appointé officiellement. Sur les douze membres, on compte huit libéraux et quatre conservateurs. Le comité précédent en comptait 16, soit quatre de plus.

Le comité a tenu 11 audiences au printemps. On ne siège pas lorsque la session est en cours, parce qu'au Nouveau Brunswick, certaines journées, on siège de 8h:30 à 23h:00. Donc, techniquement ce serait plus ou moins impossible de tenir des sessions. Donc, les sessions se tiennent toujours hors de la période où la législature siège. On a examiné les comptes publics pour l'année qui s'est terminée le 31 mars 1995. Le comité a rencontré des responsables du Bureau du vérificateur général, du Bureau du contrôleur, 16 ministères, la Commission de santé mentale, le Bureau du conseil exécutif, ainsi que divers organismes. Les corporations de la couronne ne sont pas venues aux comptes publics parce qu'un autre comité se charge des corporations de la couronne.

L'obligation pour les corporations hospitalières de rendre des comptes est une des questions qui a été particulière cette année. Le Comité des comptes publics avait adopté une proposition lors de la dernière session portant sur la Loi hospitalière du Nouveau Brunswick qu'elle soit modifiée de manière à exiger que les sept corporations régionales comparaissent devant le Comité de compte publiques ou le Comité permanent des corporations de la couronne; étant donné que le Comité des corporations de la couronne avait présenté une même recommandation à son Assemblée législative. Pendant l'année en question, près de la moitié des budgets globaux du ministère de la Santé sont affectés aux corporations hospitalières pour assurer leur fonctionnement et leur administration. Le comité a indiqué dans son rapport que les corporations hospitalières étaient chargées d'administrer ces fonds publics et devaient être assujetties aux mêmes conditions que les organismes gouvernementaux. Bon, soit dit en passant, c'est le sous-ministre du ministère de la

Santé qui se présente aux comptes publiques et non les responsables des corporations. Puis souvent la régie interne des corporations . . . on a de la difficulté à avoir des réponses précises aux questions que, disons, le comité voudrait poser.

La question a été de nouveau soulevée cette année, puis le gouvernement n'ayant pas encore agi, on a recommandé un nouveau gouvernement, disons que les responsables de la santé comparaissent devant le comité, puis présentent les états financiers de chaque corporation hospitalière. Étant donné que les corporations, le système n'était pas encore en place, on a demandé à ce moment-là que le sous-ministre nous présente les états financiers de chaque corporation. La motion a été déposée mais retirée plus tard, puisque le ministre de la Santé a déposé sur le Bureau de la chambre un document intitulé *Obligations des corporations hospitalières de rendre des comptes* qui dégage les options quant à la gouvernance et la réédition des comptes des conseils des corporations. Il traite de la question, comparution, de la haute direction des corporations hospitalières devant l'un des comités permanents de l'Assemblée législative, puis elle a été renvoyée au Comité permanent de modifications des lois. En juin de cette année, ce comité a tenu des audiences publiques sur la question, mais le rapport n'est pas encore complété.

Voici d'autres questions qui ont été soulevées durant les audiences du Comité des comptes publiques. Une motion, en outre, qui était amenée par le chef de l'opposition, demandait que le Vérificateur général de la province, ou une personne désignée par lui, assiste à toutes les réunions du Comité permanent des comptes publiques. À l'heure actuelle, le Vérificateur général ne comparait qu'au début des audiences pour nous présenter son rapport, lequel on peut questionner.

Il demeure qu'en application du paragraphe de la Loi sur le Vérificateur général, le Comité des comptes publiques peut demander au Vérificateur général de faire enquête et rapport sur toutes questions relatives aux affaires financières au bien de la province. Puis sur demande du comité, le Vérificateur général fait actuellement une enquête sur des possibles infractions à la Loi sur les achats publics relativement au marché conclu entre le gouvernement et une firme privée, Andersen Consulting.

Le comité a également demandé une enquête spéciale sur la possibilité d'irrégularités liées au personnel et aux activités au Bureau de chantier d'hôpital régional de Miramichi. C'est un des hôpitaux qui est présentement en construction. Puis, qu'est-ce qui est drôle, c'est que c'était un membre du gouvernement qui n'est pas membre du Comité des comptes publiques qui est venu se présenter au comité pour justement apporter des points, disons, d'irrégularités sur le sujet. Les irrégularités reprochées ont été découvertes à l'occasion de la comparution du ministère d'Approvisionnement et des Services devant le comité le 12 et le 13 mars. Le Bureau de contrôleur a terminé une enquête et a fait rapport au comité le 11 juin, concluant que les lois, les

règlements, les politiques du gouvernements n'ont pas été respectés dans certains cas. Le comité a demandé que le ministre d'Approvisionnement et des Services prenne immédiatement des mesures correctives qui s'imposent relativement aux lacunes relevées dans le rapport.

Dans le passé, le volume II des Comptes publiques du Nouveau Brunswick énumérait des montants exacts des traitements perçus par tout le personnel du gouvernement. Cette année on avait fait des changements qu'on a apporté plutôt par clause de paie, et puis finalement, suite à des demandes du comité, on va revenir à la vieille méthode. Grosso modo, c'est ce qui s'est passé durant l'année.

**C. James:** Any questions of New Brunswick?

**J. Chagnon:** Lorsque vous rencontrez le sous-ministre de la Santé, comme vous l'avez mentionné, est-ce que vous le faites avec ou sans le ministre de la Santé? Sous-ministre seul ou sous-ministre avec le ministre?

**E. Robichaud:** À moins d'une exception particulière, au Nouveau Brunswick les ministres ne paraissent pas aux comptes publiques. Ce sont toujours les hauts fonctionnaires, le sous-ministre accompagné des personnes clés de son ministère. Cela a toujours été la coutume à date. Personnellement, je pense que cela fonctionne bien.

**C. James:** Any further questions or comments? If not, let's move along to Newfoundland.

**E. Byrne:** My name is Ed Byrne. I'm the recently appointed Chairperson of the Public Accounts Committee of the province. Before I move into, I suppose, the substance of my presentation, the Public Accounts Committee process was somewhat hijacked last year because of the ultimate political exercise, an election. As a result emanating from the election, the majority of the members on the committee, with the exception of one, I believe, are new to the process.

It's very interesting to hear some of the comments by other jurisdictions this morning - certainly what you go through, in particular in Manitoba. But I'd like to just say first and foremost that our committee basically consists of seven elected members: four from the governing party and three from the opposition party. We are not constrained in terms of when we can hold meetings; it's not at the call of government. It's certainly and completely up to ourselves as a committee when we want to meet, what we want to discuss and who we would like to call before the bar of our committee.

There are, I guess, some 200 agencies and/or Crown corporations that come within the purview of Public accounts in the province of Newfoundland and Labrador. Certainly over the last number of years . . . . Again, given the perspective of the type of work the previous committee did, over the last several years in our province there have been fundamental and structural changes happening as a result of shrinking budgets, which has caused changes to occur in the sectors of health and education, certainly. As a result of that, there have been many questions and concerns raised. It's been the focus and the major thrust of the auditor general's reports over the last several years.

Also, we work very closely, as I suppose most do . . . . The relationship that we have with the auditor general is very close. We work hand in hand addressing issues. As a result of what emanates from that report, the previous committee looked at a number of areas in the health and education sector in particular. The committee dealt with, I guess, several hospital boards. It looked at specific areas: board governance; management practices of the particular boards; capital assets associated with the boards, because many of them were becoming amalgamated, and there were serious questions about assets and how much assets; inventory; and purchasing, certainly, dealing with the public tender act.

In our province there is a public tendering act that governs all public tendering and sets the ground rules by which fair play and a level playing field should be met. We have found that there have been exceptions to that in many cases, with arm's-length Crown corporations and certainly the functions of the human resource departments in the boards. With education, these areas certainly would hold true for the school boards that were investigated or called before the board. With education as well, schoolbusing is a major concern, and the significant amount of moneys that are denoted and allocated to the education budget for schoolbusing. Those are some areas of concern the previous committee looked at.

I guess the new committee's view this year . . . . We've met several times. We have hearings scheduled for next week dealing with the Newfoundland and Labrador Housing Corporation, specifically dealing with exceptions to the public tendering act and with certain companies -- one in particular -- receiving significant sums of money without having to go through the public tendering act. That's one area that's coming up next week.

We've called before us next week, as well, the department of social services, dealing with an extraordinary amount of money that's been spent in terms of their new technology and computerized technology being brought in. It was estimated, I believe, to be \$6 million or \$7 million, and the budget turned out to be \$35 million to \$40 million. So there are serious questions dealing with that department. Also -- this will take place before the Legislature is open and before Christmas is upon us -- we'll deal

with the public utilities board, which governs insurance rates similar to the CRTC federally, but provincially.

Essentially, as a new Chairperson in the process, I see the Public Accounts Committee as probably one of the most important committees and functions of government but probably the least known publicly. All of us have a role and in particular a challenge, as I see it from the point of view I come from, to further educate -- in whatever way, shape or form we can as legislators and parliamentarians, through the public domain -- and to inform people of the type of work and the nature of work that the Public Accounts Committees continue to do. As I said, I think they provide a very valuable function to the notion of governance and how we govern ourselves.

With that, I'd like to say thank you to the host for having us in Victoria. It's a beautiful place. It's been about eight years since I've been here, but we have found that the hospitality not only of the committee but of the people in Victoria has been outstanding. I will open the floor for any questions.

**F. Gingell:** A couple of years ago at this meeting, or maybe three years ago, we were all most interested in a case that had gone to the Newfoundland courts relative to the ability of the Public Accounts Committee to call in front of it the university, if my memory serves me correctly. Could you tell us what has happened there?

**E. Byrne:** I can. Essentially, Memorial University receives a grant-in-aid from the province of approximately \$110 million to \$115 million per year. As it stands right now, the only people that the Public Accounts Committee can call before our committee are the university's auditors. We do not have the right to call the president of the university, or the vice-presidents of finance or administration. That hasn't changed.

What needs to happen is that there need to be amendments made to the Memorial University Act. There have been a number of questions asked in the House of Assembly recently -- I myself am the post-secondary education critic -- dealing with that issue. I would think that within the near future, if we can take what the government or the new Premier and his administration have said publicly, we may see some changes to that.

I would like to point out as well that we were operating in fairly tight financial times, as every province is, and struggled with a \$290 million deficit, but we managed to have our budget in the Public Accounts Committee increased significantly compared to other years. That was based, I think, on the presentations we made to the internal economy commission, which governs all members' interests, and in particular on the selling point that, from what we saw, we needed more resources to educate the public

further on what we do. We need to try to get the public more involved in the process of the Public Accounts Committee and to make them more keenly aware that this is a committee that protects their interests. I hope I have answered your question.

**M. Abdurahman:** I was wondering if have you managed to get the interest of the media in Public Accounts in Newfoundland. Do they assist you, in other words?

**E. Byrne:** Again, in my limited experience, having just been appointed to the committee as Chairperson in April, I would think that the media have been more aware than they have been in the past. I think it comes from the sense of what the committee is about and what the committee has been trying to do in terms of making the issues more public. We have taken it upon ourselves and, as a result, the media have responded in terms of covering stories about the Public Accounts Committee, what's coming up, when the hearings are happening and where you can go to take part in them. They have certainly been more helpful than they have in the past, but I think that's more a result of the committee taking the initiative, with the staff working with the Public Accounts Committee, trying to make what we do a bit higher in profile and to get the public more interested and involved.

**G. Pouliot:** A clarification. You have mentioned, certainly in terms of intent, that the committee would wish to go beyond the government ministries and departments and go to the transfer agencies, the "partners"?

**E. Byrne:** Essentially, within the committee's scope and mandate, there are 200 Crown agencies and/or government departments we can investigate. That falls within the realm of the Crown and certainly within the realm of the auditor general to investigate or look at. We normally look at taking any dozen of those per year and try to highlight and investigate the concerns that have been raised in the auditor general's report.

**G. Pouliot:** You are talking about money that flows from the province to the hospitals, to the school boards and to the municipalities?

**E. Byrne:** That is clearly what we're talking about in terms of hospital boards or school boards which are publicly funded by public money. Although they operate at arm's length with their own administrations, they are funded by public money, and they therefore come under the purview of the Public Accounts Committee and the auditor general.

**G. Pouliot:** Even if they're elected by the people?

**E. Byrne:** Absolutely. If there is public money involved, then the Public Accounts Committee and the auditor general have all the powers of investigation that come with that to look at how they are operating.

[10:30]

**G. Pouliot:** The language must be something else!

**E. Helwer:** You talked about looking at the operations of hospitals. To take up on the question from Ontario, you're looking at their reserves or inventory. Are these hospital boards not responsible? Do they come under the responsibility of the department of health, or are they responsible also to the municipalities which they serve?

**E. Byrne:** Within the jurisdiction of the province, the municipalities really have no say in dealing with the hospitals, other than the fact that they may certainly be large contributors to the municipal tax base. Primarily, it is through the department of health. In our province in the last three to four years, government has been moving steadily away from taking a more hands-off approach. They have set up a number of health care corporations and have really turned the ball over to, in my opinion, an unelected and unaccountable group of officials, and have really absolved themselves as government of the responsibility for what people put them there for in the first place.

One of the things that we did this year -- because one of the largest health care corporations is one that operates on the east coast -- was to pass a resolution within the committee to ask the auditor general to do a forensic audit, if you will, on the health care corporation, because significant sums of money are being spent. Members of the House -- the 48 of us -- and/or the Public Accounts Committee have very little by way of getting the information we require. I hope that answers your question.

**C. James:** Any further questions or comments? If not, it's now just after 10:30. Maybe we could have a break and go up to the Ned DeBeck Lounge.

The meeting recessed from 10:32 a.m. to 11:09 a.m.

**C. James:** If I could have your attention, we could resume the reports from jurisdictions around the country. We finished, I believe, with Newfoundland, so we'll turn to Nova Scotia.

**J. Leefe:** My name is John Leefe. I am Chairman of the Nova Scotia Public Accounts Committee and have been since the fall of 1993. Seated beside me is my colleague

and friend Alan Mitchell, a government member sitting on that committee. I will endeavour to be brief, as time is clearly of the essence.

The history of our committee prior to 1993 was one of boldly subjective antagonism and aggressive partisanship. When I was invited by the Leader of the Opposition to take over the chairmanship of the committee, I was most reluctant. I had seen how it had worked, not as a committee member but as an outsider, and I had absolutely no desire to participate in a forum of that nature.

As a result of a new committee being appointed consequent to the election of 1993, we had the good fortune -- and I think it was more good fortune than good management -- to have a number of new people come on the committee who either were unaware of the way in which the committee had operated before or, like me, were aware of it and wanted to see it change. As a consequence of that, we went about completely redesigning the way in which the committee operated. I must say that I'm satisfied that while we continue to be in a state of evolution, we have been able to achieve a great deal over the past three-year period. That achievement is based significantly on the capacity of the members of the committee to set aside partisanship in favour of the larger public good.

We created a mandate for the committee -- the first time that had been done. That mandate was recommended to the Legislature and has been adopted by resolution. It is now part of the rules and procedures of the Nova Scotia Legislature and can be altered only by the House and by resolution. I will share with you one brief section of that mandate, because it is pertinent to some of the observations already made by other of our colleagues this morning and probably will be again.

The mandate in part clearly states that the Public Accounts Committee is not fundamentally concerned with matters of policy but rather with the economy and efficiency of programs and their administration. The prime orientation of the committee's deliberations is, after the fact or post-audit, to understand, assess and correct, through recommendations in its report to the assembly, the inadequacies and issues that the committee and the auditor general have raised. The resulting non-policy orientation of the committee, we said at the time this was written, should enable the development of non-partisan spirit within the committee, in order to get at problems and seek solutions to them. I'm happy to report to you, and I think my colleague Alan would agree, that we have in fact enabled the committee to get on with its deliberations in a highly non-partisan way.

We then created operating principles and practices. They are the creature of the committee and can be changed as the committee wishes, and it is appropriate that we should not have to go to the House to accomplish that. The agenda is established,



usually, by consensus. Failing that, we can make decisions by division, but that is unusual. That activity is generally taken in August.

We meet regularly through the autumn, winter and the spring, usually every week. The committee meets both when the House is in and out of session. The only thing that changes when the House is in session is that we meet earlier in the day. We meet at the call of the Chair, in consultation with the members of the committee, and our meetings are of approximately two hours' duration. We not only have meetings with witnesses, but we quite frequently -- and I think that without exception this is the case with respect to matters arising out of the auditor general's report -- have preparatory meetings with the auditor general and his staff in order to have a more thorough understanding of the matters that the committee wants to bring before it and also to assist us in defining, as best we can, lines of questioning to put to those who would come before us. Those meetings, by the way, are in camera. We then have public meetings with witnesses, and quite frequently we will have "post" meetings, again in camera, where we discuss the matters that came before us in the public meetings. That, of course, is all encompassed in our annual report to the Legislature.

[11:15]

There are two principal threads of inquiry: matters arising out of the auditor general's report and revisiting matters from previous years that we believe require further examination. I should also add that it is the view of the committee that we have a very wide opportunity with respect to calling witnesses before us and that we do not restrict ourselves to provincial government departments and agencies. We go beyond that. We believe that we have a full mandate and full authority of the Legislature to call in witnesses from both the public and private sectors, and we do so. When infrequently we meet some obstinacy on the part of any witnesses who have been invited to come forward, we have no hesitation in making it very clear that we have a very wide legal authority to call witnesses before the committee, and we would not hesitate to use that authority if they don't volunteer to come forward. We have not had any difficulties in having witnesses come before us in that respect.

We do have a subcommittee structure. One subcommittee in particular is hard at work now, chaired by the Deputy Chair of the committee, who is, of course, a member of government. That committee is making a thorough review of the act under which the auditor general labours. We anticipate that that subcommittee will be reporting to us, and through us the committee to the House, with respect to changes that we believe would be in the public interest with respect to that legislation. Just one small example, but a very important one -- and this is the case with many of your Houses, I believe: the auditor general can only report when the House is in session. We think that

impacts negatively on the timeliness of reports that the auditor general believes should be or could be made when the House is not in session.

The format has changed entirely from that which existed at the time that Alan and I moved onto the committee. We previously had highly structured time frames. The official opposition had half an hour, the government had half an hour, the third party had 15 minutes, and then we rotated proportionately with the time that was left. As a result of the mandate that we have adopted and the way in which we have implemented it, we now simply leave the questions open to whatever member catches the eye of the Chair first. Of course, it is the responsibility of the Chair to ensure that there is balance with respect to time, so that no one member, without the consent of the rest of the committee, takes up more time than do other members. However, if a member gets on a roll with a witness, by consensus, the committee will allow that member to continue. Again, the non-partisan nature of the committee has allowed us to do this, I think, quite effectively. It has allowed the members of the committee, government and non-government, to play out roles in a significantly different and, we hope, more effective manner than has been the case in the past.

With respect to the future, the effectiveness of the committee will be significantly determined by the preparedness of members to suppress partisan inquiry in favour of the broad public interest, so personalities are very important. I think that we should look more to professional skills development with respect to committee members. Some, such as Alan, come to us with an accounting background. Others, like me, come with a different professional background, and it's very helpful to those of us who don't have an accounting background to have some professional skills development available to us in order that we are able to perform as effectively as possible.

There is always a need for strong research staff. We're very fortunate in that we have an integral relationship with the office of the auditor general. The auditor general and his staff are with us at every meeting, are available to us at every meeting, and assist us in our research and in developing lines of questioning. The relationship is an ongoing relationship, and it's essential that that relationship continues to grow in order that we are able to conduct our affairs as we see fit.

We are also of the view -- and I very much am of the view -- that it is essential to try to have a good relationship between the Minister of Finance of the day and the committee. That certainly was the case with the previous minister, Mr. Boudreau, and I have no doubt that will be the case with the relatively new minister who has taken over those responsibilities in Nova Scotia.

By way of example, I can point out to you one of the positive results of the pulling away from partisanship within the committee and the capacity of the committee to exercise positive influence on the minister of the day. The Atlantic Lottery Corporation is based in Moncton. Its shareholders are the four governments of the Maritime provinces. There was an effort made on the part of Mr. Black, the auditor general of New Brunswick, on behalf of the auditors general of the Atlantic region, to undertake an audit of the Atlantic Lotto Corporation. For some reason unknown to our committee, there was obstinance on the part of the Atlantic Lotto Corporation board. Our committee expressed its deep concern to the Minister of Finance in Nova Scotia, and the happy result of that -- eventually, but not over an inordinately long time -- was the decision, supported by the Minister of Finance of Nova Scotia, at our request, to have that audit take place. A cooperative audit is underway, and indeed may be close to being finished.

So we have made significant strides. There are always ways in which we can improve. We look forward to hearing more of what you are doing in your jurisdictions and to learning from you how you have found that you can build a better mousetrap. I hope, as I am sure Alan does, that those who come after us will continue to work to keep partisanship functioning at as low a level as possible within the Public Accounts Committee in order that that committee can do the job the public should expect of it.

**C. James:** Are there any questions or comments? There being none, could we then move on to Ontario.

**M. Colle:** My name is Mike Colle. I'm the Vice-Chairman of the committee. I'd like to introduce my colleagues. On my near left is Gilles Pouliot, on his left is Bruce Crozer, and on my extreme left is Steve Gilchrist, from the governing party.

As Vice-Chair of the committee, I am very pleased and proud to lead Ontario's delegation on behalf of the Chair of the committee, Dalton McGuinty, who is a declared candidate for the leadership of the Liberal Party of Ontario, and is occupied knocking on doors, I guess.

Since this group's last conference in Charlottetown in 1994, Ontario, as you know, has had a general election. This committee, however, wasted no time in picking up where its predecessors left off, and we have had a very busy first year. Shortly after being struck in the new parliament, the committee received the 1995 annual report of the provincial auditor, which presented the committee with a great deal of work. The committee decided to focus on two sections in the report: one dealing with the Ontario Parole Board and the other with the problem of fraud and evasion of the Ontario retail sales tax. I think our auditor, Mr. Foujoy, called it the "tax gap."

The committee presented a report to the Legislature on the Ontario Parole Board in May. Its principal recommendations dealt with the need for the parole board to have and to use more information on offenders so that better, more objective decisions can be made and the risks associated with reintroducing an offender back into the community can be more easily determined. I'm not sure whether all of you have provincial parole boards, but we do have one that's quite active.

The committee also recommended that a study be done to find out what restrictions and impediments there are to the police informing their communities when dangerous offenders are released from jail. This has been a very controversial issue from both a provincial and federal parole perspective. Criminals have been released either to halfway houses or outright in communities, and the local police forces have been prohibited from informing the public that they have been released in the community. I guess our recommendation was that an attempt be made to enable the police to inform the community that certain offenders had been released in their community for public protection.

The committee reported to the Legislature on the sales tax issue in June. The committee's principal recommendations dealt with the need for more research on the underground economy and the tax leakage it represents, and on the need for more information-sharing between the federal and provincial governments to identify areas of tax non-compliance. If I'm not mistaken, I think our auditor estimated that there was probably a tax leakage of about \$3 billion a year in Ontario as a result of the underground economy and problems with collecting the sales tax.

The committee has also spent some time, and will be spending more, looking into the question of expanding the jurisdiction of the provincial auditor to provide him with the power to conduct value-for-money audits of provincial transfer recipients. Hearing the comments from the other jurisdictions, I guess in some of the jurisdictions you already have that, but we would like our auditor and our committee to have the power, for instance, to look into universities and their funding. They receive funding not only from the provincial government but, as you know, from the private sector. We would like to be able at least to understand or in some way to assess how many dollars they're collecting from private funds, so that we have an idea of what matching or equivalent funds we're giving from the public sector. We are recommending that this expanded power be given to our provincial auditor, which he doesn't have right now, and that he does the same with hospitals.

In Ontario, more than half of the provincial budget is transferred to municipalities, universities, schools, hospitals and other recipients, but a clear line of accountability for the use of these funds by these recipients frequently doesn't exist. In fact, we call it the "mush sector," and I think that's a very appropriate term. We really don't know

where the lines of accountability are, and we'd like to delineate these lines of accountability with our partners. That's one of the recommendations we've come up with.

We are just beginning the debate on whether one effective way of getting this accountability would be to allow the provincial auditor to do value-for-money audits in these sectors. Obviously this is a complex field that involves thousands of different organizations, but we believe an appetite clearly exists among the public for more accountability in the way their taxes are spent. Undoubtedly, this issue, and the provincial auditor's upcoming 1996 annual report, will keep us very busy over the next year.

**C. James:** Does anyone have any questions? Hearing none, thank you, indeed, for that.

We can do Prince Edward Island next. If we do run out of time, I thought maybe what we could do with the several that are left over is fold them into the period at 3:30 tomorrow afternoon under council business. But we'll see how we progress.

**P. Mella:** My name is Pat Mella. I'm the Leader of the Opposition on Prince Edward Island, and I chair the Public Accounts Committee. We have five members on our committee. As the Leader of the Opposition and the only PC member in the Legislature at this point, I am sitting on all committees and chairing this one. So the other four members, including Ross Young, who is with me, are members of government.

[11:30]

The Public Accounts Committee meets only during the House sitting. Obviously, that is a concern to the committee in terms of our ability to get the time to hear from people, since I -- being the House Leader and the caucus leader and everything else -- don't really have time to chair the committee when the House is sitting. So it's unique in the sense that we, but I particularly, would like to meet outside of the House sitting, because I'm in the House all the time. That is really quite a problem for us at the present time. We have discussed with government the need to have legislation which would allow this committee at least, if not others, to sit intersessionally, so we could get to people who also are more available when our House is not sitting.

Similar to the other committees, we begin with the report of the auditor general -- the provincial auditor, rather -- Mr. Wayne Murphy. We usually deal with the matters arising from his reports. We had five separate meetings this year, when the House was sitting, on issues he had pointed out that needed further investigation. Most of the

issues related to projects in which the government had allocated relatively large sums of money. Either there was a problem with accountability related to tendering or the project itself had numerous difficulties which ended up upping the cost substantially. One related to the construction of a large bridge. It was not the fixed link, but it ended up being a costly project for the taxpayer. So we asked that the engineers and the department of transportation and public works people come before the committee and answer questions relating to the overcost of that project.

The other area we have looked at over the last four sessions has been mentioned by a number of committees here this morning, and that is that we have had restructuring of health and education on Prince Edward Island as well, so we have large sections of our provincial budget that are really outside of the Legislature in terms of accountability back. We have had a small step forward in that regard, in that our provincial auditor recommended and the government accepted a change in the financial administration act that would require hospital boards and education boards, under the financial administration act, to do annual reports to the government -- that is, not to the Legislature but at least to the minister -- with a financial accountability as well as a value-for-work accountability format. So that is a step forward in terms of some accountability back to the Legislature; even though it isn't directly to the Legislature, it is to the minister.

We do have some concerns apart from the time element, which is a real serious problem, obviously. We have had a number of improvements in the province in financial accountability over the last three or four years. One is that the unfunded pension liabilities, which were a large component -- the public service pensions, the teachers' pensions and the legislative members' pensions -- are now included in the reporting of the provincial debt. On the recommendation of the provincial auditor, capital expenditures in the province must now be costed in in the year in which they are approved. If there is a major project that government wants to fund through capital expenditures, they have to have the money to do it, not cost it out over 20 years. It remains to be seen whether that is going to be a realistic option, but at the present time that is the policy of the government.

We have some concerns about the use of special warrants in the province. There isn't really much of a limitation in that regard, and on some occasions, it would appear, they seem to be used more than they need to be. We could have approved the use of the money within the Legislature rather than having government go to special warrants, so we want to address that one. The accounting back to the Legislature by agencies remains a problem -- that is, health boards and education boards.

The University of Prince Edward Island is not audited by the provincial auditor; they have their own audit. The Public Accounts Committee made an effort to get the

university to appear before the committee but were not successful. We were not able to convince the powers that be that they should appear before our committee. So they receive a large amount of taxpayers' dollars and are not accountable to the Public Accounts Committee, and that remains an outstanding concern of ours.

I think that's about it. If there are any questions, I'd be pleased to answer them.

**C. James:** Any questions or comments related to Prince Edward Island? There being none, could we move on to Quebec.

**J. Baril:** M. le Président, je suis Jacques Baril, député du comté d'Arthabaska, président de la Commission de budget et de l'administration, et pour faire exception à la règle, au Québec c'est un membre du groupe parlementaire, du groupe du gouvernement, qui préside la commission. J'ai à mes côtés le vice-président de la commission, M. Jacques Chagnon, député de Westmount-Saint-Louis . . .

**J. Chagnon:** De l'opposition.

**J. Baril:** De l'opposition, oui.

. . . et à ma gauche, le secrétaire de la commission, M. Yvon Boivin.

Précisons avant tout que l'Assemblée nationale du Québec ne possède pas le même type de Comité de comptes publiques que l'on retrouve au sein du Parlement fédéral canadien, ainsi que les autres législatures provinciales. Toutefois, malgré une différence en termes de fonctionnement, le modèle québécois converge vers des objectifs communs aux autres Comités de comptes publiques provinciaux et fédéral, soit celui d'effectuer un examen rigoureux des comptes publics du gouvernement, et également celui d'étudier le rapport annuel du Vérificateur général. Et depuis deux ans nous permettons aux membres de la commission d'échanger avec les Vérificateurs généraux plus de vingt heures sur chacun de ces rapports, ce qui est quatre ou cinq fois de plus que les années précédentes. Et je suis également fier de préciser que tous ces échanges se font en l'absence de toute partisanerie politique. Et aussi depuis deux ans, nous devons souligner l'importante participation du Vérificateur général à tous nos travaux.

La réforme parlementaire de 1994 a ainsi institué huit commissions sectorielles avec des domaines d'interventions bien définis qui couvrent dans l'ensemble les activités des ministères, des organismes du gouvernement dans les grands secteurs suivants: le budget et l'administration; les affaires sociales; l'économie et le travail; l'aménagement et les équipements; l'agriculture, les pêcheries et l'alimentation; les institutions; l'éducation; et la culture.

Au fil des années, les commissions ont développé un niveau d'expertise dans chacun de leurs secteurs particuliers en accomplissant des mandats variés. Outre, les activités de législation, d'études de crédit budgétaire, d'interprétations, ou encore les mandats conférés par une loi, chacune des commissions a comme responsabilité de réaliser des mandats plus spécifiques à l'examen des comptes publiques, soit à ceux relatifs à la vérification des engagements financiers, à la surveillance d'organismes publiques, à l'imputabilité des sous-ministres et des dirigeants d'organismes.

La vérification des engagements financiers permet à chacune des commissions d'effectuer un suivi des dépenses de 25 000 \$ et plus, effectué par chacun des ministères et des organismes sur leur champs de compétence respectif. Le mandat de surveillance des organismes publiques permet aux membres des commissions de procéder à l'examen des orientations de la gestion, et des activités des organismes publiques qui font partie de leur champs de compétence.

Par ailleurs, le devoir d'imputabilité des sous-ministres et des dirigeants des organismes confère aux commissions le pouvoir de convoquer les ministres, leur sous-ministres, et les dirigeants d'organismes afin de les rendre imputable de leur gestion administrative, à la lumière notamment des observations contenues dans le rapport du Vérificateur général du Québec, et également du protecteur des citoyens.

Malheureusement, toutes les commissions ne prennent pas leur responsabilité encore également, puisque chaque commission a l'obligation d'entendre une fois l'an un sous-ministre et un président d'organisme. Puisque c'est nouveaux seulement depuis trois ans, chaque commission ne juge pas encore important le pouvoir que les députés ont de justement questionner l'administration et la gestion des fonds publiques, mais nous travaillons fort à sensibiliser nos collègues à cet effet.

La réforme parlementaire de 1984 a introduit le principe du mandat d'initiative, qui donne le pouvoir à chacune des commissions de se saisir elle-même de mandats spécifiques et de conduire des enquêtes pouvant les amener non seulement à mieux se renseigner à l'égard d'une question d'intérêt publique ou de fonctionnement de l'état et de ses composantes, mais également à exercer une certaine influence sur le débat publique, voire sur la conduite des affaires de l'état.

L'année financière 1995-1996 aura permis aux commissions de réaliser différents mandats d'initiative concernant les dossiers suivants: les déficiences toujours présentes et signalées par les rapports du Vérificateur général des années 1989 à 1993 concernant des organismes publiques qui relèvent la Commission des affaires sociales; l'étude du fonctionnement des organismes ayants une influence sur la consommation de médicaments au Québec; la publication d'un document relatif au dossier de l'autoroute de l'information; l'audition des co-présidents de la Commission



des états-généraux sur l'éducation concernant le document intitulé *Exposé de la situation*; l'audition des représentants du ministère de l'Éducation sur la nouvelle technologie en éducation; et l'examen du rapport des deux observateurs concernant le conflit des cols bleus de la ville de Montréal.

Mentionnons qu'au cours du présent exercice financier, la Commission des institutions a entrepris un mandat initiatif sur l'administration de la justice en milieu autochtone. Quant à la Commission de la culture, elle procède présentement à des consultations sur les enjeux du développement de l'inforoute québécoise. De plus, la Commission de l'agriculture, des pêcheries et de l'alimentation effectue des consultations sur la pratique commerciale de certains pêcheurs sportifs.

Pour sa part, la Commission du budget et de l'administration évalue actuellement l'opportunité de mettre en place une loi-cadre sur les organismes et les entreprises du gouvernement. Tout en clarifiant la classification des organismes et des entreprises, cette loi-cadre permettrait de consulter le pouvoir de surveillance de l'Assemblée nationale et de préciser l'encadrement que le gouvernement devrait exercer sur ces entités. Les éléments bases d'une telle loi-cadre reposent donc sur la constitution des organismes et des entreprises du gouvernement, sur leur direction, ainsi que sur leur contrôle.

Finalement, la Commission du budget et de l'administration se voit confier la responsabilité qui concerne la politique budgétaire du gouvernement. C'est également cette commission qui procède à l'examen du rapport annuel du Vérificateur général du Québec et, depuis cette année, le Vérificateur a décidé de faire deux publications pour son rapport. Et on pensait qu'il trouverait les moindres choses du fait qu'il y a deux volumes, mais dans son premier rapport il y avait seulement qu'à peu près 35 à 50 pages de moins que celui annuel de l'an passé.

Bref, les commissions parlementaires québécoises possèdent toute l'autonomie nécessaire, ainsi que les responsabilités requises pour exercer un bon contrôle des comptes publics du gouvernement du Québec.

Je conclurai en vous informant qu'il y a actuellement une volonté commune des parlementaires québécois de mettre en place au Québec un véritable Comité des comptes publics, afin d'améliorer davantage la réédition des comptes. Je vous remercie de votre attention.

**C. James:** Are there any comments or questions to Quebec?

**E. Robichaud:** Est-ce que l'intention des nouveaux comités est que la présidence sera présidé par les partis d'opposition ou par le gouvernement au pouvoir?

**J. Baril:** Les discussions ne sont pas rendues là.

**J. Chagnon:** L'opposition va réclamer s—rement la présidence d'une commission de ce type-là.

**G. Pouliot:** En ce qui concerne le futur, sinon immédiat, est-ce que vous pouvez vous prononcer sur un échéancier ou une date où, semblables aux autres juridictions fédérales et provinciales, vous aurez des comptes publiques, si vous voulez, en permanence?

**J. Baril:** La volonté est exprimée, autant du gouvernement que de l'opposition d'en arriver là. Nous espérons que dans la prochaine année financière qu'une commission se mette en place, comme tous les comptes publiques. Et la raison pourquoi, c'est que, actuellement, la Commission du budget et de l'administration qui a cette responsabilité-là doit faire aussi la législation, doit étudier des projets de loi, par articles. Et également nous recevons différents mandats de l'Assemblée nationale qui quelques fois nous empêchent de faire exactement ce que nous voudrions faire, de vérifier la gestion gouvernementale. Aussi, le règlement de l'Assemblée nationale ne permet pas à la Commission du budget et de l'administration d'entendre des sous-ministres d'autres ministères qui ne relèvent pas de notre compétence. Et les membres des autres commissions, n'ayant pas souvent pris connaissance, comme nous ne l'avons pris, du rapport du Vérificateur général sont moins en mesure de faire un suivi des remarques du Vérificateur général.

**G. Pouliot:** En vertu de supplémentaire: étant donné ce que vous avez entendu ici aujourd'hui, est-ce qu'il serait juste de dire que chez vous au Québec l'invitation à la table de la partisanerie serait plus présente qu'ailleurs?

**J. Baril:** Non, au contraire, j'avais dit que tous nos débats, tous nos travaux, se faisaient sans aucune partisanerie politique. Comme président, je peux vous dire que j'applique cette philosophie, je ne permets pas que les membres . . . . J'ai déjà même appelé un ministre à l'ordre, comme je l'ai fait aussi pour un membre de l'opposition quand il aime faire de la partisanerie politique. On essaie -- chacun, je pense, il y a une volonté -- d'inculquer une façon de faire à l'effet que la gestion gouvernementale, les taxes et les impôts des contribuables doivent être discutés sans allégeance politique.

**G. Pouliot:** Vous ne serez jamais ministre.

**J. Baril:** Je suis bien comme député. C'est mon rôle avant tout.

**C. James:** We're now at the stage of the program where we should be out having our photograph taken. It has changed. The photographers have said that the back steps are too sunny and that we should be on the front steps. In leaving the chamber, would everybody proceed through the front doors -- the doors through which they came into the building this morning.

I have received a couple of suggestions from two jurisdictions that we continue with the jurisdictional reports this afternoon, so at 1 o'clock we'll continue with the jurisdiction reports, then we'll go into the business sessions -- managing public sector performance -- which will probably be 1:20 or 1:30.

So if we could now make our way quickly to the front steps of the parliament buildings, we can have our photograph taken. There will be two photographs taken: one a joint photograph and one of the auditors themselves. They will have theirs taken separately after the joint photograph, which means that once the photographers are finished with us, we can move expeditiously down to the dining room and get the food first.

The meeting concluded at 11:50 a.m.

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