



Transcript of Proceedings

Canadian Council of Public Accounts
Committees/
Canadian Council of Legislative Auditors
Annual Conference

Whitehorse, Yukon
September 7 - 9, 2008



Compte-rendu des deliberations

Conférence annuelle
du Conseil canadien des comités
des comptes publics/
Conseil canadien des
vérificateurs législatifs

Whitehorse, Yukon
du 7 au 9 septembre 2008

**Canadian Council of Public Accounts Committees
29th Annual Conference**

MONDAY, SEPTEMBER 8, 2008

The conference met at 8:59 a.m. and was held in Conference Room 1 of the Westmark Whitehorse, in Whitehorse, Yukon Territory.

Opening Ceremony

Steve Nordick (Yukon): I'm Steve Nordick, MLA for the Klondike and Vice-chair of the Public Accounts Committee of the Yukon Legislative Assembly. It is my honour to welcome everyone to the Yukon and I hope everyone enjoyed themselves last night at the MacBride Museum.

I'd like to extend a special welcome to all my Public Accounts colleagues, their clerks and researchers. I would also like to acknowledge our colleagues who can't be with us due to the federal election.

I trust you all enjoyed yourselves yesterday golfing in Skagway, and I also heard a lot of people enjoyed themselves last night.

This year is the second time Yukon has hosted the annual Public Accounts Committee Conference. The first time was in July 1985. All business sessions will take place in the Westmark Hotel, which is this hotel, and in this conference room. Meals will be served buffet-style across the hallway in Conference Room 4. Please return to this room to eat. You don't have to sit at the tables you're assigned; you can sit at whichever ones you like during mealtimes.

In your registration kits, you'll find a name tag, and on the back of the name tag is a number. If anyone is missing a number, please contact Andrew. He was the gentleman on the bus yesterday and he's at the back of the room. With that number — of course, everyone has probably already realized — that's the table you'll be assigned to for the business sessions.

I would like to thank our speakers and presenters for coming to share their findings and experiences with us today. I would also like to thank those who put together the conference program. The presentations promise to be timely and interesting and will, I'm sure, engage many of your discussions.

As with last year's conference in Victoria, the Public Accounts Committee members and legislative auditors will share the business sessions today and have separate sessions tomorrow. Sheila will now provide more details about the programs and other logistical arrangements for today.

Once again, I thank you all for coming.

Sheila Fraser (British Columbia): Bonjour, tout le monde. Good morning everyone. My name is Sheila Fraser. As you may know, I'm the Auditor General of Canada, but I also have the pleasure of being the Auditor of the Government of Yukon. So not only co-chairing this conference, I also have the pleasure of coming up here at least once a year to meet with the members of the Yukon Legislature.

I would just like to briefly go through today's agenda. You will see — and I hope you will find it a very interesting and full

agenda — we will have Geoff Dubrow, who is the Director of Capacity Development at the CCAF, who will be leading most of today's sessions. As you know, the CCAF conducts various research projects that focus on governance and accountability.

Simultaneous interpretation will be provided all day today, and I encourage all of you to have your little earphones on, because the presentations will be in English and in French.

Au cours de la première séance, vous connaîtrez les résultats du sondage auprès des comités des comptes publics mené conjointement par la FCVI, la Banque mondiale et KPMG. Tous les comités des comptes publics du Canada ont participé à ce sondage. Geoff, avec Rick Stapenhurst, spécialiste principal d'administration publique de l'Institut de la Banque mondiale, animera la séance. Ensuite, Carol Bellringer, vérificatrice générale du Manitoba, Harry Van Mulligan, président du Comité des comptes publics de la Saskatchewan, et Kerry Jacobs, professeur de comptabilité de l'Université nationale de l'Australie, se joindront à eux pour discuter des résultats.

We will then have a half-hour health break at 10:00 a.m. and refreshments will be available in Conference Room 4, just across the hall. At 10:30, there will be a panel discussion about good practices and issuing recommendations and following up. The panelists will include Norm Sterling, Chair of the Public Accounts Committee of the Legislative Assembly of Ontario and Vincent Auclair, Vice-chair of the Public Administration Committee of the Quebec National Assembly.

I also look forward to sharing my office's experiences and process with all of you during the panel.

As was mentioned, Shawn Murphy, who was to be a panelist, is otherwise engaged today.

Nous nous arrêterons pour le déjeuner de midi à 13h15. Le buffet sera encore servi dans la salle de conférence n° 4. Au cours du déjeuner, le premier ministre du Yukon, M. Dennis Fentie, vous parlera de la beauté du Yukon. The theme of his presentation at lunch will be, "The larger-than-life land we call home". After lunch at 1:30, we have invited the Newfoundland Supreme Court Justice Derek Green, whom I'm sure many of you have met, to present his report and recommendations on spending by Members of the Legislative Assembly of Newfoundland. I'm sure you will find his presentation very interesting.

Our afternoon break will be at 3:30. Après quoi nous assisterons aux dernières présentations de la journée, qui porteront sur les rapports de performance. Geoff présentera un aperçu de deux études de la FCVI sur les rapports de performance du secteur public, sur une étude sur l'utilisation que font les comités législatifs des rapports et une autre étude sur les consultations sur l'amélioration des rapports publics de performance en Alberta. John Doyle, vérificateur général de la Colombie-Britannique, parlera de son rapport sur les tendances et les possibilités au chapitre de la présentation de l'information sur la performance, et le président du Comité des comptes publics de l'Assemblée législative de la Colombie-Britannique nous parlera de l'intérêt du comité pour ces rapports.

So we will wrap up around 4:45 with a summary of the highlights of what we've heard today before breaking for the day. We will meet again this evening in this room for the reception and dinner at 7:00. During the day today, if you wish to speak or make any presentations, would you please indicate your table number so the people managing the sound system are able to manage the microphones.

I wish you well and hope you have a very interesting day today. Now I will turn it over to Geoff. Thank you.

Joint Business Session No. 1

John J. Kelly Forum

Topic: *Overview of findings from CCAF-World Bank-KPMG PAC Survey*

Chair: Geoff Dubrow, CCAF-FCVI

Presenters: Rick Stapenhurst, Senior Public Sector Management Specialist, World Bank Institute, Washington, D.C.

Carol Bellringer, Auditor General, Manitoba

Harry Van Mulligen, Chair, PAC, Saskatchewan

Kerry Jacobs, Professor of Accounting, Australian National University, Canberra, Australia

Geoff Dubrow (Chair): Perhaps we should get the other two panelists up as well for this session. We'll do everything all at once — Harry Van Mulligen and Carol Bellringer want to join us.

Thank you very much, Sheila, and good morning, everybody. It's a tremendous pleasure to be here. I do want to say, before we begin, just to echo Sheila's words, that if anyone needs a set of headphones, we will be conducting most of the sessions throughout the day bilingually, in both English and French so, if you could just put up your hands if you need a set of headphones, that would be very helpful.

I feel personally very honoured from my own perspective to be participating in my third annual joint session of the Canadian Council of Public Accounts Committees and Canadian Council for Legislative Auditors. I feel tremendously lucky to have, over the last three years with CCAF, travelled across this country and learned so much about PACs in different jurisdictions and so much about really what amounts to differences in political cultures and the political cultures of public accounts committees.

I think I've learned over the last couple of years that the evolution of PACs is very much like the evolution of democratic institutions in Canada — that is, very gradual and evolutionary.

CCAF has historically been involved in Public Accounts Committee strengthening. We've worked in this area very closely with the Canadian Council of Public Accounts Committees and I'd just like to acknowledge that Craig James, who's the Executive Director for CCPAC, was not able to attend for family reasons.

I wanted to just mention a couple of other quick comments: one, just to acknowledge our PAC advisory group. We have a group of Public Accounts Committee chairs and experienced legislative staff whom we meet with on an annual basis

to get advice and feedback on the work we're doing. Members of that group from the elected side are Rob Fleming, Harry Van Mulligen, Norm Sterling, Shawn Murphy was a member until the election call, Maureen MacDonald and, in terms of legislative staff, Craig James from B.C., Nancy Ford, who's the Clerk of the PAC in Quebec, and Alex Smith, who is the legislative researcher from the House of Commons.

If you'll indulge me, I also very quickly want to just acknowledge the presence of my own colleagues from the CCAF who are here today: Michael Eastman, our executive director, who's sitting at Table 16; Lee McCormack, who is our Director of Research, who's sitting at Table 24 — Lee has over 30 years of experience in the federal government, has spent a lot of time in the senior ranks of Treasury Board and has been an amazing asset to the CCAF; and I'd also like to acknowledge Antonine Campbell, who's also at Table 16, seated next to Mike Eastman, who has now joined CCAF as a director. Antonine has over 25 years of experience in the Office of the Auditor General. I promised I wouldn't say a quarter of a century, Antonine, so I'll stick to 25 years — a lot of work in international relations and parliamentary liaison and she will also be a tremendous asset to the CCAF. Congratulations and welcome.

I wanted to start this by trying to make one or two wider remarks. Probably where I'll start is the June 2008 Public Accounts Committee advisory group meeting we held. At that meeting, with the chairs of various PACs and legislative staff — and I'll ask the PAC chairs who were there just to confirm this — there was a call for controversy in this year's CCPAC-CCOLA meeting. Recognizing how Canadians feel about controversy, of course, we tend not to always embrace controversy.

So I think it's important to define what does that mean — what is a call for controversy? The PAC chairs felt very strongly that some controversial discussion was necessary. I think what they were getting at — and again, I say this with all the respect that I can muster in terms of the work that I've done throughout this country — I think often at national conferences such as this one, jurisdictions feel that it's not appropriate to share their challenges with other jurisdictions. That can often lead to a discussion that is only focused on the strengths of jurisdictions. Sometimes the jurisdictions that are having more challenges will say a little bit less or not participate as fully. I think that call for controversy — and maybe that's not the right word to have used — is really an invitation for some of the jurisdictions that are facing challenges in the evolution of their PACs to feel free to speak up and say, "This is a real problem for us."

As you'll see in the survey data we'll present shortly, the problems that some of you are facing in your PACs, the challenges you are facing, are also challenges that exist in other PACs, so you're not alone. There really is not one PAC in the country that is facing a set of unique challenges that aren't related to some of the challenges that other jurisdictions are facing.

So opening remarks today are sort of an introduction and a suggestion to embrace a little bit of controversy in our discus-

sion and to welcome comments that might come from those jurisdictions that say, “Yes, we’re having a really hard time.”

Donc, si je peux juste vous donner un peu d’histoire concernant le travail que la FCVI a fait –

Actually, just before I do that, I’m sorry, Andrew Lennox and I had spoken before this session, and just to mention that we’re proposing one change to the agenda. Because there are only three speakers on the second panel as a result of Shawn Murphy’s absence, what we thought we’d do is extend this panel to 10:15 so we would have an hour and 15 minutes for this panel, take our break from 10:15 to 10:45, and then from 10:45 to noon, we would have Panel 2.

It would give a bit more time, because we have a large panel and we have excellent speakers. If there’s no disagreement on that, we’ll proceed that way until 10:15.

Si on parle de l’histoire de la FCVI, le travail qu’on a fait en renforcement des CCP, les dates-clés: en 1981, on a présenté une publication sur les CCP, les comités des comptes publics, et les vérificateurs législatifs, une grande *[inaudible]*. En 2006, on a publié un rapport intitulé “La surveillance parlementaire et comités *[inaudible]*”, guide visant le renforcement des comités des comptes publics. En 2006, la FCVI présente une stratégie visant à maximiser l’efficacité des CCP au cours de la réunion annuelle du CCVL-CCCCP, et expose ensuite cette stratégie aux CCP de tout le Canada. L’année dernière, en 2007, on a présenté une vision du futur des CCP à l’occasion de la réunion annuelle du CCVL-CCCCP. Une vision, après discussion et vos commentaires, a été publiée dans un document dont vous devez avoir copie; si vous ne l’avez pas, levez la main, on va s’assurer que vous en recevrez copie. Cette année on a lancé un sondage des CCP avec l’Institut de la Banque mondiale, KPMG et FCVI, un sondage similaire au sondage mené auprès des CCP de l’Australasie.

So, I’m just going to introduce our panelists, but in a few minutes I’m going to present to you some of the survey data from the recent 2008 survey we did of PACs all across the country.

Before I do that, I’d like to introduce our panelists. I’ll start to the right of me: Carol Bellringer has been Manitoba’s Auditor General since July 2006. She returned to Manitoba in 2002 as Director of Private Funding for the University of Manitoba, after spending six years in Poland. Carol is a graduate of Concordia University in Montreal, so we’re alumni. She obtained her designation as a chartered accountant in 1981 and was named a Fellow by her profession in 2006 in recognition of her contribution to her community. She held the position of provincial auditor from 1992 to 1996, during which time she was on the Board of Governors of CCAF — a fact I wasn’t aware of until I read your biography.

Harry Van Mulligen was first elected as a member of the Saskatchewan Legislature in 1986, re-elected in 1991, 1995, 1999, 2003 and again in 2007. He currently serves as the Chair of the Public Accounts Committee and the Opposition Critic for Finance. Harry was also a member of the PAC from 1986 to 1992 and 2007 to the present. He was chair from 1987 to 1991 and vice-chair from 1991 to 1992. So a tremendous experience

in institutional memory, and I think your participation throughout the day will be a tremendous asset to us.

I should mention that, while in government, Harry served as Minister of Government Relations, Minister of Finance, Minister of Social Services and Government House Leader. Among other portfolios, he holds a degree in social work from the University of Regina and a bachelor of arts degree from Brandon University.

To my left is Rick Stapenhurst, Senior Public Sector Management Specialist at the World Bank Institute, in charge of the parliamentary strengthening program. WBI works in about 20 parliaments around the world, mostly helping in parliamentary oversight of the budget and, in particular, public accounts committees. Rick is a Canadian citizen. Prior to joining WBI, he worked for the Canadian International Development Agency and, prior to that, the Bank of Montreal. He has a doctorate in business administration and a masters degree in international development. Rick, welcome back, it’s nice to have you here again.

And we welcome back as well Kerry Jacobs, who’s a professor and head of the School of Accounting and Business Information Systems at Australian National University in Canberra. He was previously the head of the department and Professor of Accounting at La Trobe University in Melbourne and the founding director of the Public Sector Governance and Accountability Research Centre at La Trobe.

The legislative auditors will be happy to hear that he’s a qualified accountant and a member of the Institute of Chartered Accountants in New Zealand and a Fellow of the Australian CPA — Kerry, that’s going to boost your credibility tremendously with the auditors.

Professor Jacobs’ research interests are focused on interests of public sector accountability, governance audit financial management and reform. He is currently on the editorial board of three journals, and I could go on. He has a very rich background and it’s very good to have you back, Kerry, to share your experience from Australia. We really appreciate the help you gave us in terms of the study we’re working on. So, welcome.

What I’d like to do this morning is to take a little bit of time to talk about our Public Accounts Committee survey, to share with you some of our major findings and major observations. Again, this survey was conducted with the cooperation of the World Bank Institute, KPMG and CCAF.

I’m responsible for flipping the slides, is that right? Okay, that’s fine.

First of all, just on the lighter side, we found there was a severe outbreak of survey-itis around Canada, particularly among the clerks of the public accounts committees, who were conferring among themselves and apparently found it a little off-putting to handle the heavy legislative load they did and to get a survey with 87 questions. Again, this survey was adapted from work we had done from a survey that was done of Australian PACs — it was Australia and New Zealand, I believe. Is that right, Kerry?

So we adapted the survey, but we didn't chop the length down very much and, as we put here, we drove the PAC clerks crazy. I do want to very quickly have Michael Eastman present a small gift to Margaret Woods, the Clerk of the PAC in Saskatchewan. I know you were hoping I was just joking this morning when I mentioned this — who was the Public Accounts Committee clerk who completed the survey first. I'll now ask Michael to present a gift to the PAC that completed the survey last. That jurisdiction was — I can't seem to find it anywhere here. We'll come back to that, I guess. We would never do that.

We did survey all federal, provincial and territorial PACs, so all 14 jurisdictions did respond. The survey provides key data to the understanding of the challenges of the PAC of the future. We did try to keep this within the framework of what we had discussed last year. So the findings we're going to present are based on the public accounts committee of the future model that we proposed last year.

As you can see, for that model there are three concepts. I'll talk briefly about each of them and I'll present you with some data to kick off the discussion.

The first of the three concepts related to a PAC of the future is an accountability-driven public accounts committee, focused on taking corrective action to improve public administration. I'll come to explaining a bit about what that means but, when we talk about a public accounts committee that's focused on corrective action, we're talking about a PAC that is generally taking the findings of the legislative auditor, holding hearings on them and then trying to bring about corrective action by issuing recommendations to the government, and then following up to ensure those recommendations have been followed.

The second area is a public accounts committee with the institutional capacity to brief committee members, to write committee reports and to liaise with departments to ensure that corrective action is being taken. This is a huge area and, from my discussion with the panelists, I think institutional capacity of PACs, as you'll see from the survey results, is a very major theme that I think will come back in the discussion throughout the day.

Thirdly there is the issue of an experienced PAC; that is, a PAC with a consistent membership and an understanding of the public accounts committee's unique role as a committee of oversight, as a committee that's looking at the implementation of government programs rather than actually policy issues — so, a very different focus, and the importance of having members who understand that and the importance of having members who are there for long enough to get a sense of the unique culture of the PACs is an issue that we'll address further.

Concernant le premier concept, le CCP du futur axé sur la reddition des comptes, ce qu'on a dit l'année dernière, c'est que le CCP voit à ce que les ministères adoptent des mesures correctives pour renforcer l'administration publique, c'est-à-dire que cela fonctionne dans un climat constructif et moins partisan que les autres comités législatifs; que le comité favorise l'adoption de mesures correctives, en formulant des recom-

mandations et en effectuant un suivi pour s'assurer que l'administration a mis en oeuvre ses recommandations; que les CCP convoquent les ministères qui n'ont pas donné suite aux recommandations pour qu'ils rendent des comptes; et aussi qu'un CCP possède des comités de planification pour établir des objectifs clairs.

Qu'est-ce que le CCP veut accomplir? C'est une question très importante, si un CCP sera axé sur la reddition des comptes.

This is actually an old version of the slides we're going to present. There are always surprises and you do have the new version in front of you. I'm actually going to ask you to look down at your slides rather than looking up. I apologize; this is the first time I'm seeing that this is not the correct set of slides. I feel kind of badly about that, so I'm going to ask you to ignore them and have a look at your sheet. Does anybody not have a copy?

On your copy, do you have graphs? Do you have bar charts? Okay, that's the right copy. I again apologize. This is the first time I've seen this is not the correct copy.

I want to talk to you a bit about our findings with regard to an accountability-driven PAC. The first thing you see is that most public accounts committees in Canada do have the power to issue recommendations. In fact, 13 of the 14 PACs have the power, but one of the things we found is there tends to be a fairly large gap between the powers that PACs have and how they use those powers. I think that's a major issue. Previous CCAF surveys looked more at what powers are actually in existence, and this year we spent more time looking at actual practices.

So, has everybody found those slides? Session 1 and we're on slide 5.

Unidentified speaker: We have the slides but we can't read them, they're too small.

G. Dubrow (Chair): They're too small.

Unidentified speaker: Maybe you can just interpret them for us.

G. Dubrow (Chair): Absolutely. We found that 13 out of 14 PACs have the power to issue recommendations. We also found that the number of PACs issuing recommendations is somewhere in the neighbourhood of six.

When we talk about issuing recommendations, we're talking about recommendations above and beyond the Auditor General's report. That's very important: we're talking not only about the PAC adopting the report of the Auditor General, but also adding its own recommendations. That's perhaps something that we can ask Harry to comment on during his remarks. In terms of the value-added role that elected members can play, obviously auditors and elected parliamentarians do tend to see things from a different perspective and perhaps Harry might be able to comment on that in terms of the PACs that are issuing

recommendations above and beyond the Auditor General's report.

I'll talk very briefly about PACs that are holding follow-up hearings on implementation of PAC or AG recommendations. Let me just explain what I mean by that. When we talk about the Westminster model of parliamentary oversight, generally an effective PAC is viewed as one that is holding hearings, often based — especially in Canada — on the legislative auditor's report, and then going one step further by holding a hearing and issuing a series of recommendations. Again, we've just said that there's a way to add value to those recommendations by having the PAC supplement the auditor's recommendations, if appropriate, with its own suggestions and recommendations.

One of the challenges in Canada has been for PACs to hold follow-up hearings on implementation of recommendations, to actually close the loop of accountability and go one step further. So the PAC issuing recommendations, the next step, of course, is to come back and say, "Well, have these recommendations been dealt with?"

Obviously, the legislative auditor plays a very important role in performing that function, because many legislative auditors — and I invite those who do so — do conduct follow-up audits. There are a number of jurisdictions in Canada — we counted four — that actually conduct their own follow-up hearings, that will actually conduct a dedicated hearing to talk about the government's implementation of its recommendations.

Another four PACs will hold hearings based on subsequent Auditor General reports, not a follow-up report but the next-time-around report, so in two years, when the Auditor General audits the Ministry of Health, they might look back on the implementation of recommendations. Then, of the other jurisdictions, six of them said they don't tend to conduct follow-up audits.

Let me just talk briefly about the number of public accounts committees with planning committees. Again, when we're talking about the public accounts committee of the future, last year we were talking about the importance of planning. We found that about half the PACs in Canada have a planning committee that is a subcommittee or an informal arrangement whereby the chair and vice-chair, usually, or if there are larger opposition parties, third parties will get together and discuss issues on the agenda. You're not going to see this on your graph, but it was meant to be very telling that the number of PACs that actually will go back and evaluate their own performance is zero out of 14.

So one of the issues we're always talking about is the role of a public accounts committee functioning as an audit committee, something like the audit committee of the legislature, in which there is, of course, a fair amount of planning that would go on, in which there would be a number of targets they would try to achieve or objectives they would try to achieve, and planning against that.

Concernant les questions pour discussion, premièrement, les CCP doivent-ils aller plus loin pour faire adopter des mesures correctives, c'est-à-dire émettre des recommandations et

effectuer un suivi? Quels avantages découlent du fait que le CCP possède sa propre stratégie de suivi? Quels sont les obstacles à surmonter pour faire adopter des mesures correctives? La capacité du personnel est-elle un obstacle-clé? Et quels sont les autres obstacles? Le CCP devrait-il jouer un rôle plus important au chapitre de lancer, de son propre chef, des enquêtes sur des sujets appropriés? Est-il réaliste, pour un CCP, de [in-audible] une communication à long terme? Et si le CCP discutait des plans de travail avec le vérificateur législatif, est-ce que cette démarche comporterait des avantages?

Concernant le deuxième concept, c'est la capacité institutionnelle. La question ici, c'est si le CCP possède des ressources adéquates pour remplir son rôle de surveillance et favoriser l'adoption de mesures correctives. On a parlé du secrétariat qui fournit des services de soutien, informe les membres avant les audiences, rédige les rapports contenant des recommandations, demande des rapports d'état d'avancement des travaux, signale au CCP les cas où des ministères ne donnent pas suite aux recommandations et le CCP possède les ressources nécessaires pour embaucher, au besoin, des consultants externes.

So, in terms of what we found regarding institutional capacity, we found that about seven of the 14 public accounts committees have research support. Later, Rick and Kerry will talk about international experience, where it appears that the number of legislatures that have research support for their PACs is much higher.

I'd like to be fairly provocative in asking the question of how it's possible that, given our Westminster system of oversight, there are so many PACs that don't have research support. In the interest of adding a little bit of controversy and spice to our discussion, I think that's a discussion that perhaps our joint session might like to have today.

Adding to that, the number of PACs that have hired outside consultants to conduct specific inquiries or help with the writing of reports is somewhere in the neighbourhood of about four out of 14, so four will actually hire consultants. Again, there are more jurisdictions that have the power but, in terms of actually hiring consultants, outside experts, the number is generally four out of 14.

In terms of discussion questions for this second area, does the lack of research support undermine the ability of the PAC to write reports with recommendations and to follow up to ensure government implementation of PAC recommendations? What would your PAC do if it had more research support, or any research support, for that matter? Would that be used to brief members prior to hearings, to write committee reports, including recommendations, to request status reports from departments, or to flag instances of departments not implementing recommendations?

We would welcome examples of jurisdictions where this is currently the case. Those jurisdictions that do have research support, perhaps you could talk throughout the day about how you use that research support in your Public Accounts Committee.

Just one more area: again, we talked about the three concepts of the public accounts committee of the future. The third area is the more experienced PAC; that is, a greater consistency of membership, a PAC that has limited substitutions, if possible, and appointments for the life of the legislature. Again, when we surveyed members of PACs in 2006, we found that this was a very important issue, that members of PACs felt frustrated when a substitute came into the committee and didn't necessarily understand the unique role of a public accounts committee. Maybe they just came from Question Period, for example, and hadn't had a chance to read the legislative auditor's report.

In fact, I remember an example from our discussions in P.E.I. on that very issue, and there was a certain frustration among PAC members that a new member comes in and hasn't had the chance to be briefed on the report and doesn't understand the unique role of the PAC.

PAC members have talked about the importance of limiting substitutions wherever possible and, wherever possible, having appointments for the life of the legislature. That's something I'd again welcome some discussion on.

Obviously, if we make the equivalent to departmental audit committees or government audit committees, the idea of a substitute seems rather implausible — at the last minute, for a member of an audit committee to say, "I can't make it. Can you please go? I know you haven't had time to read the report but could you please go and sub for me?"

It's not something I think would be looked on very positively. So again, the question is, is substitutions on committees an issue and how do you deal with it?

The other issue we looked at was in terms of an experienced PAC. This is something we'll be discussing tomorrow in more detail during the CCPAC stand-alone session that will be taking place. This is whether PAC members are given the opportunity they need to acquire in-depth knowledge. Are they given a good orientation at the beginning?

I've heard members — I think of one member of the PAC at the federal level who said, "Look, I was a teacher until I was elected, and now you're asking me to scrutinize the nation's finances and I've received no orientation on how to do that or what the role of the PAC should be."

So, would orientation be something that would be useful? That's a discussion I think we'll have tomorrow but, in terms of an experienced PAC, having that orientation, understanding those types of issues is very important.

In terms of our findings, we found that about half the PACs appoint their members for the life of the legislature. That's not the case everywhere: in the House of Commons, for example, members are appointed for I believe a two-year period but, if the House is prorogued, the committee ceases to exist and, again, the structure of the PAC is in limbo.

So there's a real temporary nature to that. From what I've heard from many PAC members — and I would invite you to comment on this — is that presents a real challenge in terms of playing a strong role in the oversight system.

We also found — and I think I'll close with this observation; no, I have some questions, and then I'll close, but just to say that we looked at a couple of jurisdictions. We surveyed Ontario and Saskatchewan, and this was just going through the bios of members and seeing how long they had served. This is not by any means a complete survey, but we found there had been elections in both jurisdictions over the last year, and generally the members of the PAC are new. They might have been in the legislature before, but this was their first term in the legislature, so you're getting members who maybe have not had a chance to get an understanding of the role of the Public Accounts Committee and are not getting the kind of briefing they would like to get.

We found that in Saskatchewan, the median or middle level of experience was three years in the legislature and five years in Ontario, recognizing that both the chairs of the Saskatchewan and Ontario legislature have, I believe, 20-plus and, in one case, 30 years of experience as a legislator. So there is certainly some experience on the part of the chair.

If you would allow me just to wrap up very quickly —

Quelques questions pour discussion concernant l'expérience des membres du CCP: Lorsque les membres d'un CCP obtiennent un mandat couvrant la durée de la législature, est-ce qu'il existe d'autres facteurs pour expliquer leur roulement? Est-ce que ce roulement nuit aux activités du CCP? Les remplacements sont-ils fréquents dans votre CCP? Cette situation nuit-elle aux travaux du comité? Et une séance d'orientation dédiée serait-elle utile pour les nouveaux CCP et pour les nouveaux membres des CCP?

I always feel guilty about presenting a lot of information, and I realize we've presented you with a lot of information. What I'd like to do now is ask our panelists to take seven minutes or so each to present some reactions. Yes, I know I said 10 originally. How much would you like? Okay. That's because I rambled on too long, so it's actually my fault — but to take seven minutes or so just to present your reactions.

I'm going to start with the right side of the table, so I'll ask Carol Bellringer to present some reactions as both an auditor general and the Auditor General of Manitoba, in terms of the Manitoba context, and then I'll turn to Harry and ask him to present some reactions as the Chair of the PAC of Saskatchewan and as an experienced legislator.

Carol Bellringer (Manitoba): Thanks. Actually, when Geoff invited me to participate on the panel, I wondered why, because we're so needy and we do have some challenges in Manitoba. So with his introductory comments, I think I have a better context of how I can bring some of those challenges in hopefully a fairly diplomatic way to the table.

I had to do some soul searching; I had to think about it in the context of how I present what I see as a bit of, is the glass half-empty or is the glass half-full? In Manitoba, we don't necessarily sit with everything at the bottom of the scale, nor is anything close to the top. In looking at that soul searching, I realized that it depends on what day you ask me. So, when things are frustrating, I certainly feel like it's half-empty, but

there are other days where you see that some of it is moving forward and definitely the glass is half-full.

One of the things I was thinking of this morning in pulling some of these reflections together was how honest did I want to be and how much did I want to try to break the ice, as I was to be the first speaker. I was thinking back to yesterday and how much I enjoyed the trip to Skagway. It was indeed quite enjoyable. I heard about the golf game that had been going on with certain of the other members, and I thought, do I tell this or don't I? So I'm looking out here and I think you guys need something to kind of relax the crowd. So I'm opting on the side of politically incorrect. In fact, I'm actually wondering if the term "politically incorrect" is politically incorrect in this crowd.

It was the golfer who went out one day and he was about around the 8th hole, and the woman of his dreams came out of the bushes, and off they went for the day. So he's late for dinner. To make a long story short, he didn't finish the 9th. He shows up at home and the shame and the guilt just overwhelmed him. As he walked in the door, he told his wife the whole story, and she just looked him straight in the eye and said, "Don't lie to me — you played 36, didn't you?"

Those of you who golfed yesterday will get that one.

The other sort of lighter comment about how I see the PAC in Manitoba is it's kind of like eating your broccoli: you know you're supposed to do it, but you don't really enjoy it all the time. So we definitely deal with a number of issues. I have to say, from the perspective of an auditor general, there's nothing more exhilarating than getting ready for a PAC. There's nothing that brings the work you've done more to life and also for the staff who've worked on a particular audit — when they have to brief me or when they have to be present at the PAC and they're always on the edge of their chair, wondering what they're going to ask, and will I have the answer and, if I don't, how will I get it?

That adds something that is something I can't even really describe and measure, but it's really what makes it all so very important to us.

I'm going to start with the half-empty list for us. Our meetings are infrequent, and that's a bit of an understatement. I'll also say there are legitimate reasons why none of our members were able to be at the conference, but unfortunately, despite legitimate reasons for all the half-empty list, those are things we're trying to figure out how to overcome.

We have about a 20 report-plus backlog of Auditor General reports that have not yet been discussed by the PAC, so it takes you back several years. The mood in the room is clearly politically-charged. It's often an extension of Question Period. The meetings are often held during session and, when something isn't covered in the House, it carries over into PAC, and there is no research staff.

Having said that, we saw some significant progress during this last year and, on each of those matters, we're seeing the PAC move to the other end of the spectrum in terms of each of the areas I mentioned and each of the areas that were surveyed. The CCAF came out and did a presentation to the members of

PAC last year. It was an informal luncheon session. It gave the members a really good opportunity to sort of break the ice in-camera, if you will, and start talking among themselves in a fairly non-political or, if you prefer, the constructively partisan type of discussion that was quite beneficial. The in camera thought was carried over, for the first time, as a session that was regularly held prior to each of the — although infrequent — PAC meetings we had last year.

So some of the dynamics — in fact, I would say fundamentally, the dynamics of the committee when it was in the public forum — shifted dramatically. It did become constructively partisan. The chair did cut off policy and political commentary and suggest that be not necessary. In fact, there were a few questions that were on the border and the chair gave the person who was being asked the question the option of answering it or not.

I'm not going to get into the detail in Manitoba of some of the causes of this. We have ministers who are sitting there, the Minister of Finance, and all kinds of no-nos when you look at the rules of best practice, but those aren't necessarily the issues that are really preventing a really effective PAC.

The government members did ask questions for maybe not the first time, but the first time in a long time, last year. I've just heard that a researcher has been appointed to the committee. Possibly it's only a part-time position, but at the moment there is absolutely no research time provided to the committee. Some of the administrative issues just fall off the table, as simple as how do you make sure the ministers and deputy ministers are available to actually attend the meeting as required? So agendas shift because people who were expected to be there can't be there — and just some of the basic bread-and-butter questions can't be answered.

I think that will be one of the greatest improvements we'll see over the short term coming up.

I'll leave it at that. How was I on time there, Geoff?

G. Dubrow (Chair): Precise as an auditor.

C. Bellringer: And I don't have my clock because I use my Blackberry, which won't be ringing during the session because it's the Rogers system.

Harry Van Mulligen (Saskatchewan): I'd like to begin by thanking the World Bank Institute and KPMG and CCAF for undertaking the survey we're discussing today. No matter how many years of experience you may have in a public accounts setting or in government, there are always things you can learn, there are always things you can benefit from. So it's a helpful exercise to be able to identify strengths and challenges, and to be able to respond appropriately to those.

You had a bit of humour in yours, and I'd hate to just leave it and get totally serious. I'm always impressed by the perspectives that various people bring to issues under consideration.

I'd like to refer you to the best joke in the world, so called by the *National Post* some years ago, where they had a little joke about Sherlock Holmes and Dr. Watson. Apparently it was

the best joke in the world because either these characters are known throughout the world or the character types are well understood by people throughout the world. It concerns Dr. Watson and Sherlock Holmes setting out on a hiking expedition to go to the Cotswolds, or wherever you go in England. They packed up all their camping gear, their tent and like, and they set out and hiked for the day and came to rest near a small brook. They pitched their tent, built a fire, had a wonderful meal, had their coffees, discussed the state of the world, went to bed in their tent, talked some more, closed the flap on the tent and then it was lights out. In the middle of the night, Holmes wakes Watson up and says, "Watson, when you look above you and you see those stars, what do you deduce?" And Watson said, "Well, when you see all those stars and the sheer infinity of the stars, and I'm one person on one planet, which is part of one solar system, there's among other things, horologically and astrologically, a spirituality that comes with understanding our insignificance yet our significance in this universe." Holmes says to Watson, "Watson, you fool, someone stole our tent."

So it's always good to have various perspectives when you undertake matters such as this.

This deals specifically with the question of corrective action and recommendations, or primarily on that. I was struck the other day by the vice-chair of our committee who, in looking at some recommendation of the provincial auditor in a most recent report, observed that while these recommendations had been made now for some seven years or so — I think it was seven years; it might be six years or five years — and wondered why more progress wasn't being made. I'm thinking, well, little does he know; he's new here. But the question is a very good one and a question that should concern us, that if you have people with the expertise of auditors continually driving at certain situations, and the pace of change, to say the least, is glacial, then it raises a question of how we might be able to prod governments to proceed to make changes in a more timely fashion.

Then I get back to the question Geoff raises of controversy and will controversy work. I could tell the former House leader that the auditor's recommendations about, for example, departments not having backup plans and the like, yes, may well be a real issue, but does it factor in, say in our case, the issues that are top of mind and top of the headlines — we had some escaped convicts and the like — so what's likely to catch the interest of an opposition House leader and, therefore, make it to the agenda.

So I would rule out controversy. That's not to say that public accounts committees don't deal with controversial items and that they weigh in, and appropriately so, but find that many of those are issues that are in fact referred by the Legislative Assembly, or first raised in the Legislative Assembly.

So the question then is how do you deal with this slow pace of change, recognizing again deputy ministers have the responsibility given to them to deal with the management of their departments. At the end of the day, ministers may well be accountable, but it's the deputy ministers who are responsible.

If you understand that some ministers are just totally and completely unaware of recommendations made by the auditor of Public Accounts Committee with respect to their departments, they just don't know, or if they've seen them, they just don't understand, is there room for, say, a steering committee of the Legislative Assembly to pay a visit to the minister to ensure that minister understands the nature of the recommendations, that the deputy minister may not be paying the kind of attention, ensuring speedy change, that is desirable.

I raise the question of if there's a role for the steering committee. In the case of Saskatchewan, the steering committee is the deputy chair and myself. You may get a minister being prepared; I venture to say a minister would be prepared to meet with the two members of the steering committee and I think would pay attention if we brought matters to his attention.

I raise that particular opportunity for us, at least in Saskatchewan, and perhaps in other jurisdictions. I don't think that much will be served by having a minister appear before a full committee to answer, because you'll quickly get into a political slug fest about this, that and the other thing.

So I raise that as a constructive suggestion.

The question of having a PAC having its own follow-up strategy, I agree. We might see the members of the Public Accounts Committee have greater satisfaction in the work they do if they had their own strategy and begin to see some results as a change, as opposed to the case in Saskatchewan, mostly monitoring what it is that the provincial auditor recommends and then what it is that departments do in response to the auditor's recommendations. If a public accounts committee, recognizing the majority are government members, have their own strategy for ensuring follow up, it might also begin to remove some of the flashpoints that do develop from time to time between auditors and governments. I think that may be healthy.

If I'm leading to a place of no controversy, it's one that's based on experience that quiet, helpful, constructive sessions with people who are in a position, or should be in a position, to know what is taking place and are in a position to ask the right questions of the deputies, and so on, may be more helpful.

Would additional staff capacity help us? Yes, it may be helpful, although I might say, in Saskatchewan, we're extremely well served by the provincial auditor and his staff. I think the key is members' interest, and especially the government members. It has to be recognized that the majority of the committee is government members and if the government members take a keen interest in the recommendations, in the work of the committee, then I think they're in a position to have more sway with government.

Quickly, because I think I'm exhausting my seven minutes here, Geoff, does lack of research support undermine ability of PAC to write reports of recommendations, and follow up? Again, in the case of Saskatchewan, the provincial auditor serves us extremely well. Having said that, I note that in Saskatchewan the Minister of Finance only responds to recommendations that are made by the committee, as distinct from recommendations that are made by the provincial auditor.

There well may be an opportunity for a researcher to assist the committee take a broader view, sometimes, of trends and issues, and to have those, at least, in the public view and have them be responded to by the Minister of Finance.

I guess it's a question of research capacity for us; do the government members see a benefit in that. I think that's a key. I did serve as vice-chair for about a year and a half, at one point, and therefore a member of the government. I could see benefits to the government members having research capacity, but the timing wasn't very good for us. This was in the early 1990s and we were dealing with other issues of debt and deficit.

You're signalling that my time is quickly evaporating. Just one more, in terms of orientation, would a dedicated orientation — yes, we receive that, both from the provincial controller and provincial auditor and public committee clerk. It's very helpful to have outside perspective, how members in our jurisdiction compare with members in other jurisdictions. I think that would be very helpful to have as part of our orientation, but not something we had.

I will leave it at that.

G. Dubrow (Chair): I do want to point out I have just found this bell on my desk, which has been placed there by somebody and is marked "Canada". In the interest of interjurisdictional relations, it might be inappropriate for me to be ringing a bell that says "Canada" on it, stopping a member of a provincial legislature, so I've decided not to use it. But thank you very much for your comments, Carol. I'll just ignore it anyway.

Let's turn now to the international side. Robert, I'm going to ask you to give us a hand just to make sure those slides are loaded up for Rick's presentation.

Comme je l'ai déjà mentionné à mes collègues du Québec et aux autres francophones, je suis désolé que la présentation de M. Stapenhurst ne soit pas encore disponible en français. C'est quelque chose qu'on va essayer de corriger tout de suite et vous donner la version traduite dans le site. So, my apologies for that.

Rick Stapenhurst (World Bank Institute): Mesdames et messieurs, je suis très heureux d'être ici aujourd'hui. C'est la deuxième fois que je participe à votre réunion. Je suis en train d'étudier la langue française et aujourd'hui, je n'ai pas l'intention de massacrer la langue de Molière. Alors, laissez-moi poursuivre en anglais, s'il vous plaît.

I'm very pleased to be here today and to work once again with CCAF and with Geoff Dubrow, whom I've known for many years in particular. We normally try to copy each other's good practice, but today we've managed not to do that because, in my enthusiasm in loading the presentation on to these computers, I've managed to get two different versions of my presentation. So I invite you to spot the differences.

What I'll do in seven minutes is very difficult to try to do. I'm going to skip PAC research. I'm going to go straight into how Canada compares. In fact, one of the differences — I'm not going to talk about a Westminster model versus emerging

Commonwealth principles; it's far too complicated for a seven-minute presentation. Instead, I'm going to highlight one or two issues I think are pertinent to Canada.

Geoff mentioned earlier that there's not a single jurisdiction in Canada where PAC faces unique challenges. I believe that's true, but I believe that is true globally. There's not a single PAC in the world that faces unique challenges. There is at least one other PAC somewhere that faces the same challenge as you do.

I will skip this slide but one of the things I do want to mention is we do all this research and we work with PACs around the world, and one of the things that strikes me is the number of non-Commonwealth, non-Westminster jurisdictions that are adopting public accounts committees. It really is quite remarkable. In the last three, four or five years, Finland and Denmark in Europe, Liberia and Ethiopia in Africa, Afghanistan, Nepal and Bhutan in South Asia, and Thailand and Indonesia in East Asia, have all adopted or are establishing public accounts committees. I think that's a testimony to how important the world and these other parliaments perceive public accounts committees to be.

I'd like to give a reprise from my presentation last year. I'd like to just go over what, out of all this research that's being done by ourselves, by CCAF and others, globally, are the features of an ideal public accounts committee?

First of all, that the committee is relatively small. It seems to work best when it has between five and 11 members, none of whom are government ministers. Secondly, that senior opposition figures are associated with the Public Accounts Committee's work and probably chair the committee. In addition, and regardless of whether the chair is opposition parliamentarian or not, the chair is a senior parliamentarian, fair-minded and respected by parliament. Thirdly, that the committee is appointed for the full term of parliament and not just for one or two years. Fourth, that the committee is adequately resourced with an experienced clerk and competent researchers. Fifth, that there's clarity on the committee's role and responsibilities. Sixth, hearings are open to the public, there's a full verbatim transcript and summary minutes that are quickly available for public distribution. Seventh, there's a steering committee that plans the committee's work in advance and prepares an agenda for each meeting to the full committee. Eighth, the auditor's report is automatically referred to the committee and the auditor meets with the committee to go over the highlights of the report. Ninth, in addition to the issues raised by the auditor, the committee occasionally decides to investigate other matters. Finally, parliament holds a debate on the work of the committee.

I would say that last year we proposed these rather tentatively as the attributes of an ideal committee and your equivalent association in East Africa has in fact endorsed and accepted these principles as goals they want to work toward, with the exception that they don't agree the committee should be limited to five to 11 members. But all these other items, they've said they believe are important and wish to work toward.

I'm going to summarize the results of some of the research and highlight the differences between Canada and other regions of the world. They're not the same, Geoff, so don't look at that one and see; you have to look at that one. Yours is the correct one, by the way.

G. Dubrow (Chair): Okay, then why don't we shut that one off for now.

R. Staphenurst: If I do that, can everybody here see this one? Then nobody will win the prize, Geoff, in terms of spotting the differences.

G. Dubrow (Chair): I think we're going to get the prize for the best PowerPoint presentation.

R. Staphenurst: Okay, if you could look at this one, please. This is what chairs of committees told us were factors that were very important: the power to make recommendations and to publish findings. Here the Canadian chairs give similar importance to this issue as to Public Accounts Committee chairs in other jurisdictions. All chairs told us this was an important power for the committee.

Similarly, the power to choose subjects for examination without government interference; there was unanimity with regard to that. But the last issue on this slide is a clear focus on examining administration and not policy. Canadian chairs put much less emphasis on that as an important issue than in other jurisdictions of the world. I think the implications of that show up on the next slide, bipartisanship. Again, the Canadian chairs felt there was far more room for partisanship than did their equivalents in other parts of the world. They put less importance on working closely with the Auditor General than at least their equivalents in South Asia and the United Kingdom, but higher than their equivalents in Africa and Australia. I think the next line is telling: independent expertise and research. The Canadian chairs put far less emphasis on this. They did not consider this to be an important factor in the success of their work as did their counterparts in other countries.

Also, less emphasis was on involving the public and involving the media. I'll come back to independent expertise and research in just a moment, but regarding involving the public and the media, some jurisdictions have been quite innovative in how they do this. In Australia at the federal level, the Public Accounts Committee actually puts advertisements in the newspaper, inviting submissions from the public on issues they're investigating. They get a lot of information that way.

In other jurisdictions, even more avant-garde approaches. In Papua New Guinea and Fiji, non-parliamentarians are invited to sit on the committee. In Denmark, the Public Accounts Committee isn't even a parliamentary committee; it's a committee of eminent individuals but not parliamentarians, yet they report to parliament.

So very interesting ways of involving the public. I'm not going to say there's a right or a wrong way, but it's just interesting experiments happening in other countries.

Next slide please, Geoff.

I think these differences are telling when we look at the answer that the chairs gave us on how frequently their committee achieved these results. You see that, in terms of recommendations accepted and recommendations implemented, Canada scores much less well than any other region, apart from Africa.

In terms of legislation modified and information improved, Canada doesn't do very well either. Even in terms of legal action taken and disciplinary action taken, Canada is at least exceeded by South Asia, by the PACs in India, Pakistan, Bangladesh and Sri Lanka.

Next slide please, Geoff.

I'm going to highlight on two issues that I think are relevant to this discussion. The first is how the PAC reports are treated. First of all, in Canada, the PAC reports are presented; they are tabled in parliament, as this slide shows, and that's the same as in Australasia and in South Asia. But not shown in this slide is the fact that it's far less common in Canada for those reports to be debated. Geoff and I had a quick discussion over breakfast, and he said, but is that really important that the PAC reports be debated? I believe yes, it is, if one considers that parliamentary debate to be part of the public dissemination of the work of the Public Accounts Committee, and it increases the public pressure on the government accepting the recommendations of the Public Accounts Committee and, indeed, perhaps increasing the pressure for follow up on those recommendations.

Next slide please.

I only have two slides then I'll be finished.

Canada doesn't do so well, either, in terms of a formal requirement for the government to respond to Public Accounts Committee recommendations. Only 60 percent of the Canadian public accounts committees require that, as opposed to most of the public accounts committees in Australasia and South Asia — although I do recognize that, in many jurisdictions in Canada, there's an informal requirement, but in other jurisdictions, it's much stronger.

My last slide, please.

This has been touched by the other speakers today: one of the factors that I think drives the relative ineffectiveness of Canadian public accounts committees is the lack of research staff. In Canada, on average, public accounts committees only have one researcher supporting them, as opposed to in South Asia and Australia, where it's three or more.

I think public accounts committees, in common with other committees and, indeed, parliament in general, can only be as effective as the resources allow them to be. With the volume of work that a public accounts committee has, and seeing how busy members of the committee are with other responsibilities, how can one researcher provide the kind of support the committee needs? I'll leave that as a question.

Thanks very much.

Kerry Jacobs (Australia): Hello, I'm Kerry Jacobs from ANU. I do apologize to the speakers. I had two years of torturing French in high school, and all I remember is the

phrase, “Pardonnez-moi, je parle français comme une vache espagnole.” So it’s in the best interest of everyone that I stick to English.

Also with humour, I started as a young academic in Edinburgh, and I used to tell my students, if I was good at comedy, I’d be in the Edinburgh Festival, not teaching you. So you have to put up with my jokes because, if you don’t like them, I’ll fail you.

Again, given I’m not setting exams for anyone here, I’d probably best avoid that, as well.

Very quickly, I think the computer has eaten — oh no, it has been rediscovered; fabulous. The wonders of technology: I thought the computer had eaten my slides.

I’ve a lot to cover fairly quickly, because I want to compare what’s going on and some of the findings from Canada to the work that we did in Australia, and also some of my own work recently, talking to the different PACs and presenting around the country. I think the very first thing — that one has died, has it? We’ll just work on one.

Look to the right. To the right you will see —

Firstly, there is no such thing as an Australian model. I very quickly say that. There is a diversity of models. There are some tremendously good examples, jurisdictions like the federal Public Accounts Committee in Canberra, which is where I’m located, and also other jurisdictions, such as the Victoria State PAC. I believe you get some very good practice. There are other PACs that are very weak and have very limited powers. Our Northern Territory is one example of that. Tasmania seems to function fairly well with fairly limited powers.

These are diversities, some very good, some very limited powers and there’s a group in the middle.

The first thing I want to skip fairly quickly over is there’s a diversity of legal basis. One of the distinct differences in Australia is a lot more actual use of legislative basis than Standing Orders. Membership: an interesting point is the Australian PACs tend to be much smaller, even in reasonably large jurisdictions, so they range from about three to 16 members. Most common is around six. Substitution is virtually unheard of. We will touch on that in a minute.

Most of them are proportional to party membership, roughly. This is an Australian oddity. The majority are chaired by government. We can discuss a little bit or you may consider what this means and what the political implications are. Does this weaken the oversight of the PAC or does this mean the application of recommendations is better? It’s a bit of a debate there.

Some of them are lower [*Inaudible*]...; a few of them are joint. This is a reasonably unusual thing, drawing from both houses in bicameral systems. Again, in contrast to Canada, the Canadian PACs are relatively large and there are a number of them chaired by independents and some of them proportional — again, either opposition or independent. I kind of think that’s good but, again, that’s a bit of a debate, as well.

Sources of work: pretty much all of the Australian PACs have the ability to self-initiate. They can initiate their own inquiries and it’s quite common that they do, except for Northern

Territory. As I said, they have quite limited powers. A few of them have estimates functions; Victoria particularly has an estimates function as well as the classic PAC follow-up work.

We tried to have a look at some of the work they did and we found three groups. Some groups pretty much do their own thing, pretty much self-initiating with relatively little follow up of A.G.’s reports; another group principally uses A.G.’s reports with almost no self-initiated work. On the whole, we think the combination of two, a bit of both, is probably best.

There’s no systematic practice of following up A.G.’s reports to check that implementation has gone through. I think the Canadian initiative there is actually leading.

Auditor General: often, with a couple of exceptions, they do have a responsibility to examine or follow up reports. Normally they involve an Auditor General’s appointments. A couple of exceptions: [*Inaudible*] have veto involved in the selection, in some cases even recommend; a few of them are also involved and need to be consulted before an A.G. is removed, which generally is quite difficult.

Best practices: they are involved in commenting on the adequacy of an Auditor General’s budget and that’s a reasonably good practice. They also commonly have a power to review examination of the A.G.’s report. Again, we’ve touched on that already; also, potentially refer matters to an A.G. for examination. This is a bit controversial whether this is a public accounts committee starting to impinge on the role or mandate of an auditor general.

Staffing and resources: the staffing is generally much higher than what you seem to have. I think we’d go with recommendations. They range between one and seven. I’ll just repeat that: seven support staff. Some of them were shared, so a few of those at the higher end may share with other committees; a few of them are seconded from the Auditor General, but the norm and quite common is two to three. These are the smaller ones; the larger ones could easily have four and, in some cases, five staff. So making a case for a few more staff is not at all a bad idea.

Northern Territory: they only have what they second from the auditor generals, a point that they’re a little bit deprived. Ability to call on other staff: funding normally controlled by parliamentary speaker, so there’s some controversy about where the funding for the PAC is actually controlled.

So do we have some general guidelines for best practice, some ideas we can draw up? I think, number one, there needs to be a clear basis. Frankly we could find no difference, and we’ve tried looking at this between a legislative and a Standing Order basis, but you need a clear basis for your Public Accounts Committee.

Not too big: I’d go with between six and eight, from the Australian experience. I think if you get more, it gets hard to control. Representation not domination: this is an issue about how it’s chaired, the numbers and the balance between becoming at all on one side of politics or other. I think there needs to be a mix of both following up the Auditor General’s work, which is very important, but also the power to initiate and self-

initiate inquiries and the leading PACs within Australia tend to blend both.

The follow-up of reports practice here in Canada is definitely leading what is normally seen in Australia, and I think that's something you can be proud of and should be encouraged to build upon. I think the close working relationship with the Auditor General is critical, although I've had some A.G.'s suggest to me that, at times, it could be a little bit too close. So there's a question to reflect on: when is close too close?

Well staffed and resourced: I think, seriously, if you have less than two staff, you really lack the capacity to function effectively, and two to three staff I would regard as probably what you should be aiming for. If you're very large and have a lot of work, possibly even more, in the best of all worlds.

G. Dubrow (Chair): Thank you very much, Kerry and, to our other panelists, I'd like to just begin by sincerely apologizing for the obvious technical difficulties we've had with our PowerPoint today. We will endeavour to do better in the sessions coming out throughout the day. We spent literally hundreds of hours preparing so it's not always pleasant when unfortunately there are such technical difficulties.

One thing I think we can do to correct the situation is, in terms of the slides that we've done on the PAC survey, we can have those reprinted for you in larger print so they're more readable. I do hope you'll take out with you the messages that came from our panelists and perhaps put less emphasis on, as they would say — is it in Britain or Australia they say "cock-up" with the PowerPoint that existed today. My apologies.

I was handed a note from one of the PAC chairs recommending that we extend to 10:30. I don't know how you all feel about that, but it would probably be — or would you like to take a break and, when we come back, we'll take some questions from the panelists? I heard "good idea". So unless there's anybody who's opposed to that, can we break until 10:45? Or I'll say 20 to 11 because I know people will come back at quarter to 11, so how about we break until 20 to 11? Thank you.

The conference recessed from 10:20 a.m. to 10:45 a.m.

G. Dubrow (Chair): In the interest of time, if we could reconvene. That was an interesting series of presentations this morning by our presenters from Manitoba, Saskatchewan, the World Bank Institute and Australia. We have our new panel set up here but, before that, we'll take maybe two or three questions from the floor.

Just a reminder that Kerry Jacobs and Rick Stapenhurst from the World Bank — I'm pointing because this is where they sat — are here throughout the conference so there will be many opportunities to pull them aside and talk to them.

Are there any questions about the presentations we heard? I can take maybe two or three questions and then we'll move on to our panel talking about the role of PACs in issuing recommendations and following up.

Fred Dunn, the Auditor General of Alberta.

Fred Dunn (Alberta): I'm not sure what table — Table 4, Alberta. Geoff, just about the size of the PAC, if the Assembly does not have many opposition members, what happens if you downsize the number of the PAC? You could virtually eliminate the opposition representation from that. In our case, we have 17 members but, by having 17 members, it accommodates representation by the two opposition parties.

G. Dubrow (Chair): That's a good point, a very good point. So, what's the answer? Kerry, do you want to address that issue, in terms of the Australian experience?

K. Jacobs: That's a really good question. I wouldn't say you'd necessarily have to mind strict proportionality. I had a rather surreal experience talking to the Public Accounts Committee of Singapore, when I asked them about opposition representation on the Public Accounts Committee. They said, "Oh, we don't have any opposition." The aside is, of course, that they're all in prison. They said that what they did is delegate government members to be opposition for the purpose of public accounts committees.

I think as long as you have a majority, if you're the government and you have a majority in the House, as long as you have a majority on the PAC, you still control the PAC. So I wouldn't necessarily say you'd have to maintain a strict proportionality, although I suggest you don't put all the opposition in prison.

G. Dubrow (Chair): Other questions?

Doug Griffiths (Alberta): Doug Griffiths. I'm the vice-chair in Alberta. Out of all the studies and surveys and recommendations — I know most of it was logistical, it's actual rules and regulations to guidelines and stuff — there was no discussion about how much of a factor personalities actually play in the makeup of a committee. If you put the wrong people on a committee, they become antagonistic, and it doesn't matter what rules and regulations you have in place. You can tie the hands of PAC and really make it ineffective, so I'm wondering if there were any factors that maybe weren't talked about on the type of people you actually want to put on the committee to get a non-partisan or cross-partisan group that will actually work together.

G. Dubrow (Chair): I don't think so, Doug. That's a really good point. Of course, it's always hard to quantify that kind of behavioural data rather than the powers and procedures and practices, but we should give some thought to that and see how we can do something like that.

No, we focused more, you're right, less on the behavioural side.

Table 6?

Jerry Ouellette (Ontario): Jerry Ouellette, Ontario. Just a question regarding the researchers. What is their functional operation and what would be the size of the administra-

tive staff of the various A.G.'s offices? When you talk about the number of researchers, are they all doing the same work or each in each jurisdiction doing different proportional work in those jurisdictions?

G. Dubrow (Chair): We're looking at the researchers of the PACs and there are generally two models. One is sort of the Library of Parliament model, the Legislative Library model, where the Legislative Library will loan researchers on a half-time basis or more to committees, and the PAC will therefore be served by those Legislative Library staff. That's really Ontario, Quebec and the House of Commons.

In B.C., they have a different model, it's sort of the Clerk of Committees model, which means the Clerk of Committees will assign the researchers to the various committees, so there are different models in terms of how that works. Other committees have just hired — I believe that's the case in Alberta, if I'm not mistaken, with Philip Massolin, that he has been hired by the legislature and he's providing services to the various committees. So there really are different models in terms of the role of the researcher and I'd invite them to comment. But generally their job is to brief members on the committee reports, so take the A.G.'s report and they'd be pulling out the main points. They can write the report of the committee.

I've heard from other jurisdictions that don't have researchers that one of the reasons they don't issue reports is they have nobody to write it. So writing the report is very important.

As we're going to hear in the panel this morning, some committees — we're going to talk about the case of Ontario. Shawn Murphy was going to talk about the case of the House of Commons, but we can address that anyway. The researchers are also involved in holding the government's feet to the fire. They'll send requests to departments for status reports, saying, "The A.G.'s report has been issued and now we want to know what you're doing to act on those reports." And that's an issue I think Norm Sterling will address today.

One more question — Mike Eastman, Executive Director of CCAF. Table 16.

Michael Eastman (CCAF): It's not really a question. It's a bit of a response to Doug Griffiths' question. The word "personality" is of ultimate importance to the effectiveness of a PAC. We have hidden the word in many aspects. You heard the words the chair has to be fair-minded. Fair-minded is a personality statement here. You heard the words steering committee; the steering committee is normally the chair and the vice-chair. They have to work very well together. They have to be cooperative participants in the process. Again, the personality. If that doesn't happen, you're not going to get any issues discussed, any effectiveness issues there.

So the word personality is hidden in many of the questions, and we could discuss it, but we haven't come out with that word because we can't say we have to have the right personality to be chair, because we didn't think it was our role to use those types of words. We felt we had better keep on responding

to the questions, but it is hidden and of utmost importance in the whole debate.

So, just a little word.

Joint Business Session No. 2

Panel Discussion

Topic: *Good Practices in Issuing Recommendations and Following Up*

Chair: Geoff Dubrow, CCAF-FCVI

Presenters: Sheila Fraser, Auditor General of Canada
Norm Sterling, Chair, PAC, Legislative Assembly of Ontario

Vincent Auclair, Vice-chair, Public Administration Committee, Quebec National Assembly

G. Dubrow (Chair): Thanks very much, Mike. Hopefully we'll have a bit of time left over at the end before lunch and we can continue this discussion and incorporate it into the discussion we're going to have.

So maybe at this point, we should move to Panel 2, which is really looking at the role of PACs in issuing recommendations and following up to ensure the government has implemented those recommendations.

You'll see up on the screen the slides we wanted to show you, which are now up, which are those bar charts we were talking about in terms of the number of PACs that have the power to issue recommendations, the number of PACs that actually issue recommendations that go above and beyond the Auditor General's report — so not only adopting the Auditor General's report, but actually issuing recommendations — the number of PACs that hold dedicated follow-up hearings on implementation of the PAC recommendations or the A.G.'s recommendations — which is four — and the number of PACs that are looking at subsequent Auditor General reports — not a follow-up report, but the next report. Two, three or five years down the road, they might be going back and looking at recommendations and seeing how they were dealt with, but it's not a follow-up report per se. And then those that don't really deal with issues of follow up.

Finally, the number of PACs that request status reports: again, Norm will be talking about that.

Je ne suis pas certain si c'est le cas au Québec, si vous demandez des rapports de — Je crois que oui, et vous pouvez parler de cela aussi, les rapports de mise à jour, par exemple. But it'll be interesting to get that perspective from Quebec, as well.

I think, with that, I'll introduce the panel. I'll start perhaps to my right with Sheila Fraser, who was appointed Auditor General of Canada on May 30, 2001. Born in Dundee, Quebec, Ms. Fraser earned a bachelor of commerce degree from McGill University and became a chartered accountant in 1974. Before joining the office, Ms. Fraser enjoyed a fruitful and challenging career with the firm of Ernst & Young when she became a partner in 1981. In its Quebec City office, she was responsible for a wide range of private and public sector clients, participated in several assignments with the Auditor General of Quebec, as well as with several departments of the Government of

Quebec. She joined the Office of the Auditor General as Deputy Auditor General in January 1999. It's nice to have you on a panel for the second year in a row.

Norm Sterling, to my far left, has lived his entire life and raised his family in eastern Ontario. He was first elected to the Ontario Legislature in 1977 — quite a lot of institutional memory there that we welcome to this panel. Among his accomplishments during that time, Norm served as Attorney General and minister responsible for Native affairs, as well as Minister of Transportation. Norm has been a strong advocate for increasing the role of duly-elected representatives at Queen's Park, with a record of delivering reforms that have increased the influence of both individual MPPs and the public in the Ontario Legislature. On November 6, 2003, he was named as opposition critic for democratic renewal.

Et M. Vincent Auclair, député de Vimont, Parti libéral du Québec, adjoint parlementaire à la vice-première ministre et ministre des Affaires municipales et des Régions, vice-président de la Commission de l'administration publique qui, dans les autres juridictions, est le comité des comptes publics. Comme formation il a un baccalauréat en science, majeur en économie, mineur en relations industrielles, de l'Université de Montréal. Il a son licence en droit de l'Université d'Ottawa. Il est notaire. Comme expérience professionnelle, avant d'être élu membre de l'Assemblée nationale, il était notaire chez Auclair et Chartrand.

Bienvenue! Welcome to all the panelists.

I think I've probably said enough in terms of introductory comments. I just wanted to again mention that what we're really focused on here is the role of the public accounts committee in issuing recommendations following the Auditor General's hearing, but one of the other issues of innovation is the role of the Public Accounts Committee in holding the government's feet to the fire after those recommendations have been issued. What is the PAC doing to find out what government has done to implement those recommendations? Are they conducting some kind of follow-up? Are they asking for a status report? Are they engaged in a constant dialogue with departments with regard to that?

Again, I just want to point to the publication that we've put out, called *Towards the Public Accounts Committee of the Future/Vers le Comité des Comptes Publics du Futur*. You will find two documents in there. I'll just flip you forward to Study 2, which is a study on good practices, issuing recommendations and follow up, a study of selected jurisdictions in Canada and Australia, and we've looked at good practices of the House of Commons, British Columbia, Ontario, Quebec and Saskatchewan, at the Canadian level.

So, without further ado, Sheila, perhaps we could start with you, in terms of making some comments about the role of the Auditor General in recommendations and follow up.

Sheila Fraser (Canada): Shawn isn't here today. Thank you, Geoff.

I'd just like to talk a little bit this morning about our approach to follow-up in some of the work that our Public Ac-

counts Committee does with our report. Follow-up on recommendations has been part of our regular audit work for many years, but in 2002, we decided to take a new approach to the way that we carry out and we report our follow-up audits.

Avant 2002, nous avions l'habitude de faire rapport sur toutes les recommandations, deux ans après le rapport de vérification initial. Nous nous en remettons surtout aux rapports d'étape des ministères sur les mesures prises pour donner suite à nos recommandations. Nous examinons ces rapports afin de déterminer s'ils paraissaient crédibles, mais nous ne faisons pas une vérification en profondeur. Nous présentons ces rapports de suivi dans les rapports contenant aussi des chapitres de nouveaux travaux de vérification. Et nous nous sommes rendu compte que les travaux de suivi étaient éclipsés par les nouveaux travaux de vérification et, en fait, que cette façon de faire avait tendance à masquer les mesures prises par les ministères pour corriger des faiblesses, ou encore, masquer leur inaction.

Selon notre loi, nous pouvons déposer à la Chambre des communes un maximum de quatre rapports par année. Actuellement, nous en déposons trois et nous avons décidé en 2002 de dédier un de ces rapports aux vérifications de suivi. Dans ce rapport de suivi, que nous appelons le rapport de point, nous mettons l'accent sur les questions les plus importantes, des questions qui sont systémiques, actuelles, toujours pertinentes et qui présentent un risque élevé et qui, à notre avis, intéressent toujours les parlementaires.

In the changes to our follow-up work, we re-audit the issue that we originally looked at. While we tend to focus on implementation of recommendations, we do at times extend our work to include new issues that are relevant to the original audit work. That's because, obviously, issues evolve over time, so focusing strictly on specific actions taken to address recommendations may not provide a complete picture. The original recommendations may no longer be applicable to new circumstances or to the evolution of the issue. Obviously, the purpose of the follow-up audit is to focus on the department's own commitment to take action on issues that have been raised.

We then rate the department's progress as either "satisfactory" or "unsatisfactory", taking into account the time that has elapsed since the original recommendations and the complexity of the issues — and we give an overall conclusion as to whether progress is satisfactory or not. I am pleased that since we have introduced this, I would say the majority certainly — probably about 70 percent — of the conclusions have been that "satisfactory" progress has been made by government.

Comme pour tout notre travail, nous sommes beaucoup plus efficaces comme bureau de vérification si le comité des comptes publics manifeste un intérêt pour le sujet, en tenant une audience et en publiant un rapport. Avec le temps et avec notre encouragement, lorsqu'un ministère doit comparaître devant un comité parlementaire, le comité s'attend à ce qu'il ait préparé un plan d'action détaillé montrant la façon dont il prévoit mettre en oeuvre nos recommandations de la vérification; et le comité s'attend maintenant à ce que ce plan d'action soit déposé avant l'audience même. Le comité analyse ces plans d'action. J'ai déjà vu le comité renvoyer un plan

d'action, parce qu'il n'était pas suffisamment étoffé et n'indiquait pas avec assez de précision les actions qu'il était pour prendre, qui était pour les prendre et dans quel délai.

Those departmental action plans are very important to us as auditors, because we use them to then determine when we are going to do our follow-up work, so if a department says it will take them three years to implement the actions that they believe necessary to correct the issue that we have raised in an audit, we will then schedule the follow-up audit sometime after that. We are, in effect, as we do in many of our audits, following up on government's commitment to act.

We believe that this information in an annual status report is useful to parliamentarians. We have certainly seen that they have expressed a lot of interest and have over time actually in fact asked us specifically to do follow-up audits — something that wasn't done in the past.

It's unfortunate that Shawn isn't here today, because I think the Public Accounts Committee has done some very interesting work. They do ask for regular status reports on action plans. They have also done a project — and we can certainly give you the reference to the committee report on analyzing government responses to recommendations that they have made, which is a very interesting report where they categorize government responses into three categories: one where the government agreed and was committing to do something; one where government disagreed; and one that they called "status quo", which was basically the usual continue-the-discussion and not really promise anything, and the majority of the answers fell into that category. So I think parliamentarians are becoming a little wiser as to how government is giving them responses, which, quite frankly, don't mean very much.

So the House of Commons Public Accounts Committee has been doing some very interesting work, doing their own follow-up on their own recommendations and is certainly playing a key part for us in our recommendations.

If I could, I would just like to ask one question, perhaps, of the group, which relates to a question that was raised earlier about the lack of implementation of recommendations. In discussions that I've had with deputy ministers, there is one significant issue that really doesn't come up very often in hearings — they say it's the elephant in the room — where we issue recommendations often on very complex issues; they agree, in fact they know when we start the audit what the issues are going to be, and what they are telling us is that they often do not have the resources, or sufficient level of resources, to be able to adequately address the problem, that they will in fact try to get funding, but will get funding at maybe 50 percent of what they actually think they need to be able to address the issue.

As auditors general, we don't comment on resourcing. We believe that that is truly a policy issue, and of course the deputy minister can't appear before a parliamentary committee, I think we all recognize that, saying that they don't have enough money, because they have to defend the government position. So I would be interested to see if there are any views on that. Certainly in the cases where they have presented a submission — in our case, federally, a Treasury Board submission — re-

questing funds and have not received that, we can report that without making a comment on it. But the process is often much more informal than that, and when they present the submission it's usually for the amount of money that they know they're going to get. So there are time issues around certain programs where we see that recommendations are not implemented. I can think of one department in particular and I doubt that the whole question of resourcing and adequate funding is at the basis of that.

Thank you.

G. Dubrow (Chair): Thank you very much for a very interesting presentation and particularly I am interested in the issue from the perspective of the Public Accounts Committee — the issue of the PAC conducting an analysis of government responses. When we heard about that practice, I think what we were interested in is, obviously — in our Westminster system, government implementation of recommendations is entirely voluntary, in a sense. There are no punitive measures that are taken, so it seems to me to be a very small but very positive evolution in our Westminster system that once the PAC has issued those recommendations, it is actually coming back and saying, "We don't understand what you mean by this. This is written in bureaucratic gobbledegook or is not clear" and actually going back to departments. That seems to be a very positive development and is a good practice in our own system. So thank you very much for that information. It's very helpful.

Maintenant, on va prendre l'expérience des deux CCP au Canada, la CAP — la Commission de l'administration publique du Québec — et le CCP de l'Ontario. On peut commencer par Vincent Auclair.

Vincent Auclair (Quebec): Merci beaucoup, Geoff. Thank you.

Bonjour à tous. Je veux juste vous dire que je vais aller, moi aussi, de français en anglais; donc, ne soyez pas surpris. Et de mon côté, cela va être agréable qu'on m'assure que vous allez être réveillés par la présentation, c'est déjà un bon geste.

D'emblée, j'aimerais remercier Mme Ford, qui est notre secrétaire à la commission, qui a travaillé beaucoup sur le texte que je vais vous livrer. Donc, si j'ai l'air si connaissant des choses, c'est en grande partie grâce à Mme Ford. Donc, merci beaucoup, Nancy, d'avance.

Un auteur a déjà dit qu'il en allait du contrôle parlementaire comme de la démocratie: il n'est pas certain qu'il soit toujours efficace, mais il est sûrement indispensable. C'est un fait que la transparence des actions du gouvernement et la reddition des comptes constituent les fondements essentiels d'une démocratie et d'un État de droit. Il est indispensable aussi que le pouvoir législatif puisse exercer un contrôle sur les actes du gouvernement. Le contrôle, vous savez, c'est pour juger de l'efficacité de l'administration publique; pour s'assurer que les politiques et les programmes annoncés par le gouvernement, et validés, sont mis en place et répondent aux besoins exprimés par les citoyens; et, finalement, c'est pour éviter les excès dans

l'usage des fonds publics. Et cela, c'est tout un défi qu'on a et c'est un défi de tous les jours.

Avec la Commission de l'administration publique au Québec, le contrôle se fait en grande partie par la CAP. Ce pouvoir-là, ce sont trois responsabilités qui viennent des règlements.

Première responsabilité, et non la moindre – et je peux vous dire que, comme député, cela nous demande de faire beaucoup de travail – c'est la vérification des engagements financiers. It's basically that the committee must examine all financial commitments equal to or exceeding \$25,000 that the Treasury Board Executive Council or any ministry has authorized within the financial management system.

The purpose of this exercise is to ensure a constant surveillance by Parliament of government expenditure more specifically as regard to the compliance with rules and regulations pertaining to the allocation of contracts and grants. The workload is comfortable. It's giving us about 20,000 financial commitments per year, and if you look at what it means in reality, we have basically a humungous binder that we have to go through. The different ministries are giving us the information in regard to the amount and in regard to whom the contract was allowed, and if there were any other commitments, who were underbid, why they didn't get the bid. Except that the presentation that we request from them every time is always a fight to get that information. It's always a fight to re-start, and even though one day we'll have, let's say, 1,000 contract information items, the next day it could be Transport or Health or whichever ministries — and then the next day they'll re-start and they won't fulfill their engagement or give us all the information. So it's a day-in, day-out battle on that matter. Honestly, and that's something that's for me in practice, is it really what the committee is all about, to spend so much time, so much preparation? In the end, is it worth it? That's the main question and it's the question that we're working on, basically, with our Auditor General in the Province of Quebec, to see if we can find another way to get those answers, because the purpose of those contracts or that information is basically what? We want to make sure that the amount is well-spent and also that there is at least the perception that there is no collusion in the contract distribution, not within the government but within the system itself. That's our main goal. That's the objective. We've been building for the last 10 years on that and I think we're getting there. We're getting to that point that the committee has grown old enough and knowledgeable enough to go through another approach to that system.

La deuxième étape du rôle de notre commission, c'est d'entendre les sous-ministres et dirigeants d'organismes en vertu de la *Loi sur l'administration publique*. La loi prône une meilleure gestion des services offerts à la population, axée, bien sûr, vous savez, sur les résultats. Le gouvernement permet une plus grande décentralisation, une plus grande flexibilité du pouvoir décisionnel, afin de responsabiliser davantage les gestionnaires de nos ministères et organismes. En contrepartie, cette loi exige une meilleure reddition des comptes et oblige les ministères, organismes et agences à produire une déclaration

sur leurs objectifs quant à la qualité des services offerts, un plan stratégique orienté sur une période comprenant plusieurs années et un rapport annuel de gestion qui indique les résultats atteints.

Lorsqu'on regarde, il y environ 75 ministères et organismes qui sont assujettis, chez nous au Québec, à cette loi et qui doivent comparaître annuellement devant la CAP. Mais puisqu'il s'agit de 75 organismes, vous comprenez bien, il faut être pratique. It's a reality that we're not going to be going through 75 groups. It's not possible and the calendar that is offered to us is always also a challenge, so what we've decided, and the approach that was decided by the commission, and that's a good thing, is that in the past year the commission decided to examine 16 annual management reports per annum, so that's basically more feasible, and even then it's a challenge to finalize that and to do so. Then we transmit their observations/recommendations to the concerned organization and include them, as well, in the accountability reports that are tabled in the Assembly.

La commission fait état de ses observations. Suite au dépôt à l'Assemblée nationale, généralement en juin et en décembre – donc, à la fin de nos sessions parlementaires –, il y a un débat restreint de deux heures à l'Assemblée dans les quinze jours qui suivent les dépôts. D'ailleurs, comme exemple, on a déposé notre dernier rapport, le 20^e rapport, en juin dernier.

Il y a, en troisième lieu, l'audition du vérificateur général sur son rapport annuel de gestion. Cela fait état des résultats obtenus, eu égard aux objectifs prévus dans son propre plan stratégique. Cet exercice permet de discuter de la façon dont le vérificateur général s'acquitte de son mandat, des difficultés qu'il éprouve et de l'utilisation des ressources qui lui sont confiées.

Donc, vous voyez, ce sont nos trois mandats de base.

Quant aux suivis, actuellement, bien que la CAP effectue un certain travail de suivi sur les mandats réalisés antérieurement, elle peut difficilement évaluer quelle proportion de ses recommandations a été soit acceptée, soit mise en oeuvre par les différentes organisations concernées. So that's basically the answer to your question.

En effet, il n'y a actuellement pas de pratique en vigueur pour la mesure du rendement de la commission. Et cela, c'est un grand défi qu'on a et c'est un défi auquel on doit répondre, si on veut nous-mêmes – on donne des mandats, on donne des obligations aux différents organismes qu'on entend, mais il faut nous-mêmes se donner ce propre mandat-là, si on veut être capables de rendre compte, d'améliorer notre performance.

Il faut s'attendre à ce que les démarches doivent être considérées comme étant transitoires, en raison des projets de réforme. Nous sommes en pleine réforme au niveau du mandat de la Commission de l'administration publique. Il y a une réforme qui a été déposée le 11 juin 2004 et une autre du gouvernement au mois de novembre 2007. Ces projets contiennent certains éléments susceptibles de modifier les façons de faire de la commission, comme la possibilité que les commissions exigent du gouvernement une réponse à leurs recommanda-

tions. La production de rapports annuels sur les activités des commissions parlementaires est aussi envisagée.

Nonobstant cette réforme, la commission est à mettre en place un processus plus rigoureux. Basically, we are in the process at the Government of Quebec of seeing and having a remodelling of our commission and being able to do more on what we're actually doing right now. So the reform that we're presenting, and that has been presented, will basically give us the opportunity to have a more rigorous process on the follow-up of the recommendations we've been doing, so that's the main modification that we're aiming at.

Les commissions, comme la CAP, exigent la production de plans d'action pour répondre aux recommandations, mais de notre côté, on veut augmenter cette imputabilité. On exige des rapports des sous-ministres des différents ministères, mais on doit également l'augmenter chez nous. À cet égard, on veut que chaque organisation publique, dorénavant, dans son rapport annuel de gestion, un état des actions entreprises pour donner suite à nos recommandations, que chaque organisation transmette une réponse à ces recommandations. Et de là on leur a demandé clairement que les réponses précisent si elle accepte les constatations et les recommandations, si elle a l'intention d'y donner suite et à quel moment elle a l'intention de corriger la situation. L'approche que nous avons, c'est l'approche du vérificateur général du Québec que nous avons l'intention de mettre en application.

La deuxième étape, c'est que la commission pourrait publier un bilan sur l'application de ses recommandations – le bilan sur l'application serait basé sur les renseignements fournis dans les rapports annuels de gestion en réponse aux recommandations mêmes de la commission – et un bilan sur l'acceptation et sur l'application même des recommandations.

À cet égard, ce bilan pourrait fournir le portrait des recommandations formulées dans le rapport déposé l'année précédente, dans le cas où la CAP formule une recommandation qui demande aux organismes visés de répondre à ses recommandations; et deux ans auparavant, dans le cas où la recommandation exige des organisations de répondre à leur rapport annuel de gestion, puisque selon les règles actuelles, les rapports annuels de gestion sont généralement déposés près de huit mois après la fin de l'année financière.

Nous visons le début de janvier 2009. Est-ce que cela va être réalisé? On se le souhaite, tout le monde travaille en cette direction-là, mais la réforme et l'application de ces réformes-là seraient en janvier 2009.

It's been basically what we've been doing and what we're aiming to do to better the reality of the PAC and the CPP. If there are any questions, please feel free to go through and ask.

G. Dubrow (Chair): Thank you very much. Just maybe a couple of very very quick comments. Obviously, the mandate of the PAC in Quebec is much of an expanded mandate in terms of looking at financial engagements and looking at performance reports. We're going to be talking this afternoon in Panel 4 about the issue of committee review of performance reports. The Alberta PAC is the other PAC in Canada

— there are really only two, Quebec and Alberta — in which performance reports comprise a large part of the mandate, and that's something that will come up later. So to clarify, in case some of you were wondering why is the PAC looking at financial engagements, for example, that's something very unique to the Public Administration Committee in Quebec.

I'm going to pass the floor over now to Norm Sterling to talk about the Ontario practice.

Norm Sterling (Ontario): Thanks very much, Geoff. First of all, I'd like to thank our wonderful hosts here in the Yukon for their hospitality. My committee — all nine members of the committee — anticipated this wonderful warm hospitality and so all of them are here with us today, and I'm proud to have them all with me today. I think it's an indication, too, of how well our committee works together for the good of the Province of Ontario, regardless of party.

One of the things that Geoff did not mention about my past background over the last 31 years that I've been a legislator in the Province of Ontario is that for three years, from 1996 to 1999, I served as the Government House Leader under the Mike Harris government while I also held the portfolios of Environment and Energy. During that period of time I learned every rule, everything about power, control, et cetera, et cetera, with regard to the Legislature of Ontario and the legislative process, because we were going through a very very raucous time in terms of legislation. We changed a lot of legislation during that period of time and felt the wrath of the opposition as often as they could. I must say that I never did get caught with my pants down, save and except one time, and fortunately the opposition didn't realize that they were down and I got them back up before they realized that it was the case.

However, I do want to talk a little bit about the experience in our parliamentary system, particularly in Ontario with regard to committee work. Unfortunately, committee work is not seen by the ministers or the Cabinet or, quite frankly, by anybody in the process, including the media, as very important work. As a result, I think that we do not look at reforming our committees' work often enough. I want to thank the CCAF for their involvement in the PAC, the committee of the Legislature dealing with public accounts, because I think it's very very important that we look at what we do and how we do it in a critical way so that we can improve some of the work we are doing — and we are doing good work in Ontario, I believe very very much. I'm very very happy to have been the committee chairman since 2003, when we lost the election in Ontario, and have, I believe, bit by bit, along with the committee, improved our process to some degree.

I also believe that we are blessed in Ontario with having Auditor General Jim McCarter, who has worked very closely with the committee, has the complete trust of the committee, and we enjoy working with him as well.

In Ontario we have what I would say is one-and-a-half researchers assigned to our committee. We have a clerk, of course, who helps with regard to the administration of the committee's work, and therefore we are able to achieve, in a

good year, nine reports. In an election year I think we did about five reports.

I believe that the goal of our committee as seen by our committee members is to push the administration — not the ministers, not to put blame on a minister, because most of the auditor's report, quite frankly, does not deal with the present administration's programs but deals with a prior administration's programs. So what we do is push, or perhaps a better word for it is "help" the administration meet the challenges that the Auditor General has identified. I think that we have perhaps inculcated that kind of an attitude in the members of the committee.

There was a question earlier about how do you keep the committee from a non-partisan role? I don't expect that that relates only to my good friend Ernie Hardeman, one of our committee members here, a wonderfully fair-minded chairman that I am — but it relates to each caucus disciplining their own caucus members, when they do wander into the committee, as to what the function of the committee is, and that they are not to act in a partisan way when they take on the administration. The permanent members of the committee — the two other members of the committee from my party — are expected to tell a substitute that you don't go in there and start the normal bish-bash with regard to partisan politics. We're there for another purpose.

Now, I want to talk just briefly about some of the strengths and weaknesses of our processes and our follow-up. Our auditor produces a report each year in early December with roughly 14 or 15 different investigations into auditees or different parts of departments that he has looked at. As well, he brings forward about nine or 10 or a dozen or so follow-up reports on an audit he has done two years before. Our work has expanded substantially in the last couple of years because of the expansion of his roles into his ability to look at what hospitals are doing, school boards, universities and colleges, as well as Crown corporations. So our work has expanded, to a large degree, in terms of where we could look and what we're looking at. Quite frankly, it has become more interesting, because some of that work is more specific and relates more to the political element. You think about hospitals, you're thinking back about what's happening in your own area.

Now, the Auditor General produces his original report and then in two years comes back. Some of the committee members and myself, et cetera, hope that when the Auditor General goes back for his two-year review that he looks at the recommendations of the committee and not only looks at what his recommendations are, but would look at the follow-up of what the committee does and recommends in their report on a particular auditee. However, that's not his primary function and therefore we also have a follow-up process. I think that our follow-up process could be improved and I will relate to that in a few moments. Our recommendations normally ask a ministry to respond to us within a time frame, and we normally ask them for a written response.

Now we have, however, on other occasions, asked for other kinds of responses and showed some innovation with

regard to how the committee can follow up, and I would throw this out to public accounts committees elsewhere. In one instance, for instance, we asked the deputy minister not only to report to us in writing, but asked that deputy minister to appear before the committee one year hence with regard to a program or the auditor's recommendations. That's because the committee was not satisfied that the ministry was moving along fast enough and wanted to have heat on the ministry to perform during that year before the next hearing would take place.

As I mentioned previously, we now have within our mandate to look at the auditor's report when he looks into school boards. In one instance, I as the committee chair wrote to every school board across Ontario — some 75 of the school boards — to post on their Web site policies relating to the use of corporate credit cards and other purchasing policies. So we were asking for a response from, not the Deputy Minister of Education — we wanted to help the Deputy Minister of Education get the school boards going on what the Auditor General had recommended in his report.

In another case, and in many cases, we ask not only for a response but we ask for a schedule of time and accomplishments with regard to a plan that a ministry have to meet an auditor's recommendation. So we say, "We don't just want you to respond in words. We want an actual schedule, a plan, of how you are going to do this, and we will require, perhaps, at future dates, an update on this."

In another instance we contacted, directly, all hospitals in giving them a copy of our recommendations in order to assist the Deputy Minister of Health have those hospitals respond to the auditor's report with regard to those hospitals.

So our committee views our role as not only saying to the ministry, "Look, you've got to do this or the very senior person...." but what we want to do is drill down and have that deputy minister tell those people who are serving on the front lines that the politicians of the province are concerned with how this particular recommendation of the auditor is going to be implemented, because oftentimes our deputy ministers now find themselves in the situation where services are in short supply. We're going to talk about health care services this afternoon. We're short 80 anaesthesiologists in the Province of Ontario. The Auditor General realized that some of the services that they are providing could be provided by people who didn't have the same degree of qualification as they have. But to try to tell the anaesthesiologists that are there that they don't need to spend as much time prepping a patient before they go into surgery, that somebody else could do that process — the deputy ministers, the people who are running our hospitals, are very reluctant to do that. They're very very very cautious when telling anaesthesiologists in Ontario to do anything.

So we believe that the committee, the politicians, can help the administrators, the people who are running our hospitals, by being perhaps the heavy hand or the mean guy in the issue. I think we can do that in the political element.

Now, one of the great parts of our pre-hearings report is that our researcher, who is here with us today — Susan — goes to the ministry and says, "Look. The auditor's report took place

about eight months ago, 12 months ago. We want to know, between that time when you found out that there was a problem and the time that we're having our hearings, what have you done to meet that recommendation?"

So in our summary of our briefing material, before we have the hearing, we actually get a schedule: auditor's recommendation 4, recommendation 5, and we get what is the interim response of the ministry to meet that objective, so that we're not starting from where the auditor was 12 months ago or eight months ago. We're starting from where the ministry is now. That's one good part that we have with regard to a chart that we have in terms of our report that we're going forward. Following the tabling of the report in the legislature, our Clerk, Katch Koch, who is with us here today, keeps a record of the responses to those recommendations, so he keeps a like chart with regard to our recommendations. He shares each of those responses, which he gets back from the ministry, with all members of the committee. However, within our legislative budgets that we have as members — I represent about 130,000 people in my legislative area; we have 107 members in Ontario and most of them represent 90,000 to 120,000 people — we just don't have the legislative budget in order for our MPs to be expected to really go back and examine the response they got, which may relate to a report that was nine months, 12 months, even two years ago. We can't really expect them to go back and get back into the issue.

So with the good help of Geoff and CCAF, and some of the research staff at the legislature, we're now considering a discussion paper, which I had put together by the legislative research people as well as some of our researchers, to close the loop, because what we're not doing is going to the response that we get from the ministry and actually looking and saying, "Is this a good response? Is this an adequate response?"

That's where I hope we can go in the future and look at improving our process and that's why I think that this meeting and what you're doing, Geoff, is very very important. You'll note that I'm giving Geoff a lot of praise. He happens to be a constituent of mine as well. I think he deserves it anyway, but once you get elected nine times, who needs the damn vote anyway — eh, Geoff?

I just want to mention a few other things that we've been doing in an innovative way with the help of all members of my committee approving this process. Since 2005, we've not only been dealing with the nine different items, as I've mentioned. The Auditor General covers somewhere between 20 to 25 overall sections — Jim? — in the initial and the review?

Jim McCarter (Ontario): Fifteen value-for-money audits, current ones, and then we follow up on the ones we did two years later, so it could be —

N. Sterling: It could be up to as many as 30. We typically do nine. What we've done since 2005, with the exception of the election year because of the timing of the committee, is we've written to all the other auditees, all the other ministries, and said to them, "No, we haven't called you in front of the

committee but we want to know what you're doing about the auditor's report with regard to the recommendations he made with regard to your ministry." In 2006, we reviewed all the responses we got back and we actually called one of the weakest responses that we had with regard to the other sections of that report so that we're not letting anybody off the hook with regard to the auditor's report. We're saying, "Yes, we're going to call someone in front of the committee but we're also expecting the rest of you to meet the auditor's recommendations as well."

I also want to say that our committee tries to be positive and complimentary with regard to either an institution or a director or a person with regard to meeting the challenges the auditor has put to them. So we try not only to be critical but we also try to be very positive, and in some cases, particularly when we're dealing with an auditor's review — the two-year review — if it's not necessary that there is a report, in a few instances we've just written to the deputy minister and said, "The committee is satisfied with your answers with regard to all of the questions we had at our committee." So we try to be very very positive and helpful with regard to that.

In terms of the future, in terms of dealing with my long legislative career, I would just say that are three possibilities that PAC should look at in the future, and I will not go into them, but that is where there has been a policy slip — that is where the committee who has engaged itself very much into a very small area of government administration recognizes that there is a policy slip. In other words, that a program has got out of hand, or where there's a policy impossibility, where we recognize that the way that the policy and the legislation have been set up, that there is an impossibility of delivering efficient management of that program, then we should/may have power to make some kind of recommendation to advise the government that they should perhaps reconsider how they structured this whole effect.

Jeff Simpson of the *Globe and Mail* recognized that in terms of the federal government with regard to the immigration system and the aboriginal affairs. In our system, I would mention the Family Responsibility Office, which has been reviewed by the auditor, I think a half a dozen times, and is still not fixed. I think it's a waste of the PAC's time to let the matter drop and just keep recommending and recommending and taking the responses. I think we should have the ability to recommend a select committee or some kind of action — not saying what the new policy should be but just saying that the old policy failed, is failing in terms of the ability of any administration to give it efficiency. Lastly, I think PAC should be starting to look forward to setting benchmarks in an understandable way for the public to view any failings that an auditor general has identified.

Thank you very much.

G. Dubrow (Chair): Thank you very much, Norm, and thank you to our panelists: Sheila Fraser, Vincent Auclair and Norm Sterling.

Fortunately, we do have some issues for discussion. I just want to highlight a couple of issues that were raised that I think are important but are also designed to engage some of the smaller legislatures, particularly those with fewer than about 50 seats. Norm mentioned the issue of the committee system, and even in Ontario, the second largest legislature in the country, the government not viewing the committee system as particularly important. The smaller the jurisdiction in terms of seats, the less of a role that committees tend to play, so there are committees that will never meet. Even some of the larger jurisdictions — Alberta, for example, has introduced four policy committees, as of last year, that now work with the Public Accounts Committee, and that's an innovation in terms of having all-party committees. So when we talk about a well-institutionalized PAC, a well-institutionalized committee, it's important to recognize that some of the smaller jurisdictions do not have yet have an institutionalized committee system. I think that's worth putting on the table.

How does a small PAC function when other committees tend not to meet? How do you get resources? It's easier to hire a researcher in a jurisdiction where, perhaps there are several committees, and you hire the researcher to serve those committees. That was the case in Alberta where the researcher I believe was hired to serve the four policy committees and the PAC.

What do you do when you only have a PAC functioning or perhaps not even so? So how do the smaller jurisdictions deal with those challenges? I guess the other question I'd just acknowledge would be the comments that Norm made about the role of researchers holding the government's feet to the fire, particularly asking for status reports and even where auditor departments are not selected by the PAC for a hearing. I guess they can't, in Ontario, break open the champagne bottle because they know that they might still be called if their answers are not sufficient. So, again, that role of researchers is very important.

So with that we have about 17 minutes for discussion. I'd like to throw the floor open and I'd like to strongly encourage some of the smaller legislatures to weigh in on this, because we recognize that there are challenges for you in this respect.

Perhaps we could start with some questions from the floor.

Ralph Sultan (British Columbia): I'm very intrigued by...

G. Dubrow (Chair): You might have to talk into the microphone just for the simultaneous translation.

R. Sultan: ... Table 3. I'm Ralph Sultan from British Columbia.

I'm very intrigued by Norm's explanation of the PAC of Ontario issuing inquiries and communications to school boards, for example, and health authorities, I suppose. I would perceive that in British Columbia that would be regarded as rather uppity, to say the least, but I can see the merit in it. Did you just sort of start this one day? Is it something the government of the

day sanctioned? I imagine the ministers in British Columbia would have a heart attack if we started doing that. How did you get it going?

N. Sterling: Well, I think in that instance I actually asked the deputy minister, or have asked the deputy minister — I'm not absolutely certain it was that one — but we share it with them. We say, "Look. Can we help you implement this policy by demanding of those people who are answering to you that we want this done and we want it done within a period of time?"

My view of the role of the PAC is changing, because the Auditor General now has a direct relationship with those boards of education and I believe, through that, we have a direct relationship with those boards of education. What we're demanding of them is accountability, so why not? I think they should know that we exist and that we're watching and that the lower that that goes, the better off it will be for the Deputy Minister of Education. Why would he be upset? Why would he be upset with demanding a response to what the Auditor General might have wanted? I know that when I asked the Deputy Minister of Health and Social Services, on one occasion, could we help her — it was the interim deputy minister — by making what might be determined as a nasty recommendation with regard to our College of Physicians, she answered, "Yes, that would help me with the College of Physicians." You see, it's what we view, or what I would like to view, and I think that most members of the committee, as what we're trying to do. We're trying to really resolve problems here. It seems that as governments go on and they're hiring more and more people, the public sector becomes more and more powerful, that we become more and more frightened of the service providers, that somebody has got to ask for the accountability. It seems that the people sometimes in the senior administration are either reluctant or cannot ask for that. I mean, in talking to the directors of three hospitals that Jim looked into, when you talk to them about asking the doctors to change their procedures, they're all running for cover. So if we can be the bad guys and act for the patient by getting operating rooms, for instance, which Jim looked at two years ago, working better, then let's be the bad guys and get it done.

G. Dubrow (Chair): Vincent Auclair, Sheila Fraser — any comments on that?

Liz Sandals (Ontario): I was just going to add to what Norm has been saying. I am one of the committee members there who has been on the committee for a fair number of years on the government side while Norm has been chairing it from the opposition side.

The transition, in response to your question, in going into writing letters to school boards and hospitals and such is because the legislation has changed and now the Auditor General does a direct audit of those people under the legislation. But we're also doing hearings with them so on school board expenses, the one example which Norm gave, the auditor had a

chapter on school board expense policies. We did a hearing which involved both the deputy minister and school board directors of education. Then in our follow-up reporting, we directed some recommendations at the Ministry of Education where we thought they needed to behave in a stronger manner, but some of the recommendations and the follow-up letter were directed at the boards of education or the hospitals, the universities, whatever. So it's because the auditor has that formal authority that we've morphed into there and are actually doing the formal hearing and the follow-up in those two directions. So the feedback that we've gotten hasn't been that we've stepped on somebody's toes, the reaction we've got back is, "Oh my. Now somebody has legislative authority to look over our shoulder where they didn't before." We haven't got a stepping-on-toes reaction at all.

G. Dubrow (Chair): Thank you very much.
John Doyle, Auditor General of British Columbia.
Table 3. I feel like I'm calling bingo here.

John Doyle (British Columbia): Bingo. I win.

Sometimes reports produce recommendations focused on a particular organization, so, for example, a particular hospital or group of hospitals, but they have general applicability right across the whole system. I've been trying to explore ways of getting that general applicability to come onto the radar screens of those other parts of the system that weren't actually audited but should be taking notice and should be doing something about their own not-so-perfect situations. I'd be happy to hear any comments from the panelists on how they would deal with that or how they do deal with it.

N. Sterling: Basically, as I mentioned before, when Jim did his audit on the operating rooms he looked at three hospitals and their practices. After the committee made their report we decided that we should write to the administrator of every hospital across Ontario — 150 of them — and draw to their attention the recommendations of the committee and that we expected them to meet the recommendations of the committee and deal with it as though they had been audited as well. So what we're trying to do is — we're saying, "You're under the gun as well as the three hospitals that were actually audited."

Sheila?

S. Fraser: At the federal level we haven't had a situation quite like that of Ontario with the hospitals. What we have found, though, is that certain of our recommendations will be addressed to a specific department and in broad, cutting issues, but we will generally try to find a central agency that is able to give directives, if you will, to departments at large. In some cases there will be no department that has that authority, and I think of the reports recently of the Commissioner of the Environment, where there were issues around environmental management. We could have addressed them to the Department of the Environment, but they had no authority to tell anybody else what they should be doing, so in those cases we actually went

to Privy Council Office and said, "We think maybe Privy Council Office should get involved." Of course, they said, "Thanks, but no thanks." And then we said, "Well, then you should designate the department on behalf of government who will ensure that this recommendation will be applied across government." In that particular case they designated the Department of the Environment and we made it quite clear in government response that Privy Council Office had given this responsibility to the Department of the Environment, to make sure that that would happen.

In most of the other audits we do where we have, for example, recommendations that deal with Crown corporations, or whatever, there is a unit that can give guidance and directive to Crown corporations about how they should be doing things, so we will generally be able to find a central agency that can give that kind of direction, but where we can't, we turn to Privy Council Office.

V. Auclair: In memory, I don't remember that anything like that was ever done in Quebec but I know that — and Ms. Ford, you have been there longer than I and you could tell me if I'm wrong on that — but what I find very interesting is that we have a good relationship with our general auditor and with the recommendations that they've been giving. We feel that we can use them and they use us, also, to make things public. That's the main thing here, because the power that we have is basically the power to make things public and to have the population grasp it.

The main problem I think we have is always that we may put down so many recommendations that we don't have the power to impose them. That's what I found very interesting: the fact that you're using, indirectly, the population to help you to impose them. That I found very interesting because that's the only power we have as a commission. The way you're doing it, I find very interesting. I don't know how it would stand in regard to how a minister would respond to it, or how anybody of the general system would respond, but I found that very interesting. It has never been done, in my memory anyway, in the Province of Quebec. Ms. Ford, please tell me if I'm wrong, then I'll be learning something new here.

Nancy Ford (Quebec): Basically, there's one important thing that we did do in Quebec in our collaboration with the Auditor General. A few years ago, as it was mentioned in our vice-chair's speech awhile ago, the committee moved a motion and it was carried, to ask that all the recommendations made by the Auditor General in his reports, as well as those made by our committee, which sometimes go beyond — I mean, we're there also to help enforce what the Auditor General recommends — but sometimes it goes a little bit beyond. The committee moved a motion to ask for an action plan and I think this is working very well. We can now assess after a few years of this practice that when the Auditor General asks the ministries to send an action plan, the ministries concerned have to send the action plan to respond to his recommendations within six months of the tabling of his report, and if the com-

mittee holds a hearing, then that action plan has to be sent two weeks prior to the hearing, so it's whichever comes first.

I think this is something that is being done. The Auditor General receives these action plans pretty systematically, I think. He can confirm that. We also get these action plans, so we know where these organizations are going in response to that, and that was a very important step. The committee doesn't have the power to actually go beyond recommending, but these recommendations, these motions, worked, so that's one step.

As far as helping and sending recommendations to different organizations outside, when we table our reports, systematically the reports are sent to all organizations concerned by the recommendations and the Clerk's Office requests — requests, not demands, but tries to have a response from the deputy minister or the chair of the organization as to his or her responses to those recommendations. How do they react? What are their observations with respect to these recommendations? Now this is not systematic but we do get responses, which are given to the members of the committee, so we do get a little bit of — but it's strictly, strictly the power of recommending. The step that would be very helpful in our reform would be if actually the House could vote on, when the tabling of our reports is done in the House, if there could be a vote. I don't know if this will happen eventually but it has been proposed before by some members and once the debate in the House has been done on the report from the committee, if the House could vote on that, then there would be power to go and actually implement these recommendations. But we're still at that stage.

G. Dubrow (Chair): Thank you very much, Nancy, for your additional comments. I understand that it is new. Given that the Premier is going to be making an address, I think we're going to have to stop promptly, so I'm going to turn things over to Andrew. Thanks to our panelists again for their presentations.

Andrew Lennox: Hi everyone. The process for lunch will be similar to that used this morning for breakfast. We'll be going across the hall to get our lunches, but if I could ask everybody to take their material off the tables, because we'll be coming back in here to eat our lunch. Where you go for lunch is — it doesn't matter, you can sit wherever you like. I do have one table — Table 2 — that's going to be reserved, but other than that, sit anywhere you'd like for lunch. What we're going to do is we're going to get our main course, bring it across here, we'll eat our main course, and then, say, between 12:30 and 12:40 or so, while we're having dessert, we'll have the Premier come up and have his speech with us all over lunch. So if we could clear the tables right now so that we can go and get our main course. Thank you very much.

The conference recessed for lunch

S. Fraser: If I could have your attention. Ladies and gentlemen, the venue for this 29th annual conference is, I believe, a factor in the impressive attendance levels. Hosting this

event in Whitehorse gives delegates who have not yet had the opportunity of visiting the territory an opportunity to experience an amazing part of Canada. And for those of us who have been here, it is an opportunity to renew a fond acquaintance.

Our luncheon speaker knows the Yukon very well. He will generously share a Yukoner's perspective with us today and help us to get to know the territory a little better. The Yukon has been home to the Hon. Dennis Fentie since 1962. He and his partner, Lorraine, live in Watson Lake, which is some 460 kilometres southeast of here. It's hard to tell, though, just how much time he actually gets to spend at home, because he's an incredibly busy man.

M. Fentie représente Watson Lake à l'Assemblée législative depuis 1996. En juin 2002, il est devenu le chef du Parti du Yukon et il a mené son parti à la victoire avec un gouvernement majoritaire aux élections de novembre 2002. Et en novembre 2006, les électeurs ont donné à son parti une deuxième majorité.

As if that's not enough to keep him busy, the Premier is also the minister responsible for the Executive Council Office, including devolution, land claims and the Youth Directorate, and he's the Minister of Finance and the Minister of Environment.

Comme homme d'affaires, M. Fentie a pris part à de nombreuses activités économiques dans les domaines de l'exploitation forestière, du tourisme, de l'exploitation minière, du camionnage et de la distribution de combustibles. Il était propriétaire et directeur de la société Francis River Construction, à Watson Lake, avant de commencer sa vie politique. Avant d'être élu député, M. Fentie occupait le poste de directeur de l'Association des forêts du Yukon, et il est également ancien directeur de la Chambre de commerce de Watson Lake.

He has been active in baseball and senior hockey and is a former minor hockey coach. He has always had a keen interest in history and current affairs and he has an abiding love for the land that Yukoners call home.

Just to show you how successful Mr. Fentie has been, some of you may know that politics is a bit of a blood sport here in the Yukon, and his government was the first government to be re-elected in 17 years.

Mesdames et messieurs, souhaitons la bienvenue au premier ministre du Yukon, l'honorable Dennis Fentie.

Dennis Fentie (Premier of Yukon): Thank you very much, Auditor General, for that very warm welcome, and to each one of you, the warmest of Yukon welcomes, and I hope you're enjoying this beautiful place, Whitehorse, our capital city.

I must add that we feel very privileged to host such a distinguished group of individuals here.

I'd like to speak to you briefly today about this larger-than-life land we call home. I hope you've had an enjoyable conference so far and experience some of what makes up this lifestyle we Yukoners so value.

Whatever you've had a chance to see and do while you've been here, you will begin to understand why more than 33,000

of us choose to make this larger-than-life land our home. Pristine wilderness, natural beauty and abundant wildlife: here in Yukon we have it all — a quality of life second to none. And there's more, much more, ladies and gentlemen. Let me touch briefly on infrastructure.

The Yukon government spends a higher percentage of its annual budget on capital projects than any other Canadian jurisdiction. These projects have established a modern infrastructure that supports our growing economy and, indeed, that quality of life we so cherish. Yukon is home to an international airport with regular direct jet service from Calgary, Edmonton and Vancouver. We have scheduled service to the Northwest Territories and our neighbour to the west, the State of Alaska, and a twice-weekly service during the months of May to October from Europe — a direct flight from Frankfurt, Germany, here to Whitehorse.

We also have our own airline. Air North has been carrying people and cargo all around the northwest for over 30 years. Air North now provides regular air service from Whitehorse to Calgary, Edmonton and Vancouver, and some of you may have enjoyed the flight and their outstanding hospitality as you journeyed here for your conference.

As you'll know, if you've travelled around our territory, Yukon has thousands of kilometres of all-weather roads connecting us to Alberta, British Columbia, the Northwest Territories and Alaska. We are so very fortunate to have a well-equipped hospital in Whitehorse, along with health centres, nursing stations and ambulance services providing care throughout our territory in our rural communities.

Communities, homes and Yukon businesses have access to broadband Internet and other examples of connectivity so important to our quality of life. All of this contributes to the larger-than-life experience, but there's also great opportunity, ladies and gentlemen.

According to Statistics Canada, Yukon was the fastest growing region in the country for the first quarter of 2008. Yukon attracts an impressive number of immigrants and business activity, and students who leave the territory to study, regularly return to start their career and raise a family.

If you're not aware, Yukon's land mass is comprised of some 483,000 square kilometres. Now, by comparison, that's an area about the same size as Spain and about twice the size of the United Kingdom. It is an area that is one of the last great frontiers, with an abundance of investment potential and resource.

By example, since 2003, over \$300 million has been invested in just mining exploration here in Yukon. After all, Yukoners have benefited from the natural resource industry for over 100 years, given our history since the days of the Klondike Gold Rush. Mining activity is anticipated to keep expanding over the next decade.

Yukon's economy is growing in many other sectors also. Tourism, information technology, film and sound, arts and culture, all contribute to diversifying Yukon's growth and its economy. But of course the driving force behind it all is Yuk-

oners, the creative, innovative and entrepreneurial people of this territory.

What was once a flow-through traveller has now changed. Yukon is becoming more and more of a destination. Each summer thousands of tourists flock to Yukon, whether to explore our spectacular highways in their RVs, canoe our rivers or hike deep into the wilderness, where there's every chance no one has ever set foot before. Canada's highest mountain, at 5,959 metres, Mount Logan, is here in Yukon. We have more than 200 species of wildflowers and nearly 100 species of butterflies, if you can imagine.

At the other end of the scale, bears, bison, wolverine, wolves, moose and all other forms of wildlife indigenous to the north roam free. If you had come here in June, you really could have played golf under the midnight sun. In other words, we tee off at midnight.

It's true, ladies and gentlemen, that the days in winter are short, but are often blessed with glorious blue skies and golden sundogs and, at night, our skies are lit up by the northern lights, known as the aurora borealis. Yukon enjoys some of the most lively and reliable northern lights displays in the circumpolar north. Visitors and residents alike can go dogsledding around frozen lakes with the northern lights to guide them, and we do, as in summer, make the most of our winters.

I want to touch a little bit on governance. Our most important resource is the people of this territory. Adding to the culturally rich Yukon are 14 distinct First Nations, 11 of which are self-governing. Yukon is indeed in the forefront of concluded treaties in this country. Those 11 First Nation governments have lawmaking powers over their internal affairs and the management of their citizens and final agreements. We have ensured that Yukon First Nations are partners and key players in the development of Yukon's economy and our future — in other words, no longer do we work in isolation.

Devolution has occurred. The Yukon government has come a long way. Since the changes to the *Yukon Act* in 2003, we in Yukon assumed responsibility for public lands and resource management over water, forestry and mineral resources. Today in Yukon we make our decisions on behalf of Yukoners.

So to conclude, my friends, the natural beauty, the diverse and rich cultures of our people, a strong and growing economy and evolving governance are all assets that make for a dynamic territory. Yes indeed, ladies and gentlemen, Yukon is a larger-than-life land that we call home.

I hope you've enjoyed your visit. You have a successful conference and do come back. All the best — thank you.

S. Fraser: On behalf of you all, I'd very much like to thank the Premier for his presentation and his speech, and for spending the time with us today in what is a very busy schedule. He just got back from Ottawa, I think.

I know for many of you, this is the first time you've been to the Yukon. We did get to see a little bit of the beauty on our trip to Skagway yesterday, and I'm sure there will be many people who will come back to further explore this wonderful territory.

So on behalf of everyone here, I'd like to give you a very small token of appreciation. It is not often that an Auditor General will give to the Minister of Finance a present, but we will make an exception.

Thank you very much.

D. Fentie: Thank you so much.

A. Lennox: Hello everyone. We have probably another 20 to 25 minutes until we start up again — free time. So please be back here for 1:15 sharp, please.

The conference recessed from 12:55 to 1:15 p.m.

A. Lennox: Hello everyone. Thank you for being punctual, but I'll apologize in advance for misleading you. The actual agenda says we stop at 1:15 for lunch, then it says 1:30, so I think the speakers who are supposed to be up here at this point in time won't be here until 1:30, because that's what the written agenda had originally said. So you still have a few minutes of free time, because I think the speakers who will be up here will be coming for 1:30. Sorry about that.

The conference recessed from 1:15 p.m. to 1:30 p.m.

Presentation on report by Newfoundland Supreme Court Justice Derek Green stemming from the Auditor General of Newfoundland's reports on legislative spending

Steve Nordick (Yukon): Good afternoon, everybody. Our next presentation is by the Hon. Derek Green, who is Chief Justice of the Supreme Court of Newfoundland and Labrador. Chief Justice Green will present on his report, entitled *Rebuilding Confidence: Report of the Review Commission on Constituency Allowances and Related Matters*. Chief Justice Green was appointed to lead this commission by order of the Lieutenant-Governor in Council in July 2006. The commission released its final report in May 2007.

The commission was established in the wake of a series of reports by the Auditor General of Newfoundland and Labrador that identified the possible misuses of funds at the House of Assembly. The commission's report contained 80 recommendations and a proposed *House of Assembly Accountability, Integrity and Administration Act*. This act was adopted by the Assembly on June 14, 2007.

Chief Justice Green was born in St. John's and educated at the Memorial University of Newfoundland, Dalhousie Law School and Oxford University, England. He practised law in St. John's with White, Ottenheimer & Green and was appointed Queen's Counsel in 1987. He was president of the Law Society of Newfoundland from 1990 to 1991, chair of Newfoundland Law Reform Commission from 1987 to 1991, and acted as counsel to two commissioners of inquiries in the 1980s.

In 1963, he was appointed to the Supreme Court of Newfoundland and Labrador, trial division. In 1996, he was appointed to the Newfoundland and Labrador Court of Appeal.

Chief Justice Green was appointed Chief Justice of the Supreme Court of Newfoundland and Labrador, trial division, in 2000.

Derek Green (Supreme Court Judge of Newfoundland and Labrador): Thank you, Ms. Fraser, for inviting me to speak at your conference.

Merci de m'avoir invité à m'adresser à vous pendant votre conférence. Comme vous le savez, il n'y a pas beaucoup de monde parmi ma génération à Terre-Neuve et Labrador qui parle bien le français. Bien que mes enfants aient été assez chanceux pour suivre l'immersion en français à l'école, leurs rigolades concernant mes efforts de parler en français m'ont volé ma confiance. Alors, j'espère que vous allez comprendre ma décision de présenter le reste de mon discours en anglais.

I'm glad to see some familiar faces here today. There are a number of Newfoundlanders and Labradorians. I don't of course intend to mention them all, but I should mention John Noseworthy, of course, our Auditor General, whose reports were the genesis of the inquiry I undertook, but also I do want to recognize one other individual who, as far as I'm concerned, is the most important person in this room, and that is Roland Butler, Member of the House of Assembly for the historic district of Port de Grave. The reason he's the most important person in the room as far as I'm concerned is that he is my member. I have a home in the community of Upper Island Cove in his district and I certainly want to keep him inside in case I ever need to get after him about the condition of the roads or whatever in the district.

In preparation for this presentation, I approached the Director of Financial Services of my court, who's a chartered accountant, to ask him if he knew any auditor jokes. His reaction was to say, "Boy, I don't know, they're an awfully serious bunch, you know."

Well, judging from my observations of the carryings-on yesterday on the train to Skagway, where I noted the enthusiastic drinking of the second, third and fourth glasses of champagne and the frivolity that erupted thereafter, I don't think he has exercised good judgement in his description of auditors — and possibly not politicians, either. So I had to conclude that this bunch, as he called it, is really quite normal.

But I didn't have any luck in getting any jokes from him, so in wanting to say something a bit light, I turned to the Internet. There were, in fact, a lot of jokes about auditors on the Internet, but I was really quite surprised to learn that virtually all of them were negative and, in fact, defamatory of the auditing profession, almost as bad as the attacks that are made upon the legal profession. So I felt quite at home when I was reading these things.

But I did note one item, which combined lawyers — and of course I was a lawyer at one point — and auditors in one defamatory swipe. This was it: Question: What's the difference between an auditor and a lawyer? And the answer was: the auditor knows he's boring.

Obviously, based on the events of yesterday and, so I'm told, the events of last night in the hospitality suite, which went

on until 4:00 a.m., I don't think that one can describe auditors or accountants as boring. But then, of course, since lawyers — of which I was one — don't even know when they're boring, I may not be the best judge of that question.

As I pondered how I would respond to Ms. Fraser's invitation to speak on this inquiry report, I initially wondered about whether the events that gave rise to the report would have any relevance to a national audience, because it dealt with very local circumstance-specific sorts of events. But as I thought about it some more, I concluded that it can have relevance to a wider audience — for one reason, because the events, I think, could happen elsewhere, if the right political circumstances come together, and secondly, the values that were at stake and which underpinned the recommendations that I made — things like legislative autonomy, accountability, transparency, maintenance of public trust in our political institutions, preservation of the rule of law, all these things — are universal values that underlie public life in our country generally and, more specifically, that legislative auditors and public accounts committees are charged with examining the public accounts of the government and are committed to respecting and promoting those values.

So I don't feel apologetic at all about talking simply about the Newfoundland experience. Having said that, I do approach this presentation with some trepidation because I'm conscious of the fact that legislative auditing is a very specialized profession and I am not an accountant, let alone an auditor. Certain parts of the report I wrote deal with matters upon which auditors have much more experience than I do.

I might just say the only experience I've ever had with accountants, or the accounting profession, took the form of a summer job I had following university. In my first year of university, I was doing a bachelor of commerce program and actually I wanted to be a chartered accountant. So I got a summer job with a local CA firm — H.R. Doane it was called then — and I spent most of the summer type-checking financial statements and re-adding the figures to make sure they were correct before these financial statements were sent out to the various clients. These were the days — this is dating me, I guess — before computers, before even calculators. There was no spell-check; everything was typed by hand and the copies were made by carbon paper, and the whole bit.

We had to use mechanical adding machines, and that summer the firm got its first electrical adding machine. Wonder of wonders, it could also do multiplication. You just press in the number, press the multiplication key, and press the multiplier, and then it would add the number 53, 29 times to give you 53 times 29. This was what we were working with.

So there was a great emphasis on manual accuracy and making sure that everything was checked and re-checked. Of course, on one occasion, I missed an error and it went out to the client, and the client came back irate that the financial statements were not correct, so I was called into the senior partner's office and I was given a pretty good dressing-down. I realized at that point that accounting was not for me. I didn't like the

idea of where there could be no room for argument. You know, the numbers don't lie.

I might say that I noticed yesterday Andrew Lennox on the bus coming back from Skagway, wanting to make sure everybody was there. He went down the bus and counted everybody, and then when he got down to the back, he had a number, and then he walked back up the other way and he counted everybody again, double-checking to make sure the number was correct. Then he stood at the front of the bus and I watched him; he looked down and his eyes went back and forth down one row and back up and down the other. He couldn't resist to count the third time.

Anyway, all this accuracy stuff was too much for me. I needed a career where there was virtue in argument and flexibility and wiggle room and so forth, so I saved the accounting profession a lot of embarrassment and I chose law instead.

My short experience with accountancy gave me a great respect for the accounting and auditing professions and, in particular, on its emphasis on true accuracy and so forth. As I said, I have some trepidation about speaking on a subject where my audience probably knows more about it than I do.

I was told a story the other day that sort of has put me at my ease. It's about Alan Maitland on the CBC Radio program *As It Happens*. A number of years ago he did an in-depth interview with Kenneth Dye, the former Auditor General of Canada. At the end of the program, after thanking his guest, Maitland ended, as he always did, by saying to his radio audience, "You have been listening to an interview with Kenneth Dye, Canada's Audible Genital."

So if I get into trouble here today and you ask me questions that I can't answer, I'm just going to look out there and say that they're all a bunch of audible genitals.

I listened with interest to some of the presentations this morning. Geoff Dubrow said that when people get together — public accounts committees and so forth — they have a tendency not to want to talk about the challenges they face. They don't want to air their dirty linen in public, so they keep quiet about some of the problems they have.

That's not so with respect to my report or what I'm going to say this afternoon. There are many challenges I will talk about, and my report I think did sort of let it all hang out. I'll probably say some of those things this afternoon.

Carol Bellringer also said, when you do talk about your challenges, she tried to talk about them in a diplomatic fashion. Well, there's not much diplomacy in the report I wrote, and I think you'll probably feel that I'm not that diplomatic this afternoon, but I do want to give you a flavour, as best I can, of the sorts of issues that arose in Newfoundland and Labrador and how they might have application or be of interest to you.

I've called the talk "Accountability in an Environment of Legislative Independence." I've done that to emphasize the tension that potentially exists when the demands of accountability in public life run up against constitutional principles like the separation of powers, the separation of the legislative, executive and judicial branches of government.

We hear a lot about notions of judicial independence but, in like manner, there is of course the notion, as you're all aware, of the independence of the legislature from the executive branch. The issues of accountability that are presented across the legislative/executive divide, if you will, are similar but there are additional issues. This notion of legislative accountability or legislative autonomy creates additional problems when trying to address these issues. And I'll come back to that issue a little bit later on.

What I propose to do this afternoon in the time that I have is to try to set the stage first with a very quick review of what happened in Newfoundland and where we are now, and then go back and outline in more detail the sorts of problems that were identified, what conclusions I drew from those problems, and then to give you an overview of some of the recommendations that I made.

I have to do this twice, I'm told. We start with the reports that the Auditor General of Newfoundland and Labrador did with respect to the House of Assembly. In 2005 is when he started and his reports actually came out in 2006. At that time, the Auditor General did a legislative or compliance audit of the House of Assembly. He was invited to do so by the Premier and that invitation was confirmed by the Internal Economy Commission of the province.

What was significant about that was that the Auditor General had been barred from doing any audit work with respect to the House of Assembly since the year 2000, and I'll come back and explain how that came about. In any event, in June or July of 2006, he issued a series of reports. There's a Web site listed there, which contains all those reports, if you're interested in reading them.

Under the *Auditor General Act*, he's required by law to issue special reports and to advise the Lieutenant-Governor in Council if, in the course of doing any audit, he becomes aware of any matters that could constitute a criminal offence. He doesn't have to make a determination that it is criminal but, if there's any suggestion that it is, then he has to make a special report. This is what these reports were all about.

He essentially questioned spending in the House by certain House officials — the nature of the purchases that were being made and the circumstances under which they were being made. He also questioned the expenditures made by three sitting MHAs — we call them Members of the House of Assembly; I know it's MLAs for most other people, but that's the terminology we use — three sitting MHAs and one former MHA. He alleged that they had overspent by significant amounts the constituency allowances they were entitled to spend on constituency activities.

As a result of that, the fact that these things could happen sort of brought into question the financial controls that were in the House.

The response was fairly quick. The Premier, who had been notified that these reports were coming, I guess, decided to get out in front of the story and, before they were actually released, held a news conference where he referred to the fact that these reports were coming, that certain people were named, that the

MHAs who were specifically named spanned all parties, and indicated that a police investigation was being undertaken.

Shortly after that, not at that press conference but a week or so later, he announced a public inquiry, and that's the inquiry that I headed up. The third thing he did was to ask the Auditor General to go back in and examine the appropriateness of constituency allowance spending for all members and former members of the House from 1989 to 2006. So there was a three-pronged approach, if you will, to what was happening. The Auditor General was going to dig deeper into potential constituency allowance use and abuse, the police were going to examine the existing allegations and see whether criminal charges should be laid, and then there was to be this public inquiry.

Around the same time it was announced that the Director of Financial Operations in the House of Assembly had booked off on stress leave. There's a lot of speculation as to whether or not he was suspended but, in any event, he had been referred to in one of the reports, so he stepped away from his duties. The Internal Economy Commission appointed an acting Chief Financial Officer, who was a chartered accountant. That was a big step forward because the former Director of Financial Operations, who basically ran the financial operations of the House of Assembly alone, did not have any formal designation of chartered accountant or other professional designation. He had a lot of experience in financial matters but the thought was that this was the time to start professionalizing the financial affairs of the House. So this person was appointed.

As the inquiry went on, the Auditor General issued additional reports based upon his continuing investigations. First of all, with respect to the four MHAs, either present or former, who had already been named, he issued supplementary reports updating the figures, dealing with other years and adding in additional amounts of money that he thought were questionable. He issued another report in respect of another MHA, also alleging excess constituency allowance spending, and he issued two more reports concerning two other MHAs, alleging double billing — that is to say, submitting accounts twice for the same event.

In his annual report of January 2007, which also is on the Web site — I'm sorry, I'm not keeping up with the slides — he questioned again lack of controls in the House and pointed to what he considered to be inappropriate year-end payments made at the end of fiscal year 2003-04. These were monies paid to all MHAs except for two — the Premier and a former Auditor General were the two who didn't take the payments, but all other persons at that time — and he raised questions as to whether these were paid in an unaccountable fashion, were improperly reported and the money was taken from other funds, not constituency allowance funds, in the House to make these payments at a time when the government had just passed legislation freezing all wages for public sector employees. Then they were nevertheless paying money to themselves. That was the way he put it and raised the question as to whether it was appropriate.

So that was sort of the background, and these things were going on as the inquiry took shape. We did our work from July 2006 to May 2007, about 10 months. Initially the Premier had asked me to do the work in four months, and I looked at it in July and said, the court's not really sitting the same way, I've less work to do at this time, sure, I think I can handle that — piece of cake, so to speak. Of course, I was the victim of confidence disease — you know the definition of confidence: the feeling you have before you truly understand the situation. As I got into it, of course, and I reviewed the terms of reference, it became obvious there were many other dimensions to this and I was never going to finish it in four months.

So I had to ask for extensions and they were given. Of course, the Auditor General didn't help, either, because he kept pumping out reports throughout the whole piece and I had to respond to and deal with those, as well.

The mandate of the inquiry was a bit complicated. It really directed me to look forward, don't worry about trying to find responsibility with respect to individuals. You don't need to name names; take a reform approach; how are we going to improve the system, based upon what had been identified by the Auditor General? They asked me to improve transparency and accountability but also to respect legislative autonomy. They wanted an evaluation of the policies and procedures concerning the controls for expenditures in the House; they wanted me to examine the appropriate levels for constituency allowances, salaries and pensions for MHAs; and they said they wanted the recommendations to be the best in the country. That was actually in the terms of reference, those words.

Now, I make no claim that the recommendations I made are the best in the country. After all, "best" to some degree is a subjective thing; but I do feel confident that the recommendations I made make it better than what it was before. As to whether it's best, I leave that for others to judge.

I was assisted by some very talented individuals. I've listed them on the slide. I had an audit advisor, public policy advisor, legal counsel, a political advisor and a researcher. Gail Hamilton was the auditor who was advising me. She was with Ernst & Young and she travelled around the country and met with a number of auditors general to get information about what was going on elsewhere.

The report itself was submitted on June 4, 2007, and if any of you are interested, it is also on-line and can be accessed at the Web site that's mentioned on the slide. It contained, as was said in the introduction, 80 recommendations. Many of those recommendations had subpoints in them so, in fact, there were really more than 80. They were grouped under various categories of trying to ensure responsibility, restructuring of the House, the implementation of controls, what the audit regime should be and what compensation, allowances and pensions should be, as well.

What I did, though, was take the time to actually draft legislation that would implement those recommendations. It was a fairly thick bill. I worked with the legislative counsel's office and, for any of you who may be ever involved in a commission of inquiry and you want to get your recommendations accepted,

I think it goes a long way to actually putting on paper the exact provision you think will implement what you are recommending. So I did do that; we had the draft legislation; we also had draft rules that the Internal Economy Commission could pass, dealing with allowances and so forth.

I also went on outside my terms of reference and put in a chapter that I called "Signals". There were things we came across in the course of our work that raised questions about controls and government policy right across government, not within the House. Now, I was not mandated to talk about those but, having come across them, I felt that I should at least flag them. I didn't make any specific recommendations but I did refer to certain things that I thought could be problematic.

The response to the report was that the government accepted all 80 recommendations — they announced that they did — and, 10 days after they received the report, they actually took the draft legislation that I submitted, put it before the House and it was passed. So it then became law; but they did do one thing: they did delay the implementation of part of the legislation until after the next election. We had fixed elections and the next one was scheduled in October of 2007, and they provided that those sections dealing with constituency allowances and the reform of that would be delayed until the new House came together.

The cynics said, at the time, that the reason for that delay was that the MHAs wanted still to have the old regime of constituency allowances available to them to assist them with respect to this one last election, before they would be subject to greater controls. I think that was unfair — I don't think it would have been appropriate to bring in a new regime just before the House broke and there was going to be an election. They were very complex and there was time needed for education and familiarization of the MHAs with the new rules. It would have been pushing the issue, I think, to have those in place immediately.

Subsequent to the report being submitted and the legislation passed, there were a number of other events that are related. Criminal charges were, in fact, laid against certain of the individuals who were named in the Auditor General's reports. I can't say much about those because they are working their way through the courts and they might, in fact, end up in my court. I have a rather elaborate Chinese wall set up now so that I know nothing about what happens to those cases when they come through the court system. Other people will have to deal with them. So if you ask me what stage those court cases are on at the moment, I can't tell you any more than what I might have read in the newspapers.

Civil actions were also commenced seeking recovery of the money that was allegedly misspent. There is an ongoing police investigation with respect to other issues that have subsequently arisen. The Auditor General issued a further report, as he was requested to do at the time the so-called scandal broke, on the appropriateness of MHA spending since 1989, and that of course is also available on-line. The issues remain a matter of public discussion in Newfoundland and Labrador. There are editorials, letters to the editor, general public discus-

sion about the recommendations — and one newspaper decided to take the most recent report of the Auditor General, where he broke down categories of possible inappropriate spending on constituency allowances by all these people, all the MHAs who had been in the House since 1989. They took one MHA a week and laid out all the expenditures that particular person had and categorized them, and so forth. It was a pretty tough situation, I think, for those people named in that way to have to be exposed and perhaps, in some cases, unfairly vilified. Because what the Auditor General had done was not accuse people and make a statement of fact; he raised these issues; he presented the results of his investigations and was letting the process take its normal course through other investigations.

In any event, that's what happened.

The House of Assembly Management Commission, which is the new name of our Internal Economy Commission, adopted an MHA policy manual — that was one of the recommendations I made. And I must say they did a marvellous job in a very short period of time to get this policy manual prepared and available in time for the new MHAs to deal with it following the election in October of 2007.

One thing they didn't do that disturbed me a little bit, or disappointed me, was that I had recommended that a House committee adopt a code of ethics for MHAs. I suggested that the House actually strike a committee and they should, with appropriate research and assistance, develop a code of ethics.

Now, I could have recommended a particular code of ethics. I could have drafted one, but I felt that this was something that was important to be a matter of public debate on what the ethical standards of MHAs should be and that the MHA should be seen to be participating in that. I thought this was the way it should be done.

The House met one day after the election in October of 2007. I was hopeful that the one item of business they might have done on that occasion would be to refer this issue to a committee of the House so it could be dealt with, but that didn't happen.

I just put in one reference to academic comment on the report, if you're interested in reading it. The only reason why I give you that one is because Professor Franks says a couple of favourable things about me.

I want to take a few minutes to just talk about the Auditor General's analysis, because this was the basis of our work. We weren't to reinvent the wheel; we weren't supposed to go back and re-do his work; but obviously we needed to know where we were to be able to go forward to make any recommendations, so his work was a very fundamental, important part of what we did and we relied upon his work to identify the nature of the problem. We didn't need to know exact numbers because, again, I wasn't trying to affix responsibility on individuals. As long as we were satisfied that problems of the type he identified existed, that was enough, and then we could move forward with our recommendations. We did do some of our own testing and, whilst we might quibble with a few numbers here and there, we were quite satisfied that what the Auditor General had done was a superb piece of work.

He highlighted a lack of financial controls — it was obvious, from what I've already said, and I don't want to take too much time on this, but he pointed out some fairly basic problems with the way in which the House of Assembly operated. The Chief Financial Officer ordered, received goods and approved invoices for payment. The CFO did the on-line data entry and he got approval for payment from a clerk, someone lower in status in the organization, for payment when it went on to the Comptroller General's office for payment.

In fact, one of the people who was designated to give these approvals didn't even exist in the House of Assembly. This person was an employee of the Chief Electoral Office, which was one of the offices of the House, but she was in a different building, separate, and gave her approval on-line without seeing the invoices and so forth that had been submitted for payment.

There was no audit trail for MHA expense accounts. The way in which the expenditures of MHAs were monitored was by the Director of Financial Operations on a little spreadsheet he had operating on his own computer. It was not within any government financial system. And, as he changed the numbers, the spreadsheets were just overwritten and he never had any complete record of what had happened.

Invoices were charged to incorrect accounts. In many cases, original invoices were not required. The Clerk of the House, although he had overall responsibility for management of the House, paid most attention to his parliamentary duties and left all the financial and administrative matters to the Director of Financial Operations.

The annual reports that the House had to give to the House of Assembly were inaccurate. One can go on, but that's enough, I think.

As far as the excess constituency allowance claims are concerned, the way those worked at the time the Auditor General made his report, there were limits per MHA per district. They varied by district, according to the geography and the distance from St. John's, and the usual things that would affect the amount that would be reasonable for an MHA to claim by way of expenses.

During the period 1998 to 2006, as I said, four of 48 MHAs were involved or implicated by these allegations. To give you an idea of the magnitude, in one case, during that period 1998 to 2006, the total allowable claims that this MHA could make was \$89,600; in fact, he spent \$557,200; and this wasn't picked up and it just went on.

The total amount was over \$1.5 million.

To give you an idea, the amounts escalated. I should have had this in a chart, but my technical ability is not sufficient to do that. To give you an idea, from 1998 it started. There was a small amount of excess claims and it grew up to 2004, when there was the high point of \$510,000 in that one year.

In addition, there were questionable transactions involving suppliers of the House. The Auditor General found that there were large expenditures on small novelty items — fridge magnets, lapel pins, that sort of thing — hundreds of thousands of these things. Most of the purchases were from three companies.

They seemed to be connected; the invoices were the same; there was suspicious documentation. There were no public tenders, no purchase orders, no quotes or anything of that nature, and the total amount involved was over \$2.6 million. They increased over time, as well. Fifty-two percent of those amounts were charged to inappropriate accounts in the House — charged to the library account, travel accounts, *Hansard* and things of that nature.

Curiously, the lower level officials within the House could not explain what these things were, where they came from, they didn't know — with that many, the boxes would have been so large when they were delivered to the House, you would know. They would be stacked up in the corridors, yet they had no memory of them having even been received.

I'm just going to add something also. This did not come out in the original reports of the Auditor General but, as I indicated, he was mandated to look at the appropriateness of expenditure, not just the excess — the appropriateness, what it was spent on. He submitted this subsequent to the actual report I wrote, but we were aware of all this because this was one area where we had made some inquiries ourselves and what he told us was nothing really startling.

The numbers might be startling to you: he identified over \$2.2 million worth between the years of 1989 and 2006, where he raised questions as to the appropriateness of expenditures — expenditures on donations, alcohol only, buying bottles of wine and things like this, not in connection with meals or so forth; double billing; purchase of personal items, and that sort of thing.

Again, in that respect, you can see there was a trend peaking in 2005 and 2006 of \$299,000, and he felt there was inadequate documentation for about \$5.4 million of expenditures in this regard.

From this, we developed, if you will, a list of symptoms, and the next three slides, which I'm going to skip over because of time, sort of lists down what we identified as being the symptoms of the problem, and that was really just taking things he had said, and based upon our own investigations, and listing them down.

I want to take a minute now and switch gears and just talk for a second about legislative independence and its interrelationship to accountability. As I indicated, the terms of reference required me to make recommendations with respect to accountability and transparency, and this was the phrase in the terms, "without undermining the autonomy of the legislature and its elected officials." So there was a limit on what I could do. I couldn't simply say, "Well, you can be completely transparent, you have to be completely accountable," if in so doing I was to be perceived as entrenching upon this notion of legislative autonomy.

Of course, again, this isn't the time for the political science lecture, but legislative autonomy is based on the doctrine of separation of powers and the separate supremacy of parliament, and it's the basis upon which members can do their jobs effectively, unrestrained from improper control or interference by

the executive branch of government. It's a very important concept.

In fact, it's often, if you will, the trump card that an opposition member has to resist domination by an aggressive government. It allows, if you will, the opposition to carve out an area of activity that the government's control of the legislature can't touch. So it is very important and one shouldn't minimize it.

But it became apparent to me that the notion of legislative autonomy became used in some regard inappropriately as a justification for certain decisions that were made with respect to the financial controls and spending in the House. It became used for such arguments as, well, the legislature is not bound by the rules with respect to payment set by Treasury Board and enforced by the Comptroller General. It was used to argue that the Auditor General should not audit the House, that the House itself should determine separately who should be the auditor of its affairs.

I set about to consider this. It's an important constitutional value but it can't be considered in isolation. It had to be considered in the context, for example, of the rule of law. You know, no person is above the law and that includes our politicians, judges, everybody else, and it cuts across the doctrine of the separation of powers. It applies to the legislative as well as the executive branch of government. The Supreme Court of Canada, in the *Vaid* case, said that legislative bodies do not constitute enclaves shielded from the ordinary law of the land. I mean, that's pretty basic stuff but it's important to remember when someone, if you will, trots out the legislative autonomy card to justify particular decisions.

Of course, again, one has to consider legislative autonomy in the context of the need for accountability. We all accept that, if you're dealing with public funds, we have to be accountable for them. Surely legislative independence doesn't allow you to say, "Well, it doesn't matter, I can spend whichever way I want, I don't have to account to anybody."

So those were some limiting factors that had to be kept in mind. There's a whole chapter in the report about this issue and, obviously, I can't spend time on it this afternoon, but I will say that my conclusions were essentially that legislative autonomy cannot be invoked to justify unfettered action; it cannot be applied outside its constitutional purpose, which is simply to allow the legislature to do things that are necessary for the legislature and MHAs to function effectively and properly.

I had identified that there were dangers of improper use of this notion of legislative autonomy. There's a sort of "we" and "they" defensiveness that arises. It's almost like a knee-jerk reaction and enables you to use this argument to repel interference in the protection of self-interest. It also — and this is related — creates a sort of club-like atmosphere with its own sense of morality.

I'm just going to take a moment; I want to read something that I quoted in the report, which I think is worth noting. Maureen Mancuso and a bunch of others wrote the book *A Question of Ethics: Canadians Speak Out* in 2006 — the revised edition

was. They said this: “There is a powerful sense of cohesion among politicians and especially legislators. They share a large number of rather exclusive experiences: in effect they all belong to the same club. And since this club makes the rules for everyone, it remains strongly in favour of policing its own members with no interference from anyone else. There is a suspicion on the part of legislators that no one “outside” really understands what they go through and in part this is correct. But this insularity and collegiality can be invoked to protect the legislature and members who have apparently misbehaved from outside scrutiny or punishment. Legislatures must have a high degree of autonomy at the institutional level if they are to make the hard choices that are often required in government. But this institutional autonomy also has a dark side, in that legislatures and legislators can too easily see themselves as above the law or beyond the reach of ordinary ethical restrictions.”

I approached the notion of legislative independence as a limit on what I could recommend, with some degree of scepticism. I certainly wasn’t going to allow it to subvert, if you will, other important constitutional and political values that we have in this country.

I want to take a few minutes to talk about the changes in the legislative and administrative structure that occurred in the House of Assembly over the past — well, since 1988. The reason I’m going to do that is because it shows how incremental change can ultimately result in a system that is totally foreign to what you started out with and can result in a system that is so weak, in terms of controls, that accountability is virtually lost.

In saying this, I want to start by emphasizing that I am not suggesting in any way that a group of politicians got together and developed some sort of grand scheme to change the landscape, if you will. This was piecemeal reform, if you can call it that, or change, in any event, that at each step of the way, provided its own justification. One could possibly say, yes, okay, I see the argument there, and accept this particular change, and then the next one and then the next one, and then ultimately what you end up with is something different.

So I started in 1988. There was a commission of inquiry set up to examine MHA salaries and allowances in that year. The legislation provided for an independent commission — and this commission was set up under the chairmanship of Dr. Moses Morgan of Memorial University. It was to set salaries and allowances and those were to stay in place for one full legislative cycle. In the meantime, there would be automatic increases in accordance with the executive pay plan, I think is what Morgan recommended.

The recommendations by law were made binding. The legislature just had to accept them unless they amended the legislation. The Morgan commission recommended that there be accountable constituency allowances, that there be receipts for everything and that there be a maximum set on a category-by-category basis — so much for travel, so much for entertainment and things of that nature. And, of course, the House of Assembly was by law subject to the *Financial Administration Act*.

There was an internal audit function by the Comptroller General that looked at what was going on in the House. The

House of Assembly was subject to audit by the Auditor General, as far as the regular government audit program was concerned. That was really sort of a financial audit, but the House being such a small part of government, the level of materiality that would be used for the purpose of auditing throughout government really wouldn’t allow much specific or close look at the House. But at least it was subject to this general audit.

And it was assumed that the Auditor General could conduct a legislative and compliance audit if he or she thought fit.

The other thing was that the Internal Economy Commission, which was charged with the management of the House affairs, had to make an annual report to the House of Assembly and that had to be tabled within two weeks of the opening of each House session. That report, by law, was required to document all decisions that the Internal Economy Commission made. So there was a certain transparency to what was going on.

Now, since then, 1992, the Internal Economy Commission decided that some individual components of the constituency allowance regime should be collapsed so there were fewer categories, giving greater flexibility so you could use money in case you were overspending in one area and didn’t use it all on the other — then you could move it around.

In 1993, this mandatory appointment of an independent commission to examine MHA salaries and allowances was made discretionary. It didn’t happen automatically; the House had to, by resolution, determine that another one should be appointed.

Of course, this was a time in Newfoundland and Labrador where there were severe financial problems. One of the arguments given for making this discretionary at this time was that wages of public servants were being frozen — they didn’t want to have a situation where a commission came in, looked at MHA salaries and said, “Well, notwithstanding the hard times, you nevertheless deserve an increase,” and then those would be made binding. They didn’t want to be placed in that situation so they said, “Let’s wipe out the requirement that a commission has to be appointed at this time.”

In 1994, the law was amended to require that the Internal Economy Commission only had to report to the House six months after a new session of the House started. So in fact what would happen is that many of the decisions of the Internal Economy Commission wouldn’t even make it to the House and public notice because of the way the House sat. The House doesn’t sit long in Newfoundland. It could be up to a year or more before any public notice of decisions being made by the commission.

In 1996, the concept of block funding was introduced, which meant that all the constituency allowance components were now collapsed into one amount and you could use it for whatever you wanted with respect to constituency business. They also introduced an unaccountable allowance, which was an amount for which you didn’t have to give receipts at all; you could simply claim it. It was a small amount; I think it started out at \$2,000. What it became, though, was a salary supplement, because the MHA each term would come in and say,

“Okay, I want my unaccountable allowance,” and they would get a cheque for the whole amount right up front and wouldn’t have to account for it in any way.

It was problematic, actually, in Newfoundland because, as you I’m sure know, under the *Income Tax Act* a public official can receive up to 50 percent of his or her salary in non-taxable allowance. Newfoundland actually paid 50 percent to its MHAs, and so they were receiving, if you will, now an additional unaccountable amount, and the question arose as to whether or not that had income tax implications. But nobody concerned themselves with that and it just went on this way.

Then in 1999 the law was amended again to say that the commission recommendations now, if ever appointed — because there hadn’t been one — were no longer binding. Instead, the Internal Economy Commission could make its own rules, changing MHA compensation, without appointment of a commission at all. So they could do it at any time as they considered appropriate.

Those rules were not required to be published as subordinate legislation. The only notice to the public would be in the annual report, which as I said would be so far delayed that it would be out of date by the time it came to the attention of the public.

So the effect of these changes over these 10 years was that we went from a system of periodic review by an independent body making binding decisions with principled interim changes — that is, tied to some other formula for how salaries would be adjusted — which were publicly known, to a system where changes could be made by the Internal Economy Commission at any time, as appropriate, without independent review, in private, and be in effect with MHAs drawing new salaries and allowances for at least six months — and in fact longer than that — without any public notice.

Arguably, in 2000, the biggest changes occurred. This leads into the story of where we are today. In 2000, the legislation was amended again to exempt the Internal Economy Commission from the *Financial Administration Act*. It basically said that the IEC could adopt its own policies with respect to documentation to be supplied to the Comptroller General with respect to House of Assembly expenditures.

The second thing the legislation did was provide that the House of Assembly accounts were to be audited annually by an auditor appointed by the IEC, and it was not necessarily the Auditor General. So this was again legislative autonomy — “We’re masters in our own house, we’re going to decide who the auditor is and it doesn’t have to be the Auditor General.”

Of course, the legislation begged the question as to what being audited annually meant. Was it a financial audit? Was it a compliance legislative audit? What was the scope of what was to be done?

As it turns out, there were real problems with respect to that.

This legislation passed through the House of Assembly at the last date of a session; first, second and third readings were all given on the same day and it all went through in the space of about 45 minutes. There was no opposition to it.

I might say that was common for legislation to be amended affecting the way the Internal Economy Commission operated. This is the way — it didn’t always happen this way, but this wasn’t the only circumstance.

The result of that then was that the Auditor General was, as I said earlier, banned from completing a legislative audit at the House of Assembly. What had happened was, in 1999, I think, the Auditor General had decided to do a legislative audit of the House. She had concluded that there were some questions raised about spending by MHAs. There were questions about spending money on art work, building up a wine cellar, and a number of things like that. She had been raising these questions. Whether it’s connected to what happened afterward, I make no comment, but this is what had happened and, shortly after that, the legislation was passed in the House and then the Internal Economy Commission decided that the Auditor General should not complete this audit, and it was never completed.

They issued a press release indicating they were going to appoint an external independent auditor.

The other thing the Internal Economy Commission did or did not do was that, now that it was freed from having to comply with the policies with respect to documentation that had to be submitted to the Comptroller General for payment, it basically said, “We don’t have to submit anything.” I suppose you could say that’s a policy; but it wasn’t defining the nature of the documentation that had to be submitted, it was simply saying, “We don’t have to submit anything other than a request to the Comptroller General to pay.” And if the Comptroller General received that request, then the payment would have to be forthcoming.

Within the House of Assembly they did require that there be documentation submitted by individual MHAs in support of their claims against their constituency allowances, but there were no clear policies as to what type of documentation should be submitted to the House. Whatever that was, and it was all assessed by the Director of Financial Operations, when it went over to the Comptroller General for payment, none of that documentation went with it. So the cheque just had to be cut.

The other thing that happened was that no auditor was appointed to ever do an audit of the fiscal year 2000-01. That was the year after the Auditor General had proposed to do the legislative audit of the House. Since then, the current Auditor General has looked at a lot of this stuff, and I believe he is satisfied with what was there. But at the time, the Internal Economy Commission did not appoint an auditor for that year.

Then in the years following 2000, it took the IEC two and a half years to appoint any external auditors at all, so there was no audit going on. When the audit was finally appointed, it was not completed until October 2004 for those intervening years.

There was real question as to the scope of audit that was to be done. We could never find an engagement letter in the files of the House or in the files of the external auditor who did the work. So there was a real question as to what exactly they were supposed to be doing. Indeed, they produced financial statements without any stated concerns about what had gone on in the House, which is in stark contrast to what the Auditor Gen-

eral found when he went in, in 2005, and looked back over these years.

The other thing that occurred in that period of 2000 to 2004 is that we found there were duplicate sets of minutes prepared by the Internal Economy Commission. In many cases, what would happen is that the decisions that were made by the IEC and recorded in the minutes were replicated in the annual report that was filed in the House of Assembly but, in certain cases, there were changes made. Usually the changes related to those decisions that affected salaries and benefits for MHAs. The other decisions relating to House administration generally found their way into the report in exactly the same way as they were in the internal minutes of the IEC.

Let me just give you one example. In the official minutes, there was a recommendation that was accepted that members be allocated a one-time allowance of approximately \$2,500 plus HST — that is what was recorded in the minutes of the House. In the public report of what the minutes were, it simply said the commission approved a proposal related to members' constituency allowances for the 2003-04 fiscal year — not saying what the proposal was or whether it was an increase or what the amount was.

That was the situation up until 2004.

There was an election in 2003 and then, following that election, the Auditor General was invited back into the House and the new Speaker of the House at the time issued a memorandum to members of the Internal Economic Commission and to MHAs generally, I believe, saying, "We have to get our act in order, we have to place greater emphasis on transparency, accountability and so forth." Shortly after that, the guidelines for payment of constituency allowance expenditures were tightened up and receipts for expenditures were required. And the role of the Comptroller General was restored; now documentation had to be sent over to his office before cheques could be cut. Certain resources were put into the House to assist with financial management.

But all was still not completely well because, as I indicated, there was a special payment made of \$2,875 to MHAs approved out of savings and other House of Assembly agencies, and no documentary support was required for these payments.

So having adopted a new policy that you had to have receipts for everything in March 2004, in May 2004 they approved this special payment, which did not have to be documented. You could simply submit a request for payment and get paid.

The duplicate-minutes situation continued.

Based upon all this, I made some findings. I'm not going to have time to go through each one of these, but I think the bullets that follow — or the subheadings that follow — under the main categories, if you read them, I think will be fairly self-explanatory.

I concluded that there was a systemic failure. There was no single incident that led to this problem, and I essentially said there were 10 major causes or problems. I'll just go through the main headings.

The first was abuse of legislative independence. It was used in ways that were not appropriate to justify decisions that weakened accountability.

The second was a failure in management responsibility and accountability. Part of it was a lack of staff and a lack of resources within the House. The Clerk, however, paid attention to his parliamentary responsibilities and basically not to his management duties. He did not give any adequate top-level scrutiny to financial matters; he left it all to the Director of Financial Operations. There was a failure to ensure timely audits to make sure the record keeping was proper and so forth.

The third deficiency was a deficiency in front-line administrative practices. This is all based upon the individual controls or lack of controls that existed and would have supposedly prevented improper payments where one could not be sure the payment was a legitimate one and that the amount was fair and reasonable, and those sorts of things.

The fourth one was major inappropriate decisions by the Internal Economy Commission. I won't go through them; they're all documented in my report. The issue of giving discretionary allowances that didn't require any documentation up to the year 2004 was one. The authorization of special year-end payments and transfers from other accounts in the House was another example.

I extrapolated from all that and said that, basically, there was a lack of commitment to governance, transparency and accountability within the House; the IEC operated in an unstructured way. It gave inadequate oversight to administration; there was no orientation for IEC members; no code of conduct; they operated in secret. They had these two sets of minutes I mentioned, and so forth.

The sixth was ineffectiveness of central government control functions. There were things that I thought the Comptroller General, even with this regime as it was developed, could have done to try to impose a certain degree of control and accountability on spending, but because, if you will, the legislative autonomy card had been played — and it was something that was pushed — there developed an attitude in the rest of government that we had better take hands off as far as the House was concerned; things did not happen that I think could have been done. For example, they could have — I'll just give one example — restructured the estimates in such a way that — the way it was done in the estimates, the constituency allowance pot was lumped in with the salary pot, so that if there was an overrun in the constituency allowance area, it was masked by perhaps savings or less spending in the salary area. Had they been broken down, it would have been more apparent to anyone looking at the financial accounts that there was really a problem with respect to spending of constituency allowances, but that was masked in the way in which the accounts were put together.

Those were things I felt under the legislation the Comptroller General and Treasury Board could have taken steps to bring about but, for whatever reason, that didn't happen.

There was an ineffective audit process. The Auditor General was kicked out in 2000 and wasn't back until 2005. The

external audit was ineffective and there were real questions as to the appropriateness of the audit scope.

There was ineffective action by the Public Accounts Committee. I had some harsh things to say about the Public Accounts Committee and I pointed out that it was not very active, it held few public meetings, it did not address any issues with respect to the House of Assembly and the Auditor General's stated concerns in various reports that had been written. I also pointed out that there was overlapping membership between the Internal Economy Commission and the Public Accounts Committee, and I felt that was inappropriate.

I could go on and talk about that at some length, but I don't think I have the time.

I said that another important problem, if you will, was an ever-weakening legislative framework, which I've already described to you, which contributed to a lack of concern about accountability and stewardship.

Finally, I said there was an inappropriate tone at the top — a phrase that we used. There was no acceptance of a culture of responsibility, due diligence, accountability and transparency. That was a pretty strong indictment but I felt, in the circumstances, that had to be said.

What approach did I take to improve the tone at the top? I wanted to promote acceptance of responsibility by MHAs and the IEC — that is, the Internal Economy Commission — and senior management. I felt we had to improve public trust and confidence. I decided that we had to postulate standards for public officials, standards of professionalism and fiduciary obligations. Those two concepts led me to say that we needed professionalism, high ethical codes of behaviour, non-delegation of professional duties and acceptance of regulation by politicians, of regulation in the public interest.

I also said that the MHAs should really be regarded as fiduciaries, and from that flowed a number of things, such as the notion of preservation of entrusted property, accounting for stewardship, no self-dealing, avoiding conflict of interest, providing full information and explanations, standards of accountability and necessity of transparency.

I'm going to skip over to some recommendations. I know I'm running out of time so whenever whomever wants to put the hook around my neck and pull me off, please do so.

I felt that comprehensive reform legislation was needed and I felt there had to be general principles embodied in legislation that placed non-delegable responsibilities on MHAs. We needed a members' code of conduct; we needed a code of conduct for the House of Assembly staff; an access to information regime had to apply to the House; and there had to be a publication scheme for constituency allowance expenditures. It had to be an offence not to document or to destroy documentation with respect to the IEC and House of Assembly staff decisions.

There had to be a restructured Internal Economy Commission, renamed the House of Assembly Management Commission. There had to be higher institutional and individual standards of responsibility concerning stewardship. I borrowed from the corporate sector and said there had to be duties of care, skill and diligence and good faith on individual members.

There had to be duties to attend meetings, spend time and act prudently and reasonably on an informed basis, borrowing from corporate law concepts.

With respect to the IEC or the new restructured management commission, on an institutional level the duties were spelled out because they were not in the existing legislation. They had to have proper agendas and procedures because frequently IEC meetings were cobbled together — not in more recent years, but in earlier years — without proper agendas, without information to make decisions.

I recommended that there be orientation programs for IEC members. The Clerk should be designated an accounting officer and, in that sense, we borrowed the concept from the United Kingdom and, indeed, there is some reference in the federal accountability act as well, where the Clerk could be called before the Public Accounts Committee to account for what has happened.

I recommended that the PAC be reactivated to develop a program of action to review reports of the House of Assembly Management Commission and to review the work of the Clerk as an accounting officer. I'm not going to be able to go through all these in detail, but I recommended that whistle-blower legislation apply to the House. I even recommended that the public should have the right to seek enforcement of duties by an application for an order of mandamus. If indeed members of the public saw that things were not being conducted in accordance with the rules and the legislation, the public should have a right. They would not be automatically thrown out of court because they didn't have standing. They would be able to bring that forward — again, to give some sense of comfort that there could be some accountability.

I recommended that the Clerk's responsibilities, as parliamentary advisor and as chief head of management, be spelled out in legislation and that would include acting as an accounting officer and providing management certification — again borrowed from the private sector.

I recommended that the Internal Economy Commission be reorganized with equal membership from the government party and the opposition. There would be no overlap with the Public Accounts Committee in terms of membership. That of course caused a problem with the current House, which I probably should have foreseen, but I didn't. Because there are so few opposition members in our current House, you can't have a functioning Internal Economy Commission and a functioning Public Accounts Committee, because there are not enough people to be on the two groups, so there has to be overlapping in those circumstances.

I recommended that there be controls on decision-making. All MHA salaries had to be stipulated in legislation and couldn't be changed except by amending legislation, sort of like the way the judges' salaries are now. All amendments to that legislation had to be read on separate days — each reading of the bill.

Furthermore, with respect to rules regarding constituency allowances, they could be made by the Internal Economy Commission but they had to give notice of motion and there

had to be two meetings before they could be adopted and there had to be an affirmative resolution of the House of Assembly approving it before they could be adopted.

There would be no non-accountable allowances and of course all of this would be treated as subordinate legislation and published.

The House of Assembly Management Commission I recommended should have an audit committee, which would include two financially literate members of the public — in effect, the people who are on it now are two chartered accountants — and there would be politicians on it, as well, but these people would be on it and they would make recommendations with respect to the auditors. They would make recommendations with respect to internal audits, reviewing the financial statements, doing what an audit committee would do in the private sector.

I think I'm running out of time, so I think I probably had better leave it there. The recommendations are all set out in the materials you have and I think I should stop, except perhaps I should just mention that we recommended that there be a management certification process adopted. There should be annual financial statement audits of the House by either the Auditor General or an external auditor — we didn't say the Auditor General had to do it — but that in addition to that, if they didn't appoint an external auditor, the Auditor General would be the auditor by default, and the Auditor General was to do a compliance audit once every general assembly.

So although I could go on, I think, given the time, I will stop at that point, and I thank you very much for your attention.

S. Nordick: Thank you, Chief Justice Green. If I may be so bold as to say that if there are any questions for Mr. Green, you could ask them during the health break or later on this evening. I do believe he'll be around.

As a token of our appreciation for the presentation today I'd like to present this gift to you.

D. Green : Thank you.

S. Nordick: As the schedule says, we'll take a half-hour break until 3:30, I do believe it is? Sorry, there's a question at the back.

David Zimmer (Ontario): After this substantive and important talk, it might be worth our while and important enough to reflect awhile [*Inaudible*]. I'd be interested in knowing what the rest of the room felt.

G. Dubrow (Chair): If there's no disagreement verbally within the next two seconds, I'll invite Mr. Green back up here. Mr. Green, if it's okay with you.

D. Green: Okay, fire away.

D. Zimmer: Table 25. My name is David Zimmer. I'm a member of the Ontario Public Accounts Committee.

One of your slides, or two of your slides, at page 9, had the heading, "The Modern Politician" and "The Modern Politician II". You didn't have a chance to touch on that, but I would throw this thought out. I'd be interested in your reaction. What we've sat through this afternoon, in my view, is a very important and sophisticated, almost like a graduate course, in public administration or business administration. I think one of the challenges that all politicians from all parties have, from whatever their backgrounds, especially if you are newly elected, is how do you quickly get up to the level of sophistication that you've dealt with today so that the members, especially the newer members, can bring the right skill sets to the job. People are elected and their backgrounds are from everything you can possibly imagine. You might have someone with a background who might be a professor of public administration, who well understands all these things, and someone else from a very skilled background but no experience or professional sense of how these things should unfold. Ultimately, the responsibility falls back on the hands of the politicians, so what thoughts have you got or would you offer about how to get members up to steam quickly so that they can effectively carry out these responsibilities?

D. Green: Thank you. That's a very important question and it doesn't admit of an easy answer. One of the great things about our political system is that we bring people into the law-making function from all sorts of different backgrounds, and that's very important, but when we do we expect them to, as you say, have a number of skill sets and many of them don't, for obvious reasons, because they come from different backgrounds, it's difficult but I think there has to be a great deal of emphasis on orientation of new members. Time and money has to be spent. I say in the report that — there were stories told to me as I went about my work how MHAs — we call them MHAs in Newfoundland — were elected for the first time and came in to the House of Assembly, didn't even really know where the bloomin' building was, were shown to an office and told, "Away you go." Very little orientation, very little training and information given to them, and I think that's terrible. People sacrifice a lot when they offer themselves for public service and they've got to be given the tools to do the job. It's a steep learning curve. I think we should recognize that and I think large amounts of resources have got to be put in place to enable people to develop the skill sets that are going to be needed. That's not an easy thing but I do deal with that in the report and say that there are requirements that should be followed to ensure that people get the necessary training and understanding in these areas.

Graham Steele (Nova Scotia): My name is Graham Steele. I'm a member of the Nova Scotia Legislature and I can say there's no better way to get a politician's attention than to talk about a judicial inquiry into their expenses.

I want to thank you very much for your report. I read the Auditor General's reports when they came out. They were very interesting. I read your report when it came out, but there was

one thing in it on which I just, with the greatest of respect, just think you're wrong, and that is —

D. Green: It's not the first time I've been told I've been wrong, I must say. The Court of Appeal tells me I'm wrong.

G. Steele: — and that thing is the role of the Public Accounts Committee.

D. Green: Yes.

G. Steele: Now, your Legislature is not much different from ours. Our Internal Economy Board has a majority of government members on it, all of whom are ministers. It also includes the government House leaders of the opposition parties. The idea that the Public Accounts Committee would inquire into decisions that they had made goes against everything that we know about collegiality in the Legislature. The idea that we would undertake an inquiry into the administration of our own expenses against our own self-interest, against the will of our party House leaders — if you're on the government side, against the will of the most powerful Cabinet ministers apart from the Premier, just struck me then and strikes me now as unrealistic, that of all the people who might have blown the whistle on what happened in Newfoundland, the Public Accounts Committee was not one of the bodies that could in any realistic sense have done that.

Now, you issued your report about a year ago, or a little over a year ago. Since that time have you had any other comment on that? Have you changed your views at all or do you still believe that the Public Accounts Committee in Newfoundland and Labrador should have done more than it actually did?

D. Green: I'm not going to comment upon whether the Public Accounts Committee, since the time of my report, should have done anything more. Once I issued my report, I was *functus officio*, so to speak, and I went back to being a judge, and I have nothing more to say about politics. But I will say I know who are on the new Public Accounts Committee. They're a formidable lot. It's early days yet but I have every hope that they will do what is expected of them in terms of what I had contemplated in the report.

I'll just give you one example of something that happened in Newfoundland and Labrador many years ago. The reason why I hold out hope for a rejuvenated Public Accounts Committee is because of something that happened in the late 1970s. I was involved in another inquiry. I was legal counsel to that inquiry. It was an inquiry that resulted from actions taken by a public accounts committee. At that time there were questions raised about public tendering and whether or not the tendering legislation had properly been followed in our province. The Public Accounts Committee at the time really got their teeth into it and they subpoenaed witnesses and they brought all sorts of things before public hearings and really made a difference. It

became such a public issue that as a result of that, a public inquiry was appointed and then recommendations and so forth.

So I think a public accounts committee can very much make a difference. It's not a panacea. It's not perfect, there's no question, and the points that you've made are valid ones, but we're dealing with a funny animal when we're talking about the Legislature. You know, it's supreme in many ways, but we have to try to develop mechanisms of accountability — build those in — and I think the Public Accounts Committee does have a role to play. It may not be perfect but I stand by what I said. I'd be interested in your views as to what other mechanisms you think should be employed, and maybe you might find me agreeing with you that other things could be done, too. It's partly based upon my experience in the past. I know that a public accounts committee can be a very active thing and can achieve a lot. I've seen it in Newfoundland and I don't see any reason why it couldn't happen again.

Floyd McCormick (Yukon): Floyd McCormick. I'm Clerk of the Yukon Legislative Assembly. I'd like to ask some questions with regard to the role of the Clerk and his or her relationship with the House and the Speaker and the Internal Economy Commission that has been renamed, because in the accountability and integrity legislation that you drafted and that was accepted by the House, I think there are some aspects of it that are pretty traditional in terms of the description of the role of the Clerk and what he or she is supposed to do. But there's also some innovative, shall we say, departures that I think affect the relationship between, say, the Speaker and the Clerk, et cetera. For example, what I'm thinking of here is sections 31(3) and (4) of the act. The issue that comes to mind for me is the fact that historically the Clerk has acted as an advisor to the Speaker and to the Internal Economy Commission, or whatever it's called, so you're in the position where you can provide advice to these people and yet if they don't wish to take your advice, that's up to them and they bear the consequences.

In the legislation that you proposed, which was accepted, it says that "...where the speaker or the commission are unable to agree with the clerk on the interpretation or application of a rule, directive, policy or standard..." et cetera, et cetera, "...the Clerk shall seek guidance in writing on the matter from the comptroller general or the Deputy Attorney General." In the subsequent section it says, if for some reason, more or less, the Clerk would be sort of pushed into acting on the advice of the Speaker against his own best judgement, "... the clerk shall comply with the direction but shall immediately notify the auditor general, the comptroller general and the Attorney General of the direction and his or her disagreement with that direction."

I see this as a huge departure from what the role would have been in the past, and when you're looking at balancing the accountability versus the legislative autonomy, the fact that you have a clerk who is now going to be appealing, in a sense, to people who are either part of the executive branch or an independent officer, it seems to me weakens the legislative autonomy quite substantially. I think it has the potential to, in fact,

undermine the kind of trust relationship that has to exist between the Clerk and the Speaker and really the members and everyone else that he or she serves. I don't know if you'd have any comments about that.

D. Green: The intent was to strengthen the position of the Clerk because I think the Clerk's position is pivotal. The idea was to make sure that if the Clerk is doing something that he or she really feels is inappropriate, that the Auditor General or the Comptroller General will know about it. These officials, particularly the Auditor General, are not really representative of the executive branch in the traditional way we think of them — certainly not the Auditor General. The Comptroller General is part of the executive, it's true, but they provide a mechanism to support the Clerk. Presumably the Clerk is going to, if he or she feels strongly enough about something, then that Clerk needs to be supported, and who better than the Auditor General to at least be made aware of what the issue is. Then the Auditor General can take what steps are necessary to report on it if he or she feels it's appropriate. I didn't see it as affecting legislative autonomy in that way. I thought of it in terms of strengthening the institution of the Clerk.

Robert Hawkins (Northwest Territories): Robert Hawkins from Yellowknife, Northwest Territories.

I think Floyd has an interesting point because, you know, as an MLA I would look at it as the Clerk is that second sober thought on direction, and that's probably the principle of why you applied that. If they can't justify the advice by saying, "That process is correct, go this way," and the Speaker in the system chooses to go the other way, they have sort of an appeal system and you've now enabled the Clerk to be in a whistleblower position. All you need is the advice of your Comptroller General or your Auditor General to go against your Clerk's position, and then the Clerk is toast. Now if the Clerk is right, and it's supported by the Auditor General, the Clerk is now skating on extremely nano-thin ice — but right, and we all know how that works. I don't need any more air time.

D. Green: What you are talking about are political realities behind the scene.

R. Hawkins: No, real life.

D. Green: Well, that's what politics is, isn't it? Real life? No, your point is well taken but the intent was to try to strengthen the office of the Clerk. To some degree it resulted from the actual Newfoundland and Labrador experience. We had a clerk, a wonderful individual, but he chose to focus on the parliamentary side of his responsibilities and failed, in my view, to look at and to address the management and financial side of things. I think that was part of the problem. The intent was to try to strengthen the office of the Clerk to make sure that that Clerk, in the future, would pay attention to both aspects of that particular job. The position of the Clerk and the

way it was regarded needed that buttressing in Newfoundland and Labrador and that's why I went that way.

Hugh MacDonald (Alberta): Good afternoon. Hugh MacDonald, from Alberta. Recommendation 19, where you have two eminent members of the public, or two financially literate members of the public, on the House of Assembly Management Committee — do they have the same parliamentary privileges on that committee as elected members would?

D. Green: You've asked me a question that I'm not sure I can answer. I would like to say to you, yes, but, you know, I don't think that has been specifically dealt with in the legislation and you raise a good question. I'm going to pass on the answer because I'm not really sure. I would think that they would, given the job that they do, but I'm not so sure that the legislation specifically deals with it.

S. Fraser: I'm going to have to be the bad guy and close it off, because we do have another presentation, so can I ask everybody to be back — no more than 20 minutes for a coffee break, and then we will go on. The Chief Justice will be around, so I suspect that people might be discussing it with him over dinner tonight. Thank you.

The conference recessed from 3:00 p.m. to 3:30 p.m.

G. Dubrow (Chair): Perhaps we should reconvene at this point for our final session of the day. I noticed that Carol Bellringer and I think a couple of others as well set the pace a little bit with some good jokes this morning. I know how it is at the end of the day when it has been a long day and there has been a lot of interesting information. I thought it might be worthwhile telling a couple.

I just want to let you know that I've actually saved these up for CCOLA specifically for this meeting. This is a joke from the *Globe and Mail* book section, May 19.

Here's an old joke. An Englishman, a Frenchman, an American and a Canadian are asked to submit essays on elephants. The Englishman's paper comes in titled, "Elephants in the Empire". The Frenchman's — that is of course France: "The Love Life of Elephants". The American's: "Bigger and Better Elephants". The Canadian's: "Elephants: A Federal-Provincial Responsibility".

I focus-tested these on Rob over here, so I know that they're mildly funny at least.

I have another good one, especially since this morning we were talking about the issue of policies versus practices, saying that a lot of committees have the power to do things but don't necessarily do them in practice.

Here's a great one from the British comedy *Yes, Minister*: Minister Hacker is talking to Sir Humphrey, and this is a discussion about corruption. Minister Hacker says to Sir Humphrey, "Are you saying that winking at corruption is government policy?" Sir Humphrey responds, "No, no, Minister. It

could never be government policy — that is unthinkable — only government practice.”

So, a couple of jokes that I thought you might enjoy, just to sort of get things ready. They’re on my Blackberry. That’s why I’m looking at my Blackberry when I’m reading them to you.

Presentation on performance reporting

Topic: *Overview of two CCAF studies on public performance reporting: Study on Committee Use of Public Performance Reports in Canada and Consultations on Improving Public Performance Reports in Alberta*

Discussion Leader: Geoff Dubrow, CCAF-FCVI

The B.C. Experience

The Auditor General’s Report on ‘Trends and Opportunities in Performance Reporting’

Presenter: John Doyle, Auditor General, British Columbia

PAC involvement in performance reporting

Presenter: Rob Fleming, Chair, PAC, Legislative Assembly of B.C.

Geoff Dubrow (Chair): Our panel this afternoon, our fourth and final panel, is about performance reporting. When we talk about performance reports we’re really talking about the annual reports of departments, Crown corporations, Crown agencies that are accounting for their activity over the course of the last year — generally, again, several set targets.

Before I start the presentation and before I introduce our panel, I hope you will indulge me for another moment. I want to share with you a poem by T.S. Eliot called “The Hollow Men”. This is another thing that I’ve thought about many times doing at CCOLA and I’ve been holding this poem specifically for you. The reason is because, as Sheila mentioned this morning with regard to the issue of recommendations — Sheila, this morning you mentioned the elephant in the room. When we talk about performance reports over the course of the next hour and 15 minutes, there is an elephant in the room and that is the political elephant, the fact that there’s a challenge using performance reports in legislative committees because they become very political, and that is something that I think needs to be on the table that we need to discuss.

Having said that, I have a poem that I want to share with you. I provided it to the interpreters yesterday, so we should get a very good translation in French. The poem is called “The Hollow Men”. In my opinion it exactly and very beautifully describes the situation with regard to political spin and the use of political spin in our democratic discourse and the way in which it has undermined the quality of our democratic discourse throughout the country. The poem goes like this:

“We are the hollow men
We are the stuffed men
Leaning together
Headpiece filled with straw. Alas!

Our dried voices, when
We whisper together
Are quiet and meaningless
As wind in dry grass
Or rats’ feet over broken glass
In our dry cellar
Shape without form, shade without colour,
Paralysed force, gesture without motion;...”

It’s something to think about as we start our fourth and final panel of the day. With that, two men who are certainly not hollow are on the panel today: distinguished Chair of the Public Accounts Committee of British Columbia, and the distinguished Auditor General of British Columbia.

Let me start on my immediate right introducing Rob Fleming, who was elected to represent the riding of Victoria-Hillside on May 17, 2005. He has been the Chair of the PAC ever since. He is also the opposition critic for advanced education, previously served two terms as a Victoria city councillor elected to city council at the age of 28, in 1999 — so now everybody knows how old you are, Rob. Sorry about that. Rob received a BA from the University of Victoria and has worked in research and communications since graduating.

John Doyle started his term as Auditor General of B.C. on October 29, 2007. Prior to his appointment, he was Deputy Auditor General responsible for all assurance operations within the Office of the Auditor General of Western Australia. This included the conduct of the test audit of 210 agencies. Previously, John was an associate professor and head of the School of Accounting and Finance at the University of Notre Dame in Australia. He is a chartered accountant and holds designations from the United Kingdom and Australia. He holds two graduate degrees in business administration and accounting.

Welcome, gentlemen. It’s very nice to have you with us. I should also mention that since we’re talking about performance reporting, we have a performance reporting task force: CCAF does a lot of work in the area of performance reporting and both John and Rob are members of the task force. Other members present today: Carol Bellringer and Graham Steele. I hope I haven’t forgotten anybody. If I have, I’m sure I’ll hear about it. I don’t think I’ve forgotten anybody.

CCAF has done a lot of work in the area of performance reporting over the course of the last couple of years. We do have a couple of studies that we wanted to briefly fill you in on before we move to our panelists. As you know, at least in theory, performance reports are used, or should be used, by legislative committees as part of the estimates process. In practice that does not always happen for reasons that perhaps we can leave to our discussion after our panelists, if you so wish. Of course they can also be used in the oversight process by some committees. They are used regularly by two public accounts committees; that is, the Public Administration Committee of Quebec and the Public Accounts Committee of Alberta. I’d like to talk a little bit about that and just give you some context before we start this discussion.

As I mentioned, CCAF has a program for improved public performance reporting, which was launched in 2006 with support from the Sloan Foundation in the United States. Really, the objective has been to better align performance reports with the needs of user groups. Having said that, we have a Web site that I'd just like to — in fact I think the address is on the slides, so perhaps I'll wait, but I'll just mention very quickly that the English Web site is www.performancereports.ca and the French Web site is www.rapportsperformance.ca. I'll provide those to you again as we go.

Again, just to provide you some background and context, CCAF wrote a document in 2006, called "Users and Uses". Really, in "Users and Uses" we were looking at the use of performance reports, of annual reports of departments by elected officials, non-governmental organizations and the media. We found with regard to elected officials that they generally were not using performance reports, and there were a number of reasons for this. They weren't using them because they didn't find them credible — and this is of course at the federal and provincial level, at which we conducted this study. They were finding that the reports did not report against explicit targets, that key measures were often removed from performance reports, and they considered them often to be PR pieces, or fluff pieces. They found them sometimes very hard to read.

One of the messages that we heard from Members of Parliament and MLAs from across the country was generally that it is very hard to get elected officials — Members of Parliament, MLAs — to use performance reports. So what we tried to do was to go in and find cases across the country where performance reports were actually being used. We did manage to find a number of examples and I'm going to give you some this afternoon.

Could you flip two slides forward for me? Thanks very much.

So we did actually find a number of committees that are using performance reports. I want to just make a distinction here. You see five examples of committees that regularly use performance reports as part of their work: the Crown Corporations Committee of British Columbia, the PAC of Alberta, the Standing Committee on Crown and Central Agencies of Saskatchewan, the Crown Corporations Committee in Manitoba, and the Public Administration Committee in Quebec.

When we say "use" performance reports, what they're generally doing, very much as our colleague from Quebec described earlier in terms of Quebec, is that they are examining the reports. They're calling the head of the agency, either the president or CEO of a Crown corporation, or they're calling the head of a department — a deputy minister — and they'll ask questions about the government's annual performance report. They will make recommendations for improvements that can be made. There's also a difference use of performance reports, particularly by public accounts committees, and that one is to look into the state of performance reporting as a governance issue. So rather than looking at an individual board and asking questions on a particular report — for example, hydro. Rather than calling the head of BC Hydro or Ontario Hydro and asking

questions about what's written in the report, the other use for a PAC to work on performance reporting is to look at it as a governance issue. What's the state of performance reporting like in the province? That's something that the Auditor General of Canada does on a regular basis, or on a periodic basis rather. That's something that British Columbia does, and that's why we have Rob Fleming up here to talk about that, and John Doyle of British Columbia — back it was, I guess, in the early 2000s, or late 1990s — began to hold hearings on the future of performance reporting in British Columbia. So it's also possible. We talked about self-initiated inquiries. It's possible for a PAC to examine these issues from the perspective of the future of performance reporting, the state of performance reporting and how to improve it.

So those are two different uses of performance reporting, of the use of Public Accounts Committee performance reports.

I'm just going to go to the preliminary conclusion slide, so there can be less of me and more of you.

Some of the things that we found in our examination of committees and our study was that staffing of committees remains a large issue, that members do feel a little frustrated that they're not able to delve deeper into issues. They feel they just don't have the time or the grasp of the technical issues in a report, and they don't have the staff levels to help them with that. That's something with which they were a little frustrated.

The other thing that we found was that the use of performance reports tends to be a less political process, if one can use such a word, in Crown corporations committees; that is, we noted the fact that three out of the four western provinces have Crown corporations committees that meet on a regular basis, on a weekly basis, holding hearings into the reports of Crown agencies. Perhaps it's because Crown agencies tend to be more conducive for examining such reports, rather than would be the case if it were a policy committee — for example, transport.

So those are two of the things that we found. The issue of whether performance reports should be used as stand-alone documents in public accounts committees is one that can be viewed as rather controversial; that is, that public accounts committees generally are looking at the implementation of government administration. When they start looking at performance reports, they're really looking at the government's version of events and the government's report on the success or failure of policy. So we do have an established practice in two jurisdictions in Canada where PACs are looking at performance reports. Whether that is something that other PACs would like to reflect or not is something that perhaps would require further discussion.

I just want to share with you — I'm trying to really race through this because I really want to allow some time for our speakers to talk about the British Columbia experience. The Auditor General of British Columbia has just released a report called "Trends and Opportunities", looking at trends and opportunities, looking at the state of performance reporting in British Columbia, so I'd like to get to that.

I do want to just talk to you very briefly about another study, which is related to performance reporting, which was

conducted by CCAF and the Government of Alberta and Alberta Treasury Board, which I think was a very interesting study. So I just want to talk to you very quickly about that.

The objective of the study was to obtain user feedback on the credibility, relevance and usability of performance reports in Alberta. The Government of Alberta really wanted to get the direct feedback of user groups. They engaged CCAF to go out and talk to non-governmental organizations, business groups, media and Members of the Legislative Assembly and asked us to provide this feedback back to them. A copy of the report has just been completed and is available on our Web site. It was just posted a couple of days ago and we're now in the process of translating it into French and it will be ready shortly.

Generally there were four major thematic areas that we looked at with regard to the consultation. One was how do you enhance the credibility of performance reports? How do you increase the relevance? How do you increase the clarity and accessibility? How do you engage users?

If we have a quick look at the next slide on credibility, this is the user's perception of credibility. We're saying that the user's perception of credibility affects their perception of the usefulness of reports. Some of these that we heard — if you go to the next slide, Rob: the need for consistent performance measures over time, that they're not changing from year to year; longer time horizons for longer term outcomes. In other words, there was an acknowledgement that it's very tricky for a government to be reporting on an annual basis against specific objectives, that some things take longer to achieve. There was the need for third party surveys rather than government surveys, so there was less credibility if a government of a particular jurisdiction says, "We conducted a survey and found that 105 out of 100 people said they liked this." That was something that was not viewed as having much credibility. If a survey was conducted externally, and Statistics Canada, in fact, was mentioned regularly as a very good example of that, that had more credibility. And, the alignment of financial information with performance information was something that was considered very important; in other words, if a departmental performance report is talking about a series of activities that only relate to two percent of the department's budget, then people are saying, "This is not credible. What about the other 98 percent? Where has all the money gone and what have you done with it in terms of achieving results?"

In terms of relevance — the degree to which information is pertinent — inclusive, timely and understandable, relevant reports help users to appreciate, on a timely basis, what is planned, what has happened, and why it happened. We heard the need for a stronger link between annual reports and business plans. Just because the jargon is different from jurisdiction to jurisdiction, an annual report is looking at what happened in the last fiscal year, and of course a business plan is the government's plan for the next year, and the need for a stronger link between them.

We have heard this in other jurisdictions as well: the finding that sometimes the government writes up a business plan with particular suggested indicators, but when you look in the

annual report, you don't find those indicators. Sometimes measures have been pulled, often it's for political reasons, and I'm not reflecting on the discussion in Alberta right now, but in general it's for political reasons and the measure has been pulled because they simply didn't achieve the target. So rather than reporting and saying, "We didn't achieve our target," they will just pull the measure. So those were the kinds of things that we heard with regard to relevance.

Concernant clarté et accessibilité, ce sont des règles selon lesquelles l'information sur la performance peut être comprise par les utilisateurs, des règles selon lesquelles les utilisateurs ont accès à l'information sous-jacente contenue ou mentionnée en référence dans les rapports et le degré selon lequel ils peuvent utiliser cette information pour répondre à leurs besoins.

Concernant clarté et accessibilité, ce que nous aurons entendu, c'est que l'utilisateur souhaite l'inclusion d'information et de statistiques au niveau des programmes — donc, c'est plus de détails, plus de données, moins d'interprétation, so customized reports — une approche à la présentation de l'intervention comportant plusieurs couches — so more of a layered approach; that is, the ability to start at the big picture but also drill down and get more specific program information — et l'accès aux documents par Internet.

Specifically, we're going to talk about access to documents on the Internet. We're going to actually show you a CCAF site that we've just developed for our western symposium, which is taking place for the four western provinces this Wednesday and Thursday. We'll show you a site we've just developed — it's just in the process of being translated now — related to electronic performance reporting — good practices in electronics performance — and we'll get to that shortly.

Concernant la participation des utilisateurs, c'est la perception que les utilisateurs des RPP influencent directement la mesure dans laquelle ils peuvent participer à la formulation des RPP — ce sont les rapports de performance publique — par la qualité de cette participation et par le dialogue tenu subséquemment à la publication des RPP.

So in terms of what we heard about engaging users, relevance was less of an audit issue for the user groups and more of a user engagement issue; that is, that a report will be relevant to me as a user if I'm included in helping to set the measures. If I'm not included in helping to set the performance measures, then the report becomes less relevant to me. It doesn't necessarily reflect the issues that I would want to judge the government performance against.

Similarly, there was a discussion about independent review of performance reports, particularly a review of the measures as being very important. Is there an outside body that's reviewing those measures? It could be the Auditor General or it could be the Progress Board, as is the case in British Columbia and Oregon, for example, which is an outside organization that is commenting on measures.

Finally, with regard to engaging users, there was again discussion about more user engagement being required in the development of performance reports, particularly in Alberta with the four policy committees that have been developed. There

was some encouragement that those committees actually perhaps review some performance reports and provide feedback on performance information.

So those were two studies that we've undertaken. You're probably going to leave here with "study-itus", because we have given you a lot of information about the kind of work we've done in the last couple of years in terms of PACs and performance reports, but I wanted to provide you with that background. With that, I'd like to invite Rob Fleming and John Doyle to make a presentation. John, perhaps we'll start with you. You have your latest report on trends and opportunities, and then we'll go to Rob.

John Doyle (British Columbia): Good afternoon, everyone. Just a couple of confessions to get out of the way. I haven't got any jokes but the first confession is that I've noticed a few people saying that they don't speak French very well. Well, neither do I, but I'm still struggling with Canadian English so I know what the problem is, guys. The second is that I've reached an age where I can't read my notes and see you at the same time, so if I'm continually taking off my glasses, it's not a nervous twitch, it's just that I can't see. I can look underneath my glasses but it doesn't quite work and it gives me a funny look, or so I've been told.

I'd like to just briefly go over the issues that we faced in B.C. and in particular this best seller. There are copies available for everyone. I didn't bring any more with me but if you want to get them, they are available quite easily. I'm more than happy to distribute them to you.

This concept of accountability has been a work in progress in British Columbia for probably two decades, so the first thing I'm going to say is a big thank you to all my predecessors who have worked so hard on bringing public accountability and accountability reporting to the table and making it a reality in British Columbia. There are lots of them. I'm not going to name them but there's a lot of history and I think it should be said right up front that this didn't happen overnight. It has been happening over a long period of time and there have been a lot of people involved in the process.

The current situation is that all the Crowns in British Columbia meet, or mostly meet, all the requirements — that's good news. However, there are gaps when it comes to ministries and the government's annual strategic plan. I suppose I could stop there but I've been given 10 minutes so I'm going to keep going and give you a bit more flesh around that.

The *Budget Transparency and Accountability Act*, in 2000, lead the framework for this kind of reporting. However, underneath that legislation there's a huge group of organizations that don't report directly — that's called the SUCH sector — the schools, the universities, colleges and the hospitals. So whilst the ministries and government generally would report, this great big area of the public sector does not report, although they do provide information that is consolidated and provided by the ministries.

The work that we undertake is based on looking at a set of principles that were established and talked through and finally

endorsed by legislators in 2003, called "the B.C. Reporting Principles", and there are eight of them. Any work that my office does looks at these reporting principles and applies these as the criteria against which we will measure exactly how an agency is actually reporting.

So, what's this report all about? What we did is we went back and looked at six years' performance. We've been doing this every year for six years but we went back and had a look at six years' worth to assess whether or not the government was responding or whether the sector was responding to the requirement to actually provide information in a format other than that easy to understand and simple stuff called financial reporting. We used as our criteria the B.C. Reporting Principles and we assumed in looking at them that there would be four levels of maturity: early stages going right up to fully adopted and implemented in the body of the reporting. As I said, when we did that, the Crowns seemed to be well ahead and have been ever since we started looking at these things, but the ministries were well behind. I won't give any names or anything, but at least three deputy ministers did come and see me, at different times, and told me — they complained to me actually — that their marks were low, and they said that it's very difficult to actually measure what they do. I managed to keep a straight face long enough for them to realize what they had just said. Indeed, sometimes it is very difficult to measure, but it doesn't take away the responsibility of having to measure and actually becoming accountable and presenting the information in a way that citizens can digest.

What we did find was the big piece, the government's annual strategic report, wasn't presented or produced in a similar format to the — wasn't as comprehensive as the summarized financial statements, the consolidated statements. As a result, there were a lot of gaps in regard to performance across government, and government had acknowledged that these gaps exist. Of the five recommendations that were included in the report, all five have been agreed by government, and one of them included this requirement to actually put in more information in a key document.

One interesting aspect that we found was that nearly half the good reporters actually had another level of assurance. They had someone coming in, checking over their work to make sure there was an additional level of credibility. Sometimes that was done by the Auditor General's Office, sometimes it was done by accounting firms, but when it was done it was done well, and it added value to the quality of the end reporting.

The other interesting item that we noticed was that the top organizations had a lot fewer performance indicators than the other organizations, basically. So they somehow managed to find a way of focusing in on the real issues, putting them together in a coherent way, and actually presenting them in a simple, straightforward and easy-to-understand manner.

Now, I think I mentioned the SUCH sector before but what I have found over time is that the SUCH sector does produce a lot of information, but it's not generally available. For example, we very recently produced a report on surgical services in Brit-

ish Columbia. We mentioned and gave credit for the fact that a lot of information is provided by the particular health authority and it goes to the ministry, but it doesn't go anywhere else. So we put forward the view that public reporting was important and the Ministry of Health and all the health authorities are looking at how they can actually provide more information and make it available for citizens to understand and also for legislators as well.

So what did this all tell us about where we should be going and what we should be doing? Basically, a summation of the five recommendations. Well, the government's key document should meet the B.C. Reporting Principles. That has been accepted and is still working and they've come a long way over the last five years or so. But now it's locked in.

I'm just going to read what the government said to us. I always like quoting government. What they said was, "Government remains fully committed to continuous improvement in public performance recording to enhance transparency and accountability to the public, consistent with the *Budget Transparency and Accountability Act* requirements and the guidance provided in the B.C. Reporting Principles." So, yet again, full endorsement of all that hard work that has been done in the recent past, as we're moving forward.

The SUCH sector needs to be subject to the same principles. It's just not good enough that they go up through a ministry. They should actually be providing these kinds of accountability information of their own right.

I made some observations. I have included them in the reports so I am quoting from the report again in regard to the government's responses, and I include these observations in my forwards, on a regular basis, just to give me a bit of insight into my thinking in regard to any report that I undertake for the province. I made two comments and the first was, "I strongly believe that producing public reports and tabling them in the Legislative Assembly without debate and discussion is not, in itself, enough. Legislators need the opportunity to discuss and debate the information contained in the annual reports."

Now you saw on one of the slides that the Crown agencies do have a committee where they do some of this but it's not the case for the rest of the public sector.

My second observation is that governments are only truly accountable to the people they serve when they provide full, fair, relevant and reliable information. Third party assurance about the quality of the information provided gives confidence to users of that information.

I endorse Geoff's comments about the participation of the users in the actual construct and development of the indicators that are going to be provided.

I think that's my 10 minutes so I'm going to move over and allow Rob to come up and talk about it from his perspective.

Rob Fleming (British Columbia): I don't want to push our new Auditor General off the stage. It's very narrow up here.

Good afternoon, and thanks for the opportunity to say a few words from the perspective of the Chair of B.C.'s Public Accounts Committee on performance reporting. Just before I begin I want to thank our hosts from Yukon and ECO and other presenters today. We're having a great time up here. As a life-long British Columbian I'm embarrassed to say I've never been north of 60, so this is quite an experience to get here. I've spent plenty of time in northern B.C. — sometimes you have to drive through Alaska to get north, but that's for historic, bizarre reasons. It's a real pleasure, and thank you for the job you've been doing hosting us to date.

B.C. tends to approach performance reporting with a certain amount of bragging rights because they certainly began doing it a lot sooner than most jurisdictions. I think 10 years on — John mentioned the *Budget Transparency and Accountability Act* passed in 2000. There were some other landmarks prior to that, but 10 years on I think there's a real sense that today we're coasting, or perhaps drifting, and failing to, after six years of reminders from the Auditor General's Office, actually make progress and move forward, particularly in the ministries. There is a dichotomy between how well Crown agencies and Crown corporations have taken the ball and run with it, and those are some excellent examples of very good, clear, thoughtful performance indicators and the way reports are designed and given to the public. So there's every example for ministries to emulate, but unfortunately there's no momentum to do that right now, for a variety of reasons, which I could probably take in questions if you wanted.

What began with the Public Accounts Committee 10 years ago — and performance reporting really was pushed by a predecessor of mine, Mr. Fred Gingell, who is a somewhat legendary MLA who got very interested in this in the late 1990s. We have to come back 10 years now and have the Public Accounts Committee, in my view, be a driving force again to urge and achieve improvements in performance reporting, because we've invested so much time and energy and oriented government toward doing it that to let it die on the vine now would be just a complete waste of the promise originally to taxpayers of the benefits of performance reporting. But I think it is vulnerable politically. I think there is less interest in performance reporting within government.

A journalist friend of mine, who actually uses performance reports as a means to do research for his stories, very much appreciates the fact that all across government they are required in their annual reports to use performance indicators, and still admits, because so few people do use them, that if the government were to amend this legislation and drop the requirements for performance reporting tomorrow, there probably would be, unfortunately, little hue and cry. So we're at a very critical moment is the point I'm trying to make here. We need to move forward; otherwise we risk performance reporting just being abandoned, potentially.

It has been mentioned by Geoff that MLAs confess in a number of jurisdictions — we don't single out Alberta but British Columbia as well and every other that have participated in these extensive surveys — MLAs don't use performance re-

porting very much. I know some of the MLAs in the room will have used them, probably more likely in a budget estimates venue than at the Public Accounts Committee. MLAs, when they're given an opportunity to self-report, will freely admit that they do not use performance indicators much in their daily jobs. I think a lot of it is because there's a credibility gap and the quality of the information doesn't trust it, so in that regard I support this idea, and if people have comments on it — but how do you improve the veracity of the information? One idea, which is somewhat controversial, is to have the Auditor General in fact audit the indicators themselves and have their mandate amended to have some responsibility, so that we don't just accept that government chooses the indicators, but that there is an independent role — perhaps it's not the Auditor General — to look at how those indicators — because it's not just what is being reported, it's how it has arrived and how it's actually done that is just as important.

I mentioned that 10 years ago there was a lot of momentum coming from the Public Accounts Committee to move B.C. on the path toward robust public performance reporting. This interest wasn't formed in a vacuum. Some of you might remember, in the early 1990s, Al Gore was vice-president and he was trying to remake the U.S. public service with results-based government. In 1996, there was a huge episode that caused momentum in British Columbia. It was an incident where government was concealing what was likely to be a probable deficit and later confirmed after the 1996 election to be in fact a substantive deficit. This became known in the vernacular of our province as “the fudge-it budget” ordeal or scandal, as my deputy chair might call it.

From crises come good things sometimes, and this ideal crisis really pushed performance reporting to the fore and focused government on this. Out of it came a very strong tripartite agreement between the Office of the Auditor General, what was then a Deputy Ministers' Council on performance reporting that was created, and the Public Accounts Committee. The goal, which all three parties agreed to work on, was no more difficult than to try to create a cross-ministerial culture that embraced measuring outcomes and transparently reporting them. Of course, when John talked about the SUCH sector and how they're excluded currently from reporting on performance principles, or indicators, the fact is that we know that governments use them. We know that decision-making is informed, particularly in health care but in all aspects of government, so really performance reporting was about having government disclose what it already collects and maybe try to make it more useful and have that as a public discussion and debate, and that's sort of by way of background.

Six years ago, during the previous parliament, the Public Accounts Committee actually played a very strong role in B.C. in furthering the development of performance reporting when it added a couple of recommendations to an Auditor General report. The first recommendation was to call on government to work together with the Auditor General and it led to the creation of the eight principles that John outlined, to assess the performance of the B.C. public sector. The second recommenda-

tion was, again, and I return to it, this idea that there should be some independent assurance about the reliability of the information that's contained in government's annual service plan reports. The first recommendation was taken up immediately. There was a joint government-Auditor General steering committee, which went to work and 15 months later it produced those eight principles that have been referenced. The second recommendation has not gone anywhere. In 2003, our PAC was urging the government to move the B.C. public sector to a new level of reporting, and in response the members were told that these new principles would in fact be incorporated into all ministry and Crown service plans.

The PAC has also taken these eight principles — and I have copies available if people want to read them — but we've not only urged the inclusion, with the Auditor General, of the SUCH sector, which includes health care, as I mentioned, so that's 42 percent of public spending right there, but we've urged the inclusion of major contracts with out-sourced service providers in B.C., because today they deliver billions of dollars in public services annually in our province. Right now they are excluded reporting on their performance and I can tell you, in my constituency role as an MLA, my constituents, who wait on the phone to talk to pharmacare or any of these other privately delivered contracted services, tell me that the performance is appalling and we have no way to require them to have a reporting framework currently.

In May 2005 we elected a new parliament — that's when I started working with the PAC. To date we have not focused a great deal of attention on performance reporting. We're starting to do that now. A government budget scandal would probably help refocus our attention as it did in 1996, but you can't count on that, so short of that we're looking at ways, really, as a committee, to make ourselves useful again in furthering and using moral suasion, I suppose, to get government back on track, to deepen the use of performance reporting.

The sad fact is right now there is a government caucus committee that reviews all the performance indicators of all of the ministries, usually in advance of budget service plans being produced. So right now we have a partisan party caucus committee systematically winnowing down the number of indicators and how the indicators are worded and reported. I've heard that from a number of people who work in the public service, so it really does speak to the fact that the PAC has to take this back as its property and work very closely with the Office of the Auditor General to bring it into a public forum. There have been some comments that performance reporting should be debated more frequently in the Legislature, and I completely agree. We have to find opportunities to do that.

I'm conscious of my 10 minutes — am I okay? I think I'll just try to wrap up here.

I've suggested, and the Auditor General, in very audit-like language has suggested, that the indicators in the ministries' reports aren't adequate, or what we would certainly like them to be. To give you a flavour of that, of how the quality of indicators could be much better, and to also give you a sense of six years of frustration, because there have been follow-up reports

and no discernable progress in many cases, in the case of many ministries — how that manifests itself, when you read these reports, is that you have these very vague performance goals where a performance goal will be phrased as — and I'm thinking of one ministry that deal with children, in this case — “implement innovative and responsive services”. And then when it comes to evaluate that statement, the descriptor used is, “target achieved”, and there's no further discussion; there's no use of the eight principles or how that robust performance measurement was arrived at. As the Auditor General of Canada was saying, in the status quo phraseology often used as well, one of the most popular indicators used is “meets or exceeds previous year's result”, which tells you absolutely nothing.

As I've said, while we've come a long way in performance reporting in B.C., and we're proud of taking a leadership role and having legislation that guarantees it, we have many miles to go. It's my thought that the Deputy Ministers' Council might not be the right partner from government any more and perhaps we need a separate cross-ministerial performance reporting council of some kind with senior public sector leaders working with our committee and with the Auditor General's Office.

It has been refreshing and very enjoyable to work with John Doyle. He has been our Auditor General not very long but as one of our members said, “You know, it's great having an Australian working for us. They are like to auditing what the Swiss are to watch and clock making.” He's doing a tremendous job right now and I think our committee is at a turning point where we're starting to refocus our attention, 10 years later, on performance reporting and how to move it ahead. We certainly hope at a future gathering of this that we'll have some things to say, that the promise that B.C. embarked on many years ago is improving once again and that we're making some headway.

I think government needs to realize how much it can benefit from good performance reporting as well. It is an opportunity to show that its programs and that its spending results show that they have good public policy. Often governments of all political stripes still tend to rely on talking about how much they spend as opposed to how well they spend it, and that really, when we talk about changing the culture of government using performance reporting, that's what we're trying to change. Thanks for listening.

G. Dubrow (Chair): Thank you very much, Rob, and thank you very much, John — two excellent presentations on how the Auditor General and the PAC can work together in the area of performance reporting, to strengthen performance reporting.

Fortunately, we have some time for questions and I'd like to do that right now. I do recognize, of course, that we've talked about the B.C. experience, and there are some members from the B.C. Legislature who might choose to comment. We've talked about Alberta; the Auditor General, the chair and vice-chair of the PAC of Alberta are present and might wish to comment on the Alberta consultative group report.

Let me make a few provocative comments that hopefully will help to engage the discussion. I think it's fair to say — and this reflects perhaps the comments that Rob and John made, if I can take the B.C. experience and expand it — that governments across Canada — and again, these are provocative statements designed to provoke discussion — are spending millions of dollars to develop performance reports that are not being used, generally. We have mentioned some exceptions but that is generally the case. I think this is the kind of message that we're hearing across the country. Legislative auditors are using resources to comment on performance reports but they're not seeing, in many cases, an improvement in the performance reports. This is not my interpretation. This is what is stated in the Auditor General's, in the legislative auditor's reports. The federal Auditor General's previous report had not seen a marked improvement. The B.C. report — not *Trends and Opportunities* but *Building Better Reports* — from last year didn't see a marked improvement in departmental reports.

So there is a concern, I think, across this country that performance reporting has plateaued. That's something that we're hoping to address through the western symposium, which is taking place in Vancouver Wednesday and Thursday of this week, bringing together the legislative auditors, PAC chairs and senior government officials.

Just a couple of other points. The issue that Rob raised of independent selection of indicators, or independent review of indicators, whether that should be the Auditor General or not is an issue that was certainly discussed with the user groups in the report that we did in Alberta. So I think I'll leave it at that. A number of points — any reaction, thoughts about this, maybe reactions to the Alberta experience that we talked about or the B.C. experience or general questions or points?

N. Sterling: The problem with the whole notion of getting the government to agree to do this is that it just goes totally against how the governments in Canada operate. I mean, basically we have the art of spin increasing over my political career of 31 years to a point where reporting is not about what has happened but what the government would like to have seen happen. So, consequently, for us to act in somewhat of a naive manner that we are going to get a true measurement of outcomes produced with real numbers is really very very naive unless we have a very strong government that comes forward, a strong leader, or whatever it is, who says, “I'm going to measure outcomes in a real way and make them public” and perhaps even with information that's disaggregated so communities can understand it.

I would have perhaps approached it from the other end, and when I closed my remarks this morning I said something about setting markers, or benchmarks, for programs into which the Public Accounts Committee had undertaken an investigation — the investigation really launched by the Auditor General noting that there was a particular problem. I would go at it the other way and say to the government members on the committee, or referring a matter that had been considered by a PAC, refer it to a select committee or another committee of the

Legislature which had time to consider putting forward benchmarks or performance measures of outcomes and start from the bottom rather than starting from the top going down. In other words, identify the program and say, "What is a good measure of outcome for this particular program?", which was looked at in depth, and give the government an opportunity to critique what that outcome is and then give the government orders, or get the government to agree to provide relevant and recent information to fill those numbers.

If you start from the top down and you go to the ministers of the government — I've had nine portfolios in government. When my deputy minister would walk in to me and say to me, "Here's our business plan for the next year." I'd say, "Okay. What are the targets for the end of the year?" They'd name a few. "Can we hit them?" "Of course, Mr. Minister, we can hit them." So, I mean, it was all fixed from the start, and it's always fixed from the start, and it will always be fixed from the start. So you have to go the other way and my view is, if the PACs want to have a real measurement of outcomes and really drive the administration to achieve better, then you've got to start from outcomes that have been critically looked by the people who are providing the service and everybody else and say, "Okay, these are good ways to measure it" and give the opportunity for the government to comment on the outcome measurement and the other.

The other part is that I think it should be in the political element, because if you have these thick reports that are being produced by accountants in the back rooms, the verbiage always outdoes the numbers and graphs that anybody would want to see and therefore it has to be winnowed down to some relevant information the public might be interested in. I do note that when I travel to the United States and read the press and go through to the back pages or the middle pages, or whatever, that they've done a much better job in terms of measuring outcomes, for instance, in their school system. They really do measure and produce real numbers so that the people can make decisions as to where they might want to send their children or require accountability in their school system, for instance, so I think you've got to start from the other end and not go on this grandiose scale of saying, "We're going to ask the deputy minister to produce a real performance report that means anything." You'll never get it in our parliamentary system unless we get a miracle and get a government that really is going to be lead by Norm Sterling.

G. Dubrow (Chair): That's the first political statement I've ever heard at CCOLA.

Are there any reactions from our panelists on that — this idea of flipping performance reporting on its head and starting with indicators and saying, "What is a measurable indicator we can agree on?" and having the government agree on that. Any reaction on that as a way of moving forward?

J. Doyle: Being new, I can look at things with a different set of eyes sometimes than people who have been in the system for a long period of time.

I've looked at a couple of programs where there has been quite clear expression as to what the targets are going to be: seismic safety in schools, literacy, homelessness — quite explicit targets that have been put out by government, quite clearly expressed. I see no difficulty whatsoever with the proposition that progress which tracks how you're moving toward that target over a period a time shouldn't be made available. After all, the public pronouncement of the funding was there, the public pronouncement of the target was there. So there's an example where, I think, government could track their progress but they're hindered. The reason they're hindered is something I learned when I first joined the public service. You can get 10 things right and your score is 10. You get one thing wrong and your score is minus one. That adversarial approach to performance reporting or the way that the information is used needs to change. That's an attitude of mind, I suppose, to say, "How can we trip through this mine field that we're in", or rapids, or whatever analogy you want to use — "to actually produce better outcomes in the longer term?" Sometimes that means you hit a rock. Sometimes it means it's smooth sailing. I think unless that kind of debate occurs where you can move forward, and it's an open process, there'll always be this defensive type exercise.

Taking your example of, "Of course they can hit the targets because they set them up" — I thought you were going to say, "Yes, Minister," but I won't go there. I remember talking to a minister of energy in western Australia before I even thought about Canada as a place to come and freeze in and he said to me, "These performance indicators — do you think you can hit them?" And I said, "You could fall asleep at the wheel and you could hit those performance indicators." The next thing I knew there was this major review on the compensation package for all the senior staff in this particular agency, so I've learned to keep my mouth shut about performance indicators.

I think you can set yourself up to succeed. You can move forward, you can have a stretch target, but I think sometimes the way that things are debated or reported in the media actually make people step back and become quite defensive in what they're doing. Openness, honesty, transparency sometimes take second place to — I think you used the phrase "spin doctors".

R. Fleming: Part of the reason for sharing where B.C. is at is that we do have some of the fundamentals in place that other provinces don't. It's required in legislation. There's no squirming out of that for a minister. There must be performance reporting and it's audited with a follow-up report every year. That's where we're stuck in a rut right now, but we mentioned the eight principles. They're very well thought out. They ask the right questions. Incidentally, one of them is that we don't measure everything. We focus on a few things that are of greatest relevance to the public. For example, the Ministry of Education — if you look at something like high school graduation rates, and B.C. is probably like a lot of provinces. Something like one in four high school students is a non-completer. When you have an indicator or a target that says, "Meets or exceeds last year" — there was a part of Geoff's presentation

where we have to try to depoliticize this in a way but also strengthen the indicators by having an allowance, accepting that these are grey issues, not black and white, and looking at longer term targets, I suppose that's over a greater period of time, not just next year. That's one where I think you could maybe get some agreement from government and you could also put in place the improvements that are going to benefit the citizenry.

I totally agree with — you made a little comment about disaggregated data. I think one way to get MLAs to use performance reporting better is to have ministries — you know, there are 85 constituencies in B.C. If it were not costly in every instance and impossible to do, if we could report out the incidence of crime or recidivism or whatever indicator is being measured from the Ministry of Public Safety, for example, and have that for each of the 85 constituencies, I think people would use that a heck of a lot more in their households and other things, and in their work as MLAs.

G. Dubrow (Chair): That's certainly something we found in Alberta with the consultative groups that we did. Reports were more relevant if particular indicators were broken down by constituency. People wanted to know, "What is the crime rate in my neighbourhood?" — not just that the crime rate has gone down two percent or gone up two percent, so that's an interesting point.

I'm going to take two or three quick comments — oh, even less. One comment? Okay. I'm going to take one comment. I see Dave Zimmer's hand up in the back.

D. Zimmer: It's just a mundane question but all afternoon a bunch of us back here have been trying to figure out what CCAF means. It's nowhere in the material. Just in the interest of clarity and precision, what does it mean?

G. Dubrow (Chair): It's the Canadian Comprehensive Auditing Foundation.

Can I take one other question? Okay. I'll be happy to talk to you about that after.

Robert Hawkins (Northwest Territories): You know, in some cases I agree with our esteemed gentleman over here and in some cases I agree with the panel. One of the problems I fear, and I think Mr. Fleming just hit it, although in the reverse, which is black and white. I mean, if you could take the subjectivity out of anything, you could have performance measures on how much toilet paper you use. Who knows? The principle really comes down to whether or not you can simplify them so (a) everyone can understand them and (b) they're useful. It's that simple. Energy costs are rising — that's okay, but are you using less fuel? Something like that is very obtainable and it's pretty straightforward. You could do that on a performance measure. Are you building more houses for the homeless? Yes, pretty straightforward. But when you start to get into shifting targets and that grey area that people talk about, it's really challenging and I think you do yourself a disservice, you fur-

ther complicate things and then people start to ask why you are doing them. Then the administrative body gets caught up in the circumstance of spending a lot of time going through this data to make sure everybody understands nothing at the end of the day. Then it doesn't become useful and down the road people start to ask themselves, "Why are we doing this?"

I'm certainly a believer in the concept of performance measurements but they have to be based on simple principles and if you start to weigh in the subjective territory, I think it's really challenging. I had a term on city council in Yellowknife and performance measurements were becoming a fundamental of the budget. The problem is, all that ever showed was that we had to spend more money to get better performance, so as any statistician will tell you, you can make any stat reflect whatever you want it to do on the principles of what you're targeting. It's just like a lawyer: "What's the question you want the answer for?" You've got to know what the question is to know what the answer is. Like I say, unless they're absolute, which is black and white, and I tried to give some simple examples and someone could probably fumble those up too if they were given the right chance. I agree with the principles of them but I think that they're complicated too, so it's sort of a tightrope you have to walk very closely.

G. Dubrow (Chair): That's good. I think John Doyle has a quick comment on that.

J. Doyle: I agree, you've got to make performance indicators simple, straightforward and intuitively believable, but you've also got to make sure you ask the right question. So, for example, I would never ask a question, "Are you building more houses for the homeless?" I would say, "Are there more homeless?" That's the extension of the question. That's why just looking just at inputs or money or something else doesn't quite cut it. You've actually got to look at outcomes and achievements and exactly what is going on, so it's not the absolute numbers a lot of the time. It's the messaging that it's actually sending, and that's why it's so difficult to do and why a lot of the ministries have great difficulty putting together performance indicators that actually make sense. To give you a little bit of background, I come from western Australia, down south somewhere where it's really warm most of the time, and they've had performance indicators as part of the financial reporting since 1985. For the first six years the Auditor General didn't know what to do with them. Then there was this process of trying to make them relevant and the same thing happened: the Crowns — they don't call them "Crowns" down there — did a lot better job than the ministries or the departments. Now they've got to the stage where they're being audited so naturally there's an opinion. There's a tripartite opinion that comes out for every year's work and they're starting to improve. But again, there's always this danger that some of them say, "Well, dear Auditor General, these are your performance indicators." They're not really being used to develop services or improve things. The question is: how do you engender take-up? How can you make them relevant? How can you make them usable

by ordinary citizens but also by people in the legislature, and so on. That's the big ask; that's the difficult thing.

G. Dubrow (Chair): Rob, you wanted to add something?

R. Fleming: I mentioned that the Crown corporations produce better performance reports than the ministries, and maybe that's because they're overseen by boards, not ministers, but for whatever reason, they've made it part of their culture. If you look at an indicator, say for BC Hydro, which would be simple enough, one of them would be around generating capacity of the utility. It's not just the indicator but what's equally important is the discussion and the disclosure around that. BC Hydro's report, if you're interested in this, is excellent. You can read a risk assessment that goes into the thought behind a particular indicator and there's quite a frank discussion about threats and opportunities on electricity market prices and on aging infrastructure, and all those kinds of things that ministers would probably never want to reveal. Those are the kinds of things, the examples we should strive for right across government.

G. Dubrow (Chair): Great. Thank you very much. I think we need to wrap this up. If you'll just indulge me for one quick moment, I just want to mention that obviously the western symposium that we're having will continue, I think, to discuss these issues again. I mentioned legislators, legislative auditors and senior government officials will be participating. It's certainly something that CCAF could report back to CCOLA, CCPAC, about. In fact, I'm sure legislators and legislative auditors from those provinces might have interest in sharing with you their findings and how things go.

I just wanted to mention, and I realize that I don't have any time to do so, that in our Web site you'll find a good practices study that is a version of a report we wrote. This particular one is in French but you'll see that institutions look at good practices by central agencies, report authors, legislators and legislative auditors. That's a report that's available on-line. Then our latest product — *Public Performance Report Practices for a Digital Age: Looking at Some Examples of User-Generated Reporting and Performance Measures* — something I don't have time, unfortunately, to go through, but it's really trying to look at what reporting would be like in the digital age using things like Rob mentioned, like disaggregated data, allowing people to choose their own data, having reports that are not necessarily annual but that are green, that are being updated on a regular basis. These are some of the kinds of issues that we'll be looking at and would like to share with you.

With that, I'd like to extend our gratitude to our panelists, John Doyle and Rob Fleming, for an excellent discussion. Thank you very much.

Last but not least, I guess this wraps up my role for today here at CCPAC. I wanted to extend my thanks to the Yukon Legislature, to Steve Nordick, the Vice-chair of the PAC, to the

organizers and the Office of the Auditor General for allowing us to play a role.

I did want to say, on a personal note, that I'll be leaving CCAF in mid-October. As many of you are already aware, I'll be going to work with Ernst & Young. I'm going to miss CCAF tremendously. It's amazing that an organization that's so small, that has less than 10 staff, has a reach across the country and is known around the world. I've walked into Bangladesh, the new Auditor General, "Oh yes, CCAF, I know what it is." It's just amazing.

It's a truly fantastic organization.

In the knowledge economy of the 21st century, people say that your area of interest and area of expertise outlives your employment. I'll take my interest in public accounts committees and oversight with me as I go on in my career. I certainly hope to continue to work with CCAF and with all of you.

It has been a great experience. I want to thank you so much for having let me into your legislatures, let me into your audit offices, and shown me the door on the way out, as well. I remember very fondly, even prior to joining CCAF, working with Ron Thompson from the OAG, being at lunch with Sheila Fraser the day she was named Auditor General, with a Russian delegation; being taken out to Red Lobster by Jim McCarter on several occasions and working with so many of you. I just think about some of the international PAC training we did — Jacques Lapointe and John Noseworthy going to St. Lucia, Guyana; Graham Steele to Tanzania; Jocelyn Therrien and Shawn Murphy to Ghana — it has been a wonderful experience and I want to express my gratitude to all of you for having allowed me to work with you and to have learned so much. Thank you.

S. Fraser: Bonjour, tout le monde. On m'a donné le beau défi d'essayer de résumer la journée. Je ne tenterai pas de résumer toutes les présentations ni les discussions, mais simplement de vous les rappeler.

Geoff, we very much appreciated facilitated discussion and presented research results on three broad topics. First, the most recent PAC survey that was conducted by CCAF, the World Bank Institute and KPMG, and the panelists Carol Bellringer and Harry Van Mulligen also gave us their perspectives on practices in Manitoba and Saskatchewan, and Kerry Jacobs and Rick Stapenhurst provided the international comparisons.

Après, nous avons eu une présentation sur les pratiques exemplaires concernant les recommandations et le suivi qui pourrait être effectué par le comité des comptes publics, et Norm Sterling de l'Ontario et Vincent Auclair du Québec nous ont présenté leurs approches et comment ils ont renforcé leurs pratiques respectives.

Finally, of course, the last presentation was on performance reporting, the state of performance reporting and some of the challenges going forward with very interesting presentations by Geoff again and by John Doyle and Rob Fleming.

We also had a very interesting presentation by Chief Justice Green on the Newfoundland inquiry into legislative spending. He did of course inform us of the difference between law-

yers and accountants. I never thought that we really knew we were boring, but I guess we know now.

In his presentation, the Chief Justice mentioned an article that had been written by Professor Ned Franks, and which I think many of us know appeared in the journal *Canadian Public Administration*, and he was too modest to tell you what that article said, so I would just like to quote one line from it, when Professor Franks said, and I quote, “Adoption of the recommendations of the Green commission in Newfoundland has set a new standard for managing legislatures in Canada.” So congratulations, Chief Justice.

Of course, last but not least, we had a very passionate view of living in the Yukon, courtesy of Premier Dennis Fentie. I know a couple of us in the room at least have appreciated and experienced the natural beauty of this territory and have been able to visit some of its communities, and we would certainly agree that this is a very special place and I do hope that many of you will return.

I recognize this has been a very full day. Discussions could have continued on for much longer, but I do hope we have left you with some food for thought.

I would very much like to thank Geoff for all that he has done to organize today. I know he has worked very hard, and all the presenters and panelists. I hope it has been a good day for all of you.

A few details regarding this evening and tomorrow: we will meet back here at 7:00 p.m. for the reception and dinner. Would you please take everything with you; nothing can be left in this room so they will set up for dinner. Tomorrow we will be splitting into our two groups. We will have the buffet breakfast, as we did this morning. The CCPAC will be meeting back in this room; CCOLA, the A.G.s, will be meeting in the Tagish Post Room, which is right next to the restaurant — as you go into the restaurant, it’s just on the left — and the strategic issues group will be meeting in Conference Room 5, which is just down the hall.

I would remind you all that we have official photos, the whole group together, at 12:00 noon.

I think that’s everything, unless anybody has any questions — you can see me or one of the other people just after the conference.

Thank you all.

The conference adjourned at 5:15 p.m.

TUESDAY, SEPTEMBER 9, 2008

The conference resumed at 9:05 a.m.

Steve Nordick (Yukon): Good morning. For the business sessions, I’d like to remind everyone of some of the arrangements for today. The business sessions will run until about 10:30 this morning. We’ll then take a health break until 11:00 a.m. At noon, we are to gather on the steps of the Andrew A. Philipsen Law Centre for the official photograph. The law centre is the white building just across the street, so you go

out the front entrance and walk across the street. It’s the big building across the street.

We will then return to the Westmark to have lunch with the CCOLA delegates, observers and guests.

So before we continue on with today’s agenda, Mike would like to give some clarity to what CCAF stands for. Please enjoy yourselves today.

Michael Eastman (CCAF): Good morning, everyone.

Bonjour à tous. Mon nom est Michael Eastman, directeur général de la FCVI.

The CCAF started in 1980 and it was titled the “Canadian Comprehensive Audit Foundation”. Comprehensive Audit turned into other words: efficiency audit, systems audit, value for money and performance audits. It’s all basically the same thing but the name couldn’t be changed all those times, so we just use the four letters now, CCAF.

You have to remember that, in 1978, the federal government got the right to do value-for-money auditing and, in the 1980s, the provincial governments got the right to do value-for-money auditing, so we take it as the norm now, but it is a fairly new audit method.

In 1980, the CCAF was formed to inform the politicians about what the value-for-money could do for them. It was formed to ensure that similar methodologies for value-for-money were in place across the country. We were the training arm for the auditors general.

In the 1990s, it became very obvious that the accountability cycle had the politicians involved, the civil service involved as implementers and the auditors general as reviewers. So our funding now is one-third from the auditors general, one-third from the political side and one-third from the civil service, mostly the Treasury Board comptrollers.

The one-third funding from the political side is actually provided to us through the auditors general, but it is supposed to ensure that we have a natural path to ensure the three major parties in the accountability cycle have a niche to discuss issues of importance to them in an off-site method, such as these conferences, which I think are incredibly important.

So, once again, the CCAF actually just stands legally for CCAF at the moment. It is the Canadian Comprehensive Audit Foundation, but the word “comprehensive” can be replaced by “performance” or “value-for-money”. I hope that clarifies it slightly.

We actually do a lot of research for the auditors general and the civil service. We are still the training wing for them and we have a major international component for our work, where we bring in international students to Canada and help the parliaments in other countries.

For example, Newfoundland is twinned with Guyana; luckily Nova Scotia is twinned with St. Lucia — I don’t know how they managed that one; Saskatchewan with Ghana; B.C. with Barbados; Alberta with Vietnam, et cetera. So we have a number of interactions internationally, and Canada is looked at. I know some days we look at the negative side but, if we’re looked at from abroad, the operations of the Canadian govern-

ment in the larger sense of the word is looked on with great envy. Even the role of the Public Accounts Committee is looked on with great envy and success.

I hope to see many of you and I hope I can entice one or two of you to come down to one of our places. Ghana is a little harder to entice people to than St. Lucia, but we'll try.

So all the very best. Thank you very much.

Over to you, Geoffrey.

Panel Discussion

Topic: *Auditing Health Care in Canada*

Chair: Geoff Dubrow, Director, Capacity Development, CCAF-FCVI

Panelists: Shawn Murphy, Chair, Public Accounts Committee, House of Commons, Canada

Rob Fleming, Chair, Select Standing Committee on Public Accounts, British Columbia

Geoff Dubrow (Chair): Good morning, it's nice to see you all again. Craig James, who unfortunately couldn't be with us, asked me if I would chair a panel on the Public Accounts Committee use and discussion of health care audits and health care issues.

I think it's a particularly interesting topic. I'm trying to think this morning about how I would frame this discussion, and I think one of the things that's interesting is there's a lot of discussion — this will take us off for a second in a different direction, but one of the things I've noticed about working with PACs all across Canada and internationally is that members of PACs often feel frustrated that it's very hard for them to relate the work they're doing to their constituents. If you're on a transport committee and you're involved in passing a transport bill, you can explain that: what you've done, what your role was, what your contribution was. But once you're involved in PAC, it's very hard to explain the outcome of technical audits.

I say that because I think our discussion about health care today is actually a very interesting opportunity to talk about an issue that of course always polls as a very relevant issue to Canadians. I think environment and economy are outpolling health care, but every second election health care is always at the top of the list. So obviously in your jurisdictions that have legislative committees, either a social policy committee or a committee on health care, this is an issue that will be discussed by those committees: the state of health care, the review of performance reports, the estimates, et cetera.

But what's interesting and what we'll hear from our panelists today is that there is a role for PACs to deal with the issue of health care. We're going to be looking at that today from two perspectives. One perspective is the traditional Canadian approach to oversight, which is the PAC holding hearings on an auditor general report related to health care. Both Rob Fleming, Chair of the PAC of British Columbia, and Maureen MacDonald, Chair of the PAC from Nova Scotia, will talk about audits that their PAC has looked at related to health care.

The other thing we'll talk about is Maureen will give an example of a self-initiated inquiry. That's not something that's

very common in Canada. CCAF encourages PACs to hold self-initiated inquiries; that is, looking at issues perhaps that were not included in the Auditor General's report but that they feel is of importance to that jurisdiction and they want to look at. That's something that Nova Scotia tends to do quite a bit of. So we'll hear a little bit about a self-initiated inquiry related to health care.

That's what we have on the agenda. Then I think we'll get Norm Sterling to say a few words about his Public Accounts Committee. Obviously the other issue that comes up here is the SUCH sector — schools, universities, colleges and hospitals. A number of your jurisdictions do have — the auditors do have — the ability to audit the SUCH sector. Alberta — if I could just ask Hugh MacDonald — I believe you actually call hospital boards before your PAC.

So there are a lot of angles at which we can take this discussion, but I think we'll just get started — less of me and more of our panelists — on the issue of PAC oversight and hearing of audits.

Before I begin, I just do want to extend my gratitude to Maureen MacDonald. Originally Shawn Murphy was going to serve on this panel and, of course, he's out fighting the good fight in the federal election now and couldn't make it. When we saw Maureen on Sunday night, we sort of took her aside, sweet-talked her and got her into this role. I understand she put a lot of thought into this last night and maybe did more thinking than sleeping.

So maybe I'll start with Rob and just give you a bit more time to think. So let's turn things over to Rob Fleming.

Rob Fleming (British Columbia): Good morning and thanks for the introduction, Geoff, to some of the things we can hopefully talk about during this session, in terms of the role of PACs as well as emerging trends in health care and on topics within health care that maybe have gone unexamined by our auditors general offices. I'm very curious to hear about hearings that PACs have proactively held on health care topics, which is something the Public Accounts Committee in British Columbia, I have to say, has not done in recent years.

The thinking behind discussing health care auditing at this conference is that, for most of us wearing our other hat as politicians, elected officials representing constituents, health care is the most critical, closest to home, issue that I think we could probably all agree we hear about on the doorstep and in our community offices. It affects a great number of constituents; when you look at the number of surgeries or acute care needs and levels in our communities on an annual basis, almost all of our constituents have some kind of interaction with the health care system and seem to freely — at least in my constituency — express concerns or experiences that they have within that system.

Another thing to consider this morning in talking about health care is to think beyond. As public accounts committees, most of us have a formal role in influencing the work plans of our auditors general and, where there are areas of interest that, as I said, have gone unexamined within health care, it's an op-

portunity for public accounts committees to be proactive and to suggest and receive audits in areas within the health care system that our constituents and others have expressed are of interest.

Canada is of course an aging society. I want to speak a little bit about the context of our health care system. People are living longer, healthier lives. We just completed an audit in British Columbia about surgical wait-lists and surgical services. The fact of the matter is, when you look at a number of the drivers of cost within health care, one of them is a good thing for us as patients within the system, and that is that doctors can intervene sooner with surgeries. Recovery times are greatly enhanced and people's quality of life is greatly improved. But that has a huge cost implication and perhaps rising expectations of what the health care system can do for citizens.

It's also why wait-lists for diagnostic and surgical services are of such concern for people.

Some of the numbers, when you look at our health care system, won't come as a surprise to people in this room. The most recent number I have is for 2006 — Canada spent \$142 billion across the country in that year, which is just shy of \$4,500 per capita for every man, woman and child. The trend within health care spending that I think is interesting is that, if you go back to 1975 and look at a 30-year snapshot and adjust health care spending for inflation, the fact is, on a per capita basis, health care spending has tripled in Canada.

It hasn't changed considerably as a percentage of GDP. Canada typically hovers around 10 percent of our entire economy being spent within health care. Probably for most of us from provincial jurisdictions, as a percentage of the provincial budget, it's between 40 and 45 percent.

So obviously health is the major costs centre and service area of what government does for people.

Spending patterns have changed within health care, too. This is something the Romanow commission brought to light, and that is that if you look at where health care has come from, much like industry — I'll try this analogy out — where you had centralized distribution and production points, the hospital system of the 1950s and the 1960s was focused on large regional hospitals. What's interesting is that within the spending in health care, hospitals in 1975 accounted for about 45 percent of where health care dollars were spent. Today, that's less than 30 percent. So, in some cases, that's a good thing because provinces — I think Saskatchewan might be a reasonable example — have a decentralized 24/7 community clinic model that others are trying to emulate.

The other area of health care that I think is really interesting for us is to keep in mind how many people work within the system. There are 1.5 million Canadians who are employed — one in 10 of our workforce — in health care. Nursing is one of the major occupations there.

When we look at managing the health care system, we have to look at the labour force requirements of the system and look at the student population that is going to replace the areas of skills demands currently. Those have changed too. Young people are tending to self-select for programs that aren't neces-

sarily of the greatest need within the system. There are implications for that, as well.

The other thing is that Canada has become increasingly reliant on foreign trained doctors and nurses. A larger proportion of physicians are actually trained abroad than nurses. In 2004, the number of Canadian physicians educated abroad was 22 percent. For nurses, it's seven percent.

It's very interesting just the international connections that our health care system has in meeting some of our labour market needs. I know in many provinces the accreditation is sometimes not managed well and there have been some audits. Perhaps people have some examples in their own jurisdictions where there have been reasons uncovered for that.

Shifting to B.C. and what our Office of the Auditor General has been doing, since 1994, it has produced approximately 19 health care audit reports on a wide variety of topics, including diabetes, pharmacare and drug costs, health workplaces within the health care system, and infection control. Health information technology has been a feature of at least one audit report we've done.

The infection control report of course came after the SARS incident. There is a major public area of concern with super-bugs and deaths in B.C. hospitals — and I suspect elsewhere — from *C. difficile* and other fatal infections contracted in hospitals. Prior to the SARS outbreak, it was the audit community that discovered that only 13 percent of Canadian hospitals even bothered to keep statistics on infections contracted within hospitals.

The pharmacare audits that B.C. has conducted have focused on how well the system is reviewing, approving and purchasing drugs within our province.

Another area that is of interest is around value-for-money auditing within health care is British Columbia — and I know Ontario now has fully embraced a public-private partnership of new major health facilities, including hospitals. So there have been a number of them in B.C. with the promise by government that this would be cheaper on the taxpayer and that the debt servicing and the private sources of capital would be of benefit to the taxpayer.

There have been some concerns around whether those projects were delivered on budget and whether the savings promised have been achieved. I think that's something that is an area that needs to be improved. In B.C. we have audited a hospital in Abbotsford that was built by an international consortium. There were a lot of concerns around the scope of the hospital being changed and the overspending that was done on that project. But I think what was of concern to our Public Accounts Committee was that the Auditor General had to admit that, really, they weren't able to provide a very high level of assurance as to whether that project compared well to whether it had been procured in the traditional way.

So the audit products around construction projects within health care has to be improved, I would argue.

There are a number of potential areas that we haven't looked at yet in our public accounts, which I think members of our committee are interested in, such as chronic disease man-

agement. We have a report pending in B.C. that will be released this fall by the Auditor General on seniors residential care. Obviously for the baby-boomer generation, or the so-called sandwich generation, facing choices of putting their parents in homes like that and the demographic curve of our aging province, the auditor will look at how well we're planning for and managing that. Also, he's going to examine the government's commitment to build 5,000 new residential care beds and whether that has actually occurred. So there would be an accountability angle in that report that I'm anticipating.

Mental health and addictions is another field. It of course relates to the homeless population that we have in B.C. and which features in other cities. Homelessness is a major cost to the health care system and that's something I hope we will be looking at in B.C.

I touched a little bit yesterday on the six regional health authorities we have in B.C. These are major — in some cases, \$2 billion a year — budgets. They're not included in the performance reporting requirements of government. Short of a legislated amendment, we would like to engage them and see if they will voluntarily work with the Auditor General on disclosing what internal indicators they're using and try to make them public and transparent and work with them to release that.

When you're talking about health care, there's also a real demand of the public to have that kind of thing available on-line immediately in real time, when you're talking about ratings of a residential care facility or wait-lists or queue management, those kinds of things.

I should say the one thing that our Public Accounts Committee has as a challenge is that, in B.C., regarding any recommendations we make as a committee, there's no obligation for the government to respond or implement or report back to our committee. I know that's different across the country. It's certainly not a best practice that we currently have in B.C. — unlike Ottawa, for example, where there is good response and a requirement to address the recommendations.

What we have typically done throughout the 19 audits related to health care is endorse the Auditor General's recommendation but, as I say, there's no formal requirement that they be acted upon. I think it's fair to say, though, even more so than other audit areas within health care, when we do endorse the Auditor General's recommendations, they are taken seriously by government. I'm pleased to say that.

Why that is, I think there are a couple of reasons. First of all, during the preparation of Auditor General reports, the government is invited to respond to the proposed recommendations. So there's no "gotcha" effect; it's collaborative and they're given time to respond formally before the report is released. In fact, the practice has been to include government's comments within the audit report itself.

Up until recently, we relegated government's comments to the very back of the report in a sort of unceremonious appendix, but that has changed recently with our audit on surgical services. Our new Auditor General, John Doyle, thought it would be much more prominent and fair to allow the government to have its perspective at the front of the report, so the

executive summary and then the government's response is the new format for our audits.

Another factor that's influencing health care auditing is the follow-up process. We've had one in place for about eight years now. This process was actually developed by our Public Accounts Committee and the Office of the Auditor General, who is in charge of administering it. I think the PAC in B.C. basically said that it doesn't have the capacity to follow and track the follow-up recommendations, so that was given to the Auditor General, and it's something we might revisit as a shared responsibility.

Once again, under our new Auditor General — who we're very pleased with — John Doyle has made some changes to the follow-up process, and the new follow-up process involves a self-administered monitoring report to actually consider whether further work is required. Again, I wouldn't say this is quite the digital age that we've entered in real-time auditing, but the fact is we will no longer require bulky, time-consuming, formal follow-up reports to an original audit. This will be done and tracked on-line. Follow-ups will be available for PAC members and anybody else who cares to see them on-line. They will be updated as they're implemented by government.

I think this is quite a critical innovation, because it's not only better to do it that way and keep more immediate pressure on government to respond quicker, but it also relieves an incredible time burden on our Public Accounts Committee, so we don't have to use up scarce scheduled public meeting time to revisit work that we've already done. We can move on to new areas.

I think in fact the problem with our follow-up process in B.C., and this probably happens elsewhere, is it becomes quite ritualistic and it had taken up a significant amount of time, as I mentioned. It also didn't terribly engage members and their interest in what we were dealing with as a matter of business.

Just to conclude, I think that health care auditing is going to continue to be a priority for our legislative audit offices and, by extension, for PACs across Canada. This is due to the rising costs within health care. I'd be very interested to hear from others about the question of the effectiveness of their health audits. I know there are a number of audit reports you've probably been dealing with, maybe even quite recently, and I'd very much like to hear whether you feel they've been effective and that you've gotten a response from government and whether this is an area you're in discussions with the Auditor General about expanding your scope of interest.

G. Dubrow (Chair): Thanks very much, Rob. Maureen?

Maureen MacDonald (Nova Scotia): Thank you and good morning. I want to begin by thanking our hosts here in the Yukon. On behalf of my colleagues from Nova Scotia and myself, we're very blown away by the magnificence and beauty of this place, and your hospitality is totally appreciated. So thank you so much.

I want to begin by saying a bit about the context in which the Public Accounts Committee does its work in Nova Scotia. Nova Scotia has had two minority governments since 2003, which means that government members are a minority on the Public Accounts Committee in Nova Scotia. I think this has given the Public Accounts Committee an opportunity to be a bit more activist in terms of the topics that we pursue and some of the innovations that are available to us, in terms of our work.

To add to that, in Nova Scotia, the current makeup of the committee is such that the three government members are the only three non-members of the Executive Council on the government benches. This places a significant burden on them because not only do they sit on the Public Accounts Committee but, of course, they sit on pretty much every other standing committee in the House. In addition to that, our legislature has not sat very much in the last few years, in particular the last two years. Last year, we sat in total for 36 days, which means the Public Accounts Committee in some ways has had an opportunity to meet more often and fill a bit of a vacuum that occurs because our Legislative Assembly is not sitting and doing the work that normally would occur in the House with respect to government accountability.

That sort of sets the stage for some of the things I'd like to talk about.

Health care in our province, like every other province, is the number one issue of concern for the public and, therefore, for the legislature and all parties and all members. The provincial budget expenditure in health care represents about 43 percent of our total expenditures. It has grown from approximately \$2 billion in 1998 to almost \$5 billion of expenditure now.

In addition, it is very complex in terms of the multiple programs and extensive involvement of not only the public sector but also the private sector and the non-government non-profit sector and quasi-public bodies, and all these new kinds of governance arrangements that we see emerging. This adds a level of difficulty to the role of the Auditor General and what areas the Auditor General is able to gain access, which is something I will speak to with some concrete examples, as well as the role of the Public Accounts Committee in terms of who we call in front of us and how we utilize our very limited resources and time to serve the public.

Sadly, I haven't had the benefit of being able to do the kind of research I would liked to have done but, in thinking about what we have done in the past 10 years on the PAC, it seems to me the Auditor General has done a series of health care audits. Certainly DHAs around the province have been examined and the Public Accounts Committee has followed up on Auditor General's reports by bringing in front of us the Deputy Minister of Health and representatives from the DHAs from time to time.

In addition, there have been comprehensive Auditor General audits on IT, the building of new information technologies to manage health records, scenarios where they have found inadequate controls and massive overspending, in terms of what the initial estimates had been for these programs. So this

is an issue we've certainly had an opportunity to scrutinize, arising from the Auditor General's report.

The most recent work we've done following up on the Auditor General's report has been in the area of public health. Nova Scotia had quite a significant mumps outbreak. We have a lot of young people in universities and the Auditor General took a look at what had occurred in public health with respect to this situation, issued a report identifying the lack of planning, and also the handling of vaccines, the storing of vaccines, the categorizing of vaccines — identified some really significant problems in the current program. The Public Accounts Committee held hearings with the Department of Health and Public Health with respect to their response to the Auditor General's findings and their plans for addressing the weaknesses and difficulties that had been identified.

These are the kinds of issues that we've looked at arising from the Auditor General's report, but we also take a very rigorous approach to using and developing our own topics that arise independent of the Auditor General.

One that I would like to talk with you a bit about is there was either a leaked consultant's report or a released consultant's report — I can't entirely remember which way it occurred — with respect to the alternative payment of physicians and surgeons in Nova Scotia, about two years ago or so. What this was all about was, for many years, the capital district and the Dalhousie medical school were having great difficulty retaining specialists in a variety of fields. Eventually the Department of Health and Doctors Nova Scotia — the medical society — worked out a contractual arrangement for an alternative funding program for the specialists and surgeons at the medical school and in the capital district to stop the haemorrhaging of specialists to other jurisdictions.

Theoretically, this program was intended to not only keep that mobility from occurring, but to ultimately reduce the wait times that occur when you have shortages of specialists.

Theoretically, this AFP plan — Association of Fundraising Professionals — should have reduced wait times for diagnostics and treatment, but that has not been the case. It has stemmed the haemorrhaging; it hasn't addressed wait times. In fact, wait times have grown fairly dramatically.

The release of this report identified a lot of weaknesses in the contract, the major weakness being the question of accountability for workload with respect to the arrangements that had been made. Our committee brought in front of us the Department of Health to talk about the findings of this report and their plan to address the difficulties, but for the first time, I think, in the history of the Public Accounts Committee, we had brought the medical society in front of us as well — Doctors Nova Scotia was represented.

This marked a change in the usual pattern of witnesses in front of the committee. Some might say — the deputy minister might say — that it was useful to her in the negotiations to fix the problems around the contract, particularly having the medical society as part of that discussion and impressing on them the concerns the public might have with respect to the efficacy of the alternative payment program to reduce wait times.

We sadly haven't been able to follow up on that particular hearing. I would say that one of the real difficulties we have in Nova Scotia is we have a lack of resources in terms of a researcher. We share our Clerk with other committees, and it does place structural limitations on the extent to which we can do our work.

I want to use another example of work we've done. In the past two years, I think it was, the Auditor General identified that the *Auditor General Act* itself in Nova Scotia has some limitations in terms of his authority to do audits in the health care system and really important areas of health care. The act does not empower the Auditor General to audit our emergency health service, although he has done it. The EHS folks cooperated with the Auditor General voluntarily, but in terms of legislative authority, he did not have the legal authority under the act to audit EHS.

Many of our home care services — in fact, all of our home care services — are delivered by the private not-for-profit sector. He has no power to audit the VON, for example, or conduct audits in these areas. He has no powers to do audits in continuing care, which is delivered primarily by private and not-for-profit nursing home providers, for example. The same is true for our health care insurance, our MSI. The billing is all handled through a private sector not-for-profit company.

So the Auditor General has not encountered resistance when he has approached any of these organizations, but there is concern from the Auditor General's Office that the act has not really kept pace with the realities in health care delivery.

To add a layer of complexity to this story from Nova Scotia, I'd like to deviate a bit from health care and give you an example of a current situation that we're dealing with in respect to the economic nominee program in Nova Scotia. I think this will demonstrate the need to really think about how we provide the legislative framework for the Auditor General and, therefore, the foundation, often for much of our work.

In Nova Scotia, not so long ago, in the past five years the federal and provincial governments signed an agreement that Nova Scotia could manage a certain amount of its own immigration policy. A program was established and the administration of that program was given to a private sector company without tender. This is the provincial nominee program, where economic immigrants paid a sum of money to this private sector company, were able to come to Nova Scotia, did a mentorship in a Nova Scotia business, and were paid a small portion of the monies they had paid. The rest of the money was apportioned to the business as an investment or to a variety of agents who assisted the immigrant through the process.

The program ran into difficulty at some point when probably a very astute public servant realized that there were holes in the contract with the private sector company that you could drive a fleet of trucks through, and the contract was terminated shortly before it was due to expire. The company sued the government. In fact, they initiated three different lawsuits against the government on a variety of issues, including the issue of who owned the interest on a \$60-million trust fund, where the deposits of much of the money from the economic immigrants

who have either arrived or who have yet to arrive had not been spent.

So, this became an issue that the Public Accounts Committee thought we would take a look at. Many of the immigrants themselves had started speaking out publicly about what had occurred from their vantage point, or their perspective. We asked for the release of documents and, initially, the government sent probably — I don't know — 12,000 to 14,000 documents. They buried us in paper without a researcher and without staff. It was quite an avalanche of paper to categorize and get through.

But they also held back a huge amount of documents. It became fairly clear to the Public Accounts Committee that we needed a professional audit of this program. We asked the Auditor General if he would consider auditing the program, and he agreed. He issued an interim report not so long ago but, when he tabled his report, it indicated that he had been denied access to a large number of documents in probably nine different government departments, and he was unable to do a thorough audit of the program as a result of this.

So the Public Accounts Committee passed a resolution that the material be subpoenaed, and subpoenas were issued to all the nine ministers and deputy ministers for each of the departments. A list of the documents that were identified by the Auditor General he had been refused access to was attached.

The government refused access on the basis of Cabinet confidentiality for some Cabinet documents — a very small amount of Cabinet documents. The vast majority of documents were captured under what was referred to as client-solicitor privilege.

Not so long ago, the Department of Justice decided — probably a week before the subpoenas were due to be acted up — that they would, in fact, release the documents to the Auditor General. So he was allowed to see the documents in the Department of Justice offices. He was not allowed to have copies of any documents, but our Auditor General has just told me that he is now being — I don't know if, I guess "sued" isn't the right word, but the private sector company has initiated an action against the Auditor General to get access to his notes and any papers he has received as a result of his audit.

So the level of complexity is, in my experience, growing in these areas, as we move into areas that we are not accustomed to. If I could bring this back to the health care issue, the question then becomes, there's so much more delivery of health care outside of the traditional public sector structures that I think we're going to have to grapple with our legislation, the powers that we give the Auditor General and, in fact, the work of the Public Accounts Committee to be able to effectively carry out our function in terms of oversight.

I don't know if that makes any sense, but that's a little case study from Nova Scotia.

In closing, I would like to say that, in my experience, one of the greatest challenges we face, particularly when you look at health care but not only in health care, is that fine line between policy and administration. It's one that I certainly constantly grapple with. Sometimes there isn't a clear-cut distinc-

tion, I think, between the implementation of government policy and the making of policy.

In health care in particular, it's a very difficult area to find that balance when, because of the magnitude of the expenditures, the concern for value-for-dollar is paramount, which ultimately leads you beyond just thinking about the administration of health care expenditures, but also the values that go into the decisions that are being made about policy with regard to health service provision.

On those notes I will end, and I'd be happy to take any questions or hear your comments.

G. Dubrow (Chair): Thank you very much, Maureen, and thanks to both panelists — fascinating presentations. I'll just make a few preliminary comments and I want to confine my comments more to the traditional operational issues around public accounts committees just to provoke some discussion on that front, as well.

It's obviously interesting and rewarding to hear both panelists talk about the issue of corrective action in the role of the Public Accounts Committee, in making recommendations to the government and trying to get them to implement them. I noted Rob's comment in terms of British Columbia, the issue of recommendations and the role of the Public Accounts Committee in making recommendations. Something that has concerned me for some time that I haven't had a chance to mention, and I do want to be a little bit more candid in this discussion with PAC members than perhaps I would be in the joint session, but one thing that concerned me about the British Columbia case and particularly Alberta as well is the fact that the government's response to the Auditor General's report is contained in the report.

What tends to happen is that the government says there's no need for the PAC to deal with that, we've already responded, and so the PAC isn't given the chance to really get their teeth into the issue and issue substantive recommendations. My personal feeling is that's a way of neutering the Public Accounts Committee and not allowing them — because obviously it's one thing for the auditor to issue recommendations and the government to say, "Yeah, that's fine, we accept them." It's another thing to get the politicians involved to say, "This is great."

I think of Graham, when we were working internationally, we always show that audit that was done on child care in Nova Scotia, in which you took in your questioning, as a public accounts committee member, the audit much further, in a whole different direction, in fact. The audit had found that things were pretty good in child care, and you found some cases, through access to information, and you blew the report out of the water. That would be an example of that role of the PAC being allowed to get their teeth into things and not just government saying, "We've taken care of that. You guys go do something else." I think that's a very important point.

The other theme I would get to that I think is very important is the issue of public accounts committees feeling that they can take charge of their own affairs. We talked yesterday about

the excessive reliance, or the perception that there's an excessive reliance by PACs on the legislative auditor. Elwin Hermandson, when he was chair last year of public accounts, used the quote "We're in a rut; we're really only looking at Auditor General reports and kind of clearing them off our desks," and that's a quote that's on *Hansard* from last year's PAC.

For members of a PAC, one of the challenges when they come into office, is sort of saying, "Well, you're going to work on the PAC; okay, what do we do?" Well, you look at audits and respond to the audits. Being able to actually say, "Wait a minute, we want to have some input on the issues that are of interest to our constituents and we think that health care, for example, is an issue," being able to talk to the legislative auditors and have a dialogue about that, saying this is something that we want, this is the kind of information we're looking for, being able to initiate our own inquiries, as was done in Nova Scotia, and making sure the Auditor General has the mandate to actually provide that information. These are very important issues, so this whole theme of the PAC having control over its affairs, there being some planning and members actually feeling that they can drive the process, rather than only responding to the legislative auditor's report, I think is very important.

The third thing I would highlight would be Maureen's example, an excellent example, of PAC-Auditor General cooperation and collaboration, the Auditor General feeling he did not get access to key documents that he required, and the PAC acting as an advocate for the Auditor General by calling the government to account on that and asking why they haven't received these documents and passing a resolution.

Just some general observations based on the sort of operational aspects. We have lots of time for questions and comments. I see Harry Van Mulligen has his hand up and Norm, we were going to get you to make some comments as well. Perhaps I could just start with Norm, if that's okay, Harry, and then we'll go to you. It looks like you haven't been allocated a microphone at your table, but you'll still be allowed to speak.

There's also a comment coming from some people that it's a bit cold in the room. We realize we're in the Yukon Territory but if there is some way — I'm looking at my friend in the back — if there's any way of arranging for the room to be warmed up slightly — not you, Floyd, but the gentleman behind you — that would be much appreciated, if there's any way to do that.

Norm Sterling (Ontario): I just want to review the last 18 years of funding for the health care system. From 1990 to 1995, when Bob Rae's government was in power, the increase in expenditure in the health care budget went from about \$17 billion to \$18 billion over the five-year period. That was of course because we were in a recessionary period and Bob Rae didn't have any money to spend with regard to increasing the health care budget.

From 1995 to 2003, during the Harris-Eves government, the expenditures went from approximately \$18 billion to \$29 billion, up \$11 billion over an eight-year period. Under Mr. McGuinty's government, from 2003 to 2009, it has gone up by

another \$11 billion. So you can see the trend as we're going forward is that it's requiring more and more money, increasing at an ever-rapid pace in terms of how much money is being spent on health care in our province.

As well, it's occupying now about 50 percent of the operational budget of the Province of Ontario. We're pretty well coming to the point where there won't be enough money left for other things — for education, for social services, for attracting jobs and the resource sector, as well.

I think we have essentially a crisis in our province and in Canada, particularly if we face another recessionary period or even a slowdown in our economy in order to afford to increase our health care budgets at the rates we have, particularly since 1995 to 2008.

We have a tremendous problem.

I believe we were fortunate to have our legislation changed two years ago to have the Auditor General gain access to our hospital sector. Out of the \$40 billion that we're spending in health care in the Province of Ontario, \$20 billion is going to the hospitals and the other \$20 billion is for the rest of the health care system.

Over the past two years, under the new legislation the Auditor General has, he has dedicated at least one section to the hospitals and one section to the other health care matters — at least one more. At least, that's what our committee has dealt with over the last two years in our reviews.

As the committee has gone into the health care sector, in terms of dealing with the hospitals, we've found how inefficient our health care system is in our hospital settings. For instance, the Auditor General did a section on diagnostics in the health care sector, and he found out, for instance, that in the hospitals, prior to operations, some hospitals were doing chest X-rays and electrocardiograms on only two to three percent of the patients, while at other hospitals, 98 percent of the patients going toward operations were getting these tests.

Two to three percent is too low and 98 percent is too high with regard to these tests being given or required of patients. The odd part about it is the Ministry of Health recognizes this problem and said to the hospitals of Ontario, particularly those that were in the higher end, "You're requiring too many diagnostic tests on every patient who goes into the operating room." What was the result of this admonishment by the Ministry of Health to the hospitals — the 150 hospitals that we have in the Province of Ontario? The number of tests dropped by only two percent.

In other words, our health care sector is thumbing their nose at the Ministry of Health with regard to even trying to economize on our health care system, even where they recognize what's happening.

I think there's a really important role for the PAC to play in drilling down below the Ministry of Health and saying to the hospitals, "Hey, we're watching what you're doing and we want you to pay more attention to the Ministry of Health and try to seek some efficiencies in your operation as you're going forward."

I think we have to continue to find new ways of putting pressures on the service providers to try to get them to seek some efficiencies.

I was struck the other day, walking down a street in Toronto — I met an old friend, a guy named Ted Ball, who had worked with Dennis Timbrell when he was the Minister of Health in the 1970s. Ted Ball has been involved with health care consulting across all of Canada, very much an expert on the economics and what drives the system and all the rest. He said to me, "Norm, you have to stop giving money to the health care system. You have to stop doing it. That is the only way that they will deal with the inefficiencies that are presently in the system."

I think that's very difficult to do politically, unless you're faced with a situation, as Bob Rae was, from 1990 to 1995, where he didn't have any money and they had no choice. But I believe there is a crisis in the health care system in terms of what we have been doing as government over particularly the last 13 years, from 1995 on. We just keep throwing money, we keep throwing money, we keep throwing money, and things don't get a heck of a lot better.

So I believe that we really have to focus on this as we go forward. Our Auditor General has a staff of about 95 people, and about 15 of his people — these are the active people who are out there doing audits, doing value-for-money audits, and that kind of thing — are involved in doing audits in the health care system. I believe that number should be much higher. I believe that perhaps we should have two PACs at the Legislature of Ontario, as my colleague, Jerry Ouellette, and I have talked about before: one dealing with health care and one dealing with the rest. I believe that we should restructure the financial committees of our legislature. Quite frankly, our Estimates Committee is really just a partisan bitching session; the Finance Committee holds hearings to hear people from particularly non-government agencies come in and ask for more money every year. They don't really achieve anything. My view is we would be much better off creating two PACs and trying to burrow down into the health care area, pump up our auditor in terms of what he's doing, and get on with going at it.

The other thing that has really helped — I'll finish up here — disaggregate the information, which I talked about before, in the health care area: my view is the people in the City of Ottawa, part of which I represent and Phil McNeely represents, don't really give a damn about what's happening at the Toronto General Hospital. What they do care about is what's happening at the Ottawa Hospital, what's happening at the Montfort, what's happening at the Queensway-Carleton Hospital. So we now have LHINs — I think there are 14 or 16 of them in the Province of Ontario.

If we could get the health care data down to those regional health authorities and really start to publish information about that, we could really drive some efficiencies on a local basis and the locals would take much more interest in the information put out.

I'll stop there.

G. Dubrow (Chair): Thanks very much, Norm. I have two people on the speaker's list, if you want to call it that: Harry Van Mulligen and then Ralph Sultan. You just have to put your hand up high so the audio person can see where you are.

Harry Van Mulligen (Saskatchewan): Given our discussion yesterday on performance, and given what figure I think was used at 42 percent of taxpayers' dollars probably, or more, are going to health care expenditures, and of course, given the public's preoccupation with health, I was interested to see a development of late — in the last few years — of something called the Canadian Institute for Health Information. It provides — and I think it's funded by FPT governments and pursuant to the latest lot of monies to flow to the provinces for health — timely, accurate, comparable information for provincial governments on health outcomes, as opposed to some other organization, like the Fraser Institute, that have used some rather questionable methodology to make comparisons on health outcomes in provinces.

The question I get to is, are PACs the right forums for considering reports of CIHI? Because they do provide us with some performance outcomes. Are PACs the right place to be looking at that? Should we be shifting our focus from compliance and value for money on specific issues in our jurisdictions to more generally on the outcomes in health? Or should there be some other bodies within government that should be concerning themselves with that?

I'm finding in Saskatchewan, as an example, that there is nobody that takes a look at those indicators to say, "Look, here are indicators that compare us to other jurisdictions and we need to concern ourselves with these reports." So are PACs the right place? I just throw that out as a question.

G. Dubrow (Chair): A very interesting point.

R. Fleming: Great comments, Harry. I think there are natural fits for the Public Accounts Committee on health care, but some of our legislatures have select standing committees on health. In fact, my colleague, Ralph Sultan here, from British Columbia, chairs that committee and they produced a very good report and set of recommendations that will be influential with government in the spring sitting of the legislature. It was a report and a series of hearings with experts on childhood obesity. I hope I'm not stealing your comment here, Ralph.

In that case, trying to shift government policy by taking a longer term view on how to combat childhood obesity, the select standing committee is definitely the place quite properly to do that, because they were clearly getting into issues of policy.

I think, for the Public Accounts Committee, it should primarily be on results-based audits. There's so much stuff to drill into. We've talked about how big health care spending is and across geography and across types of services, that to make sure it's being well-run in areas across government, it needs the scrutiny of the Public Accounts Committee and the Auditor General. I don't think there's any shortage of areas for the Pub-

lic Accounts Committee to get into, but I also think the use of other committees can be influential and beneficial.

M. MacDonald: I think, from our perspective, from the Nova Scotia perspective, our committee system hasn't changed substantially for many years. We don't have — when I was elected, I was our party's health critic, and I was very surprised to find out there was no standing committee in our Legislature with the mandate to look at health, and there still isn't 10 years later.

Our committee system itself really needs to have some reflection. We need to look at modernizing in our province our committee system to make it a smarter, more effective system. Given the reality for health and health promotion both, it seems to me that it wouldn't be out of the question to have a dedicated committee. That would allow the kinds of competition at public accounts, as you know, for a magnitude of issues, from the environment, from economic development, from fiscal policy, taxation, energy — on these issues we could spend all our time as a PAC, meeting day in and day out.

It seems to me that it would make sense to have a dedicated standing committee that would look at this and use some of the CIHI information which is, as you point out, very well done.

N. Sterling: Could I just add — I think there's a real importance of having a political element in this debate, so much so because there is a great reluctance on the part of the administration — to tiptoe around these problems. I understand why they're tiptoeing. They're tiptoeing around the College of Physicians. We had an issue with regard to these diagnostic images and who was running the X-ray machines, which doctors own the building where the machine is leased, and all this kind of stuff.

You need the political element, number one, to continue to be involved in the priority setting of what you're doing and where you're going and what you're going after, but we have to be the people who say, "Hospital administrator, you have to clean up your hospital, you have to deal with the doctors who are ordering too many tests when they're not needed." We have to be the fall guys, or the bad guys, in the whole thing, because the administration, in my view, feels it's such a hard problem, in terms of health care personnel at this time, that they're not willing to step up to the plate and demand value for money in the health care setting.

I think we have to be involved in it. There seems to be nobody else who will step up and say that we expect some efficiencies in the health care system; we expect accountability; and when the College of Physicians won't provide it, we have to push them.

I think it's important that we stay there, even though it's a very complex and difficult area to be involved in as a politician. As you know, most politicians don't like to get into that kind of detail and wrestle with difficult and complex problems, but I think that's why we need a significant influx of research, both at the auditor's level and at the committee level.

G. Dubrow (Chair): I just want to weigh in on this. I don't intend to weigh in on every question, but I did want to just reflect some of the comments that Rob made, something I feel fairly strongly about, this issue that you raised, Harry, about reviewing of health indicators.

Most PACs, as we mentioned yesterday, in Canada do not look at performance information as their primary source of information. They're looking as an oversight committee at independently verified information from the independent legislative auditor. The two committees in Canada that do look at performance reports — and this kind of gets to your point, Maureen, about the committee system — the two PACs in Canada that do look at performance reports — Alberta and Quebec — if one were to look at the history, both have taken on that role. In Alberta, there were no other all-party legislative committees, so the review of performance reports was assigned to them. In Quebec — and Nancy, you're much more of an expert on this than I am — I think it's fair to say that the PAC kind of got it dumped on them. Obviously, I think the perception tends to be — I'm glad you're nodding in agreement that I haven't said something to misrepresent your case — I think part of the problem is that legislative committees of course are looking at legislation and they say they are too busy to deal with performance information.

In a couple of cases in Canada, it has been put on the PAC, imposed on the PAC. I think the problem with that is that performance information is looking at the success or failure of government policy. In Canada, there is a distinction. Those are issues that should be — I think Maureen is right that there needs to be a development of the legislative committee system so there are committees that are actively looking at this type of information.

But the PAC is really, if one looks at the intention of the system, supposed to be looking at the implementation of government programs with regard to economy, efficiency and effectiveness. There might be some health care issues there, but they're sort of divorced a little bit from performance information. Ralph Sultan, you're next on the list.

Ralph Sultan (British Columbia): I could maybe use this microphone. As the Chair said, I'm Ralph Sultan, an MLA in British Columbia and, as Rob pointed out, I have served as Chair of our Select Standing Committee on Health of the Legislature. I in fact have had a lifelong, intimate involvement through my family in the health care system, in both Canada and the United States. While I can't claim to be any professional expert on the subject, I've certainly had a chance to observe and to reiterate what the panelists have already emphasized — maybe it's merely our greater efficiency in British Columbia, but we only spend 43 percent, not 50 percent, of our budget on health care. It's quite easy to project that, in about nine years, it'll be up to about two-thirds. This is mesmerizing the Finance ministers and certainly causing a lot of head-scratching and concern over sustainability.

I guess the operative phrase on our side of the House is that it is not sustainable. The model has to change. How it will change is not really quite clear and nobody really wants to talk about it. It's complex, it's very politically sensitive and the debate in the legislature on health care tends to revolve around such comments as, "Mr. Health Minister, I'm told that two people died on stretchers in the emergency room in Prince George last night. What are you going to do about it?" And his response would be, "Yes, but I've done some statistics, and when you guys were in power, the typical performance indicator was four people would have died."

So the vacuity of the debate, the stupidity of the debate, the tendency to merely alarm the public and disenchant them about our health system, is something we as hopefully thoughtful legislators ought to think about. It's a horrible way to run a railroad.

The question is, what can the PACs of this country do, particularly in this value-for-money setting? It seems to me, as a first cut, managing by results isn't a bad philosophy. In CIHI, the Canadian Institute for Health Information — thank goodness, the federal government is doing something excellently for a change — we are getting reasonably reliable comparable statistics on health outcomes across Canada. And, by the way, British Columbia does rather well on those measures.

We like to brag that we now have the greatest longevity of any male population on earth, with the possible exception of Japan, so we have to be doing something right. I don't know what it is.

We have a relatively healthy population, but that's nothing to brag about because the indicators are — well, just look at the childhood obesity report, pending doom in all directions.

I am not particularly entranced by the potential for public accounts committees to try to improve operations in the health system, whether it is, for example, the frequency with which doctors prescribe tests or whether the ambulances are running on time. In British Columbia, we have sensibly organized the health care system into eight health authorities, each with their own board of directors. There are severe fiscal constraints imposed on those people. I don't know how they get through the year without more disastrous headlines, but the government has been relentless in holding the lid on spending. These people somehow struggle through the year and face the same thing the year after.

Some quit, some are fired — the pressures are enormous on the fiscal side, but if the intent is to squeeze inefficiencies out of the system, I think that's one consequence. I attended a briefing at our own North Shore hospital system just this past week, which was evidence of that. It's quite impressive, but it does take a determination and willingness to withstand a certain amount of criticism, if not abuse, from the opposition in the House concerning budgetary matters.

That notwithstanding, of course, overall health spending, as elsewhere in Canada and the world, is going up by around eight percent a year. This is just something that has to give. Norm talks about having two PACs; I talk about having two governments. We'll elect two governments: one government

will manage the health system and one government will manage everything else.

I think PACs should focus on the big questions, not minor, however vital, questions of operational efficiency. The big issues I think are driving and have, in policy terms, the potential to greatly influence the resources devoted to the health system — I'll list seven of them. I'm sure you can easily double that number.

The first issue — what should be the resource allocation balance between public health and prevention, acute care and care of the aged? These are big questions. How do we make that allocation? We spend almost nothing, even in very wellness-conscious British Columbia, relatively nothing on wellness and healthy living. We have our ActNow program; we promote fruits and veggies in the schools. The Education minister said every school child has to have 30 minutes of exercise a day, and so on. But it's still only two or three percent of the total health budget. How is that balance to be managed?

Secondly, chronic disease care versus lifestyle — if somebody insists upon packing around 300 pounds and smoking two or three packs a day and tossing down a six-pack in front of the television set every night, does society have an obligation to look after that person when, at a relatively young age, they show up with a catastrophic catalogue of chronic diseases? Tough questions — what politician wants to grasp that nettle? But it's certainly having huge impacts on the cost of the system.

End of life strategies — I can't recall the exact number, but let's say two-thirds of total health care spending is spent on you in the last year or two of your life. Having watched — as a somewhat aging senior myself — my relatives drop off one by one and the heroic efforts of the health system to save them at almost any cost — my sister seems to go for an exotic battery of tests to address her multiple serious ailments every week or two. It's quite astonishing what the health care system delivers for my 82-year old sister. Is this the way it's going to be and, as we age, what does that mean in fiscal terms? End-of-life strategies, not to mention the comatose — when do we pull the plug? The doctors wish we would legislate — we don't want to. Doctor, you handle it.

The doctors turned it over to the nurses, believe it or not. If you think you should pull the plug, just pull the plug, but I don't want to be here when you do.

Public versus private efficiency — here's one thing where I think PACs could do something helpful. Emerging in B.C., we are seeing various institutions strictly privately owned and operated. Dr. Day, the current head of the Canadian Medical Association, otherwise known locally in my town as Dr. Profit, runs the Cambie hospital — I guess it is. If you want your knee patched up without delay, you go over there and give them \$4,000 or \$5,000 and they'll do it immediately.

We are seeing the emergence of benchmark alternative institutions and it is an opportunity to compare results and costs versus our own government-funded institutions.

Age transfer of wealth: this was an issue highlighted not so long ago by the retiring Minister of Finance in Manitoba, I be-

lieve — if I'm not mistaken; I stand to be corrected; maybe it was Saskatchewan — but the issue she commented on was whether society is willing, whether the youth, the young people of robust health and maximum productivity, are willing to be taxed to support a very largely growing group of aging people. We have this age transfer of wealth — is it sustainable? Her prediction was, they won't. They just won't pay.

G. Dubrow (Chair): Ralph, just forgive me. Mindful of my role as timekeeper —

R. Sultan: Okay. Two more points: pharma, eight percent a year, growing like gangbusters and, finally, managed demand of what are viewed as free services.

So, my apologies for being a little verbose, but I think these are some of the big issues that will determine the future shape of our health system and what PACs could profitably send on, because it sure ain't going to happen in the legislature.

G. Dubrow (Chair): Thank you. The only contentious issue you raised was the issue — and I think Rob noticed it too — is the issue of the drinking and smoking in front of the TV. Some of the people who were at the hospitality suite might take exception to that.

I think we're going to have to wrap up, if you want to have the break. I don't think we've had the pleasure of meeting you, so please identify yourself.

My compliments to the technician in the back — you've been excellent for the past couple of days, really wonderful.

Roland Butler (Newfoundland and Labrador): Thank you, Mr. Chair, my name is Roland Butler, the Chair of the Public Accounts Committee from Newfoundland and Labrador. Maybe your delegates here noticed this weekend, we haven't taken much part in the debates. As you heard from Chief Justice Green yesterday, I guess the Public Accounts Committee has been nailed pretty good in our province. Our report in the back will verify that we only got functioning in June of this year.

I just want to say at this time, because I know you're going to break and don't want to interfere with what's going on, but we've been very impressed here this weekend. Our committee has been here; from all the panelists here this morning and yesterday, it has been a tremendous learning experience for us.

Since we got together in June, we've met with our Auditor General, we've met with the Comptroller General, and so on, and we're starting hearings. But to see how you people operate, that's what it's all about for us because, when we started, our feet were just getting wet. Hopefully when we return to Alberta next year, we'll be able to take part in the debates.

We want to thank you, thank the organizers and we've just had one tremendous weekend here and a tremendous learning experience for us. Thank you.

G. Dubrow (Chair): That's great. Thank you very much for your comment. In fact, I just wanted to add that I un-

derstand your PAC has just gotten up and running. What CCAF traditionally does — as I mentioned yesterday, I won't be occupying that role at CCAF, but Antonine Campbell, who is from the federal Auditor General's Office, has spent many years as the parliamentary liaison person. Maybe you'll just stand up for a moment, Antonine, or just wave.

One of the things CCAF does as a service is to send somebody from CCAF who has experience with PACs to talk to your Public Accounts Committee, particularly if they're just up and running, and talk about some of those best practices and maybe help get through a few issues. So that's an offer that was on the table this summer and, if it doesn't take place with me, certainly I'm sure Antonine would be glad to follow it up.

Thank you for your comments, a very positive note to end this discussion, unless there are any final questions or remarks.

Great — thank you very much to our panelists; thank you, Norm.

The conference recessed from 10:30 a.m. to 11:00 a.m.

Report from Geoff Dubrow, Director, Capacity Development, CCAF-FCVI

G. Dubrow (Chair): In the interest of time we should reconvene. Floyd, is it okay if I just grab the microphone and start? Did you want to give me a warm and fuzzy introduction first and read my three-page bio? How would you like to proceed?

F. McCormick: I think people know too much about you already.

G. Dubrow (Chair): I think they've probably had too much of me for the last couple of days. I don't hear anybody objecting. You're supposed to say, "No, we haven't."

I have to say that I've really been looking forward to this session in particular, because I think what we said in the agenda, "CCAF report" is a bit of a misnomer. Michael mentioned at the beginning of the session — Michael Eastman, our executive director — some of the things that CCAF has been involved with. Obviously you know a little bit about CCAF. You know that CCAF provides as a service to public accounts committees briefings and is active at the annual joint session.

But what I wanted to do today is talk to you a bit about some of the things that have come up. As I mentioned before, we have a public accounts committee advisory group, which consists of four or five of the PAC chairs. I'll just mention the provinces — it's easier for me: B.C., Alberta, Ontario, Saskatchewan, Nova Scotia, and the federal House of Commons; and some of the experienced legislative staff — Quebec, British Columbia, and so on, from the House of Commons.

What we're often doing is getting some ideas, aside from CCAF coming down and doing these briefing sessions for PACs, which we've done in about half the jurisdictions in Canada. We've done B.C., we've done several with Alberta, Saskatchewan, Manitoba, Quebec, House of Commons — we've

done about half the PACs in Canada. Aside from that, every year there're a certain number of recurring themes that we see. In our discussion — I think we had an excellent discussion with our PAC advisory group, and I'm going to insist they be involved in this discussion. I don't want to be seen as driving this discussion. I just want to be repeating some of the issues. What I really want to do is list the number of initiatives and issues we've talked about in our June meeting and see where the reaction is.

CCAF is an organization strategically — and, as you know, I am planning to move on from my responsibilities, but my interest in this topic will not change or waver and I'd like to continue to be involved. In fact, I'm proud to say I've just been given an invitation to next year's CCPAC/CCOLA meeting. For those of you who thought you'd be rid of me, apparently not.

I want to give you a list of some of those issues. I really want to get your reaction. Obviously CCAF is a small organization. We don't have the resources to do everything, so part of the idea is to focus and say, of all the issues that we're raising, what are the key priorities?

I think it's very helpful to have Rick Stapenhurst in the room from the World Bank Institute, who has been working with PACs around the world for a long, long time. We have my colleagues from CCAF: Antonine Campbell, who will be taking over the PAC portfolio; Lee McCormack, who is our Director of Research and who will talk a bit about some of the work that CCAF is doing in that area; Mike Eastman, whom you've already met; and Kerry Jacobs, who is an expert on Australian PACs.

So there are lots of opportunities and lots of resources. So let me get started —

What I was hoping to do was give you a five-minute overview to sort of fire you up with a bunch of ideas and then just open it up and say, well, what do you see as the key issues and what do you see as the key areas where CCAF can be helpful?

I'll just read from the long list I've written down.

One of them is the area of orientation. I'm not only going to be blunt, but I'm going to enjoy being blunt. When I'm with the PAC members, I always feel there's a bit more invitation to be a bit more blunt, so I'm going to try to be very blunt with you and very open and direct. On the issue of orientation, CCAF has developed an excellent PAC orientation. It has been delivered in Africa; it has been delivered in Asia; to PACs that are very advanced — to be bluntly honest, in some cases more advanced than some of the PACs in Canada in terms of their mandate and the way they perform their functions.

We haven't gotten much uptake yet in Canada for this. We're always told — and again, we don't have this opportunity to talk to members all the time, but what we get told is members are too busy, they're not going to want to spend a day. But when we come to the PAC meeting, we hear members saying, "We need this training. I'm a new member of the legislature, I'm a new member of the PAC, I need to know what's going on and how public accounts committees work."

So CCAF has an excellent training program, and one of the questions is, could this be done nationally? I think experienced chairs like Norm Sterling, Harry Van Mulligen and others might say yes, it's really important for this kind of thing to happen. So I'd be very interested in your views on that.

Rick Staphenurst for the World Bank Institute is prepared to put our course on-line. So there's another opportunity in this new digital age to take the course and put it on-line and let members just go and use it at their own pace and do it that way. That might be something that's easier.

I know politicians often feel they don't want to feel like they're being lectured to, having somebody come in and teach a course. Maybe it's better on-line — you tell us.

I'm going to just keep going: one of the other issues that we talked about — and I hope Norm Sterling will address this issue as well — is particularly with regard to research capacity, and the fact that half the PACs in Canada don't have research staff. One of the issues we talked about at this PAC advisory group was whether CCPAC might want to issue a statement, perhaps in the next CCPAC. I'm not trying to impose on your agenda for next year — that's obviously not something we have control over. It's up to the CCPAC group, to Alberta and the other members of that executive to make that decision but, just for the sake of batting around some ideas at this point, is there interest in issuing a statement saying we, the chairs and vice chairs, of the public accounts committees of the 14 legislatures in Canada feel it very important that each PAC have research capacity. That might be something that would be able to actually get in the news. Why is it that half the oversight committees in Canada don't have research support?

So a more activist agenda in terms of issuing a statement.

Another idea that came up in that regard is CCAF has the nine principles of performance reporting. We have attributes for effective management. What about attributes for a public accounts committee? Again, it could be four or five issues. We could have a working group from CCPAC working on this issue to come up with a list of key critical points that, again, could be passed or agreed upon as a statement.

Moving along on the list, the idea of going back to the idea of an on-line discussion board, the on-line chat community — certainly I'm aware that the clerks are in touch with each other; at least, that's the impression I get, on a regular basis; that they're talking frequently among each other on procedural issues. We were wondering whether that's something that's of interest to MLAs and MPs. Would you be interested in having an on-line forum where you could connect with other members of other PACs around Canada, Australia, the UK? Would you want to include legislative auditors in that? Would you want to include the executive branch, which is responsible for implementing recommendations? This could be done today on Facebook, but Facebook is a little bit more dicey, of course. There are privacy issues. So to develop a Web site, an organization like CCAF would probably have to go out and seek funding and support from the legislative auditors or other people to do that.

Let me try to just go through this list really quickly. I think I'm pretty much done. Another issue — maybe I'll skip that one. Another issue I wanted to sort of bat around in terms of areas is whether this particular conference should include at some point House leaders or deputy ministers? I'll tell you the reason I'm asking that.

One thing we've found in the training that we've done with PACs internationally is the PAC members and Auditor General staff felt that a lot of the issues we were raising, we were preaching to the choir, in a sense, that what tends to happen is, if the PAC feels it's hamstrung, it doesn't have the ability or the powers to do something, it's really the House leaders who have the control over the rules of procedure and can arrange for the PAC to increase its powers and role, and whether there's a role for a discussion with CCPAC to include — I'm not suggesting that the joint session be changed, but I'm just wondering if that's something you feel might be useful to make this a larger dialogue.

Nothing is compartmentalized any more, so one of the comments we got from some of the countries we were working in is, we were told it's too bad we didn't invite the permanent secretary to the deputy ministers, who are responsible for implementing the decisions. So again, there's a question about that.

I think that's about it. The only other issue I wanted to raise, and it goes back to Maureen's point today during our panel discussion, is related to the issue of mandate review and whether some of the PACs are interested in looking at the mandates of their legislative auditor. Does that mandate provide you with the information you need?

There are a couple of jurisdictions in which mandate is a serious issue. I'm not sure if you want me to mention them or not, but there are a couple of jurisdictions where I've heard that the mandate of the Auditor General does not necessarily provide members of the PAC with the information that they need to be able to do their job. Those mandates were written a long time ago. Is there a concern or an issue about mandate review and is that a project we could undertake jointly with the legislative auditors?

I have no idea whether I've blown you out of the water or whether I've made this into a thought-provoking discussion, but these are the kinds of issues I wanted to get your reaction on.

The reason we're asking this question is we want to know what's important to you. So with that, perhaps I'll throw it open to discussion.

Yes, please just identify yourself. This is the gentleman who bought me a scotch last night. Thank you very much for that. I had no idea it was a cash bar, so it was very generous of you. I'll buy you one in Edmonton.

Robert Hawkins (Northwest Territories): Robert Hawkins, I'm an MLA in Yellowknife. I just want to hit on one point. When I was re-elected last fall, and I'm on the committee — we called it Government Operations, and under our breadth of responsibilities, it's the public accounts — one of

the things I was able to convince my committee members on considering was training. The fact is you get sort of grenaded into these little committees and you don't know what style or technique of questions to use to draw out the types of information. Every single one of us on the committee is extremely grateful for our research staff — we happened to bring one with us — but the thing is we're only as strong as all our little pieces together. It's great that the research staff can find the background, and then we have the assistance of the Auditor General's Office, who comes to prep us for this meeting when we hold a public hearing with the department, but none of us are forensic accountant style type of thinking people, so it really challenges us to start looking in that sort of lens.

With that said, I convinced my committee members to say we should really get together with the Auditor General of Canada's Office in Ottawa and maybe go to a couple of other public accounts committee meetings and find out what techniques people find work well.

Coming from a consensus environment, one can say it's a little different from the partisan issues you would carry in every other legislature, because although we sit and heckle each other from time to time, at the end of the day when the books are closed, we're still friends and we still work together, but you'll find that we come together quite well. You'll find that, although I'm not a card-carrying member of any party, the true Conservative members will still work with the true NDP members and the true Liberal members and everybody tends to work to the same focus.

If anything, I can stress that I like to think our committee really balances those issues out. There is no sort of partisan issue that divides us; there's no wedge there; it's about trying to get to the bottom line in effective policy or effective process.

To just close off the point as you highlighted about that aspect, I just want to reinforce that if there were a process to help people doing these types of reviews, to give them that sort of lens to work from, I think it would be extremely useful. I certainly have gotten a few ideas from being here this past couple of days.

With that, I want to encourage members to look outside of your area for best practices, but find ways to drop the colours — working together seems to go a lot further.

Thank you.

G. Dubrow (Chair): Thanks very much. Just on the issue of training, what's the feeling about having newly constituted PACs providing a one-day orientation? Is that something that realistically MLAs are too busy for when they're newly elected and wouldn't have the time for? What's the feeling about that? Yes, sir.

Warren Michelson (Saskatchewan): I'm just kind of curious, being brand new and just being put as the vice-chair of our Public Accounts Committee, this area of orientation is a little foreign to me. I'm wondering, would it make sense to maybe have some kind of orientation before the actual conference begins? I'm not sure how long orientation really is, but if

you had to be here an hour or two before or half a day before, it might be something that would be welcomed by a lot of newbies like myself.

G. Dubrow (Chair): I think that's a brilliant comment. What are other people's feelings about that? So, an orientation that would be tied to — new members would be invited the day before or whatever.

W. Michelson: Again, I'm unfamiliar with the orientation, so is an hour lots, or is half a day needed?

G. Dubrow (Chair): Generally, we design a two-day orientation, which we tend to pare down to one because, just as the case in Canada, Members of Parliament always have somewhere to go and something to do. So we usually get them for a day, a day and a half max. The orientation looks at best practices, so it's not saying you should do this and you should do that. That's not helpful for anybody. Every jurisdiction has their own political culture.

We're looking at what is the ideal role of a PAC in the Westminster system. We do talk about the issue that we talked about yesterday: the role of the PAC in issuing recommendations, acting on the Auditor General's report, the relationship with the Auditor General, the importance of mutual support — Maureen was talking about the recent issue in which the PAC backed up the Auditor General and called in the government and said, we need documents. That's an example of excellent PAC-Auditor General cooperation. These are the kinds of issues we tend to deal with.

In the developing countries we work in — and I'm not sure or maybe not convinced if it would be appropriate here — but we actually facilitate joint sessions. Again, I'm not sure if that would be appropriate to Canada, but we actually facilitate a half-day joint session between the legislative auditor and the PAC, and it gives them an opportunity to talk to each other, air some concerns or issues, but also to talk about how to effectively cooperate and, "What do I need from you and what do you need from me?"

That's the kind of thing we tend to deal with.

It can be done in a day; it can be squeezed into a half-day, but that's kind of pushing it.

Any other comments or reactions? Yes, Vincent.

Vincent Auclair (Quebec): I do believe that in the real application of it, I like the idea of having it on-line — first of all, all the information on-line, because you never know when a legislature changes with new members in and members out. In the scenario of transferring that information, you have the reality of the permanence of the clerks; the team there is, for me, the best way to transfer the information. From the on-line, I think each legislature could have direct contact with you guys and decide to have a one-day or two-day orientation specifically for the new group coming in, because the legislature changes.

Our members in Quebec can change every two years or so. It's not a permanent four-year mandate like the others.

So I think it would respect the reality of every province and territory on that matter and help to have a consistency for the future, instead of just — because every year meeting, we know in a meeting like this one, the chair or the vice-chair are usually members of a certain experience, so it's not the same reality as new members coming in with different types of perception.

G. Dubrow (Chair): Good point; thank you. Other comments about the orientation? Vincent mentioned the on-line — how do people feel about having an on-line course that you could use; if you're a newly appointed PAC member, you could use it at your leisure. How do people feel about that? Is that something that you see as positive? Is face to face better? Or both?

Face to face and both? So having that on-line option is useful. I would imagine that the on-line option would be more useful if it wasn't sort of a cut-and-dry thing, if there was multimedia being used, maybe hearings of PACs. Somebody mentioned — my friend who bought me the scotch yesterday — that being able to see what other legislatures are doing, maybe having clips of PAC meetings from around Canada, from Australia, from other jurisdictions — would that kind of thing be useful on-line if you had on-line training, or am I getting too far ahead?

Yes, Ralph Sultan.

R. Sultan: I think on-line would produce more consistency. Personal one-to-one briefings will produce a tremendous variation and I think there is a common body of knowledge, thanks to you and others, that has been developed, and I think it should be done on-line.

G. Dubrow (Chair): So, the on-line is there as the base, and then you could supplement that with phased discussions. Harry Van Mulligen.

H. Van Mulligen: I'd like to raise another issue and it's the question of the capacity and functioning of public accounts committees and the role of the Canadian Council of Public Accounts Committees, whether there's any opportunity in listening with interest to your comments about us visiting developing nations. I know in Saskatchewan, we have reciprocal visits with some American jurisdictions, where we visit back and forth and we compare notes and so on. Whether there's any opportunity for CCPAC to organize maybe reciprocal visits between neighbouring or other jurisdictions in Canada as a means of encouraging those PACs to compare notes about relative practices and identifying opportunities to strengthen their own particular public accounts committee.

G. Dubrow (Chair): My only comment, of course, and unfortunately Craig James isn't here, who is the Executive

Director of CCPAC — CCAF always works very close. Obviously we don't want to be seen or be stepping on any toes.

My only reaction is the money would have to come from somewhere. That's the only issue. In general, I know CCAF wouldn't have the budget to pay for that kind of travel, but if the money was available — that would be my only reaction in terms of constraints: financial.

Other comments?

Rick Stapenhurst (World Bank Institute): I have a couple of thoughts on the on-line proposal and what is already in the pipeline. World Bank Institute has been working with the Commonwealth Parliamentary Association to develop a series of courses on a whole array of issues based on earlier CPA work on the need for professional development of MPs.

The first on-line courses will be starting in January 2009. They're rather different from what you're talking about, Geoff, but I think that what you're talking about lends itself very much to the same kind of format. There's an article in the forthcoming *The Parliamentarian* — I'm not sure if it's the September issue or the January issue — that talks about on-line professional development for MPs. So do look out for that and think of this discussion in that context, because I think it will provide you with the kinds of —

There are probably a lot of questions on how does this work and how could it work and what would be done and so on, and I think that article will provide some of that kind of contextual background you need to make those decisions.

G. Dubrow (Chair): Great. Thank you. Just one quick question and then I'll go to Mike Eastman. In terms of this, Rick, you mentioned a particular article in *The Parliamentarian*. My first reaction was, very likely most people — I don't know how to access that — probably don't know how to access that, and that brings us to this issue of an on-line community. How do you feel about having access to, as a PAC member — you would sign up, so it would be something that would be restricted only to PAC members or PAC members and legislative auditors, but the public would not have access? This becomes an on-line community where any articles on effective PACs from anywhere in the world — I think Kerry cranks out one a day,. Right, Kerry? So you can post them all on the site. So best practices studies, the kind of articles Rick's talking about — that would require a fair amount of resources, but it would give you the chance to go in and do your own research, and also be able to ask questions of other members of PACs in Canada and internationally and have a discussion. Do people see that as something that would be useful? Would you use it? You know, we're all signed up on MySpace, Facebook and 20 other spinoffs — we sign up, but then we don't realistically have the time. After awhile, our usage tapers off. The amount of resources that would be required to start something up like that — I'm not seeing people getting too excited in the room about it. That's okay, because we need to decide how to allocate resources, but is that something that's of interest?

Okay, not really, not that much.

I'm hearing some interest.

Unidentified speaker: Okay, I'm deeply and profoundly interested; set it up.

G. Dubrow (Chair): Again, because of limited resources, it's not possible to do everything, and that's why it's interesting to get a sense of where people think something is useful. Nancy?

Nancy Ford (Quebec): I'm just thinking that if you don't limit it to auditors and PAC members, it might be interesting to open it up also to ministries. I'm talking maybe more about Quebec, where we do a lot of performance reporting, but I do know, this summer, you had a meeting with one of our ministries, the deputy minister and his staff, I believe in August, to talk about better practices. They were very much interested. I hope you don't mind, I suggested this to them, to contact you for this meeting, and we also had one of our researchers from PAC meet with these people. It was the Ministry of Immigration.

Just to make sure you're not doing it for a few people who will use it, maybe if you opened it up and give access to these people who are writing performance reports, they might be interested as well, because they're concerned. They're the ones who have to write these reports and have to answer to PACs. I'm just making a suggestion.

G. Dubrow (Chair): Okay, so it's open to a larger community. You could even have a map on there, showing when committees are meeting, when PACs across the country are meeting, when discussions of performance reports are going on. Any other comments on that in terms of the on-line site? How many people would use something like that on a regular basis? A show of hands.

W. Michelson: I think a key word is when you said "at your leisure". [*Inaudible*]

G. Dubrow (Chair): That's very helpful. Josie?

Josie Schofield (British Columbia): I'm just raising we already do have a CCPAC Web site, which does attempt — it's based in the B.C. Office of the Clerk of Committees. We administer it and I try to update it at least once a year. So that would seem to me the obvious vehicle, because we're also linking with equivalent organizations in other parts of the world. We provide links to what's happening down in Australasia and so on.

I hope we're not going to reinvent wheels here, that's all I'm saying.

G. Dubrow (Chair): I think that's a very good point. Craig is a member of the PAC advisory committee, and certainly I think that would be welcome.

I think maybe my last question would be related to this issue of the CCAF or CCPAC issuing a series of attributes of an effective PAC, so if research staff was one of the seven attributes for those jurisdictions that don't have a researcher, it would be something they could go back to their House leaders with, or back to the Premier with, and say, "This is now a nation-wide set of attributes and we're clearly lacking in this area." This is a serious and important issue. It sort of puts the weight of the whole community behind you.

Some of the smaller jurisdictions, in terms of the number of seats you have, that don't have research support, is that something that's of interest? Maureen, perhaps you could address that.

M. MacDonald: As I was saying earlier today, in our situation, having research would be very helpful. It's getting there. It's a lot more difficult than I had imagined, I guess I would say, in getting an allocation to the Public Accounts Committee.

But if, as an organization, we were to put something out maybe next year in this regard, I think members of the PAC from Nova Scotia would certainly be on board and would find that helpful in trying to move this forward.

G. Dubrow (Chair): Any other reactions to that? Norm, I was hoping we would get you.

N. Sterling: I think when you go to the Legislative Assembly or anybody else and say you want more research, you have to have a plan as to how you're going to use that research in a reasonable fashion. Yesterday when I made a presentation about perhaps a weakness in our follow-up, it was that we really didn't quantify or measure the response of the ministries to our recommendations.

We now have a discussion paper among our committee members and, if we decide we want to do greater work in that area and try to measure the responses, we may have the need for more research capability. But I think you can't just go to your Board of Internal Economy and say, "We need a researcher," without having to think what's the different direction your committee will take, if you decide to improve your process or decide to do something a little different.

We issue nine reports a year. If we decided we wanted to issue 20 reports, we would obviously have to have more research capability. So it depends on how your process is going to change from the status quo going forward.

But if you are going to tackle more things, I believe you are going to need better research support. Our MPP budgets just don't have the money in them for us to hire somebody at the level that is required, in terms of research for this kind of matter.

G. Dubrow (Chair): So if we were to list a series of attributes, the next step, from what I'm hearing from what you're saying, is to actually explain and maybe do a little bit of research as to what — again, CCAF or CCPAC joint attribute

4, research staff — great. But once that's done, the question is, what do they do, and having an explanation for that.

N. Sterling: We've been really fortunate, because I have all the members of my committee here, so I hope we'll have a discussion when our session reconvenes in the fall as to whether we want to pick anything out of here. One of the intriguing things that Rob Fleming put up was the Crown corporations in B.C. are, in fact, doing the performance reporting. Well, do we want to consider getting into that area? If we do, then maybe we need somebody to deal with Crown corporations. I have no hope that the ministries will ever do this, so that would be my personal view. Maybe some other members of the committee would think they would.

If we were able to convince the House leader of the government of the day that they would pass a piece of legislation, et cetera, then we would have to get into that research. What I'm saying is, you identify the task and then identify the research needed.

G. Dubrow (Chair): Great. I think there are two comments. If you could just introduce yourself.

Liz Sandals (Ontario): Liz Sandals, Ontario. Another thing occurred to me when we were talking about research. I think B.C. mentioned earlier in the panel that they had done a report on infection control. That's an issue we've been looking at in Ontario. It's a hot topic, it's something the auditor will be reporting on next year, and it struck me that it would be really useful if there was some listing of what reports have been published recently by public accounts committees in other provinces.

I'd love to see what B.C. — first of all, the auditor and then the PAC — had to say about infection control, because that might be useful to us when we're looking at the topic of infection control, which we know we're going to be.

So maybe we don't have an on-line chat room, but at least some facility to list the work that different people are doing so we could not be reinventing the wheel and not reinventing the wheel helps the researcher not having to find out all the stuff if somebody has already done it.

G. Dubrow (Chair): I think that's a brilliant comment. Particularly CCOLA, if I'm not mistaken — Antonine and Jocelyn would know a lot better than I do — but I believe there are for members of CCOLA, so all the legislative auditors across the country, there are internal — what's the proper term — there's an extranet that all legislative auditors can access.

If you had an extranet for PACs, that all members of PACs could access, then the kind of information you're talking about would be readily accessible to yourselves and to your researchers. That's a very good point.

I think one last comment from over here.

Jim Bagnall (Prince Edward Island): I'm Chair of the Public Accounts Committee in P.E.I. We were talking

about research people to work with our committees. One of the things that Prince Edward Island has been lucky enough to do in the last year is participate in a legislative management committee. One of the things we've been able to do through the legislative management committee is hire more research people for our committees.

For a small jurisdiction, we actually hired three new people in the Legislative Assembly to work with research and to help us out. We're finding that, although it's never enough, for the first time we have people there doing some research for us in our Public Accounts Committee and in other committees also.

In any jurisdiction, if you can get some more research people, you'll find an awful difference in being able to function better as a committee and to work forward.

Your comments on new people coming earlier, in the conversation of new people coming on to a public accounts committee and having it on-line, that would be excellent, but I also believe there should be a day session, maybe when we come to one of these committees a day early, to do first-hand.

It's not always first-year members who could take advantage of this day session. I think for anybody who sits on public accounts, a day session just to go through what could take place for us and some feedback, would be great.

I really believe when governments change and new people are put on, you don't get the proper orientation for people coming to a public accounts committee, what you can do and what you can't do. A lot of people come in not knowing what to expect or what they can do or what they're allowed to do on a public accounts committee, when they are elected and moved on to committees. That's why I believe the on-line support there would give them an indication right off the bat of what they're able to do, and to follow that up with a day session maybe before one of our annual meetings would be great. I think it would be positive and a step in the right direction.

G. Dubrow (Chair): Thank you very much. That's very helpful. I think the last comment from Vincent Auclair, and my boss, whom I've unceremoniously not given the microphone until now, would like to make a couple of comments.

V. Auclair: Very quickly, in regard to that last comment made by Jim, even though it could be very interesting to have that type of session pre-session with the people here, honestly, I don't believe that's the way it should go, because the only people you have in a session like this is the chair and usually the vice-chair. What you want is the entire committee to have that information, or you just limit it to the chair and vice-chair. So if we're going to invest in doing it that way, it should be that every legislature is able to do it on its own time and schedule.

G. Dubrow (Chair): You just want to clarify something?

J. Bagnall: Yes. I agree with Vince but I think if your vice-chair and your chair go through this orientation, you can go back to your committees and report back what we found out, what we're allowed to do, and pass that on to the rest of our committee. In P.E.I., we're a two-party committee at the present time, so we would represent both parties on our committee and would be able to deal and pass that information along to our other members on the committee.

Vince, I don't disagree with you, but I still think it would be very beneficial to put that on.

G. Dubrow (Chair): I think your comments have generated a number of very constructive suggestions that are not mutually exclusive and actually reinforce each other. Having a training session at CCPAC, which is a fantastic idea; having the on-line orientation available for members; having the typical CCAF briefings that have been going on in PACs; all those things reinforce each other and they provide members with a series of responsive ideas they can use as they see fit at their own leisure.

Mike Eastman, I think you'll have the closing word on this.

Michael Eastman (CCAF): I'm going to make a couple of statements and hopefully connect them in the end, so just bear with me. First off, CCAF's reach is much bigger than CCPAC and a lot of that is thanks to you, your great partnerships with the CCPAC secretariat, with the World Bank, with Kerry at Australian University. That's just in this room, never mind the connection with the chairs and vice-chairs of PAC. So the reach is much bigger than that.

That being said, I said this morning that the CCAF in theory has three parts: the legislators, represented by public accounts, the civil service and the legislative auditor. That's not necessarily the funding source, but that's the type of directing force, if you wish.

The directing force from a priority point of view has come from the legislative auditors and the comptrollers representing internal audit a lot, because we're interacting with them. The opportunity here, if we can settle on a few priorities, is that you can direct CCAF — you have that right, you have that privilege, maybe you have that obligation, but you have the right to say that next year we want to have the seven attributes; the year after that, we want to have a course on-line. There's no doubt that we don't have the financial capacity to do everything, but maybe Alberta will say that this will be the priority; Quebec for the year afterward, a different priority. Maybe you could have a one-day session every two or three years.

So there are lots of bits and pieces, but we have an opportunity with you to do that. It doesn't have to be decided today. Maybe next year we could have that, but some sort of — you have the right to request/order — but we'll use the word "request" to be nice — CCAF to look into and do something for the following year. It has to be done within a reasonableness and the budget, but that's what you work with every day in your life, so this is not an issue.

We have an opportunity here, and I'm not saying which priorities should be what. That is up to you and this is what Geoff is working on. But at some point, whether today or in the future, we could come with that.

The way this has worked best in the past, we have 14 jurisdictions here; trying to get a priority answer today is probably not possible, but we could send out a note and then you could put your votes or suggestions in quietly, then we could come back with the top two, et cetera.

So you have six or seven ideas right now; we could send a note out to all of you; we then take the top two and then we go back and have a discussion that way. We actually do work for you, as well. Thank you.

G. Dubrow (Chair): Well, thank you very much for your feedback. It's greatly appreciated. Again, all suggestions and comments come from what we've learned from visiting your jurisdictions and from the feedback you've given, and that has always been greatly appreciated. It has provided us with the opportunity to share best practices or good practices from one jurisdiction to the other.

So, thank you for your comments. I know, that at the next round of strategic planning CCAF is doing on this issue, this will be taken into serious consideration.

Just looking at the time, my colleague, Lee McCormack, wanted to speak for two minutes about a project he's working on that involves members of public accounts committees, and then Floyd, I think you had a brief statement you wanted to read. So I'll just sign off at this point, and say thank you very much.

Lee McCormack (CCAF): Two minutes will do it, and I thank you very much, Geoff. CCAF is beginning some new research in the area of risk innovation and control. That sounds pretty technical, but what it's about is looking at public sector organizations, federal and provincial, and asking ourselves what we can do to strip away unnecessary admin rules, red tape, to make the public service more efficient and effective, more productive.

There are a whole series of issues here, particularly at the federal level, maybe not so much at the provincial level. At the federal level, public servants feel that they're tied up in knots, and they feel it particularly in the area of innovation, trying to do something better to make your organization more productive — they're at risk.

Research shows that seven out of 10 innovative projects won't give you the results you expect to get. They'll fail in the sense that you won't be able to replicate the ideas you come up with. When those innovative projects — which, by definition, are going to fail in a lot of cases — come in front of auditors or public accounts committees, public servants tell us that they don't have the courage or the trust to really take innovation in the workplace and make it work.

So the question that I would like to pose to public accounts committees and members of them is this: Is there a way that PACs can promote and can support innovation in a public ser-

vice context? I don't know what the answer to that is, but it's something that's key to the research. It's one element of the broader research program and I'd like to follow up with some of you on that issue over the next year.

On the 28th of November, we're going to have a symposium of senior officials in Ottawa — legislators, managers, auditors — to hash through these issues. In December, I'll be coming out with a document from the CCAF on management principles and guidance in this area. I would like to get some advice from public accounts committee members on those principles.

Over the course of the year, I will be visiting many of your capitals. I would just like to give you a heads-up that you may get a call from me, some of you, in advance of those visits, and I would much appreciate your advice on what is a pretty critical issue for managers in government.

That's it; thanks for the time and I hope to see some of you in the coming year.

Floyd McCormick (Yukon): I'm standing in for Craig James, who can't be here, which is a bit of a disappointment to me for a couple of reasons — first of all, because I know Craig and I like him, but the other thing you may not be aware of, Steve Nordick, our vice-chair, indicated the other day that this is the second time that Yukon has hosted this conference, and the last time was in 1985. If Craig had been here, he would have been the only person to have been here in 1985 and 2008. Unfortunately, the streak was broken.

In his capacity as Executive Director of CCPAC, he sent off this e-mail for me to read. I think it has some relevance to the discussion we were having before about public accounts committees and an on-line presence and things like that. I'll just read it and shut up, if I can do both of those things at the same time.

Craig says, "Over the past year, British Columbia has focused its attention on improving communication between clerks and researchers to the various public accounts committees and their derivatives across Canada. Today, a listserv — e-mail distribution list — is operational to facilitate what I hope will become a more efficient and effective method of communicating between us. This includes issues you and your committee may experience in relation to procedural, administrative and technical matters.

"I will be monitoring the success of this new CCPAC e-mail distribution list over the next year and would be delighted to receive your comments, suggestions and observations as well. If the CCPAC e-mail distribution list becomes the success I envision, the next steps would be to open it to our colleagues in Australia and the United Kingdom.

"By typing CCPAC@leg.bc.ca, you will be connected to your counterparts across the country without having to remember their specific e-mail addresses."

The only thing I would add to that is that the clerks at the table across Canada have had one of these listservs in operation for about a decade now, and it's extremely useful for us in terms of getting feedback from other jurisdictions across Can-

ada and also including the United Kingdom, Australia and New Zealand in terms of how different jurisdictions deal with similar issues.

A lot of these discussions also get archived on the clerks' Web site, and I think probably the CCPAC Web site could be used in a very similar fashion for this.

What Craig is talking about here is based on a model that's already working for the clerks at the table and has proven very useful to us, and I think it'll prove just as useful for public accounts committees across Canada.

That's all I have to say on that matter, so I will pass the microphone on to Hugh MacDonald, who's the Chair of the PAC in Alberta, who will issue an invitation for next year.

Hugh MacDonald (Alberta): Thank you. Good morning. Bonjour. On behalf of the Alberta delegation — Mr. Doug Griffiths, Fred Dunn, Corinne Dacyshyn, Philip Massolin and everyone else — I would like to first formally thank the Yukon for your gracious hospitality. We certainly saw a part of the country that we don't get to visit as often as perhaps we should. It's beautiful; it's wide open; and there are so few people here.

I would also like to issue a sincere invitation to each and every one of you to visit our province, Edmonton the capital, next fall, September 13 through 15. We are going to have some interesting business sessions and we're also going to have some fun.

In conclusion, I would remind you of what Ian Tyson has to say about Alberta, "And the weather is good there in the fall."

Thank you.

F. McCormick: Thank you, Hugh, and anybody who was in the hospitality suite the last couple of nights would probably be very familiar with that song. To offer some concluding remarks, I would now pass the microphone on to Steve Nordick, who is the Vice-Chair of the Yukon Public Accounts Committee.

Steve Nordick (Yukon): First off, I'd like to thank everyone who participated, all the presenters today. Special thanks to the Auditor General staff and the staff of the Yukon Legislative Assembly. I heard the comment about a "few people" but I'd like to remind everybody, sometimes quantity isn't the relevant term; it's the quality of people.

I'd like to thank everybody who took time out to visit other places in the Yukon and will be in the next couple of days. I invite everybody to come back to the Yukon. Enjoy yourselves. We've a lot of great places. My home town, Dawson City in the Klondike — just to give you a little bit of history, since I have the microphone — was the largest city north of San Francisco and east of Winnipeg during the gold rush. It was the capital city of the territory up until the last 20 or 30 years, when the capital was moved to Whitehorse.

So there's a lot of recent history, living history, great museums in the territory, lots of wildlife. I think we have about

5,500 kilometres of all-year access roads that we maintain for about 33,000 people.

Once again, thanks everybody. I remind everybody that we have a photograph at the law building across the street. If anybody would like a tour of our Legislative Assembly, you can meet Floyd at the registration desk at 2:00 today. If I had a gavel, I'd bang it on the desk to say we're done, but we're not quite that formal, so I now declare the conference adjourned.

The conference adjourned at noon.