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Standing Committee
on
Public Accounts

Canadian Comprehensive Auditing Foundation

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Standing Committee on Public Accounts

Participants

Canadian Comprehensive Auditing Foundation

Geoff Dubrow, Principal Associate

Paul Lohnes, President and Chief Executive Officer

1:04 p.m. Thursday, September 12, 2013

[Mr. Anderson in the chair]

The Chair: Good afternoon, everybody. I'd like to call this meeting of the Standing Committee on Public Accounts to order. I'm Rob Anderson. I'm your chair and the Airdrie MLA as well. I would like to welcome everyone in attendance, both here and the folks that we have attending via teleconference.

We're going to go around the table to introduce ourselves, starting on my right with the deputy chair, and then after everyone has gone, I will ask the folks on the telephone to announce themselves. Go ahead.

Mr. Dorward: My name is David Dorward. I'm the deputy chair and MLA for Edmonton-Gold Bar.

Mr. Goudreau: Hector Goudreau, MLA, Dunvegan-Central Peace-Notley.

Mr. Anglin: Joe Anglin, MLA, Rimbey-Rocky Mountain House-Sundre.

Mrs. Sarich: Good afternoon. Janice Sarich, MLA, Edmonton-Decore.

Ms Pastoor: Good afternoon. Bridget Pastoor, Lethbridge-East.

Dr. Massolin: Good afternoon. Philip Massolin, manager of research services.

Mr. Tyrell: Good afternoon. Chris Tyrell, committee clerk.

The Chair: On the phone who do we have?

Mr. Hehr: Kent Hehr, MLA, Calgary-Buffalo.

The Chair: Anybody else on the phone?

Mr. Donovan: Ian Donovan, Little Bow.

The Chair: Okay. Welcome to all of you on teleconference as well.

I'd also like to welcome Geoff Dubrow and Paul Lohnes from the CCAF and thank them, obviously, for the workshop that they provided us earlier today. I'd also like to thank them for staying with us this afternoon as we discuss some of the things that we learned today and discuss how committee members feel we should be moving forward as a committee on some of the best practices from around the country.

I'd also like to welcome some special guests from Vietnam, actually, that are here with us today. You'll have to excuse me on my pronunciations. I'm going to try my best. We have Huong Nguyen and Anh Nguyen as well from the office of the Auditor General of Vietnam. We're grateful to have them here and welcome them.

Before we begin, the microphones are operated by, obviously, the *Hansard* staff. They are on. Audio of committee proceedings is streamed live on the Internet and recorded by *Alberta Hansard*. Audio access and meeting transcripts are obtained via the Leg. Assembly website. If everyone could make sure to speak directly into the microphone and not lean back in your chair while you're speaking so that the *Hansard* folks can hear what's being said, that would be great. Please do your best to keep your cellphones away from the microphones and keep them on vibrate or silent if you can.

We also have another member that has just sat down. If you could introduce yourself.

Mr. Jeneroux: I'm Matt Jeneroux, MLA, Edmonton-South West.

The Chair: Okay. Thank you, Matt.

All right. We'll start with approval of the agenda, which has been circulated. Do we have a member to move the agenda? It's moved by Mr. Goudreau that the agenda for the September 12, 2013, Standing Committee on Public Accounts meeting be approved as distributed. Those in favour? Any opposed? Carried. If there are folks on the telephone who want to oppose, just speak up and say, "Opposed," and then we'll make sure to recognize it.

Now we move on to the minutes of the last meeting, which was on June 5, which were also distributed, circulated earlier by e-mail. Can we have a mover to approve those minutes? Mr. Anglin moves that the minutes for the June 5, 2013 – sorry. Mr. Dorward?

Mr. Dorward: No, no. That's fine. I just have a comment after the motion.

The Chair: Okay. I'll put the motion in there. Moved by Mr. Anglin that the minutes for the June 5, 2013, Standing Committee on Public Accounts meeting be approved as distributed.

Mr. Dorward, you had some comments.

Mr. Dorward: MLA Quadri was not in those minutes, I believe, and he said that he was at the meeting, so he should be added.

The Chair: Okay. Can I resay it, then, with a friendly amendment? Moved that the minutes for the June 5, 2013, Standing Committee on Public Accounts meeting be approved as distributed with the amendment that Mr. Quadri's attendance be added. Any further discussion on that? Those in favour? Any opposed? Carried.

1:10

All right. Next on the agenda is setting the committee meeting schedule for the fall. According to the sessional calendar the House is scheduled to restart on Monday, October 28, making the first potential meeting of the PAC during session on Wednesday, October 30. This will give us the potential for five Public Accounts meetings during the fall sitting of the Legislature: October 30, November 6 – then there is a constituency week – then November 20, November 27, and December 4.

We talked as an informal working group very briefly about this over lunch, and we had the Auditor General, who couldn't be here today, provide some recommendations on whom we might want to bring forward. He recommended, from the July Auditor General's report, that we bring Alberta Aboriginal Relations, Treasury Board and Finance, and he gave a couple of options on Alberta Enterprise and Advanced Education in conjunction with either Medicine Hat College or to discuss Campus Alberta with Enterprise and Advanced Education. David and myself as well as the group discussed that we would prefer the latter, that we discuss the Campus Alberta piece. So there was that and then in the fourth week Alberta Health and AHS.

What we are proposing that we do is to have the first meeting with Aboriginal Relations, on October 30, on November 6 to have Treasury Board and Finance in, on November 20 Enterprise and Advanced Education in conjunction with Campus Alberta, on November 27 Alberta Health and AHS, and then that we leave December 4 open until we have the fall Auditor General's report to look at.

Before I make a motion, I just wanted to put that out there, maybe have a discussion on that if there are any questions or comments. Mr. Anglin.

Mr. Anglin: Yeah. Thank you, Mr. Chairman. I just have one question. Did the working group consider Alberta Energy, in particular the new single Energy Regulator, which will be taking responsibility for all the previous expenditures and programs for financing that? By the time we get into November, they should have all their regulations in place and the structure in place. I'm just curious, if we wanted to bring them here with all the recommendations of the previous audits, how they were going to be integrated into this new system and resolved. I think it opens up a lot of questions for me, and I don't know if the working group considered that.

The Chair: Certainly, we can take it under advisement.

Mr. Dorward: Which audit reports are you referring to?

Mr. Anglin: You can go back anywhere. We've got recommendations in every audit that's ever been done. I mean, I wasn't prepared to start quoting certain provisions, but as we look at every audit, there are always recommendations. The recommendations that would apply to Alberta Energy – I think we had them in front of our SRD committee. There are always outstanding questions, so now these outstanding questions come in to the single Energy Regulator. How is the single Energy Regulator going to be dealing with a lot of the remaining outstanding questions? That's where I was coming from.

The Chair: Mr. Anglin, you know, I think that's as good a topic as any, but we've obviously made a motion at the beginning of session that we would try to stick as much as possible to specific Auditor General's recommendations. So if there's a specific recommendation in a previous report that you would like to focus on, why don't you bring that forward, and we can discuss that? But they're fair points.

Any other questions on the meeting schedule?

All right. I'm going to ask for a mover that

the following groups be called before the Standing Committee on Public Accounts in the order listed subject to scheduling availability: Alberta Aboriginal Relations, Alberta Treasury Board and Finance, Alberta Enterprise and Advanced Education in conjunction with Medicine Hat College to speak about Campus Alberta, and Alberta Health and AHS and that any necessary scheduling changes to this list be made at the discretion of the informal working group.

Do we have a mover for that motion? Mrs. Sarich. Any discussion? Those in favour? Any opposed? Carried. Thank you very much.

We'll now move on. Go ahead, Phil.

Dr. Massolin: Thank you, Mr. Chair. I know it's not on the agenda, but every sort of new sitting I ask the same questions. First of all, does the committee want us to continue with our weekly reports? Second of all, are there any specific research requests that you would have for us pertaining to this particular schedule that the committee has just passed?

The Chair: You know, that's a great discussion. I would think that everybody wants you to continue doing what you're doing for us with regard to preparing those briefings. I think they're outstanding. I think everybody has that feeling.

With regard to specific research I'll open it up to comments. Maybe we could go around the table, and if anybody has any ideas

now, they could communicate them. But if there are other things that you would like them to research, just send them to myself, the chair, and I'll make sure that at the next meeting we'll get that on the agenda so we can put a motion forward to research in that regard. Any comments now on research projects? Ms Pastoor and then Mrs. Sarich.

Ms Pastoor: Yes, if I can find my notes. Thanks, Mr. Chair. Based on some of the discussions that we had this morning, I was going to make a motion. But I think I would like to just make a direct request of the research staff, if they could give the committee a history of the difference between the nomenclature of meetings versus hearings, certainly our own history of this particular committee, and what other jurisdictions do.

Some of my thinking behind that is that I believe that each name connotes a different behaviour and certainly expectations and that what we've spoken about would probably fit in better by using the word "hearing." Some of the discussion that I had prior to this with Mrs. Sarich is that these were basically how they've used them in other jurisdictions. One of the objections or concerns expressed would have been that if it's a hearing, then people have to be sworn in, and so I would like research to look and see or verify that, in fact, you can have a hearing without people being sworn in. So it's a suggestion, and I'd like research to just do that research without having brought a motion to the table.

The Chair: Okay. That's one. Any thoughts on that research request?

Mr. Dorward: Maybe we could also add: if anybody else is calling it anything other than a committee. I mean, maybe the answer to that's apparent right here, but they're all called committees.

The Chair: Mr. Dubrow, did you want to comment on that?

Mr. Dubrow: Well, Mr. Chairman, there are 14 PAs, Public Accounts Committees, in Canada. Eleven of them are called Public Accounts Committees. The Quebec PAC is called the public administration commission. Then the PACs in the Northwest Territories and Nunavut have different names to reflect a wider mandate because – you know, very small Legislatures – they also look at the public accounts and financial statements and sometimes government operations, so their names are different.

Mr. Dorward: I didn't mean to try to push this conversation anywhere else. I think it's great research, good research to get back.

Ms Pastoor: If I might, Mr. Chair, for the ones that do have hearings – and I realize that their constitution and the way they run their Legislature is different in the Northwest Territories – do people have to be sworn in before they can go to that hearing, or is it really just a hearing?

Mr. Dubrow: I wouldn't be able to comment on that at this point, Mr. Chair.

The Chair: Okay. Well, let's get some research on that. Obviously, you know, that seems to be a narrow enough subject matter that it shouldn't take too long to get that information. Okay. Do we need a motion to instruct the researchers? It's fine? A consensus. Okay.

Mrs. Sarich.

1:20

Mrs. Sarich: Yes. Thank you very much, Mr. Chair. I was very interested in learning earlier this morning that in Alberta we have a certain percentage of audits that are done by our Auditor General. I was wondering. There must be a little bit of history

there tied to legislation and the mandate for the Auditor General. For example, if the Public Accounts Committee was leaning in the direction to have more value-for-money audits and less of the other style of audits that the Auditor General is doing, first of all, we have to appreciate through receiving information: what is the current situation, and what would be the implication if we were to ask for something? Like, what would the steps be? Historically and also to get a greater appreciation – the Auditor General sets the audit plan. I think it would give us a better opportunity to understand more about our Auditor General.

If there was some other linkage to legislation, then the Public Accounts Committee would have an awareness of that, of any implication for making any kind of changes or not, but to receive some research, basic research, in this particular area – what I learned when I went to the conference in Regina is that, certainly, different jurisdictions have a different percentage than we have here in Alberta of system audits versus value-for-money audits. So maybe as we move forward and we're creating the plan for stakeholders to come to the Public Accounts Committee, if we wanted more emphasis in an area, we need to understand how to change that.

The Chair: Okay. Perhaps some research being discussed is, you know, some of the differences between the Legislatures, and I know Mr. Dubrow has probably got a lot of that information ready to go. If we did want to make a change, what would be involved in that? If we wanted to change – you know, instead of 25 per cent system audits, 75 per cent reporting audits – how would we go about changing that if we could?

Dr. Massolin: Can I just speak to that, Mr. Chair? I just would like to say that, yeah, we definitely can do the cross-jurisdictional piece, what happens in other jurisdictions with respect to the Auditors General there and how much time is allocated to each of those two components, but I wouldn't want to presume on our Auditor General. I mean, certainly we can gather information about the Auditor General Act in here. But I think maybe the committee might want to just sort of consult directly with him and his office, and then maybe he and his office could provide some of that information about what his office does and how it goes about making those decisions and the budgetary issues that are involved there and present it. We can certainly work with his office – we do anyway – and communicate that. Like I say, you might want to hear directly from him in terms of a written response and then follow-up questions afterwards.

The Chair: Sure. I would agree with that. I mean, this is preliminary research only, so I don't think we're necessarily going to do anything in that regard or know if we can do anything in that regard. We just need some basic research: if we did want to change it, what would that involve? You just pointed out that that would involve the Auditor General, getting his views on it, but it might also involve some legislative changes. Who knows? If it does, then maybe there's nothing we can do in that regard, but we don't know now.

Okay. Any other comments on that piece?
Are there any other research suggestions?

Mr. Dorward: Yes. Thank you, Chair. Coming out of this morning's discussion – I'm sure we'll have a summary of that here shortly – there are the words “action plans.” That is a situation where an individual department or agency or educational institution, whatever it might be, receives a recommendation in an Auditor's report, and at some point in time they send back to the Auditor General what might be termed an action plan. So if the researchers could do – it might be one page – a response to us and let us

know: in Alberta, in the context of that, is there a definitive time when that comes back? Is it an official letter that goes back to the Auditor General? Just give us some context and then whether or not this committee has the ability to be able to ask for that action plan to come to this committee as well. Just do a bit of a framework for this committee on the background of that.

The Chair: Mrs. Sarich.

Mrs. Sarich: Thank you, Mr. Chair. I would add to what Mr. Dorward has just presented. Without any of the details about any of the action plans that the Auditor General receives from departments, as an example, and with an abundance of respect for that working relationship between the Auditor General and government departments, I'm wondering, just to understand, if the information received comes in a matrix, what the categories would be and how well it would be working for the Auditor General and if there should be some standardization consideration.

What I'm getting at is that if as a committee we could help out in some regard so that the information being supplied back to the Auditor General is to the level of his satisfaction based on the categories that may be in a matrix – I don't know how that is compiled – at least we'd have an understanding of that level of information that comes back to our Auditor General. I'm confident that with the help of research and that dialogue between the Auditor General and research that could be something easily put together unless I'm mistaken.

The Chair: I think this is all very good information and very relevant, so I agree with Mr. Dorward that that would be a very good piece to research as well.

Any other suggestions?

Okay. With that, we're going to move on to our next piece here, which is a discussion of the CCAF presentation that we had this morning and some of the thoughts and practices that they put before this committee that are used elsewhere for the purpose of improving this committee and improving its effectiveness in protecting taxpayer dollars and making sure that the recommendations of the Auditor General are being implemented in a timely and effective manner.

I'm going to break the discussion in two. We have about an hour and a half left, so hopefully we can spend 20, 25 minutes tops on each of these unless we want to spend less, which is fine as well. The three discussion points I'll just take from the three main areas that we discussed this morning. Action plans would be the first one, the second one would be follow-up hearings, and the third would be committee reports and recommendations.

We welcome Ms Fenske on the phone. She, of course, was taking part this morning as well in that CCAF presentation. Welcome, Ms Fenske.

Ms Fenske: Thank you very much.

The Chair: So those would be the three areas. We'll start with action plans. What I would suggest is that if Mr. Dubrow could give a short, concise, no more than a minute description of what it is – we've heard most of this, but we want to give some context to people who maybe weren't here this morning – then we'll just open the floor for discussion on what members think and what they'd like to see as we move forward in these three areas.

Mr. Jeneroux: Mr. Chair, do you mind repeating that third point?

The Chair: The third one was committee reports, PAC reports, and recommendations.

Mr. Goudreau: I think there was another area that we spent a fair amount of time on, and that was on tracking responses. It may be a fourth one.

The Chair: Okay. I was kind of thinking that that was under follow-up hearings. Why don't we make the second category follow-up hearings and tracking responses?

Mr. Goudreau: Okay.

The Chair: Okay. We can talk about both. Good point.
All right. Go ahead, Mr. Dubrow.

Mr. Dubrow: Thank you very much, Mr. Chairman. I thought I was always concise – just kidding – but not concise enough.

Just to answer your question, Mr. Chairman, in terms of the action plans, the action plans are documents generally provided by departments, agencies, and Crowns after they've been audited, which generally are designed to provide the Public Accounts Committee with an update on the progress that's been made in implementing the Auditor General's recommendations since the time of the tabling of the audit.

1:30

The Chair: Okay. Thank you very much.

All right. We'll open it up to the floor for discussion on action plans. Maybe I'll start it out. I think that this would be a very doable and positive step for our committee. I think a lot of it kind of came out, you know, in our discussion today. I think a lot of it is kind of already being done, it sounds like; it's just a matter of making it accessible to the committee. When I say that, I don't think anybody thinks that we should be privy to communications and e-mails and phone calls and clarifications between the AG and the departments in question. I just don't think that would be helpful at all.

You know, when recommendations come out from an Auditor General's report, to be able as a committee to request that the auditees provide a short, concise action plan as per the one we saw earlier today, where essentially it says: "This was the recommendation. This was our response. These are the milestones. This is when we think we'll be done by" – making that request and then having all of those folks give that so that we have that information in front of us when we decide who we want to have come before our committee and then having that information in front of us while we question that auditee I just think would make our time used here much more efficient and useful. Those are my thoughts on that.

Mrs. Sarich.

Mrs. Sarich: Thank you, Mr. Chair. On the agenda item previous to this one I asked for a piece of research on this very topic because I think it's really important to hear from our Auditor General, not only to receive some background research information but also, in conversation with the Auditor General, to really understand the working relationship and how information is received, how it is categorized, how extensive it is, even the frequency. In the absence of that, I appreciated hearing the information not only at today's workshop but as well at the conference that I had an opportunity to attend on behalf of the deputy chair. You were there, of course, Mr. Chair, and other representatives from our committee.

I think we need some time to first take a look at this information that's going to be prepared by research, have the conversation with the Auditor General around this particular piece, and really explore it so that we are in fact going to design something that

would be of tremendous value for our committee. So I would be making that suggestion around the action plan: wait a little bit until we get the information, and have the conversation if that's clear.

The Chair: Thank you very much, Mrs. Sarich. I totally agree with you.

Just so the committee members know, the purpose of this discussion is really a forum, you know, to share your feelings about what we learned and ask questions about what we learned today. Certainly, the intent was not to make motions that will be implemented today. I would expect that this will take a couple of months for us to hash out and get the information we need to make proper decisions. I thank you for that, Mrs. Sarich.

Any other feelings, suggestions on implementing action plans as part of our committee?

Mr. Goudreau: I guess, Mr. Chair, that when I look at the number of ministries and all the entities in the SUCH sector, for instance, we could be reviewing a ton of action plans. My question goes back to Mrs. Sarich's comments as to whether maybe our work should be closer to the AG. He may recommend to us certain ministries that we would request action plans from, where maybe he is having a little bit more difficulty, to get information that would reinforce his work and strengthen ours yet minimizing the number of plans that need to be gone through. Not to diminish the value of action plans, but I can just see ourselves spending hours just reviewing them and debating what we're going to do with them rather than maybe focusing on a few that really need the attention.

The Chair: Thank you.

Mr. Lohnes and Mr. Dubrow, could you address that? That is a very relevant piece there. These action plans: how detailed are they? You know, let's say, for example, that we get – I don't know – 10 or 20 recommendations in an AG's report. How much time and effort would go into these things? How extensive are they? Would it mean hours of extra work, or is it kind of just, you know, a two- or three-page spreadsheet on all of it? Like, what are we looking at in that regard?

Mr. Dubrow: Well, I guess the first thing, Mr. Chairman, is that, just going back to the discussion we had this morning, I think the committee would probably want to ask itself whether it wished to request action plans for the financial statement audits because that's really the bulk of the work of the office and where every ministry, agency, and probably every Crown is being audited every year. That would be a lot of work.

Generally, as Mrs. Sarich mentioned, most other jurisdictions focus less on the financial statement audit. In fact, all other jurisdictions focus less on the financial statement audit and more on the value-for-money audits. It's generally on the value-for-money audits side, or as you call them here in Alberta the systems audits, that departments, agencies, and Crowns prepare action plans. In the case of the Alberta circumstance the practice would most likely be to prepare action plans on the chapters of the Auditor General's report that are systems audits, not on the individual financial statement audits. That would produce absolutely a mound of paperwork – there's no question about it – and the value might be fairly limited.

The Chair: All right. Your suggestion is, if we did go down this road, to keep it only to value-for-money recommendations, not the other ones.

Mr. Dubrow: I think that would probably be the most efficient practice, Mr. Chair.

The Chair: All right.

Mr. Lohnes: Keep in mind that the Auditor General, as we understand it, gets action plans for all types of audits, so they are available. I agree that you might want to focus on the systems audits, but they are there for everything and already in the system.

The Chair: Okay.

Mr. Anglin: Quite possibly Mr. Goudreau could answer my question. If each ministry develops its action plan once it sees the audit come forward and if we were to set some guidelines on what we want to see, I'm not sure how that would correlate, but that might give us some better consistency. What I am concerned about is that, like everyone else, I don't want frivolous information. I don't want to make work for anyone. But by getting this data, I think it's easy to go through quite a bit to find out what's important and what's not quite rapidly. You know, there's a balance here. I'd rather take a little bit more than not enough, so I would sort of caution on the side of setting some sort of standard and asking each ministry to submit its action plan. I think that's what we're doing here.

You know, as good as the Auditor General is, sometimes the world changes and something pops up that is quite relevant, and we may pick it out as a committee. Where I sit right now on this issue is that a little bit more is probably better. I'm not looking to inundate anyone with paperwork, but certainly if the ministries are establishing their own action plans, that is something that we can sort of help standardize for our committee.

The Chair: Well, going back to what Mrs. Sarich said, too, I'm in agreement. I mean, we have to involve the Auditor General in deciding. You know, if we are going to put some kind of template together, then the Auditor General should have, obviously, a huge hand in what would be on there because he's already getting that information.

Very good points, everyone.

Other comments? We still have quite a few minutes left on this topic if you'd like to be heard on it.

All right. Any last comments from our guests on this issue that you'd like us to kind of take home and think about?

1:40

Mr. Dubrow: Not on this, Mr. Chairman.

The Chair: All right. Well, we'll move on, then.

Let's go to the next piece, which is follow-up hearings and tracking responses. Mr. Dubrow, if you could maybe do a quick summary of those concepts, and then we'll open the floor to see if it's something that we would like to see done here.

Mr. Dubrow: Thank you very much, Mr. Chairman. On the issue of follow-up hearings, generally Public Accounts Committee follow-up hearings are based on a report of the Auditor General. For example, if it conducted a particular audit three years ago, we'll come back and do a follow-up audit three years later. That follow-up audit is provided to the committee, and the committee can hold a hearing on the follow-up audit. The real purpose of a hearing on the follow-up audit is to look at the extent to which the department has implemented the recommendations of the Auditor General from three years ago. Obviously, if they haven't implemented the recommendations, there's a real role for the Public Accounts Committee to play to find out why it hasn't been

implemented and to seek a commitment from the auditee as to when the recommendations will be implemented.

The Chair: Okay. As discussed, on this one I do believe that there would be a pretty simple solution. I have talked to the Auditor General about this, and we will absolutely have him come in and speak his own words to it. It would make sense, to me anyway, to have one or two meetings a year, probably in the off-season, so to speak, between sessions, where we get together as a committee and, probably as the informal working group, ask the Auditor General, ask committee members: are there any particular outstanding recommendations that you want to follow up on or that you think would be a good idea? I know the AG would have a couple, and then committee members might. I think the purpose of that would be to, you know, just get the ones – as Mr. Goudreau has pointed out previously, most departments, when they get a recommendation from the Auditor General, work to immediately implement it, as quickly as possible. We don't want to be bugging people who are doing their job and already getting it done. We want to focus on the ones, a small minority, that are dragging their feet.

I think it would be great to have just one or two meetings a year, depending maybe on advice from the committee and the Auditor General, having that mechanism where committee members and the AG can kind of push us in the direction of a follow-up hearing on those who really need the follow-up. I think that would be a very easy and harmless recommendation to put in. I think it would make us more effective.

Any others? Mr. Dorward.

Mr. Dorward: Yeah. Would it be possible to incorporate that into what we do already, which is have the AG at our informal meeting and at our meeting and ask him to incorporate it into the report that he already does for us in preparation for those meetings, have a one-pager that is more in front of our faces relative to that every week if he needed to or every second week or something, maybe table it at our meeting here at the start of the meeting? Really, I think what we're looking for is to have him accentuate the ones that are older. He has access to that. It's in the report, but it pops up in the report irregularly, and we want to have it more factually so that then we could pause either in our informal meeting or in our regular meeting on Wednesdays and then possibly just say: three weeks from now we're going to bring in four or five of these individuals or one or two or whatever groups haven't responded very quickly to his recommendations and have a meeting just on that. It'll be in front of our faces. In that way, we haven't added an extra component or extra meetings to what we're doing, but it's more in front of our faces on a regular basis with what we do already.

The Chair: So do that, but have it more during our regular session meetings as opposed to a stand-alone meeting.

Mr. Dorward: Just an idea.

The Chair: Okay. It's a good idea. If there is time to do it there, I think that that could work totally as well.

Mr. Jeneroux: Regardless of the process, whether it's during or after, I'm not opposed to more meetings if this is what we decide to do, but I think it's crucial that we do something as this is the mandate of the committee. The Public Accounts Committee does hold this to account. For us to be able to have these follow-up hearings, I would say that we defer to the advice of the Auditor

General on the actual process of what he suggests works. In terms of us actually doing this, I think it's imperative that we do this.

The Chair: Thanks.

Mrs. Sarich: I, too, would agree with the direction that we're leaning in. On how it's configured, I think Mr. Jeneroux is quite correct. There have to be ways and means to expedite this information so that we're not being repetitive. People's time and resources sometimes are very thin, so we would be looking for the best route to maximize what we're trying to get at here.

Are you going to be moving into the – you said follow-up hearings and tracking responses. What about the tracking piece? Is this part of that conversation?

The Chair: It's part of it. Go right ahead.

Mrs. Sarich: Thank you. I was just wondering. When we ask the department, as an example, to follow up in writing with their answers to the questions that are being asked by members of the committee, yes, they're assembled for us, but what exactly are we doing with that information?

The Chair: Obviously, it's distributed to committee members, but do we post it on the website? What do we do, Chris, when we get responses from the department?

Mr. Tyrell: All we do is post it to the internal committee website for members, staff.

Mrs. Sarich: Yes, it is posted, but I'm asking the committee. We get this information. What is it that we want to do with this information? Is somebody doing another level of analysis? For example, have they answered the question to the satisfaction of the Public Accounts Committee?

The Chair: Good point.

Mr. Goudreau: Just as a follow-up, certainly the one group that we had in we specifically asked certain questions, and I was totally disappointed with the response. They did respond, and there is really no formal ability to go back to them. I suppose it's my responsibility then to bring them back to this particular committee and indicate that, and I intend on doing that, most likely at our next meeting. But, you know, if you're not happy with the response, then what?

The Chair: Yeah. Good question.
Mr. Dorward, then Mr. Anglin.

Mr. Dorward: Yeah. Thank you for raising this issue. I mean, one thing we could do is at the start of our meeting have our clerk bring to our minds the fact that during the intervening period since the last meeting there was a report received and that it is there and have some dialogue regarding that – here is the question that was asked; here is the response that they gave in the meeting; here is the response that they gave in writing – and bring that back to our mindset and then say: do we want to go further from there?

Mr. Anglin: Actually, I'm glad it's been brought up, because it is something that is frustrating when you anticipate the response and you get the response and you just shake your head: "It's not the answer. It's not even close." It's frustrating. We don't have a follow-up to it. We don't have to decide today, but I think we do need something as a follow-up to address those types of issues.

The Chair: Mrs. Sarich.

Mrs. Sarich: Yes. I'm wondering if our guests that helped us with the workshop on specific matters this morning have anything to add that would be helpful. I'm wondering if this maybe should be taken into consideration, maybe back to the working group. Certainly, I see that this maybe could be presented in a matrix style. The written response is in a lot of cases words on a piece of paper that would have been added to the *Hansard* had we had more time, so we need to also explore how that information comes into the public record. Maybe it is structured into our agenda. I don't know. Maybe there are some historical practices across other jurisdictions that could be helpful. But it is a problem. We've asked for this information, and we have yet to incorporate it in a meaningful way for ourselves as a committee, so we need some help here.

1:50

The Chair: So, to clarify, Mrs. Sarich, you would like to see some kind of ability to put these responses into the record, to make them public, essentially, because they're answers to questions. That's one piece. I agree with you, by the way.

Then the second one. I'm just wondering, as an idea, whether it would make sense. You know, that's why I think that on these follow-up hearings we have to look at the advice the AG brings forward, for sure, regarding whom we should bring forward, but I still want to leave it a little bit open as well to committee members. For example, say there was a question read into the record and you get a written response, or a question is given and an answer is given in response and it's just inaccurate, as was the case that you were explaining, Mr. Goudreau. Shouldn't we then as a committee be able to – we need a tool whereby we can bring that person back, not for two hours but for a little bit of time, just to say: "Okay. What happened here?" Maybe we could incorporate this type of tracking of responses into those follow-up meetings if a committee member brings it up.

Mrs. Sarich: Possibly.

The Chair: Mr. Dubrow.

Mr. Dubrow: Thank you very much, Mr. Chair. I guess a couple of comments. First of all, when it comes to the tracking of government responses, what the document that's on the screen behind the chair is referring to is the tracking of responses to committee recommendations, so the nature of what we're talking about, I think, is a little bit different but still a very valid topic. At present this committee is not issuing recommendations, if I'm not mistaken, and therefore there are no responses to track, hence why I sort of skipped over the topic when asked to speak about it. However, the committee is raising and members are raising a very important point, which is that there are many cases where for some reason or another witnesses appearing before the committee don't have the pertinent information at hand or haven't considered that particular angle – and that would be in any jurisdiction – and the committee will ask for the information.

I've always mused about what happens to that information once that information is provided. Obviously, if you're holding a series of hearings, if you were holding another hearing into that same department, you know, continuing the hearing next week and the information arrived, you could do something with it. Otherwise, there isn't much that can be provided. It's really sometimes a measure of frustration by the committee to say: "You haven't been able to answer that question. Please provide this information in writing."

One of the things that the committee could do is that they could have the researcher analyze the information that's been provided

to ensure that it is the information that was actually asked for, and the researcher could then advise the informal working group as to whether or not there was a concern about that. If there was, the chair could write the department back and say, “Thank you very much for the information you’ve provided; unfortunately, that wasn’t what we asked for” and make the request again.

In terms of the feeling that there is accountability by the department to provide information, that could work, but whether the committee would ever have the time to sit back, sit down and reanalyze that information, and call hearings into it, I think that issue is a little bit more complicated.

The Chair: Okay. These are things to discuss, and I look forward, Mrs. Sarich, to your ideas on how we can address that moving forward.

Any other suggestions, feelings on this topic, follow-up?

Mr. Dubrow: Well, Mr. Chairman, just one other issue, and that is, again, related to the fact that you’ve got both systems audits and financial statement audits. I think this came up again in this morning’s workshop. As I was saying this morning, when it comes to the stand-alone systems audits, the follow-up audits – for example, those that are contained in the July 2013 report of the Auditor General – it would be a fairly simple matter for the informal working group to review or to ask the Auditor General for his advice on which topics he would advise be called based on the saliency of the findings.

Where that might be more complicated in terms of follow-up is on the financial statement audits, where there is a fairly robust – I think that in the most recent audit report of October 2012 the Auditor General mentioned that there were 233 outstanding recommendations. Some of them are key recommendations. Some of them are recommendations that are older than the three-year cycle; i.e., they’re already expected to have been implemented. That’s where the committee would probably want to seek some very clear advice from the Auditor General, if they are going to hold a follow-up hearing, on which department they should hold that follow-up hearing on, because, of course, every department is audited in the financial statement audits.

The Chair: Very good points.

Any others? All right. Well, let’s move on to our final discussion topic, which is Public Accounts Committee reports and recommendations.

Mr. Dubrow, if you could give a brief one-minute description, and then we’ll move to comments.

Mr. Dubrow: Thank you very much again, Mr. Chair. This deals with the issue of the fact that many Public Accounts Committees in Canada, once they’ve completed a hearing, will actually issue a series of recommendations, or they’ll issue recommendations that arise from that hearing. Usually that comes in the form of a committee report, but it could also be a motion. The most simple kind, if I can use that terminology nonpejoratively, would be to endorse the recommendations of the Auditor General; that is to say, for example, that the committee endorses the recommendations contained in the report and recommends the same to the Legislative Assembly, something very simple like that.

We also had an example today where the committee could endorse the Auditor General’s recommendations but draw specific attention to a particular recommendation, which makes it quite clear to the department that there’s a particular issue that they should be paying more attention to, and the committee is more likely to examine that issue again in the future.

The second type of recommendation would be more substantive recommendations. One could be related to the PAC recommending that an auditee report back on a matter of concern to the PAC within a set period of time. The PAC might say: we were dissatisfied with or concerned about the lack of clarity around a certain issue, and therefore we’d like the department to report back on the measures it’s taken to implement the recommendations within a certain period of time.

We also talked this morning about substantive recommendations which could reflect a different viewpoint than that provided by the Auditor General. I gave the example of the RCMP pension fund audit, where the Public Accounts Committee of the House of Commons had recommended that a particular assistant commissioner be commended for his efforts to put an end to the acceptance of gifts and hospitality by senior members of the RCMP and that the RCMP restore all people who were demoted or removed to their original positions. This would be an example of a recommendation which is really above and beyond that of the Auditor General and probably not likely to be raised by the Auditor General.

That probably exceeds a minute, Mr. Chairman. I’ll stop there.

The Chair: That’s all right.

All right. I’ll open the floor to thoughts, feelings on committee recommendations in reports.

Mrs. Sarich: I did have a follow-up question. It seems to me that there could be different styles and methodologies used to build something rather than coming to the end of the hearings and then going back to build your recommendations. Based on your experience and knowledge of other jurisdictions, for example, after a hearing is completed, right at that meeting, does the committee in other jurisdictions have something to recommend at that point as part of their agenda, or is this something that’s contemplated in a working group and brought back? I’m just trying to get a sense on how to build some capacity here given that meeting time generally is thin, you know, and you want to dedicate a lot of time for the ministry or stakeholder coming forward to the committee to answer questions in that hearing.

Mr. Dubrow: Mr. Chairman, to answer the member’s question, I would like to refer the committee to the handout that the CCAF provided, Guidance on Reporting and Follow-up, which is part of the CCAF boxed set PAC guide. I guess there are a couple of answers. There are committees that will hold more than one – you know, if a hearing is two hours, they might very well decide to call witnesses, but at the end of that, if they feel that there are unfinished questions, they will just slot the next meeting in for a continuation of that discussion. So by the time the committee is ready to write its report, it’s very possible that it’s had two or three meetings rather than just one meeting. It’s not automatic that the witness is off the hook, so to speak, after the first meeting.

2:00

It is recommended practice that, you know, for committees that do write reports – again, we’re talking about value-for-money audit or systems audit hearings rather than a financial statement audit – immediately following the completion of a report chapter, the committee members meet as soon as possible with the committee staff to provide some direction on what they want to see in the report. I think that, obviously, the longer the delay; the more that the key issues arising from the report are likely to fade into memory.

I don’t know if that answered the member’s question.

Mrs. Sarich: Yes. Mr. Chairman, it certainly does, and it gives us more consideration about meetings, because we're preparing to write a report. I think that, at the very least, from what I've heard in this morning's workshop plus from the conference that I attended, it's very important to validate and confirm the recommendations that have been issued by the Auditor General. If you choose to build capacity beyond that, then you have to be prepared to structure that appropriately into your dynamic as a committee. I think we're still trying to get some information and explore that.

Thank you.

Mr. Dorward: Who would that letter be addressed to, the Assembly itself? In typical situations where Public Accounts acknowledges the report of the Auditor General, is it written to the Assembly? That's who formed us.

Mr. Dubrow: Well, it was a recommendation that's usually adopted by way of a concurrence motion in the Assembly.

Mr. Dorward: No, no. Let me clarify. If we were to ratify the Auditor General's report four times a year and if in our first meeting after that we get together and take a glance at it, have an overview of it, and then have a motion to ratify it and send a letter – I think that's what we kind of talked about this morning – would we send that letter to the Assembly, with a CC to the Auditor? Who are we saying this to, the Assembly? Would it be a letter to the Assembly saying that a motion was passed whereby . . .

Dr. Massolin: If I may, Mr. Chair. I can speak to that.

The Chair: Go ahead.

Dr. Massolin: Yeah. In effect, it would be the committee's report to the Assembly even though it's in the form of a motion of the nature you suggest. I mean, you know, the entire report might be specific recommendations or something else, but it's basically a report to the Assembly.

Mr. Dorward: Thank you.

The Chair: I guess my feeling on this is that, you know, we've got to think a little bit about, obviously, our time constraints and the resources that we have. We don't want to overburden our research and our MLAs by scheduling a dozen more meetings in order to make sure we have a report ready after every hearing. Certainly, right now that would mean a really major change and a huge amount of new time commitment and resources.

I do think that there is room for recommendations with regard to following up in particular. You know, when we as a committee are not getting the answers or when somebody brings forward a plan, whether it's in the form of an action plan or not, that's not being implemented and they're really dragging their feet and the Auditor General is pointing that out or all the committee members are agreed that feet are being dragged in this regard, then I think that maybe that's the time where we schedule an extra half an hour sometime on a meeting to discuss some of those instances and decide whether or not it's worth putting a recommendation into our annual report or our semi-annual report that we urge the Legislature or the government to act on this.

I'm kind of more of the feeling of: let's just keep that option open and see if it makes sense to use that at some point in the future and maybe start out with something small if we feel the need rather than just kind of jump in and start deciding we're

going to make, you know, 15, 20 recommendations a year, type of thing. Just wait and see. That's my view on it.

Any other comments?

Mrs. Sarich: Maybe just a starting point is that when we have a value-for-money audit report coming forward, we should ask the basic question: would we have anything further to recommend after the hearing? That would be a very appropriate question. Then based on what you have just mentioned, Mr. Chair, we would determine whether or not it would be appropriate to have any further meetings on that particular hearing that was received by the committee. Just start with the question: are there any further recommendations that we have? Are we contemplating that? So that's how you build that capacity.

The Chair: That's a good idea. I mean, let's discuss this, but that might be a good idea to put into our regular agenda, that at the end of a meeting we do take five minutes and do that and then not debate it there but just put it on the shelf until we have time to debate it more formally. A very good suggestion.

Any other suggestions, feedback?

Mr. Dubrow: Mr. Chairman, just the issue of the reporting. You had mentioned the issue of the annual report and that, you know, recommendations could go into the annual report. That's the way the PAC would obviously be communicating with the Legislature, and those recommendations would be forwarded to the departments. The only thing to bear in mind is that if your annual report is in April, hypothetically speaking, and in May you have a hearing and you decide there's a recommendation that you want to issue, it may be somewhat ineffective to have to wait until the following April in order to be able to have that recommendation sent to the Legislature. That might be something to consider in terms of the way in which that recommendation is reported.

The Chair: Good point.

Mrs. Sarich.

Mrs. Sarich: Yes. On that point, then, what is our ability if that should happen? I would be asking for some advice on that.

Dr. Massolin: I can speak to that. Thank you, Mr. Chair. Well, basically, you know, pursuant to Standing Order 53(2) there is a provision in the standing orders for this committee to report to the Assembly. There's no sense of how many reports that is. There could be periodic reports. There could be just one a year. There don't have to be any. There haven't been any under this standing order. There could be several. So it's up to the committee to avail themselves to that standing order or not.

I should also add that the annual report that this committee has had tabled in the Assembly is really more or less an activity report, so it's not a substantive report.

The Chair: Just to clarify, could we not include our recommendations in that annual report?

Dr. Massolin: Sure you could.

The Chair: Oh, you could. Okay.

Dr. Massolin: Yeah. I mean, it would just have the added feature of saying that it's pursuant to the standing order so that it is clear. If recommendations require a response from government, that would be clearer because it's pursuant to this particular standing order, which provides for a government response within 150 days.

That would be the nuance, but certainly they could be amalgamated. It's the committee's choice.

The Chair: Okay. Any other comments, questions on that?

Well, any questions, comments at all on anything that we've discussed today while we have our guests here? Anything that they'd like to touch on? All right. Going once.

2:10

Mr. Lohnes: If you're perhaps wrapping up soon, I'd just like to on behalf of CCAF, I guess, bring to your attention that our purpose as an organization is to promote and strengthen public-sector auditing oversight and accountability in Canada and abroad. I'd like to commend Mr. Chair and the vice-chair and the committee for your efforts to raise the bar for what you're doing. We're very appreciative of having the opportunity to support you in doing that, and we'll be glad to do that going forward.

The Chair: Thank you very much. On behalf of the committee, thank you very much. This is the second time you've appeared before our committee during this term. I think I speak for everyone in saying you've brought a lot of great advice that has strengthened our committee and made it more effective. Thank you very much for your time and for being here today.

Thank you to our guests from Vietnam for being here as well.

I will ask: is there any other committee business that members would like to raise at this time?

Mrs. Sarich.

Mrs. Sarich: Yes. Thank you, Mr. Chair. First of all, I would like to say a special heartfelt thanks for the opportunity to go to the conference in Regina on behalf of the deputy chair. The breakout sessions and the main sessions of the conference were very valuable, and it was an honour and privilege to be there. I would make a recommendation for consideration in the future that for this conference, which is held annually, we would try very hard – I know that there's a sensitivity around budget, but certainly other jurisdictions had more committee members in attendance. This is a professional development opportunity for committee members, so when appropriate we should try our very best to send more delegates, beyond the chair and the deputy chair, to the conference.

I'll leave that somewhere in the bellows of discussion for the future. I know the next conference will be on the eastern coast. It's very expensive to fly east – I realize that – but the learning in these sessions is very important for Public Accounts Committee members.

The Chair: Well, Mrs. Sarich, I would completely agree with you. Maybe we can take a look. Obviously, I don't have the budget or anything else in front of me in that regard. Does the LAO oversee that? Who oversees that? Is it Parliamentary Counsel that oversees the budget for travelling to this conference?

Mr. Tyrell: Well, I track it, but I don't determine how much.

The Chair: I know, but who determines how much? Is it Parliamentary Counsel?

Mr. Tyrell: It's through the committee budget.

The Chair: It would be nice to take a look at whether there's the opportunity for at least bringing one more. The standard is that the chair and the vice-chair go. I mean, that goes without saying. If you go to these conferences, all the chairs and vice-chairs are there. But it would be nice to have an extra seat for kind of a committee member at large. Anyway, that might be something to look into to see if that's possible within the existing budget.

Mrs. Sarich: Or more.

The Chair: Or more. I'm just saying what the options are in that regard. Okay. So thank you very much for that suggestion. We'll have the clerk look into that for us.

There is a CCAF PAC orientation workshop evaluation form right here. If you could please take a few minutes and fill it out as much as you can, I know Geoff and Paul would be really appreciative of that. They really do implement the feedback that they get to strengthen what they do, improve what they do.

Who does this go to, by the way? How do we get this to you? If you can do it now, that's best, and then give it to Paul. But if you can't, if you have to wait, then get it to Chris, our clerk, and then he'll give it to them.

Mr. Lohnes: Back to us via Chris.

The Chair: Okay. The date of the next meeting will be Wednesday, October 30, 2013. There will be one informal working group meeting prior to that. That isn't scheduled yet.

All I need now is a member to move adjournment. Mr. Quest is stepping up to move adjournment. All those in favour? Any opposed? Carried.

Thank you very much, everyone.

[The committee adjourned at 2:15 p.m.]

