

STANDING COMMITTEE ON PUBLIC ACCOUNTS

March 24, 1992

MINUTE NO. 10

1. **PRESENT:** Mr. Swenson in the Chair and Members Anguish, Harper, Haverstock, Johnson, Muirhead, Murray, Serby, Sonntag and Van Mulligen

**Officials**

**Provincial Auditor's Office**

Wayne Strelloff, Provincial Auditor  
Fred Wendel, Assistant Provincial Auditor  
John Hunt, Deputy Provincial Auditor

**Comptroller's Office**

Gerry Kraus, Provincial Comptroller  
Terry Paton, Director, Financial Management Branch

2. The Committee resumed its review of the documents entitled *Guidelines for Public Accounts Committees in Canada and Comparative Jurisdictional Implementation Survey*.

The Committee considered each Guideline and in each case, a debate arose.

3. No. 1 — carried.

**The Public Accounts Committee should operate in a non-partisan fashion if it is to effectively conduct a searching and rigorous scrutiny of government expenditures.**

4. No. 2 — carried.

**The role of the Public Accounts Committee is to hold the government accountable for its spending of taxpayers' money and its stewardship over public assets.**

5. No. 3 — carried.

**Public Accounts Committees should have a clear formal mandate to scrutinize the activities and operations of all Crown agencies and corporations in which taxpayers' funds have been invested, and to scrutinize the value for money obtained through privatization of any such bodies.**

The Committee agreed that a clear formal written description of its mandate be prepared and considered by the Committee at a later date.

6. No. 4 — carried.

**The role of Public Accounts Committees in ensuring accountability of transfer payments needs to be defined and formally established.**

The Committee agreed that a written statement be prepared to articulate and define the Committee's role and responsibilities with respect to accountability for administration of transfer payments.

7. No. 5 — allowed to stand.

**Tax expenditures are a growing area of government activity, and one which receives**

**minimal scrutiny from either the legislature or government relative to direct expenditures. Public Accounts Committees can make a major contribution in ensuring probity and value for money in tax expenditures. The role of PACs in this area needs to be defined and formalized**

It was agreed that Guideline No. 5 be allowed to stand and that the Department of Finance be requested to prepare the following information with respect to tax expenditures prior to its next appearance before the Committee:

- purposes or anticipated results
- expected and actual cost
- assessment of the results

8. No. 6 — carried.

**The Public Accounts Committee should not concern itself with the policies of government or with determining if they are good or bad. The Committee should be concerned with ensuring that the policies and programs of government are implemented in an effective, efficient, and economical manner, and that the taxpayer is receiving value for monies spent.**

The Committee also agreed that there be amendments to The Provincial Auditor Act to clearly empower the Provincial Auditor to perform value-for-money audits and thereby enhance the Committee's ability to fulfil its role.

9. No. 7 — carried.

**Public Accounts Committees should hold public servants accountable for their performance of the administrative duties and implementation activities which have been delegated to them.**

10. No. 8 — carried.

**Initiatives to reform financial management and control structures and processes in government should receive careful scrutiny to ensure that due regard is given to maintaining legislative accountability and enhancing it where possible.**

11. No. 9 — carried.

**The PAC and the Auditor must work together to achieve maximum accountability to the Legislature.**

12. No. 10 — carried.

**It is important that the Committee establish and maintain a constructive working relationship with government. The goals of responsible, efficient, and effective administration are not only common to all legislators, but are shared by governments as well. If a constructive working relationship is maintained, government will be more likely to take action on the Committee's recommendations, which increases the Committee's effectiveness.**

The Committee agreed to spend more time reviewing and identifying the issues raised in the Provincial Auditor's Annual Report prior to hearing the departments and that a series of standard questions be prepared for departments when they appear before the Committee.

13. No. 11 — carried.

**PACs can best realize the potential of the media to extend their influence in a positive way by being effective and non-partisan in their work. The Committee should develop good relationships with the media, as they play an important role in the Committee's work by informing the public about matters under Committee investigation, why those matters are of concern, and how they may be resolved or improved.**

The Committee agreed that the media be consulted and invited to comment on the working relationship which exists between the media and the PAC.

14. No. 12 — carried.

**The Public Accounts Committee shall prepare a written description of their mandate. This description should contain general statements of the purpose and function of the Committee and as well outline the things that the Committee is responsible for.**

The Committee agreed that a clear formal written description of its mandate be prepared and considered at a later date.

15. No. 13 — carried.

**The Public Accounts Committee shall strive to ensure that there is some procedure in place to have a new Public Accounts Committee appointed shortly after the commencement of the first session of each Parliament.**

The Committee noted that the Rules of the Assembly currently provide for this practice.

16. No. 14 — carried.

**The Public Accounts Committee shall strive to ensure it obtains resources required to efficiently fulfil its role and responsibilities in an effective manner.**

17. No. 15 — carried.

**The Public Accounts Committee plays an important role in our parliamentary system and receives a great deal of press coverage and public attention. The Committee must perform its tasks in a responsible manner.**

18. No. 16 — carried.

**The Committee has to be able to provide assurance to the public that government is receiving value for money and that public monies and assets are being managed in the proper way. If the Committee can provide this assurance, the confidence the general public has in our political institutions will not be eroded.**

The Committee considered the practice of assigning lead questioners on specific issues when departments appear before the Committee.

19. No. 17 — carried.

**The Public Accounts Committee shall have permanent referral, as they become available, of:**

- (i) the Public Accounts;**
- (ii) all Auditors' Reports on the Public Accounts;**
- (iii) all Financial Statements and all Auditors' Reports of all Crown corporations and other agencies receiving funding from government or tax collection agencies (i.e. school boards, hospitals, etc.);**

(iv) **the estimates of the Auditor's Office and the audit report on the Auditor's Office.**

The Committee noted that the Public Accounts and the Provincial Auditor's reports are referred to the Public Accounts Committee by a separate resolution of the Assembly as they are tabled in the Assembly. The audit report on the Provincial Auditor's Office is tabled in the Committee for consideration; financial statements and reports from Crown Corporations and the estimates of the Provincial Auditor's Office are not referred to the Public Accounts Committee.

20. No. 18 — carried.

**The Public Accounts Committee shall have the right to investigate or review all past, current and committed expenditures of government, organizations receiving funds from government and crown corporations.**

The Committee agreed that in examining the year under review, the Committee could also review past and committed government expenditures in so far as these directly relate to and have an impact on matters falling within the year under review.

21. No. 19 — carried.

**The Public Accounts Committee shall have the right to request, on its own initiative, the Auditor General/Provincial Auditor to perform specific reviews or tasks.**

The Committee noted that the Provincial Auditor Act currently provides for this practice.

22. No. 20 — carried.

**The Public Accounts Committee shall be required to report to the Legislature annually, have the report debated in the House and have the right to request government to table a comprehensive response to the Committee's report within 120 days.**

On motion of Mr. Van Mulligen, it was agreed:

That in every annual report to the Legislature, the Committee requests the government to table a comprehensive response to the Committee's report within 120 days.

23. No. 21 — carried.

**The Public Accounts Committee shall have the right to review new legislation and amendments (prior to its introduction for final reading) dealing with the Audit Act or pertaining to the Committee's terms of reference.**

24. No. 22 — carried.

**The Public Accounts Committee shall have the right of access to all financial information and other documents as it determines necessary for its investigations, except for those that are privileged in the narrowest sense of the law, such as Cabinet documents.**

25. No. 23 — carried.

**The Public Accounts Committee shall have the right to call witnesses from the civil service including Ministers, expert witnesses and private citizens to testify and provide information under oath. This includes individuals currently responsible for matters the Committee is dealing with and those who were responsible at the time of the events if they are not the same.**

26. No. 24 — carried.

**The Public Accounts Committee shall have the right to meet when the House is in session, recessed or prorogued.**

27. No. 25 — carried.

**The Public Accounts Committee shall have the right to provide parliamentary scrutiny of the Auditor's Office.**

28. No. 26 — carried.

**The Public Accounts Committee shall have adequate resources made available to fulfil its mandate and responsibilities.**

29. No. 27 — carried.

**Public Accounts Committees have a minimum of five members and a maximum of eleven members.**

30. No. 28 — carried.

**Each political party shall have the same proportion of members on the Public Accounts Committee as they have in the legislature.**

31. No. 29 — negatived.

**Substitution of committee members should be discouraged, however it shall be permitted but there will be no substitution allowed (for an item) after the examination of a particular item has begun.**

The Committee agreed that membership substitution not be permitted on the Committee and agreed to continue the practice of allowing MLAs who are not Members of the Committee to participate in the Committee's deliberations, at the Committee's discretion, but that these MLAs may not vote, move motions or be part of any quorum.

32. No. 30 — carried.

**The Public Accounts Committee shall be appointed for the life of the legislature.**

33. No. 31 — carried.

**Ministers shall not be appointed to the Public Accounts Committee.**

34. No. 32 — carried.

**The Public Accounts Committee shall have funds budgeted to allow it to perform the task assigned to it.**

35. No. 33 — carried.

**The Public Accounts Committee shall have meeting space provided suitable for public hearings and meetings.**

36. No. 34 — carried.

**Sufficient staff shall be provided to the Public Accounts Committee to assist its members**

**to carry out their mandate in a productive effective manner.**

37. No. 35 — carried.

**The Chairman shall be a member of the official opposition party, who is elected by the Committee at the beginning of the first session of Parliament and shall serve for the life of the legislature or until replaced. If a vacancy occurs a new Chairman shall be elected immediately from among the members of the official opposition party.**

38. No. 36 — carried.

**The role and responsibility of the Chairman is much broader than may be indicated by the powers bestowed upon the Chair and the success of the Committee often rests with the Chairman and is a result of the effectiveness of the Chairman.**

39. At 4:50 p.m. the Committee adjourned until Wednesday, April 15, 1992 at 10 a.m.

Agenda: Resume review of the documents entitled *Guidelines for Public Accounts Committees in Canada* and *Comparative Jurisdictional Implementation Survey*.

COMMITTEE CLERK  
Robert Vaive

CHAIRMAN  
R. Swenson