
CHAPTER SEVEN

The Standing Committee on Public Accounts

APPOINTMENT AND COMPOSITION OF THE COMMITTEE

The Standing Orders of the Legislature provide for the appointment of an all-party Standing Committee on Public Accounts. The Committee is appointed for the duration of the Parliament (that is, the period from the opening of the first session immediately following a general election to the end of a government's term and the calling of another election).

The membership of the Committee reflects proportionately the representation of parties in the Legislature. All members are entitled to vote on motions with the exception of the Chair, whose vote is restricted to the breaking of a tie.

In accordance with the Standing Orders, a Standing Committee on Public Accounts was appointed on November 1, 1999, soon after the commencement of the First Session of the Thirty-seventh Parliament. The membership of the Committee at September 30, 2002 was as follows:

John Gerretsen, Chair, Liberal
Bruce Crozier, Vice-chair, Liberal
Steve Gilchrist, Progressive Conservative
Raminder Gill, Progressive Conservative
John Hastings, Progressive Conservative
Shelley Martel, New Democrat
Al McDonald, Progressive Conservative
Richard Patten, Liberal

ROLE OF THE COMMITTEE

The Committee examines, assesses, and reports to the Legislature on a number of issues, including the economy and efficiency of government operations; the effectiveness of programs in achieving their objectives; controls over assets, expenditures, and the assessment

and collection of revenues; and the reliability and appropriateness of information in the Public Accounts.

In fulfilling this role, pursuant to its terms of reference in the Standing Orders of the Assembly, the Committee reviews the Provincial Auditor's Annual Report and the Public Accounts and reports to the Legislature its observations, opinions, and recommendations. Under the Standing Orders, the documents are deemed to have been permanently referred to the Committee as they become available.

PROVINCIAL AUDITOR'S ROLE WITH THE COMMITTEE

In accordance with section 16 of the *Audit Act*, the Provincial Auditor and senior staff attend committee meetings at which the Committee reviews the Provincial Auditor's Annual Report and the Public Accounts and assist the Committee in planning its agenda.

COMMITTEE PROCEDURES AND OPERATIONS

GENERAL

The Committee meets on Thursday mornings when the Legislature is sitting. At times, the Committee also meets during the summer and winter when the Legislature is not sitting. All meetings are open to the public with the exception of those dealing with the setting of the Committee's agenda and the preparation of committee reports. All public Committee proceedings are recorded in Hansard (the official verbatim report of the debates in the House, speeches, other proceedings in the Legislature, and all open-session sittings of standing and select committees).

The Committee selects matters from the Provincial Auditor's Annual Report and the Public Accounts for hearings. The Committee then requests senior ministry and agency officials to appear and respond to questions at these hearings. Since the Committee is concerned with administrative rather than policy matters, ministers rarely attend.

Once hearings are completed, the Committee then reports its comments and recommendations to the Legislature. Committee procedures include the following:

- in-depth briefings and preparation;
- when practical, the inclusion of ministry responses in committee reports; and
- follow-up of committee recommendations.

The Committee also follows up in writing with those ministries and Crown agencies not selected for detailed review by the Committee regarding their plans and timetables for

addressing the concerns raised in the Provincial Auditor's reports. This process enables each auditee to update the Committee on activities undertaken since the completion of the audit, such as any initiatives taken to address the Provincial Auditor's recommendations.

MEETINGS HELD

From October 2001 to September 2002, the Committee met regularly on Thursday mornings when the Legislature was sitting and also met during the winter recess to consider the reports of the Provincial Auditor. The Committee's work during this period relating to the work of this Office included:

- reviewing the following items from the Provincial Auditor's *2001 Annual Report* and *2000 Special Report on Accountability and Value for Money*:

2001 Annual Report

- Ministry of Agriculture, Food and Rural Affairs—Food Industry Program;
- Ministries of the Attorney General, Correctional Services, and Solicitor General (now the ministries of the Attorney General and of Public Safety and Security)—Integrated Justice Project;
- Ministry of Community and Social Services (now the Ministry of Community, Family and Children's Services)—Violence Against Women Program;
- Ministry of Finance—Community Reinvestment Fund;
- Ontario Innovation Trust;
- Ministry of Transportation—Road User Safety Program;
- the following follow-ups of recommendations contained in the *1999 Annual Report*:
 - Ministry of Economic Development and Trade (now the Ministry of Enterprise, Opportunity, and Innovation)—Financial Control Review;
 - Ministry of Finance—Provincial Personal Income Tax Revenue and Related Credits and Reductions; and
 - Ministry of Health and Long-Term Care—Ontario Substance Abuse Bureau;

2000 Special Report

- Ministry of Consumer and Commercial Relations (now the Ministry of Consumer and Business Services)—Project to Automate the Land Registration System (POLARIS);
- Ministry of the Environment—Operations Division;
- reviewing the Provincial Auditor's report, *Special Audit of Cancer Care Ontario*;
- reviewing the Provincial Auditor's report, *Special Audit of the Bruce Nuclear Transaction*;

- discussing the Office's proposed amendments to the *Audit Act*, and
- finalizing reports to the Legislature.

During the period from October 2001 to September 2002, the Committee held hearings on the following Bills referred by the House:

- *Ethics and Transparency in Public Matters Act, 2002* (Bill 95); and
- *Public Sector Employee's Severance Pay Disclosure Act, 2002* (Bill 53).

The House has also referred the *Audit Amendment Act, 2002* (Bill 5) to the Committee for detailed review. It is expected that the Committee will hold hearings on Bill 5 in the fall 2002 session.

REQUESTS FOR SPECIAL AUDITS

The Standing Committee on Public Accounts passed the following two motions on October 12, 2000 and February 28, 2001, respectively:

1. The Public Accounts Committee directs that at such time as the OEB [Ontario Energy Board] and the Canadian Nuclear Safety Commission have completed their review of the leasing deal of Bruce Nuclear A and B and the agreement is completed, the Provincial Auditor examine all details of the leasing agreement between Ontario Power Generation (OPG) and Bruce Partnership for the Bruce A and B nuclear facilities, to determine if the deal offers value for money for Ontario taxpayers, and to report back to the Public Accounts Committee with his findings and recommendations as soon as possible.
2. That the Provincial Auditor, under section 17 of the *Audit Act*, be asked to conduct a value-for-money audit of the policy decision by Cancer Care Ontario to provide after-hours radiation therapy through a private clinic rather than in-house and report back to the Public Accounts Committee as soon as possible.

The reports on the above special assignments were submitted to the Committee on June 6, 2002 and December 13, 2001, respectively, at which times the reports were discussed.

REPORTS OF THE COMMITTEE

GENERAL

The Committee issues its reports to the Legislature. These reports contain a précis of the information reviewed by the Committee during its meetings, together with comments and recommendations.

All committee reports are available through the Clerk of the Committee, thus enabling public access to full details of committee deliberations.

After the Committee tables its report in the Legislative Assembly, it requests that ministries or agencies respond within 120 days or within time frames stipulated by the Committee in its individual recommendations.

During the period from October 2001 to September 2002, the Committee submitted the following reports to the Legislative Assembly:

- *Operations Division, Ministry of the Environment*; and
- *POLARIS* (Ministry of Consumer and Business Services).

FOLLOW-UP OF RECOMMENDATIONS MADE BY THE COMMITTEE

The Clerk of the Committee is responsible for following up on the actions taken on the Committee's recommendations by ministries or agencies. The Office of the Provincial Auditor confers with the Clerk to ascertain the status of the recommendations and, if considered necessary, brings any significant matters to the attention of the Legislature through the Provincial Auditor's Annual Report.

Detailed information on the Committee's recommendation respecting amendments to the *Audit Act* and other related matters is contained in Chapter Two of this report.

OTHER COMMITTEE ACTIVITIES

Canadian Council of Public Accounts Committees (CCPAC)

CCPAC consists of delegates from federal, provincial, and territorial public accounts committees from across Canada. CCPAC meets at the same time and place as the Canadian Council of Legislative Auditors (CCOLA) to discuss issues of current interest. The twenty-third annual meeting of CCPAC was held in St. John's, Newfoundland from August 25 to 27, 2002. The annual CCPAC and CCOLA meetings also permit the delegations to participate in a joint session to discuss subjects of mutual interest to politicians and legislative auditors. The 2002 joint session with CCOLA was on the subject of "Measuring Progress: The State of Federal Government Finances."