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Chair: Mr. Tom Kmiec



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• (1105)

[English]

The Chair (Mr. Tom Kmiec (Calgary Shepard, CPC)): I call this meeting to order.

Welcome to the second meeting of the House of Commons Standing Committee on Public Accounts. Pursuant to Standing Order 108(3)(g), the committee is meeting to receive a briefing from the Canadian Audit and Accountability Foundation on best practices for public accounts committees.

[Translation]

Today's meeting is taking place in a hybrid format, pursuant to the order of reference from the House on Thursday, November 25, 2021. This order allows members to attend in person or remotely using the Zoom application. The proceedings will be made available on the House of Commons website. So you're aware, the webcast will always show the person speaking rather than the entirety of the committee.

[English]

I will take this opportunity to remind all participants in this meeting that screenshots or taking photos of your screen is not permitted.

[Translation]

To ensure an orderly meeting, I would like to outline a few rules to follow.

Members and witnesses may speak in the official language of their choice. Interpretation services are provided for this meeting. You have the choice, at the bottom of your screen, of either floor, English or French. If you can't hear the interpretation, please inform me immediately. I'll ensure that the interpretation is properly restored before proceeding with the work.

Please use the platform's "raise hand" function, which you can access on the main toolbar, if you wish to speak or draw the attention of the chair. Before speaking, please wait until I recognize you by name. If you're participating by video conference, please click on the microphone icon to unmute yourself. For those in the room, your microphone will be controlled as normal by the proceedings and verification officer.

[English]

When speaking, please speak slowly and clearly. When you're not speaking, your mike should be on mute.

With regard to a speaking list, the committee clerk and I will do the very best we can to maintain a consolidated order of speaking for all members, whether they're participating virtually or in person.

That said, I welcome our two witnesses. From the Canadian Audit and Accountability Foundation, we have Carol Bellringer, president and chief executive officer; and Lesley Burns, director of oversight.

You have five minutes for your opening remarks. I'm not sure which one of you wants to begin.

Ms. Carol Bellringer (President and Chief Executive Officer, Canadian Audit and Accountability Foundation): I'll start. We worked our presentation to 10 minutes, but we'll go fast.

Thanks so much.

[Translation]

Thank you for inviting us to today's meeting. We're very pleased to help guide this important parliamentary committee, which is somewhat different from other parliamentary committees.

For 40 years, our foundation has had a relationship with the Office of the Auditor General of Canada and with your committee. We encourage best practices and base all our products and services on well-documented evidence.

[English]

We won't be following the slides closely, but I'll turn to a few in particular.

To start, the slide on the system of accountability just indicates the relationship of Parliament, through this committee, with audit—your Auditor General—and through government, the public service delivering all the services.

The feature of an effective PAC that we like to speak to is "Public money has no party", so the public accounts committee operates slightly differently than all the other parliamentary committees.

Lesley.

Ms. Lesley Burns (Director, Oversight, Canadian Audit and Accountability Foundation): Thank you.

When I looked at the committee and realized just how much experience there was in the room, I was very impressed. There's a lot of experience on committees. I'm very glad that you have invited us to speak to you, even if you might wonder, "I've done this so many times. What am I going to learn?" I do want to let you know that the public accounts committee is different in how it operates. The key difference is that you are not looking at the merits of any policies; you are looking at how those policies have been implemented.

It's really reassuring to see such a strong team here on this committee, because the oversight of public money is more important now than ever before. I hope that the information we're able to share with you today helps make the transition to this role a little easier for you. Seasoned politicians, even the good ones, often don't know what the public accounts committee is, what the mandate is, or what the purpose is. If you hadn't heard of it before you were assigned to it, don't worry. You're not alone, and you're also not alone in trying to achieve this mandate.

Because you're looking at how policies have been implemented, you're inherently looking backward. That doesn't mean you're stuck in the past, but you're learning from the past and you're making changes in the present so that the future can be better.

We're very lucky to be speaking with the federal committee. All of your pieces are in place. You have the processes in place—and they're quite enshrined—to be a very effective committee. Sometimes when we're talking to committees, even other committees in provinces in Canada, they don't have those good practices in place.

You are a respected committee not only across the country, but internationally. You have excellent support staff, and in fact one of your support staff helps to literally write a guide to support other committees in Canada and internationally, so we thank the Library of Parliament for that.

Your work on this committee helps you focus on the effective management of the public sector, so you have the opportunity here to root out any waste that is found. The work you do on this committee will have a lasting impact on the programs and everything that follows them.

It may sound like a tough job, but you're really not on your own. You have reliable, evidence-based, independent research from the Auditor General that's designed to identify any issues. These investigations take hundreds of hours of audit work and around \$117 million annually, and the evidence that is collected through this audit work provides you with the insight you need to make any positive impact.

You may ask yourself how you measure whether you're having an impact. The key for you on this committee is working with management to ensure that any deficiencies that are identified in audit reports are corrected. You might say, well, how do we go about doing that? We hope to provide a little bit more insight on that today.

A lot of people ask, if the auditors general know about all these problems, why don't they do something about it? Auditors do not have the authority to do anything about it. They can identify it, but they can't touch it. You, because you are elected officials, have that authority. It's part of your responsibility as an elected leader and as a member of the public accounts committee.

Carol, do you want to touch on the type of information that audit reports will give them?

• (1110)

Ms. Carol Bellringer: Sure, let's do that.

An audit is not an audit is not an audit. When you hear that they've done an audit, it's important to look at what type of audit it is. We've listed the types of audits that the Auditor General of Canada would issue, and the types of reports. Primarily, you will see a performance audit, which is mostly what this committee will be reviewing. Also a lot of time goes into doing financial statement audits. Those are similar to the private sector—

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): I have a point of order.

The Chair: Yes, Mrs. Shanahan.

Mrs. Brenda Shanahan: Is there a PowerPoint being shown, because I'm not seeing it on the Zoom screen?

The Chair: No, it was distributed to the committee.

Mrs. Brenda Shanahan: All right. So we printed it. Thank you.

The Chair: Yes.

Please continue.

Ms. Carol Bellringer: Thank you. We can resend it as well.

If you look at slide 12, you see that it lists performance audits, financial statement audits. They will issue an information report every year. It's a commentary on the financial audits. The financial statement audit is an opinion that sits at the front of the financial statements, the public accounts, that are issued by the government, but it has an opinion by the Auditor General, saying basically that you can rely on the numbers and disclosures in these statements. That's it. It tells you in one or two pages that it's complete and accurate.

Performance audits are big. They're long reports that the Auditor General writes. The Auditor General in that direct report will let you know what they looked at, how they looked at it, the criteria they used, what [*Technical difficulty—Editor*].

The Chair: Sorry, Ms. Bellringer, I think we lost your audio. Can you just repeat the last 10 seconds?

Ms. Carol Bellringer: The performance audit will be quite [*Technical difficulty—Editor*] report to see what they looked at, how they evaluated it, what criteria they used and what they found, and then they'll make recommendations.

Some of the sample audit topics that you will have seen, read or heard about in the news [*Technical difficulty—Editor*] on Canada's food system, respect in the workplace and, not too long ago, a collaborative report from all the auditors general across Canada was done on climate change.

They do follow-up audits, which would be a separate thing. It would follow the original audit. It would get into a more current status for you. For example, one was issued on rail safety within Transport Canada.

The slides on page 22 have the link to the page on their website where they have a current summary of everything that's planned going into the future.

I'll leave it there. We certainly can get into much more detail. We do full workshops on actually walking through a performance audit, so that you fully understand how they lay it out and what kinds of things it will tell you. It gets into what kinds of questions you can ask around those performance audits.

Lesley, do you want to...?

I'm sure we're well over the time. How do you want us to proceed? We can get into a few more good practices.

The Chair: If you want to wrap up in maybe another minute, that will get us to 10 minutes, and then we'll turn it over to the committee to ask you questions.

Ms. Lesley Burns: Sure, thank you.

I'm happy to go into any of the details on good practices or how you might want to achieve those.

A key thing I want to leave with you when you're considering your work on the committee is that when you're going into a hearing, it's very important to have a shared purpose for that hearing, so you know as a committee—as a group—what you want to accomplish. Put emphasis on ensuring that your reports are unanimous. The public and departments that are audited are very used to having politicians disagree. When there is agreement in those reports, it gives a very clear message as to what the committee is hoping the departments or audited entities will accomplish.

The other key thing is follow-up. This is a weakness we see in many committees. You have an excellent follow-up process in place. You can lean on your support staff and on the work of the audit office to know what needs to be followed up on. Committees before you have done a lot of work. You know and the public knows that there are reports outstanding that departments owe to your committee. You can follow up on those, ensure that progress is being made and then collaborate.

That may sound like it's more difficult to do than it first seems, but when you really focus on the fact that you're looking at the implementation of policy and not the merits of policy, it becomes much easier to collaborate as a committee.

I can leave it there and open it up to questions.

• (1115)

The Chair: Thank you both for walking us through your presentations.

Colleagues, in the interest of treating this like a workshop, I'm going to suggest that we forgo the motion that you passed at the first meeting, which allocates time based on party, and just open it up to anybody. Just grab my attention.

I would need an okay from the whole committee. This would give an opportunity for all new members to get in and be able to ask questions or shorter questions in the back-and-forth with these two experts, so we can learn about the public accounts performance audits.

Do I have the agreement of everybody to proceed in this manner? I see nods of heads. Thumbs-up would be great, or an indication that you are okay with this.

Thank you. We will proceed in this manner.

I will recognize Mrs. Shanahan first, because she has her hand up.

Mrs. Brenda Shanahan: Excellent. Thank you very much, Chair.

I'm sorry for interrupting before. I guess we're getting used to shared screens and all that sort of thing. Of course you can't do so for security reasons, I believe.

I have found the PowerPoint. Thank you very much to the presenters here this morning. It is very interesting.

I do have a previous history with this account, but I understand that while some things have evolved, other things have remained static.

Just briefly, the slide where you outline performance audit, financial statements audit, information reports.... Can you just give us a more fulsome definition? Especially on the performance audit, this is where the public accounts committee really distinguishes itself. We're not just studying the numbers, although the numbers are important. I want to know what you think are important questions for us regarding the annual public accounts—the actual reports.

Talk to us, please, about the difference between those kinds of reports.

Thank you.

Ms. Carol Bellringer: Sure.

First of all, the financial statement audit is the opinion on the public accounts. The Auditor General's office spends thousands of hours doing that. It's a large effort. It's the combination of everything under the government's control. It's a huge document.

That's the government's.... The government owns that public accounts document. The audit opinion is just placed on the top—after all of the Auditor General's work—saying that you can rely on it. One thing Canada can be very proud of is that there has been what we call in the audit world a “clean audit” opinion on the financial statements for...I think forever. I can't recall anything in the past. That means there's nothing they need to tell you to adjust in order to use those statements.

They also come across things in the process of doing those audits. That's put into a document that they label.... The name has changed over the years, but it's a commentary on those public accounts. You'll get that report every year from the Auditor General's office.

The performance audits are the bundle that they issue periodically. They're several chapters. They're large. They are independently selected and the criteria are developed by the office independently, depending on what they are choosing to look at. It used to be called value-for-money auditing. The terminology now is "performance audit". There are Canadian standards for those assurance engagements. The audit office follows all of that good practice.

It's often referred to as looking at economy, efficiency and effectiveness. It does get into the environment. Were the intended results achieved? It's very broad in nature. It could be on any subject. They will look into a particular area that could be around risk management, compliance or, as I mentioned, climate change and so on.

It does not assess the merits of policies. This is consistent with the public accounts committee's role, as this is not a committee for policy discussion. Once the policy has been put in place, it looks at whether it has been administered appropriately. They will select an aspect of that. They are only looking at a selection through the year.

In addition to the performance audits, financial statement audits and the action plans that ministries or organizations that have been audited must provide to the committee to tell where they are in following up with the recommendations made by the Auditor General, the Auditor General will also select a few to re-audit. They will produce a follow-up audit. It's not the same as the original audit. It's shorter and it gets a little bit more into the risk areas that they don't think were addressed. They will go into those.

They also do special examinations on Crown corporations. Again, it's through a cycle. They will produce a report to the committee as a result of those special examinations.

Those are the four different types you'll get: commentary on financial statement audits; the financial statement audits themselves, which are attached to the statements; performance audit reports, which is what you will primarily be examining; and special examinations. Follow-up audit reports are just performance audits of another aspect.

• (1120)

The Chair: Thank you.

I'll recognize Mr. Fragiskatos next.

Mr. Peter Fragiskatos (London North Centre, Lib.): Thank you very much, Chair.

Thank you both for your work. This is the first time I've served on this particular committee. I really look forward to it. This is a nice primer, so to speak.

I see that on page 25 of your presentation, under the heading "Effective Questions", you say "Focus on the big picture". I think you have touched on some of that, in terms of what is meant there, but can you share with the committee how you would define "big picture"? If we were being advised to take the view from 30,000 feet,

so to speak, what does that entail? What sort of things are we looking at in particular to get to that outcome?

Thank you.

Ms. Lesley Burns: Thank you. I can take that.

By "big picture", in a sense we also mean what's going on in the context of everything. When you hold a hearing and you're asking those questions, you'll have two types of witnesses. One will often be the Auditor General, and one will be the audited department.

You would want to ask the Auditor General for clarity on the audit and the audit's scope. An auditor won't speak to something outside of the scope of the audit, because the nature of the information they're giving you is very much evidence-based, and they would only have evidence on that scope. Then, in terms of the big picture for the audited entity, what you really want to look at is whether they are implementing changes to address the issues that were identified in the audit, and whether that is going to improve public administration. That's what we really meant by "big picture" on that slide.

There are a lot of ways of going about questioning, and we do an entire workshop on questioning, so I won't get into the details on that, other than to reiterate that it's very helpful as a committee if you go into a hearing knowing the types of questions you want to ask. What aspects of the changes and improvements do you want to understand more about? Are there holes that weren't addressed in the status updates or progress reports that you have received from the department? Those reports are intended to let you know and to outline what they plan to do.

Another key issue on effective questioning is keeping an ear open for whether they are contradicting anything in that action plan or status update. Get more details on that if you need them, and then you can take that information and use it for the report you're writing.

• (1125)

Mr. Peter Fragiskatos: Thank you very much for that.

Ms. Carol Bellringer: May I throw in a couple of words around it? I'm recalling a number of public accounts committee meetings many years ago and in another place—it was in another province in Canada—and far too much time in the meeting was taken up discussing a \$1,500 fire extinguisher. Needless to say, this is not a good practice. The committee needed to move into what caused it to happen: What was the system failure?

That was listed in the audit reports, but they went into the disclosure document and focused on some small things like, "Why did you buy the fire extinguisher?" as opposed to, "How are the systems preventing that from occurring?" It's about balancing the time and not getting into.... Some things are pretty tempting to get into because you know they're going to catch attention, but they may not get to the root cause of the problem.

Mr. Peter Fragiskatos: Thank you very much.

The Chair: Mr. Lawrence, go ahead.

Mr. Philip Lawrence (Northumberland—Peterborough South, CPC): Thank you very much.

It's a pleasure to work with you again. It's my return engagement on public accounts. I had a couple of learnings along the way, so my questions may be beyond training and more on how this committee should operate.

One of the things that I think we've made some progress or evolution on is that.... There are a number of files that are consistent non-performers or departments that are consistently not hitting the targets in the Auditor General's reports. To be non-partisan, for my friends across the aisle, some of them date back to John A. Macdonald, I'm pretty sure, so it goes across numerous governments. We've started putting in the process of more and more follow-ups, but I was wondering if we could get your comments on what the best practice is. I'm thinking of the shipbuilding file, of clean water for indigenous peoples—files that are constantly reappearing with very little or no improvement.

Ms. Carol Bellringer: There is no question that the follow-up process is intended to correct that.

My experience is from the provincial sector, and Lesley's certainly senior practice is more broad.

When a report comes back to the committee for follow-up, I have seen far too many times the ministry saying, “Yes, we've got it” or, “Yes, they're implemented”, and it's critical to dive into, “Well, show me.” It's the “trust but verify” example. You need to have a good working relationship with them, but it doesn't mean you don't have to see the evidence: “Can you show us what you've done?”; “Explain exactly what you've done”; “How can you be sure that it is something that is going to fix this problem?”

While the audit office may not have done a follow-up audit on it, I've certainly had the question thrown at me, “Well, Madam Auditor, if that's what they've done, is that going to resolve the problem?” Certainly the audit office can speak to whether or not what they're hearing is consistent with what they were looking for. It really is in that follow-up process.

The time challenge is that if you redid every audit, you'd never get anything new done, so they can't put all their time into doing this. At the same time, you can narrow it down to key risk areas, focus on the big problem areas, and then really dive into whether or not it's been remedied.

Ms. Lesley Burns: Yes, and to add to that, I would say, have very clear recommendations in your reports, with deadlines, and then stay on top of that. If the committee gives them a recommendation, you can ask them to report back to you at given intervals, and then you are on top of the progress. That tends to deliver results.

If the programs are very complex and there are long timelines for deliverables, then break it down into smaller chunks if you can, with recommendations that correspond to that, so that the department is checking back more frequently. If it's something of a very complex nature and the committee isn't sure what a realistic timeline is, you can work with management. Ask the deputy ministers how much time they need to get back to you on that or how much time they need to accomplish a certain goal, and work with that.

• (1130)

The Chair: Mr. Dong, go ahead, please.

Mr. Han Dong (Don Valley North, Lib.): Thank you, Chair.

I want to say thank you to both presenters. I had the pleasure of meeting them early on. Thank you very much again for reaching out. It's very important for new PAC members like myself.

I have one question, and I don't know if this is the appropriate setting—I guess it is—to ask this.

My experience on public accounts committees at other levels of government has been very good. I remember one conversation I had with the then NDP whip. He expressed disappointment in how effective different committees are nowadays. My limited experience on the federal committee in the last two years kind of reminded me of that conversation we had.

I don't know if there's a system or procedure, or whether it is within the Auditor General's power to audit the three Es that you mentioned early on, particularly the efficiency aspect of Parliament's committees. I just feel that a lot of times an emergency meeting is called—not at this committee, of course, but other committees—and at the end of it, nothing gets achieved. Everybody will say their piece, and then time gets exhausted, and they just move on.

Can you comment on this and maybe shed some light for me on the efficiency of committees and who kind of looks after that?

Ms. Carol Bellringer: I'm hoping Lesley jumps in.

I'm going to share this as a former auditor general. It's a little bit of a “Don't bite the hand that feeds you”, so there is a bit of a line. I don't know how formal it is or unspoken, but there is a bit of a line to stay out of Parliament's business.

Maybe Lesley can add something a little more concrete to that.

Ms. Lesley Burns: In terms of the effectiveness and the efficiency of the committee and who that is up to—that's up to you. It's up to the members when they walk into the room at every single committee meeting. Do you want this to be an effective meeting, or do you want to run it off the rails? Do you want to clog up the questioning in a hearing with softball questions, things that aren't really digging down to the root cause, or do you want to be digging down to that root cause and being effective?

The chair bears a little [*Technical difficulty—Editor*]. The chair really is in charge of setting the tone and building that committee culture, and what I've seen in the many public accounts committees that I've researched is that it ultimately comes down to culture. You are very fortunate that you have the good practices in place, but we've seen many committees, even in provinces in Canada, overcome a lack of institutional infrastructure with a good collaborative culture to have excellent impacts.

The Chair: Sorry, Ms. Bradford. You raised your hand before, so go ahead.

Ms. Valerie Bradford (Kitchener South—Hespeler, Lib.): Yes.

I was just wondering if you could give us an opinion on the GC InfoBase, where the Treasury Board publishes complex information, supposedly in a simple format for the understanding of the public.

Ms. Carol Bellringer: Lesley, do you know about that?

Ms. Lesley Burns: I couldn't speak to that specifically, but I do know that if you as a committee are finding that the information you're being given is not in a format that is digestible to you, then you can speak to the audit office or the comptroller's office and request that the information come to you in a different format. They produce the information that they produce to benefit you so that you can do your role, so if there is something that would be helpful, I encourage you to express that.

I do want to say, the caveat [*Technical difficulty—Editor*] general are independent, and they can't always provide you with the information that you're requesting, but I know that they will let you know if it feels that it crosses a line, and they do want you to be able to use that information. You also have support staff that you can rely on, who are very well versed in going through that sort of information and getting you the information you want, so I would encourage you to raise any questions with them as well.

I see Dillan has raised his hand, so I'm sure he can give you even more information.

• (1135)

The Chair: I'm going to ask the analyst to jump in because I see his hand is raised.

Mr. Dillan Theckedath (Committee Researcher): Mr. Chairman, thank you very much, and thank you to everybody in attendance.

Just to speak to GC InfoBase, the best I can say is that we at the library are very fortunate to have skilled practitioners. We have research librarians who have worked on it for years. What I can say is that even to a skilled practitioner, sometimes GC InfoBase is a bit of a tricky beast to manipulate. It's a lot of complicated information presented [*Technical difficulty—Editor*] with usage comes more experience and help. One thing I would recommend, if ever a member wishes to extract something, is to reach out to the library. We could put in a request to one of our very seasoned senior reference librarians, and they can find that stuff pretty easily.

Theoretically, it is publicly available, but it's just like anything. The example I like to use is tennis courts. Tennis courts are pub-

licly available, but as much time as I spend on a tennis court, I might not ever get to win the Rogers Cup. I'm pretty good, but not that good. What I recommend is that we reach out to the reference librarians, and they're very good at that stuff. We get numerous requests on this. They know which tables the stuff is typically in and how to use it, and sometimes they can also reach out to the Treasury Board if they need clarification.

Mr. Chairman, if I'm [*Technical difficulty—Editor*] what Mr. Dong had, if I could indulge you time, Mr. Chairman, just very quickly.

The Chair: Yes, if you could, go quickly because I was going to ask if another member wants to ask a question.

Go ahead.

Mr. Dillan Theckedath: As Dr. Burns pointed out, it is the committee's role and responsibility to create the type of culture and committee it wants to be, but one of the practices we have as analysts on the committee is that we provide suggested questions in our briefing notes. These questions focus on the findings and the recommendations of the audit. That's one way in which the analysts help to ensure that the discussion can take place and is focused on the issue at hand.

Another thing is that twice a year the analysts go through a summary of all the recommendations and outstanding responses from government departments. We do this twice a year. We assemble a rolling list of this every year, and twice a year we present a summary of our findings to the committee, and the committee can then determine what action it wants to take with regard to outstanding responses, or departments that are not being fulsome or fully adequate in their responses.

Those are two ways in which the staff help support the work of the committee to help it stay on its course.

Thank you very much.

The Chair: Thank you for that.

[*Translation*]

Before I give the floor to Ms. Yip, I'd like to check something.

Ms. Sinclair-Desgagné, would you like to ask a question, but are having difficulty using the “raise hand” function? If so, I'll give you the floor once Ms. Yip has spoken. Is that okay?

Ms. Nathalie Sinclair-Desgagné (Terrebonne, BQ): I actually had a point of order. Our interpreter was having trouble hearing Ms. Burns's remarks, but that seems to have been resolved now.

I just wanted to point out, for future reference, that this incident did occur.

The Chair: Okay. If it happens again, you can just raise a point of order. I'll then suspend the meeting to ensure that the interpretation works in both official languages.

Thank you.

[*English*]

Ms. Yip, please go ahead.

Ms. Jean Yip (Scarborough—Agincourt, Lib.): It's great to see you again, Ms. Bellringer and Ms. Burns.

Ms. Bellringer, you mentioned our work being respected internationally. Could you elaborate on that? Also, how do we compare to other public accounts committees internationally? Do we review the same number of reports? Is the quality the same, and so forth?

Ms. Carol Bellringer: Lesley, you have more of the comparisons.

I will raise the connection with the Commonwealth parliamentary groups. That is one area where Canada is highlighted and showcased.

• (1140)

Ms. Lesley Burns: Ranking committees can be very difficult, because a committee could be effective in one Parliament and not effective in the other, without any changes other than the members. A committee can go through a very effective phase and then slip off into something that is ineffective.

If I had to generalize, I would say that Canada is ranked very high. We are continually invited to showcase some of our work at the Commonwealth Parliamentary Association's yearly conferences with the group within the Commonwealth Parliamentary Association that focuses on public accounts committees specifically.

We implement many of the recommended good practices at the federal level, so I would say that your committee is one of the best in the world. The U.K. is typically touted as being the top committee; they function in some ways similar to Canada, and in some ways they're a little different, but I would say that Canada's is right up there, close to that, when it is operating effectively.

Ms. Carol Bellringer: Within Canada, there is an annual conference when the public accounts committees across Canada meet at the same time as the auditors general. The CCOLA/CCPAC conference is actually being held in Ottawa this year, coming up.

In that context, it's definitely.... The Canadian [*Technical difficulty—Editor*] is looked at by all of the provinces. When we go through the best practices list, your federal public accounts committee ticks off all the boxes. I think Lesley referenced that earlier. If you go across the country, each province might be missing a couple here or there, and that changes from time to time, but there is a definite eye on the federal PAC by the rest of the country.

The Chair: Go ahead, Dr. Burns.

Ms. Lesley Burns: Just to give an example of the respect your committee has, you often get [*Technical difficulty—Editor*] delegations so they can observe the work of the federal committee. I know that some come through our program with our international partners, and I know that on a fairly regular basis your committee is approached by other countries as well.

The Chair: I'll go to Mr. Lawrence next, and then Mrs. Shanahan afterwards.

Mr. Philip Lawrence: I have a couple of quick comments and then my question—

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: I have a point of order, Mr. Chair.

The Chair: Ms. Sinclair-Desgagné, you have the floor.

Ms. Nathalie Sinclair-Desgagné: I'm sorry, but our interpreter is telling us that there's another connection issue. Unfortunately, I think that it's on Ms. Burns's end.

[*English*]

The Chair: Dr. Burns, there seems to be some interference sometimes when you're speaking that's making it difficult for interpreters to interpret you into the French language. I don't know if you want to just double-check to see if your Wi-Fi connection is okay. Sometimes that interrupts it. Or maybe I can just recommend speaking more slowly, and then we can try to figure it out as we go and I can interrupt.

[*Translation*]

Ms. Sinclair-Desgagné, we'll continue the meeting. However, if there's still an issue, we'll suspend the meeting and try to reconnect so that the interpretation is available in both languages.

Is that okay?

Ms. Nathalie Sinclair-Desgagné: Perfect. Thank you, Mr. Chair.

[*English*]

The Chair: Mr. Lawrence, go ahead.

Mr. Philip Lawrence: Thank you.

I have a couple of quick comments and then my question.

I want to say a big thank you to the clerk and the analyst. They did a fantastic job last time, and I think they are actually the best on the Hill, so thanks very much for that.

Also, I think somebody talked about efficiency and effectiveness, so I have just a quick comment on that. Having served one tour of duty on public accounts, I would say that after a little bit of a rough patch, I think we really found our stride towards the end of the Parliament. I can remember a committee meeting where, to the credit of the vice-chair, she was much more vehement with the questions than I was, and if you had looked at this without seeing our name tags, you would have thought I was a Liberal and she was a Conservative, and I think that's when a committee really works best.

Now I will go to my question. One thing I've thought about and would like to get your comment on is the extent to which, if any at all, it is the job of the committee to hold not only the department to account but also the auditor by questioning the audit and how the audit was performed. I'd love to get your comments on that.

• (1145)

Ms. Carol Bellringer: Okay, I'll jump in first, Lesley.

Certainly having been in that seat, I will say that it's always encouraging to have the support of the committee. It's important to be able to ask the auditor what they looked at so you can fully understand the context of the findings.

It becomes a little less constructive when you challenge the auditor by saying, "Why didn't you look at this other stuff?" Well, they didn't, so you can have a discussion about how they made their selection, because it's important to understand. However, if it turns out to be, "Well, we didn't want you to look at that; we wanted you to look at this other thing".... They make their selection taking into account many different views and they do it in a non-political way; they do it based on risk and significance, and on how they can make a contribution.

Some of those conversations are best had behind the scenes and not in a public way or it looks as though there's a battle going on, with some saying, "Well, we're not even going to support the audit report, so what's the point of even looking at it?" Then it can go down a fairly slippery slope pretty quickly when it looks as though there is no support for the work of the auditor. They have the luxury of getting into significant detail on a particular program area for which they've identified the biggest risks, and they're already trying to bring it up to a level that's of use to the committee.

Anyway, I think I have made my point that it can be quite a.... But it's also just fine to ask them in order to fully understand what they did look at, to fully understand how things went. They will likely be able to discuss only what they have looked at, versus some other side issues that might come up.

Ms. Lesley Burns: Just to add to that, it is okay to ask the Auditor General to look into a given topic. Doing that will carry more weight if the group is unanimous in requesting it.

Auditors general often get requests from political parties to look at particular things, and my understanding is that they take all requests they receive seriously, but they do have a great commitment to ensuring that the audits are non-partisan and evidence-based. Ultimately, it's incredibly important for the independence of the Office of the Auditor General that it have the ultimate say in setting out its audit plans.

The Chair: I'm just going to turn to our analyst, if he wants to add anything to that answer.

[*Translation*]

Mr. Dillan Theckedath: Yes, Mr. Chair. However, just before that, I believe that Mrs. Shanahan raised her hand to speak.

Mrs. Brenda Shanahan: I'll let you respond first, Mr. Theckedath.

Mr. Dillan Theckedath: Okay. I'll expand on some of the responses provided by the foundation representatives.

As part of the estimates study, we have the opportunity to invite representatives from the Office of the Auditor General of Canada, or the OAG, to obtain certain information. We can talk about the plans for the next year, but also about the results of the previous fiscal year. To that end, analysts prepare questions regarding the OAG's results, objectives and governance. This is another opportunity to fulfill our oversight role. One key role of this committee, in this case, is to provide oversight of the OAG.

[*English*]

The Chair: Go ahead, Mrs. Shanahan.

[*Translation*]

Mrs. Brenda Shanahan: Thank you, Mr. Chair.

The questions and answers are very good this morning.

In terms of oversight, I want to make it clear that there's a difference between oversight and management, right? I'd like the witnesses to elaborate on this.

My next question is about the three Es, which we can see on slide 17 of your document. The concept looks very simple, but it isn't really that simple. The difference between economy, efficiency and effectiveness is explained. In my opinion, this is where the Standing Committee on Public Accounts' approach to its work has evolved.

I want to add one last thing about the role of the Auditor General. I believe that one of the committee's roles is to review the work of the Auditor General. We must approve the budget of the Office of the Auditor General of Canada at some point.

I'll always remember when Mr. Ferguson provided an extraordinary report on the shortcomings in all departments that handle indigenous affairs. It was a heartfelt appeal to the entire government and to all parliamentarians. In a way, he's the one who put us in the spotlight. What he did was quite unique, but it was mainly to show that a trend had been set. In any case, it hit home for me. As everyone knows, Mr. Ferguson passed away very shortly after that. I hope that these memories aren't too painful for you.

I want to hear your comments on this.

● (1150)

[*English*]

Ms. Carol Bellringer: Lesley, do you want to take the accountability triangle piece around oversight, management and audit, and those relationships? Then I'll make a few comments on the three Es and the indigenous....

By the way, it's three years ago tomorrow that Mike Ferguson passed away. I need a second to pull myself together, while Lesley answers the accountability triangle question.

Ms. Lesley Burns: Sure. If you refer to slide number five, you will see what we often refer to as the accountability triangle, with Parliament on top, government and the audit. The relationship among those is very important, because to have an accountability system you need all three actors working together.

Parliament or the PAC provides the oversight. The auditors go in, look at the information and provide you with the reports and the information from government or management and the public service, and then ultimately it is up to management and the public service to implement those changes that are found. We talked a little bit about the ways in which you work with management to oversee that and ensure that this work is being done.

I don't know if that answers your question, but working together in all three is very important. We do sometimes hear of witnesses coming in and some parliamentarians who will talk about wanting that to be a bad day or a bad week for that witness. Depending on your outset...I think we have a very hard-working public service for the most part. I don't think, for the most part, they're trying to pull the wool over your eyes. They do want to collaborate and improve things. They have worked with the audit office in advance of that audit report being published. They are aware of the recommendations. In most reports, you will actually see management's response in that audit report, and whether they agree or disagree. If there are substantive disagreements, you will also see that.

Carol, did you want to touch on the three Es now?

Ms. Carol Bellringer: Sure, I'll move in here.

On slide 17, we mention value for money and the three Es. It is a bit of historical evolution. The original terminology used for what we now see in performance audits was “value-for-money audits”, but it has changed from what it used to be. Those were originally defined as looking at an aspect of economy and efficiency. When you get into effectiveness, it's a little trickier. Auditors want to determine not directly whether or not something was effective, but rather whether or not the ministry or organization has a system in place to determine its effectiveness. It's just drawing that line in terms of independence. They don't generally look at all three. They may look at one aspect of the three.

Now, in the language of audit, they also talk about the five Es: economy, efficiency, effectiveness, environment, and equality. Environment is often looked at as a separate topic. Of course, you have the Commissioner of the Environment looking specifically at that. That's not unique in Canada, but it's very rare to have a separate activity around environment audits. Then, more recently, we have equality. “Equality” is the language used internationally in the audit world for what auditors are now incorporating, but it is more accurately equity.

Again, those are just definitions, to give you a flavour for what a performance audit can be. It's very much a blank page before they start, and then they will look at which of those aspects are of the greatest importance when they select how they will narrow down the work.

With respect to questions on indigenous services and the reports of the auditors, I'd actually say Sheila Fraser started drawing attention to many issues during her term, which would have been before Mike Ferguson's. Most certainly, the audit office has written quite a few reports in various areas where.... When the discussion gets into several levels of government.... We did work in Manitoba on child welfare systems and it incorporated three levels of government: first nations, the federal government and the provincial government. Some of those discussions do get complicated.

As the federal Auditor General, the Auditor General can make a recommendation to Parliament to have a federal answer to something, but there are often overlaps. From time to time, you will see work done in collaboration with the other jurisdictions. That was the case with climate. There was a decision to have everyone across the country do an audit of climate change at the same time because of those interactions. It wasn't done together, because of legal restrictions. You can't share all your information—it's confidential, and that kind of thing—but it was issued at the same time, so it was considered a collaboration.

There are different ways, but the biggest complexity, I'd say, with respect to those indigenous services audits is that the federal government cannot solve all the problems on its own without other jurisdictional input.

• (1155)

The Chair: I'm sorry, Dr. Burns, but I'm going to interrupt you there. We're short on time, and I want to make sure I get to all three people who raised their hands.

We're going to finish with Ms. Bradford, Ms. Yip, and then Ms. Sinclair-Desgagné, and those will be the last three we'll take. We're going to go over time, but I think it's important for everybody to get their questions in.

Ms. Bradford, please go ahead.

Ms. Valerie Bradford: Thank you, Mr. Chair.

As a newbie on this committee, and given the complexity and the uniqueness of the work that we do, I just wonder if you could recommend any additional training that could be undertaken and/or offered so that newcomers can get up to speed as quickly as possible and contribute in a meaningful fashion to the work of this committee.

Ms. Carol Bellringer: Lesley, go ahead.

Ms. Lesley Burns: We are available to provide more training should you wish. We do have a lot of resources on our website. I would direct you to our pocket cards or quick reference cards. I believe the clerk has shared those with you. Those have the most condensed information we have. We also have a good practice guide there that you may find useful.

The Chair: Go ahead, Ms. Yip.

Ms. Jean Yip: One of the things I like about this committee is how, in the end—and hopefully throughout this time—we all come together and work together, just as Mr. Lawrence has referenced.

I'd like to ask a question about page 31: “Tips to Foster Cross-Party Collaboration”. Could you clarify the bullet point “Focus on strengthening public administration”?

Thank you.

• (1200)

Ms. Lesley Burns: The ultimate goal of the committee is to improve public administration and root out any waste of public funds. I think that if you always have that as your end goal and as the main point that you're trying to achieve, it can help to give you a vision that keeps you away from the merits of the policy and questioning that [*Technical difficulty—Editor*].

The Chair: I'm sorry, Dr. Burns. Can you restart? There was again an interruption there and we didn't get the audio.

Ms. Lesley Burns: Sure. I would put [*Technical difficulty—Editor*] of the public accounts committee is to ensure that public money is spent effectively. If you hold that as the goal that you're reaching, it can help to steer you away from falling down the holes of the merits of policy. You may come across issues where you have a lot of policy ideas around what comes up. By all means, take that to other venues that you work in. That's one of the key things I hear that members like about being on the public accounts committee, that you learn so much about different issues and how different government departments work.

Ms. Carol Bellringer: I think it was the chair who made the comment about how you couldn't tell in a particular line of questioning which party was asking the question. That's something that is often brought up at the annual conference. If you close your eyes, you can't tell which party just asked the question. It's a neutral desire to have improved public administration.

[*Translation*]

The Chair: Ms. Sinclair-Desgagné, you're the last speaker.

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair.

I want to thank the witnesses for their presentations.

Given how the figures and financial data of various institutions can be presented, I have a somewhat specific question. I'm thinking of Crown corporations, for example, that follow international financial reporting standards, as opposed to departments, which have their own transparency standards.

How can the committee request that these corporations present their data differently, and for study purposes, with reasonable objectives, of course?

[*English*]

Ms. Carol Bellringer: I don't know the rules of your committee as to whom you may call in as a witness.

On the accounting rules, certainly across Canada in the public sector it's quite rare for the accounting standard to be baked in leg-

islation, to have it in [*Technical difficulty—Editor*] legislation. But the practice currently is, I'd say, 99% compliant, certainly at the provincial and federal levels, to follow Canadian auditing and accounting standards, so [*Technical difficulty—Editor*]. If it's not in accordance with Canadian accounting standards and it's part of the consolidation—including Crown corporations coming in—and if it's significant, the Auditor General will point it out in the audit opinion as a qualified [*Technical difficulty—Editor*] not a clean opinion. That has not been the case, so it is in accordance with Canadian standards.

If you look back 30 years, it was a mess across the country; everybody was doing it differently. That standardization is quite good across Canada now. At the municipal level, it's not as perfect, but certainly at the federal and provincial levels.... It's probably a much longer conversation, and if you ever want to call to talk about it—or obviously with your Auditor General or comptroller general—I'm happy to have a further discussion.

The Chair: I'm sorry, Mr. Dong. I see you have your hand up, but we're over time. I did say that Madame Sinclair-Desgagné would be the last questioner, and we have to move to in camera.

Mr. Han Dong: Chair, can I just make a quick comment on this, like 10 seconds?

The Chair: Very quick.

Mr. Han Dong: We had this conversation. Just for the benefit of my colleagues, federally, we don't [*Technical difficulty—Editor*] all AGs across the country to follow one standard. Is that correct?

• (1205)

Ms. Carol Bellringer: That's correct. It's not a layered approach. Each province would deal with it separately.

The Chair: I want to thank both witnesses for coming in and providing us with much detailed content and material. Thank you both, and hopefully any committee member can reach out to you if they have more questions or comments and want to exchange ideas with you. We would really appreciate that.

Colleagues, we're going to have to move in camera for this. For those of you in the room, this is pretty simple. You just stay here. For those of you on Zoom, you're going to have to log out, and there's a separate link for the in camera session, which should have been sent to you. Please log into that.

We'll suspend the meeting and then move in camera.

[*Proceedings continue in camera*]

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