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# ***Accountability in Parliament: The Role of the Auditor General***

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*To assist Parliament in holding the government to account, the auditor general is empowered to examine the accounts of federal government departments, agencies and many of its crown corporations. It is through this audit work that the Members of Parliament obtain the information to judge whether the government has spent public funds for the purposes authorized by Parliament and that public resources are used economically and efficiently. This is a slightly revised version of a speech to the Canadian Study of Parliament Group on October 28, 1989.*

by Raymond Dubois

**T**he office of the auditor general of Canada, therefore, plays an important role in the process by which Canadians are governed. The Auditor General submits his report to the House of Commons through the Speaker and not a part of the government itself. This independence from the government of the day and the public service is vital if the audit office is to perform its work effectively and make unbiased judgments. The auditor general must be free of obligations to any individual or institution and be free from fear of arbitrary dismissal or retaliation. Parliament uses the obligative information provided by the auditor general to call the government to account for its handling of public funds. In effect, the auditor general works for Parliament, not for the government of the day.

The *Auditor General Act of 1977* gave the auditor general substantially increased responsibilities and for the first time virtually complete freedom from the government of the day. The act is not specific on what should be audited or how it should be audited. But it does set out in some detail what must be reported.

First, we are required to report to Parliament whether the government's financial statements are complete and fair. We call that the "attest" function. It's what auditors in the private sector do for shareholders. It is carried out annually in all government departments and agencies.

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Secondly we are required to report on instances where departments have not complied with legislative and policy directives or have not exhibited due regard to economy and efficiency or do not have procedures to report and measure the effectiveness of programs. These aspects of our mandate are referred to as value-for-money auditing.

Legislative auditing is designed to help legislators maintain control of the public purse. To achieve that control of the public purse, public officials must fulfil three responsibilities. They must manage public resources prudently, comply with the law, and be accountable.

The Auditor's role is to ensure that the legislature is informed about the way the executive approaches these three responsibilities. In short, legislative auditors are concerned about accountability.

Accountability has been defined as the obligation to answer for a responsibility that has been conferred. It assumes the existence of at least two parties to this accountability: one who allocates responsibility, in this case Parliament and one who accepts the responsibility, in this case the government or a component of the government such as the Department of Transport.

Parliament, the first of these two parties, has two fundamental roles: to legislate, and to scrutinize government operations.

The other part, the government, has responsibility for carrying out Parliament's direction. It must display due



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regard for value for money and give enough information to Parliament about its operations so that it can be held to account for its actions. That's where our office comes in.

The primary role of the office of the auditor general is to provide the necessary audit information to the House of Commons to assist it in carrying out its scrutiny role.

The policies and guidance of the office are designed to ensure that only matters of considerable amount, effect or importance and of interest and priority for review by parliamentarians, should be examined and reported. We also have a general objective that our audits should make a contribution to better government.

Audits do not include a review of the merits of political policies. Such matters are for parliamentarians to review and debate.

The auditor general only gets involved after a policy has been decided, and generally after implementation has commenced. We do not, as a general rule, generate information about the effectiveness of government programs. This is because questions of effectiveness may be seen as criticisms of the merits of government policy. We limit our work to assessing the reliability and completeness of effectiveness information produced by the government. We also assess the adequacy of the way it is reported to Parliament.

In spite of our efforts, there is still a certain amount of judgement involved in deciding what to report. From time to time considerable controversy still exists in this regard. The fact remains that our client is Parliament and we are obliged to bring matters to the attention of the House. By reporting, we may from time to time cause a high degree of frustration and concern on the part of government and the departments.

While there are very few legislative restrictions on comprehensive auditing, there are some practical restrictions. The very nature of some government programs with multiple objectives, often soft and difficult to quantify, means that value for money auditing is a challenging and ????. We encounter situations where extra costs are incurred because decision making is dominated by objectives other than the stated program objective. The reason for such extra costs may be a perfectly valid government objective. But it may cause problems if Parliament is not informed of the real reason for the expenditure. In such circumstances, neither Parliament nor its auditor can say whether appropriate care has been given to achieving value for money.

Openness and clarity in stating the real purposes of a program of expenditure would assist in establishing a better accountability relationship. It would eliminate the need for comments by the auditor general on this type of situation.

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## **The Role of Committees**

The office serves committees of the House by providing independent and objective information on value for money issues in government. Committees take our work one more step forward in the form of public exposure and recommendations to the House.

Part of the accountability process is served when the auditor general's Report is tabled in the House. It is further served when the report is broken into chewable chunks by a committee, digested in some detail in the course of hearings and deliberations, and when that committee reports back to the House, in effect telling the House what must be done as a result of their analysis.

As a practical matter our relationship is mainly with the PAC which can be viewed as the Audit Committee of House. It is different from most other committees in that it has an Opposition Chairman and usually takes on a non partisan approach and avoids calling ministers as witnesses. The Auditor General has offered to assist other committees but is seldom called.

Committees (PAC especially) are a particularly effective accountability mechanism for Parliament when they secure commitments from or make recommendations to departments for particular action in response to our work. By operating at a level of detail and by following up on their work committees perform a function essential to accountability that the House itself could not possibly perform, given all the demands on it. In this sense, committees are the means of effective accountability in Parliament.

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## **Role of Members**

The auditor general's annual report contains far more material than one committee (PAC) can reasonably be expected to handle. All Members of Parliament can use our material, often in ways that are not highly visible, in the business of the House. This would include members' roles as policy critics, standing committee members, legislative committee members, and as participants in debate. Question period is a familiar process. Our work is often referred to as an authoritative, independent and objective source of information for questions.

In a related vein the effectiveness of the office would be reduced if question period were eliminated or shortened. The threat of exposure in Parliament, notably in question period, probably has a significant but unmeasurable impact in keeping ministers and the bureaucracy on their toes. 🇨🇦