



Public Accounts Committee Activity

Thoughts on the Future of the Public Accounts Committee

During the thirty-third Parliament the Public Accounts Committee undertook a vigorous program of hearings and reports. After examining the management of public funds by several large and complex departments including Public Works and National Defence, it was decided, in the spirit of reform suggested by the McGrath Committee, to review and evaluate our methods of operation. To this end the Committee travelled to Washington in September 1985 and to London in February 1986. We observed and discussed the practices and procedures of our American and British counterparts.

The Washington visit centred on the activities of the Government Operations Committee of the House of Representatives. This Committee is charged with oversight responsibilities for departments and agencies which carry out the programs of the Executive Branch. We observed the Intergovernmental Relations and Human Resources Subcommittee and members of our Committee met with the Chairman of the main Committee. Another important aspect of the Washington visit was the opportunity to meet with the Comptroller General and gain an appreciation of the workings of his office, the General Accounting Office, and its relationship with Congress.

The United Kingdom visit focused on the procedures and practices of the British Public Accounts Committee. With its long tradition and finely-developed working relationship with the civil service, the United Kingdom Committee was a source of important insights. Of particular interest were the workings of the National Audit Office which is the organization supporting

the British Comptroller and Auditor General, and the manner it interacts with the Public Accounts Committee. Canadian members were fully briefed on the operations of the NAO and its roles and responsibilities in the British system.



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Upon review and discussion of the findings of these two visits, the Committee has decided upon a number of specific measures to revise and improve its procedures and practices. For example, one important feature of the American committee system is the reliance on subcommittees as the primary vehicle for legislative and

oversight activities. Small groups of legislators become particularly knowledgeable about a given subject area. This enhances their effectiveness in the conduct of inquiries. Functioning through subcommittees, a committee is able to deal with more than one subject at a time. In addition, the subcommittee is a flexible instrument, subject to varying degrees of control by the main committee.

These characteristics of subcommittees in the Congress – flexibility, enhanced scope of inquiry and additional expertise of members – suggest that the expanded use of subcommittees may be appropriate in the context of the Canadian Public Accounts Committee. In the past, the Committee has made limited use of subcommittees. Based on its review of American experience, we decided to develop subcommittees as a forum for in-depth planning of our future program. In conjunction with the tabling of the 1986 Annual Report of the Auditor General, the Committee foresees the establishment of two or more subcommittees to examine major subject areas. Members of these subcommittees will acquire more thorough knowledge of the subject matter of priority areas in the Auditor General's report and act as resource-persons for hearings carried on by the main committee. We anticipate these subcommittees will be continuing assignments, focusing on the planning and conduct of public meetings but also remaining in existence after the report has been completed to oversee follow-up action in response to the Committee's recommendations.

The Public Accounts Committee has long recognized the importance of sound preparation for public meetings.

We wish to maintain and develop our procedures in this regard. Accordingly, the Committee will proceed as follows: In the weeks leading up to the public meetings, the staff will compile documents and draft briefing notes based upon analysis of the subject matter and discussions with prospective witnesses. This material will then be assembled in the form of a briefing book, including the opening statements of the principal witnesses. Briefing books will normally be distributed to members on the Thursday of the week before the first public meeting on a particular subject so that members will have an opportunity to review the material over the weekend.

A briefing meeting will be held the day before the first meeting. In presenting the briefing to members committee staff will be assisted by the staff from the Office of the Auditor General where the subject deals with his report. Permanent committee staff will be supplemented by additional expert staff where this is required. In conjunction with the subcommittee procedure mentioned earlier, the Committee, in the course of the briefing meeting, will designate individual members to play a leading role in the questioning of witnesses.

Among the many noteworthy practices of the British Public Accounts Committee is the well-developed system of planning future business with the National Audit Office. A detailed planning document is submitted to the Committee and the program is set out one year in advance based on the schedule of reports being produced and, on occasion, requests by the Committee. In reviewing these planning procedures, the Canadian committee has decided to develop further its own procedures in this area. In future, the Committee will meet with the Auditor General at six month intervals and will endeavor to plan its program on this basis. One of these semi-annual planning sessions will coincide with the tabling of the Auditor General's annual report. With the assistance of the Auditor General and his staff, the Committee will rank the subjects in his annual report and lay out a program of future business. The Committee will also consider items from the Public Accounts of Canada and, from time to time, request the Auditor General to undertake special studies or inquiries. Should the *Auditor General's Act* be amended to allow him to table reports on a completion-date basis, the Committee expects that the semi-annual planning sessions would serve to set the agenda for the tabling of these reports.

Another aspect of the British Committee's proceedings noted by our Committee was the degree of preparation and co-ordination evident in the quality of the responses from civil servants. It was clear that officials were well-briefed. Moreover, responses from each department were channelled through one or two designated senior officials. The British Committee therefore received evidence from a small number of well-briefed, high-ranking officials. This approach commended itself to the Canadian Committee. Too often, in the Canadian experience, testimony from officials has not been well co-ordinated and it has not been clear who was accountable to whom for what. In future the Committee will impress upon government departments, agencies and Crown corporations appearing before it the importance of responsible representation and an improvement in the quality of witnesses' preparation. The staff of the Committee will convey these expectations to all prospective witnesses.

The Committee observed that its British counterpart tended to receive concise replies from witnesses. It is a matter of concern to the Committee that witnesses sometimes respond at greater length than is called for as though hoping to "talk out" a point rather than deal squarely with it. The Committee will endeavor to more closely control such behavior in the future.

Parliamentary scrutiny of the economy, efficiency and effectiveness of public spending is recognized as an important function in both the American Congress and the British House of Commons. The Government Operations committee is a sought-after assignment among the many committees of the House of Representatives. Similarly, the British Public Accounts Committee has an authoritative voice in the overview of government expenditures, based on a tradition of respect for the Committee and its views. In light of British and American practice, the Canadian Committee will endeavor to create a greater awareness of its activities among other parliamentarians and the general public.

Under the doctrine of ministerial responsibility a minister is answerable to Parliament for policy while public servants are responsible for the implementation and administration of programs. It is not the intention of the Public Accounts Committee to determine the rights and wrongs of policy but rather to ensure that programs are implemented with due regard for economy, efficiency and

effectiveness. The Committee will attempt to hold officials accountable for their administrative responsibilities and for the accuracy and completeness of the advice that they give to ministers.

Defining responsibility and accountability as between a Minister and officials is far from easy. A Minister may choose, for public policy reasons, a course of action that costs more than other available options and the choice may be not only defensible but wise and appropriate even, occasionally, brilliant.

Ministers will expect to be called on to justify political decisions as such. But a Minister should be able to rely on receiving from officials sound economic analysis at every stage of decision-making.

Cost cannot be the only criterion in government decisions but the Government should know that a program will cost before it is launched and costs should be monitored all through the life of a program.

In Canada, as in any democracy, control of the public purse is the exclusive prerogative of parliament. While ministers introduce budgets and plan expenditures, the cabinet may neither collect nor spend taxpayer's money without the express approval of parliament and must account to the House of Commons for its handling of the monies entrusted to it.

Tax payers worldwide now tend to regard government spending as wasteful, not related to the voters' wishes and not respectful of the fact that citizens work hard for the money that they pay in taxes.

This attitude helps breed cynicism and goes against the traditional Canadian belief in a mixed economy and in using the fruits of economic prosperity to increase equality of opportunity for the disadvantaged in our society.

The more parliament can show that government programs are being delivered with due regard to economy and effectiveness, the more ready our citizens will be to support these programs, believing that they are getting value for their tax dollars. As Sonja Sinclair said in her history of the Office of the Auditor General, "democracy may be in greater danger from internal collapse than from external enemies. Its survival in the long run may depend on its ability to regenerate itself, to prove that accountability and the supremacy of parliament are not just words mouthed by politicians, but part of the reality of government."

Among the measures which the Committee proposes to adopt are press conferences to accompany the tabling

of major reports and enhanced communication with other committees and individual Members of Parliament to "get the message across". Although the Canadian political system differs from the American one in that fewer powers reside in committees, we will seek opportunities to communicate with the members of other committees, as is done in the United States, to ensure that the Public Accounts Committee's concerns about departments and agencies are brought to their attention. In the same way, the Chairman, Vice-Chairman and Members of the Committee will consult with their colleagues in the House to ensure that the Committee's views are communicated effectively.

In view of the expanded mandate of Standing Committees resulting from recommendations of the McGrath Committee and the likelihood that certain of the Auditor General's findings will be of interest to these committees, it must be stressed that all reports of the Auditor General to the

House of Commons are automatically and permanently referred to the Public Accounts Committee. For his part, the Auditor General has agreed to inform the Committee on a regular basis of any significant communication and/or involvement with other committees of the House.

One aspect of the relationship between the British Public Accounts Committee and the civil service is the role of a senior official in the Treasury department who acts as a co-ordinator of the government response to the Committee. This official consults with departmental officials prior to meetings and develops the official government reply to Committee reports. He is also present at all public meetings. While not seeking to duplicate the British approach, the Canadian Committee considers the continuity and co-ordination provided by such a central agency official to be a valuable resource that should be further developed in the Canadian context. Accordingly, the Committee requested the Office of the

Comptroller General to assign a senior officer, at the Deputy Comptroller General level, to attend all Committee meetings and co-ordinate the involvement of government departments and agencies in the Committee's hearing process.

Our goal should be to arrive at a situation where everyone in public life – whether Member of Parliament or public servant – feels a sense of personal responsibility for the economical, efficient and effective management of public funds and resources.

If we can create a system which enhances personal responsibility, we will have made a contribution not only to good financial management but to the protection and promotion of democracy.

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