

STANDING COMMITTEE ON PUBLIC ACCOUNTS



Cross-Jurisdictional Comparison of Public Accounts Committees Concerning Report Writing and Follow-Up on Implementation of Auditor's Outstanding Recommendations

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January 19, 2021

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1.0 INTRODUCTION

At the request of the Subcommittee on Committee Business, LAO Research and Committee Services undertook to gather information from other jurisdictions in Canada about how Public Accounts Committees work with their Auditor General (or equivalent officer) to follow-up on audit recommendations made with respect to Ministries and associated entities. Further, questions were also asked about the processes followed with respect to report writing and Public Accounts Committees making recommendations in relation to audits in jurisdictions throughout Canada.

2.0 SURVEY QUESTIONS

A series of nine questions were sent to all jurisdictions in Canada that have a Public Accounts Committee for their response. Five jurisdictions responded: British Columbia, Saskatchewan, Ontario, Nova Scotia, and Prince Edward Island. The questions are as follows:

- 1. *What is your Committee's relationship with the Auditor General? What role does the Auditor General play in relation to the Committee?***
- 2. *Can your Public Accounts Committee issue reports and make recommendations to the Government / Assembly / House? If so, under what authority can they do this?***
- 3. *If your Committee is able to make recommendations, what, if any, are the statutory or Standing Order requirements of the Government or the Assembly/House to respond to / implement them? (e.g. does the Government have to respond within a certain period of time?)***
- 4. *How often does your PAC issue reports and recommendations (if they are permitted to do so)?***
- 5. *What is the general substance of these reports and recommendations (e.g. very specific or general / thematic)?***
- 6. *What is your Committee's research capacity to prepare reports?***
- 7. *What processes does the Committee follow in regard to monitoring implementation of recommendations from the Auditor or the Committee?***
- 8. *What sort of assessments does the Committee use to benchmark the implementation of recommendations?***
- 9. *What relationship does the Committee and the Auditor General have in terms of reviewing implementation of recommendations?***

3.0 CROSS-JURISDICTIONAL COMPARISON

What is your Committee's relationship with the Auditor General? What role does the Auditor General play in relation to the Committee?

In all jurisdictions, the Public Accounts Committees reported a close working relationship with the jurisdictional auditor. In all the responses received, except the one received from PEI, it is explicitly stated that the Auditor or their staff have a standing invitation to attend and participate in committee meetings. In Saskatchewan, reference is made specifically to a permanent liaison from their Provincial Auditor's office being assigned to the Committee and assisting with the creation of a schedule for PAC meetings.

Representatives from the auditor offices seem to have differing relationships when it comes to the actual meetings of their PACs. British Columbia indicates that the Auditor General is considered a witness. In Nova Scotia, the role of the Auditor General in committee meetings is similar to Alberta's in that they are considered an "adviser" normally, but as a "witness" when delivering reports to the Committee.

Different committees are also tasked with differing degrees of budgetary and legislative oversight of their respective auditor. PEI's PAC, as Alberta's, has no appointment, oversight or budgetary mandate over the Auditor General's office. The reverse is the case in Saskatchewan. Their PAC recommends appointments of their Provincial Auditor, reviews any proposed legislation pertaining to the Provincial Auditor, and approves their budget estimates.

In Ontario and Saskatchewan, the PAC reviews sections of the Auditor General's special and annual reports as a routine function. Ontario indicates they frequently do this. While the PEI PAC takes between one and five meetings to review the Auditor General's annual report once it is tabled.

Can your Public Accounts Committee issue reports and make recommendations to the Government / Assembly / House? If so, under what authority can they do this?

Each jurisdiction, except Nova Scotia, has the ability to issue reports and make recommendations to their respective Assemblies under their rules. In addition, when legislation is introduced in the Legislative Assembly of Saskatchewan, it is required to be referred to their Public Accounts Committee for review.

If your Committee is able to make recommendations, what, if any, are the statutory or Standing Order requirements of the Government or the Assembly/House to respond to / implement them? (e.g. does the Government have to respond within a certain period of time?)

In Alberta, the Standing Committee on Public Accounts may issue reports, with recommendations, and the Government shall respond to the report within 150 days (Standing Order 53). In BC and Nova Scotia, there is no requirement for the government to respond to the recommendations or reports of the Committee. In Ontario, PAC may request a response from the Government, but the process is not automatically triggered otherwise. Both PEI and Saskatchewan do have response requirements from the Government in their procedural rules (required during the subsequent Session of the Assembly in Nova Scotia, 120 days in Saskatchewan).

How often does your PAC issue reports and recommendations (if they are permitted to do so)?

Ontario is the only jurisdiction that responded to this inquiry that routinely issues separate substantive reports, beyond an annual or sessional report of their PAC's activities, although PEI, Saskatchewan, and BC have the ability to do so if they so choose. Ontario's reports often contain recommendations from the Committee in relation to relevant matters.

What is the general substance of these reports and recommendations (e.g. very specific or general / thematic)?

PEI's annual reports contain information about their PAC's activity, but may also contain recommendations in relation to various topics under the Committee's review. Saskatchewan's PAC includes in its annual reports

the Committee's decisions on whether it concurs with the Auditor's recommendations in relation to a ministry or agency, whether the Committee feels that the ministry or agency is making progress to implement a recommendation from the Auditor, and routine matters such as Committee membership changes, entities that have appeared before the Committee, et cetera.

British Columbia PAC's annual report contains a comprehensive summary of each audit report reviewed by the Committee, responses from ministries and entities relative to their appearance before the Committee, questions asked by committee members during meetings, and any follow-up.

Ontario PAC reports often outline the discussion between the Committee and the entities invited to appear before them. The reports will often reference the findings of their Auditor General. The Committee will then usually reiterate the Auditor General's recommendations, or issue its own based on the responses received from the ministries and entities.

What is your Committee's research capacity to prepare reports?

Ontario has three dedicated research officers assigned to the Public Accounts Committee. BC has two researchers who also support other committees. In PEI the Committee Clerk is also the Researcher. In Saskatchewan, the Committee Clerk drafts the Committee's reports, but they do not have additional research capacity.

What processes does the Committee follow in regard to monitoring implementation of recommendations from the Auditor or the Committee?

BC, Nova Scotia, and PEI each have an "action plan" process for monitoring follow-up of auditor recommendations. In BC, progress on action plans in relation to ministries and agency recommendations are updated annually. In Nova Scotia, the Committee requests an action plan on auditor recommendations following the tabling of the Auditor's report. If an entity appears before their Committee, an updated action plan is requested from the entity within a year of appearing.

In PEI, after the tabling of the Auditor's report, the Committee asks any entity with Auditor recommendations to provide the Committee with an action plan detailing how, when, and by what means they plan to implement the recommendations. The Committee evaluates any information received to decide on any potential next steps. If the Committee does not receive the information requested within three months, they may schedule a meeting with the entity in question.

In Ontario, the Committee receives follow-up responses from the entity in question within 120 days of tabling its report. It may then decide what further follow-up action it wishes to take. The Auditor also performs follow-up audits two years after her previous audit.

In Saskatchewan, entities called before the Committee provide status reports on the implementation of the Provincial Auditor's recommendations. The Committee will make decisions with regard to the Auditor's recommendations (e.g. concurrence in the recommendation, noting implementation progress, not concurring in the recommendation, et cetera.). If the Committee is satisfied with the implementation of a recommendation, they close the audit in question. If not, they may call officials back. The Auditor does follow-up investigations as well and reports back on these to PAC.

What sort of assessments does the Committee use to benchmark the implementation of recommendations?

Ontario and PEI rely heavily on the follow-up work of their respective auditors, assessing whether the Committee should call back officials for follow-up on implementation.

In British Columbia, the Committee's Subcommittee on Agenda and Procedure reviews the progress of action plans for implementation of recommendations and will make recommendations to the Committee on whether it should follow-up by calling officials back.

In Saskatchewan, the Committee reviews follow-up responses from the various entities, and the information provided by the Auditor, to assess the implementation of their Auditor's recommendations and further action it may wish to take.

What relationship does the Committee and the Auditor General have in terms of reviewing implementation of recommendations?

Each jurisdiction relies significantly on the work of their respective Auditors to assess follow-up on their recommendations.

4.0 BREAKDOWN OF RESPONSES BY JURISDICTION

4.1 British Columbia

1. *What is your Committee's relationship with the Auditor General? What role does the Auditor General play in relation to the Committee?*

The Auditor General and their staff are considered "witnesses" to the Committee and normally attend all PAC meetings to provide a presentation on the audit report(s) under consideration by the Committee.

The Auditor General and their staff are also available to answer any questions the Committee Members may have.

2. *Can your Public Accounts Committee issue reports and make recommendations to the Government / Assembly / House? If so, under what authority can they do this?*

The BC PAC is authorized by its Terms of Reference to issue reports and make recommendations to the Legislative Assembly. The Committee typically issues an annual report which summarizes its activities over the past year, including summaries regarding the audit reports the Committee has reviewed.

In the past, PAC endorsed some or all of the Auditor General's recommendations at the end of each inquiry, and occasionally formulated its own recommendations for the Assembly to consider. Since 2009, the Committee's practice has been to receive and review Auditor General reports; the Committee does not endorse Auditor General recommendations or make its own recommendations.

PAC's Terms of Reference is adopted by a motion of the Legislative Assembly at the outset of each session

3. *If your Committee is able to make recommendations, what, if any, are the statutory or Standing Order requirements of the Government or the Assembly/House to respond to / implement them? (e.g. does the Government have to respond within a certain period of time?)*

In British Columbia, there are no statutory or procedural provisions that require the Government or the Assembly/House to respond to/implement any Committee recommendations.

4. *How often does your PAC issue reports and recommendations (if they are permitted to do so)?*

As noted, the BC PAC normally issues an annual report and under recent practice such reports do not include recommendations.

5. *What is the general substance of these reports and recommendations (e.g. very specific or general / thematic)?*

The BC PAC's annual reports are comprehensive and provide a summary of each audit report that has been considered by the Committee during the past year, the response provided by the audited ministry or organization, and questions asked by Committee Members and the responses provided by the audit team or government officials. Any follow-up items in relation to the Committee's inquiry are also noted in the report.

6. What is your Committee's research capacity to prepare reports?

The BC PAC currently has two research staff that provide support to the Committee in addition to supporting other parliamentary committees.

7. What processes does the Committee follow in regard to monitoring implementation of recommendations from the Auditor or the Committee?

In 2015, PAC adopted an enhanced follow-up process to strengthen its review of the work by audited government organizations to implement recommendations. This enhanced process includes the Committee's review of detailed Action Plan Progress Assessments from audited government ministries and agencies which are updated annually on progress made to implement audit report recommendations. The Action Plans are posted on PAC's website along with other meeting documents and presentations.

8. What sort of assessments does the Committee use to benchmark the implementation of recommendations?

In recent years, review of the Action Plans has been delegated to the Subcommittee on Agenda and Procedure. The Subcommittee then makes recommendations to PAC regarding Action Plans that may require additional audits by the Auditor General or further review by the Committee, including the calling of government witnesses to appear before the Committee to discuss the effectiveness of the work being done to implement recommendations as outlined in the Action Plan.

9. What relationship does the Committee and the Auditor General have in terms of reviewing implementation of recommendations?

Staff from the Office of the Auditor General prepare a detailed Action Plan Progress Assessment which summarizes the status of the implementation of recommendations contained in the Action Plans and makes proposals to the Committee on areas of concern that may require further audit work by the Office of the Auditor General or additional Committee inquiry.

4.2 Saskatchewan

1. What is your Committee's relationship with the Auditor General? What role does the Auditor General play in relation to the Committee?

Saskatchewan's Standing Committee on Public Accounts (PAC) works closely with the Provincial Auditor.

Under the Rules and Procedures of the Legislative Assembly of Saskatchewan and The Provincial Auditor Act, the primary mandate of PAC is to scrutinize the government's past financial activities and performance through a detailed review of the public accounts and Provincial Auditor's reports. The Provincial Auditor and/or officials from her office are present at all meetings of PAC when the audits contained in her reports are being considered. An official from her office acts as a permanent liaison to the committee and assists with setting the agendas and scheduling of chapters for review by PAC.

Pursuant to The Provincial Auditor Act, PAC recommends the appointment of a Provincial Auditor and has the authority to suspend the Provincial Auditor in specific circumstances, reviews all legislation pertaining to the Provincial Auditor, reviews and approves the budgetary estimates for the Office of the Provincial Auditor, and reviews and approves the Provincial Auditor's annual business and financial plan and human resources and financial management policy.

2. Can your Public Accounts Committee issue reports and make recommendations to the Government / Assembly / House? If so, under what authority can they do this?

PAC issues reports pursuant to the Rules and Procedures of the Legislative Assembly of Saskatchewan:

142(2) The Standing Committee on Public Accounts shall review and report to the Assembly its observations, opinions and recommendations on the Reports of the Provincial Auditor which are designated for referral to the Standing Committee on Public Accounts by The Provincial Auditor Act, and on the Public Accounts, which shall be deemed to have been permanently referred to the committee as they become available.

142(3) Any bill related to the Provincial Auditor shall be committed to the Standing Committee on Public Accounts. Bills referred to the Standing Committee on Public Accounts shall be considered and reported in accordance with Rules for proceedings on public bills and Rules for bills specified on the Order Paper for completion.

Under rule 142(2), PAC may make recommendations to the government, the Provincial Auditor, the Assembly, or on any other matter contained in any report of the Provincial Auditor or the Public Accounts.

3. If your Committee is able to make recommendations, what, if any, are the statutory or Standing Order requirements of the Government or the Assembly/House to respond to / implement them? (e.g. does the Government have to respond within a certain period of time?)

When PAC tables a substantive report, it contains a request for the government to respond to the report within 120 days. Rule 136(7) of the Rules and Procedures of the Legislative Assembly of Saskatchewan states:

136(7) When a committee requests a response to its report, a Minister of the Crown shall respond within 120 calendar days as to the action, if any, proposed to be taken by the government with respect to the recommendations of a committee.

4. How often does your PAC issue reports and recommendations (if they are permitted to do so)?

The committee periodically issues a substantive report outlining the business it has conducted over a period of time. The unofficial target for report issuance is once per session, but a report may be issued whenever the committee feels a sufficient amount of work has been completed.

Reports on bills are submitted to the Assembly once committee review of the bill has been completed.

5. What is the general substance of these reports and recommendations (e.g. very specific or general / thematic)?

Reports on bills are reported to the Assembly in the same way public bills are reported by other committees. The report indicates whether the bill has been amended or not or if, in the opinion of the committee, the bill should not be proceeded with.

Substantive reports primarily focus on PAC's review of the Provincial Auditor's recommendations. The reports include the committee's decision on recommendations (e.g., whether the PAC concurs with each of the Provincial Auditor's recommendations or disagrees; whether PAC feels the ministry/agency has complied or is making progress towards complying with the recommendation, or whether PAC proposes an independent recommendation). PAC

rarely disagrees with the Provincial Auditor's recommendations. When they have done so, the recommendation proposed is generally thematic rather than specific, or it changes the wording of the Provincial Auditor's recommendation.

For example, in 2009 PAC changed the wording on a couple of recommendations from:

- “we recommend an agency agree . . .” to “we recommend an agency seek mutual agreement. . .”
- “. . . use an accountability framework that focuses on results” to “. . . use an accountability framework that focuses on results as operational capacity permits.”

In 2013, PAC disagreed with a Provincial Auditor recommendation and replaced it with an independent recommendation. “We recommend that the Ministry of the Economy establish a process to estimate and communicate future processing times for the Saskatchewan Immigrant Nominee Program” was changed to “We recommend that the Ministry of Economy provide the necessary information to assist applicants to make informed decisions regarding their application for the SINP [Saskatchewan Immigrant Nominee Program].”

Substantive reports also outline any membership changes, other business undertaken (review of other Provincial Auditor documents, special assignments, committee motions), and list all ministry/agency officials that attended PAC to answer questions during that time period being reported.

6. *What is your Committee's research capacity to prepare reports?*

In consultation with the Steering Committee consisting of the Chair and Deputy Chair, the Committee Clerk drafts PAC reports. The Legislative Assembly of Saskatchewan does not employ in-house researchers for PAC or other standing committees.

At the start of each legislature, PAC has a role in the selection and appointment of five individuals to serve on an independent Audit Committee (two CPAs, a member of the faculty of a post-secondary institution with an expertise in accounting, a member of the Law Society of Saskatchewan with finance being their preferred area of practice, and a private businessperson) pursuant to The Provincial Auditor Act. PAC may call upon the Audit Committee to provide advice on auditing and accounting issues, such as the selection of a Provincial Auditor or on any other matters as may be requested, and to assist in the review of the reports, estimates, and business and financial plan of the Provincial Auditor. The Audit Committee has no self-referencing authority and is restricted to carrying out those tasks referred to it.

Under *The Provincial Auditor Act*, PAC may also request that the Provincial Auditor perform a specific reviews/audit and prepare a special report to investigate a matter.

7. *What processes does the Committee follow in regard to monitoring implementation of recommendations from the Auditor or the Committee?*

PAC reviews all of the chapters (audits) contained within the Provincial Auditor's audit reports and questions the ministries and agencies that are issued recommendations from the Provincial Auditor. Prior to a meeting to consider a ministry/agency's compliance with the recommendations, PAC requires ministry/agency officials to complete a status update report to outline their progress toward implementing the recommendations, including any actions taken, planned actions, and timeline to completion (see attached Presentation and Status Update Guide for Officials). Status updates provide members with important background information and allow them to target questions to areas of interest or concern based on the information provided.

Consideration of a chapter begins with a briefing by a representative from the Auditor's office on the background and substance of the audit and any recommendations. The ministry or agency will then be permitted to make an opening statement if they so choose before PAC members question them on the implementation of the Provincial Auditor's recommendations.

PAC then makes a decision in regard to each recommendation by:

- Concurring with the recommendation
- Concurring with the recommendation and noting progress towards compliance
- Concurring with the recommendation and noting compliance
- Disagreeing with the recommendation OR
- Adopting an independent recommendation

If PAC is satisfied that the ministry/agency has implemented or will implement the recommendation in a manner and time PAC feels is appropriate, the committee will conclude consideration of the chapter. If the committee thinks it might want to question ministry/agency officials further in respect to any of the recommendations contained in the chapter, they will adjourn consideration of the chapter and may call the officials back at a later time.

The Provincial Auditor conducts follow-up audits to monitor whether recommendations have been complied with, and these are reported to PAC in subsequent reports.

8. *What sort of assessments does the Committee use to benchmark the implementation of recommendations?*

PAC considers the ministry/agency's responses to questions and information contained in the status update reports to assess the ministry/agency's commitment to and progress toward implementing the recommendations. The committee also considers any pertinent input from the Provincial Auditor or Provincial Comptroller in this respect.

9. *What relationship does the Committee and the Auditor General have in terms of reviewing implementation of recommendations?*

The Provincial Auditor, or an official from the Auditor's office, makes a statement regarding their audit before PAC questions ministry/agency officials and is available throughout the committee's consideration to provide additional input in regard to the audit.

The Provincial Auditor does follow-up audits to follow the progress of recommendations to implementation. Follow ups are reported in subsequent report chapters and are again reviewed by PAC. PAC may choose to call officials again to question them on outstanding recommendations if they feel that a ministry or agency is not making progress towards compliance.

It is worth noting that the Provincial Comptroller is also generally present at PAC meetings during consideration of Provincial Auditor's chapters. The comptroller is available to provide the committee with information on the province's accounting system and general financial administration policies, and he works with the ministries to respond to recommendations.

4.3 Ontario

1. *What is your Committee's relationship with the Auditor General? What role does the Auditor General play in relation to the Committee?*

Generally, Ontario's PAC has a good relationship with the Auditor General.

The Committee routinely selects chapters and sections of her special and annual reports for

review, and the Auditor is present at all committee meetings in an advisory capacity.

With the ongoing pandemic, the Auditor's staff will typically join the committee meeting via Zoom and are on hand to answer questions as needed.

2. Can your Public Accounts Committee issue reports and make recommendations to the Government / Assembly / House? If so, under what authority can they do this?

Yes, the Committee is authorized to issue reports and make recommendations under Standing Order 111(h):

Standing Committee on Public Accounts which is empowered to review and report to the House its observations, opinions and recommendations on the Report of the Auditor General and the Public Accounts, which documents shall be deemed to have been permanently referred to the Committee as they become available.

3. If your Committee is able to make recommendations, what, if any, are the statutory or Standing Order requirements of the Government or the Assembly/House to respond to / implement them? (e.g. does the Government have to respond within a certain period of time?)

In Ontario, there is an option under SO 38(f) for any committee tabling a substantive report to request a response from the government:

(f) Within 120 calendar days of the presentation of a Committee report as provided in clauses (d) and (e), the government shall, upon the request of the Committee, table a comprehensive response.

That request is standard for Ontario's PAC and is also reiterated in the opening paragraphs of its reports. Upon tabling of the report, copies are sent to the relevant Minister(s), Deputy Minister(s), and other agency/board/commission heads, with a letter requesting a response within 120 days.

4. How often does your PAC issue reports and recommendations (if they are permitted to do so)?

Reports are typically issued for each section reviewed by the Committee. The committee will typically issue between 6 and 10 reports per year. Most reports contain recommendations.

5. What is the general substance of these reports and recommendations (e.g. very specific or general / thematic)?

The reports often outline the discussion between the Committee and the entities invited to appear before them. The reports will often reference the findings of the Auditor General. The Committee will then usually reiterate her recommendations or issue its own based, on the responses received from the witnesses.

6. What is your Committee's research capacity to prepare reports?

Ontario's PAC has a team of 3 Research Officers who support the Committee. They will divide the research responsibilities between them, with at least one RO attending the public hearings and preparing the draft report for a specific topic. As the Committee typically makes 6 selections for review in December following the tabling of the AG's Annual Report (and then additional selections as required) each RO is responsible for two of the selections at a time.

7. What processes does the Committee follow in regard to monitoring implementation of recommendations from the Auditor or the Committee?

The Committee receives the responses from the relevant Ministries/entities within 120 days of the tabling of the report. The Committee then has the ability to review the same issue again, recall the witnesses for further questioning, write requesting additional information, et cetera. The Auditor General typically performs follow-up on her previous audits after 2 years, and will look at the rate of implementation of her recommendations, as well as those made by the Committee.

8. What sort of assessments does the Committee use to benchmark the implementation of recommendations?

The Committee typically relies on the follow-up work of the Auditor General. Her report will often highlight what the rate of implementation has been on both her and the Committee's recommendations, and will include the responses provided by the relevant Ministry/entities to the recommendations.

9. What relationship does the Committee and the Auditor General have in terms of reviewing implementation of recommendations?

Again, the Auditor General will review her recommendations as well as those made by the Committee to see the rate of implementation. The Committee may choose to select the relevant follow-up section of the Auditor General's report for review in order to look more closely at the rate of implementation, ask follow-up questions, et cetera

4.4 Nova Scotia

1. What is your Committee's relationship with the Auditor General? What role does the Auditor General play in relation to the Committee?

The AG is invited to attend PAC meetings. When delivery reports, he is a witness and would be considered as an advisor otherwise.

2. Can your Public Accounts Committee issue reports and make recommendations to the Government / Assembly / House? If so, under what authority can they do this?

No.

3. If your Committee is able to make recommendations, what, if any, are the statutory or Standing Order requirements of the Government or the Assembly/House to respond to / implement them? (e.g. does the Government have to respond within a certain period of time?)

N/A

4. How often does your PAC issue reports and recommendations (if they are permitted to do so)?

N/A

5. What is the general substance of these reports and recommendations (e.g. very specific or general / thematic)?

N/A

6. What is your Committee's research capacity to prepare reports?

N/A

7. What processes does the Committee follow in regard to monitoring implementation of recommendations from the Auditor or the Committee?

The committee requests departments that have received recommendations to provide an action plan on auditor general recommendations following the tabling of a report by the AG. If the Department is called before the committee, an updated action plan is requested one year after the appearance.

8. What sort of assessments does the Committee use to benchmark the implementation of recommendations?

N/A

9. What relationship does the Committee and the Auditor General have in terms of reviewing implementation of recommendations?

The Auditor General produces its own follow-up report, which is reviewed by the committee.

4.5 Prince Edward Island

1. What is your Committee's relationship with the Auditor General? What role does the Auditor General play in relation to the Committee?

Under rule 95(5) of the Rules of the Legislative Assembly of Prince Edward Island, the mandate of the Standing Committee on Public Accounts is "matters concerning the public accounts of the Province, the annual report of the Auditor General, and fiscal management."

After the AG tables his annual report on March 15 of each year, the committee typically meets with him over 1-5 meetings to review the report, particularly the performance audits, financial audit and review of past audit sections. The AG has in the past provided orientation sessions to familiarize the committee with his role. The committee may have occasional correspondence with the AG outside of these report review meetings.

The committee doesn't have direct appointment, oversight, advisory or any other role toward the AG under the Audit Act, which establishes the AG and his office. However, that hasn't stopped the current and former committees from sometimes issuing recommendations in their reports that relate to providing the AG office with more funding or, as occurred just last year, updating the Audit Act to give the AG the ability to "follow the dollar" (i.e. audit the books of organizations external to government that receive government funding to provide services or programs).

2. Can your Public Accounts Committee issue reports and make recommendations to the Government / Assembly / House? If so, under what authority can they do this?

Yes. Committees' authority to do this is established under rule 94:

94. (1) Committees shall be individually empowered to examine and inquire into all such matters and things that may be referred to them by the House; and, in addition, committees, by majority decision of their membership, may meet to examine and inquire into such matters and things as the committee deems appropriate (subject to Rule 95).

(2) Committees shall report to the House from time to time their observations and

opinions with power to send for persons, papers and records.

a. If your Committee is able to make recommendations, what, if any, are the statutory or Standing Order requirements of the Government or the Assembly/House to respond to / implement them? (e.g. does the Government have to respond within a certain period of time?)

3. *If your Committee is able to make recommendations, what, if any, are the statutory or Standing Order requirements of the Government or the Assembly/House to respond to / implement them? (e.g. does the Government have to respond within a certain period of time?)*

Under rule 110(9) "a written executive response shall be tabled in the House during the next seasonal sitting following the adoption of the committee report." Though that rule has existed for some time, it has largely been ignored. However, recently committees (not just PAC) have been taking notice of this and requesting in their reports that Government provide a response in the next seasonal sitting, as per the terms of the rule, as well as pointing out that responses haven't been received for past reports. Government did provide a response to a committee report in the fall, 2020 sitting, which is the first such response that I can recall. It was to the report of another committee, not PAC. PEI has a winter/spring sitting, and a fall sitting each year.

4. *How often does your PAC issue reports and recommendations (if they are permitted to do so)?*

As the rule above indicates, they can report "from time to time;" it's left up to each committee to define what that means. Most committees issue a report every seasonal sitting, but it's not against the rules for them to not report in a particular sitting.

5. *What is the general substance of these reports and recommendations (e.g. very specific or general / thematic)?*

They typically cover any changes in membership and provide a summary of their activity since last reporting, which consists of the meetings they had, the witnesses who appeared, the subjects they discussed, and the decisions the committee made. Then they will typically provide one or more recommendations. If a committee is reporting on matters it decided to examine by majority decision of its members, the report and recommendations may cover a number of different topics. If the committee is reporting on a matter referred to it by the House, the committee may choose to issue a report and recommendations strictly on that issue. It's up to the committee. PAC is no different in this manner. It has been awhile since the House directed PAC to look into something; all subjects the committee has examined in recent years have been based on the committee's own decisions within its mandate.

6. *What is your Committee's research capacity to prepare reports?*

I am both clerk and researcher for the committee, and so I attend to report drafting and any research needs the committee may have. The committee also occasionally sends correspondence to the AG or to government departments to request information on a given subject.

7. *What processes does the Committee follow in regard to monitoring implementation of recommendations from the Auditor or the Committee?*

After the AG issues an annual report, the committee asks each performance auditee for an action plan detailing how, when and by what means the auditee will implement each of the AG's recommendations. Auditees are generally cooperative in providing these action plans. Once received, the committee assesses what to do next. If the action plan has implementation

timelines, the committee will often send correspondence to the auditee at the end of those timelines to request an update on implementation. The committee could also seek the appearance of the auditee at any point to discuss audit implementation, but they may also wait until the AG does further assessment---see below---before seeking a meeting with the auditee. The current committee has adopted a practice that if an action plan is not provided within three months of the committee's request, they will seek the appearance of the auditee. They haven't had to resort to this, though.

8. *What sort of assessments does the Committee use to benchmark the implementation of recommendations?*

The committee relies greatly on the AG's review of past audits. Part of each annual report by the AG includes follow up on implementation of recommendations from audits from three years ago. The AG doesn't re-audit the program or service or whatever in question, but undertakes limited assurance work to determine how many recommendations have been fully implemented. Follow up work is done again the next year. For example, in the 2020 report, the AG reported on the level of implementation of 2017 audit recommendations (first follow up report) and 2016 audit recommendations (second follow up report). While auditees will sometimes report that recommendations are fully implemented, the AG may disagree, and only rates each recommendation as implemented or not implemented, and produces implementation percentages based on that. After that second follow up report, the AG does not carry out further follow up, even if the audit is far from fully implemented. However, the committee may seek the appearance of the auditee to discuss why the recommendations are still not fully implemented after four years. The committee may also seek the auditee's appearance at any point before that cut off point in the AG's follow up process; it's entirely up to the committee. The current PAC (which has been in place since mid-2019) has met with all but one of the 2015, 2016 and 2017 auditees that have not achieved 100% implementation. These auditees have been the subject of recommendations the committee has made to the House.

9. *What relationship does the Committee and the Auditor General have in terms of reviewing implementation of recommendations?*

Lastly, the Audit Act was updated last year to enable the AG to do "follow the dollar" work as referenced above, and also to issue audit reports when he sees fit, instead of only once per year in the annual report. This could conceivably change the schedule of follow up on audits from previous years. However, the previous AG retired last year, and I'm not sure of the new AG's plans for issuing reports additional to the annual report or changing the follow up process.