



PUBLIC ACCOUNTS COMMITTEE (PAC)

An Interim Summary Report on its Roles, Products and Results

Introduction

The Parliamentary Centre was invited to undertake a review of Public Accounts Committee practices and results at a meeting with its Sub-Committee on Agenda and Procedure on May 4th, 2004. The Sub-Committee encouraged the Parliamentary Centre to look at its performance over several years, including its experience with the Sponsorship Program study.

Contact was initiated with all members of the committee during the week of May 4th and several staff members of the Centre were assigned to be available to undertake the interviews with PAC members. However, the following week turned out to be the final week of sitting for the 37th Parliament and only 4 interviews were completed – two from the governing party and two from opposition parties. During the first four months of 2004, the Parliamentary Centre also conducted numerous interviews with members on committee practices and effectiveness. Since these interviews addressed similar issues and included a few current and former PAC members, they provided further useful information.

In addition to discussions with members, the Parliamentary Centre interviewed Parliamentary staff from the Committees Directorate, from the Research Branch and from Legal Services, all familiar with the work of the PAC. Finally, we reviewed in some detail the reports and meeting agenda of the PAC during all three sittings of the 37th Parliament.

While we do not believe this is an adequate basis for reporting conclusive findings or for recommending changes in committee practices, we do believe it provides useful input to further discussion and follow-up work by committee members. We, therefore, are describing this note as an Interim Summary Report. We hope it leads to consideration and discussion by PAC members, that the Parliamentary Centre is able to track any actions the committee pursues, and that the Centre will be able to issue a more conclusive report in the future.

Committee Roles

Committees generally assist the House of Commons by advising on decisions to be made in the Chamber or by government and by engaging citizens on matters of public interest. The PAC, although best known for its review of reports of the Auditor General on particular programs or departments, also addresses broader matters. It studies public expectations for good public administration and recommends financial administration standards to government. And, as was illustrated in the case of the Sponsorship Program study, it undertakes occasional in-depth investigations that add to public transparency.

Members likely can best sort out their views of committee priorities by developing a clear and shared understanding of each of these “lines of committee business.” Based on interviews with PAC members of 37th Parliament and a review of their meetings and reports, the following labels and descriptions are suggested as a starting articulation.

- a) ***Exacting accountability***, by confirming the findings and recommendations of Auditor General reports with the responsible public officials: Since public officials dislike the negative public exposure implicit in this process, PAC serves as an important incentive for the public service and Ministers to manage public resources in line with public expectations. Public officials, as representatives of their Ministers at PAC hearings, are not formally accountable to the committee, yet it is evident that the exposure to the committee can have an important impact. Exacting accountability can also have a positive side. It is an opportunity for the committee to showcase and recognize exemplary public service practices.
- b) ***Public transparency***, by undertaking investigations of programs in open – and often televised – hearings: This contributes importantly to public knowledge and understanding. In the opinion of some members and many observers, transparency is a key benefit of the committee’s work. In addition to exposing incidents of mismanagement, it also informs the public on normal standards and procedures of public administration.
- c) ***Improving financial and accountability policy***, by studying and reporting on recurring issues and reviewing findings of studies of governance practices: This is interpreted by its advocates as solving problems before they occur – a result they consider to be particularly valuable. Standards reflecting professional and public input which are debated and proposed by the PAC will have greater credibility with the public than those imposed directly by the Government. Although such committee studies are less frequent than the activities associated with exacting accountability, they have been a part of PAC activity for many years.

It is interesting to note that each of these three lines of business was described as the PAC’s most important activity by at least one of its members in the 37th Parliament. *Finding consensus around priorities, accordingly, is likely to require a balanced program including all three activities and creatively aligning work within each area to complement work in other areas.*

PAC Activity and Products: 37th Parliament

The intent of this section is to provide a sense as to the actual priorities of the PAC during the 37th Parliament by sorting out the committee reports, as well as committee meetings, as they relate to the three lines of business. The chart below provides a summary. It also includes for completeness two other areas of committee activity. The first is that related to the consideration of the Estimates and performance reports of the Office of the Auditor General. The second is that related to committee administrative matters.

<i>Lines of Business</i>	<i>Meetings¹</i>	<i>Reports</i>
<i>Exacting Accountability</i>	76	34
<i>Public Transparency</i>	52	2
<i>Improving Financial and Accountability Policy</i>	14	10
<i>Supply</i>	4	6
<i>PAC Administration</i>	14	3
Total	160	55

It is important to note that the classification among the three lines of business does involve a degree of judgment about the principal purpose and impact of each study. Other observers, in some cases, might allocate studies somewhat differently. Yet committee members felt quite comfortable distinguishing among these three different purposes. Moreover, a single study can serve more than one purpose and it would not be surprising that different members and parties might well be pursuing different ends. Nonetheless, the classification provides new members with an impression of previous priorities and those familiar with the PAC's work an opportunity to challenge or adjust these impressions.

The 76 meetings focusing on exacting accountability included hearings on programs with officials from more than 20 different departments and agencies. Also included are meetings to review the annual Public Accounts of Canada. As noted in the chart, these hearings and discussions produced 34 reports – almost two-thirds of the total. Exacting accountability clearly was the dominant committee activity during the 37th Parliament.

Most of the 52 meetings allocated to public transparency took place during the third sitting and focused on the study of the Sponsorship Program. However, the committee also looked at the Human Resources Development department's management of contributions, a follow-up on a study initiated in the 36th Parliament.

¹ The information in the chart regarding the allocation of meeting time should be interpreted carefully. For example, it does not include sub-committee meetings, nor does it include the considerable time devoted to informal discussions of committee matters. Committee meetings were assigned to a line of business based on the predominant meeting agenda item. Accordingly, the statistics on meetings should be seen as only a general indication of time allocation. Moreover, this approach almost certainly underestimates time devoted to administrative matters.

Advising on financial and accountability policy and its management attracted the least committee attention during the 37th Parliament. Yet, it did address important and diverse matters, such as International Financial Reporting, Human Resources Management in the Public Service, governance of Crown corporations and creation of foundations. In some cases these committee reviews were in response to reports by the Auditor General, but also in response to reports of other bodies.

Although public transparency played a large role, particularly during the 3rd sitting, the time and resources allocated to the inquiry into the Sponsorship Program were highly unusual. Opportunities for engaging in high interest public transparency initiatives will only arise occasionally. Therefore, priority setting among the three lines of business might well focus on two issues: a) the value of continuing work on a major transparency issue – and remaining open to other opportunities that might arise; and b) whether relatively more time should be allocated to broader issues of financial and accountability policy in comparison to time devoted to exacting accountability for individual programs.

Investing in Results

While committee members interviewed uniformly felt that the work of the committee was important and that the committee performed well in general, most also felt that committee results could be improved. Their suggestions for doing so were principally on matters that can be described as committee management. The other issues were related to party matters. Both areas are discussed below. While members recognized that implementing their suggestions would take committee time, they felt the improvement would be worth it. Put another way, they felt there is value in investing some committee time and resources in initiatives to improve committee results.

Committee Management: The suggestions regarding committee management that were proposed and discussed can be grouped into four areas:

- ***shared understanding of committee role:*** devoting committee time to developing a better collective understanding of committee roles and priorities (the same idea applies to major studies);
- ***capacity building:*** devoting committee time to strengthening members' knowledge base by including more briefing sessions and identifying opportunities for members to hone certain of their skills – for example in questioning reluctant witnesses;
- ***annual reporting:*** periodically reviewing what the committee has accomplished, synthesizing – perhaps for each business line – conclusions, and reporting to the House on issues and achievements from its work over the year; and
- ***reviewing committee resources:*** considering the adequacy of committee resources and their application.

Actions to address the first two areas of management improvement – shared understanding and capacity building – can be incorporated into the committee's agenda with little further discussion. Perhaps the most convenient way to start the process of building a shared understanding is at the start of a new session of Parliament with new

committee membership – such as with an orientation event. Improvements in such initiatives could be made based on experience with early events.

Annual reporting, particularly if the committee wishes to go beyond describing outputs likely would require further thought and discussion. Reporting could include synthesizing findings by business lines or measuring indicators of impacts and results. There is little experience among Canadian parliamentary committees in annual reporting. Accordingly, further study, such as by a PAC sub-committee or working group might be helpful. The Parliamentary Centre has advocated such reporting and is continuing to track practices elsewhere.

There are widely divergent views on resourcing issues such as adequacy, application, and sourcing. Although all these issues have been raised by PAC members and by members of other committees, the diversity of views suggests an in-depth study would be a useful step.

Political Party Issues: The predominant concern expressed by committee members and others was that the committee's inter-party squabbling during periods of the Sponsorship Program study were not in the interests of any of the parties, and did not help to generate public respect for Parliament. This concern was not about undertaking the study of the Sponsorship Program, nor was it about political parties taking different positions. Rather, it was that the procedural discussions seemed to become a self-interested inter-party competition with little apparent concern for the public good.

Two specific suggestions were made to build a more knowledgeable and stable committee. The first was for the committee to develop selection standards for PAC members that would be sent to party leaders for their consideration. The second was that this guidance be extended to include criteria for substitution of members at PAC meetings. Such changes were not seen as sufficient to address the concern with excessive partisanship, but rather as contributing to a more professional atmosphere more evidently aimed at serving Canadians. The committee also was urged to seek improved practices for selecting and questioning witnesses, the issues that seemed to divide along party lines and trigger the most negative exchanges.

It is important to re-emphasize that these discussions did not suggest that inter-party competition should not take place in Parliament or its committees. Inter-party competition is a key feature of Canadian democracy and healthy democracies elsewhere. Rather the concern was that it had become an impediment to the purposes of the committee, undermined informative debate and deliberation, and was embarrassing for participants.

Further Steps

As noted in the Introduction this is an interim report. It outlines the committee's lines of business and its activity and output during the 37th Parliament and it proposes a number of steps the committee might consider to improve the results it achieves. Our principal

recommendation is that the committee devote some time to consider the value of pursuing these matters.

Whether or not the new membership on PAC seeks to formally pursue the suggestions of the members of the committee from the last Parliament, the Parliamentary Centre plans to track the evolution of this evaluation initiative. Although periodically evaluating and reporting on results of parliamentary committees is more the exception than the rule around the world, it is a central feature of organizations committed to learning and improving. In view of the growing public concern with the effectiveness of Parliament, the Parliamentary Centre has advocated the serious consideration of such a practice.

In addition to informally tracking developments related to the suggestions in this interim report, we will remain attentive to developments internationally on the reporting of results and performance, as well as initiatives to enhance the capacity of committees to serve the parliaments and congresses that created them.