

AUDITOR GENERAL
OF NEW BRUNSWICK



VÉRIFICATEUR GÉNÉRAL
DU NOUVEAU-BRUNSWICK

Encouraging Public Accounts Committee Effectiveness:

Sixteen suggestions from the Auditor General to the
Public Accounts Committee on becoming more
effective

February 2021



Encouraging Effectiveness of the Public Accounts Committee

The Public Accounts Committee (PAC) plays a key role in overseeing both Crown agencies and government departments. This oversight is part of the Westminster parliamentary system of governance and similar systems are found in each Canadian province.

Holding entities to account through PAC questioning is one of the fundamental ways the government is held accountable and determines if entities are fulfilling their mandate, making appropriate use of government resources, and determining if policies are achieving intended outcomes. To provide this oversight efficiently and effectively, government needs an optimal functioning PAC.

Over the past ten years, the Auditor General has had a specific interest and is committed to promoting the optimal functioning of PAC. The Auditor General has attended sessions with the Canadian Council of Legislative Auditors and has had various meetings with the Canadian Audit and Accountability Foundation (CAAF)¹ to learn good practices associated with PAC processes in other jurisdictions.

Supporting PAC is also shown in the Auditor General's 7-year strategic plan. Enhancing support to the Public Accounts Committee is one of five strategic objectives listed in the plan.

In October 2019, the Auditor General arranged training for PAC members focusing on the proper functioning of PAC for the newly elected members. PAC member training generally occurs with each legislative session. The October 2019 training was hosted and provided by the Auditor General, as well as the CAAF. Positive changes, such as creating a new Steering Committee to improve how PAC plans its work, resulted from this training. This change is likely to improve the effectiveness of PAC.

We are pleased to see PAC has taken positive steps toward becoming an optimal functioning PAC and we encourage continued progress. This document will form a basis for further change and the adoption of practices similar to other Canadian provinces. We encourage PAC to consider implementing the suggestions in this document to improve upon good practices already in place. A summary of positive actions already in place, as well as sixteen further suggested actions is presented in Appendix I.

Throughout this document, we reference results of work we performed to develop our suggested actions. Refer to Appendix II for the details and timelines of our work.

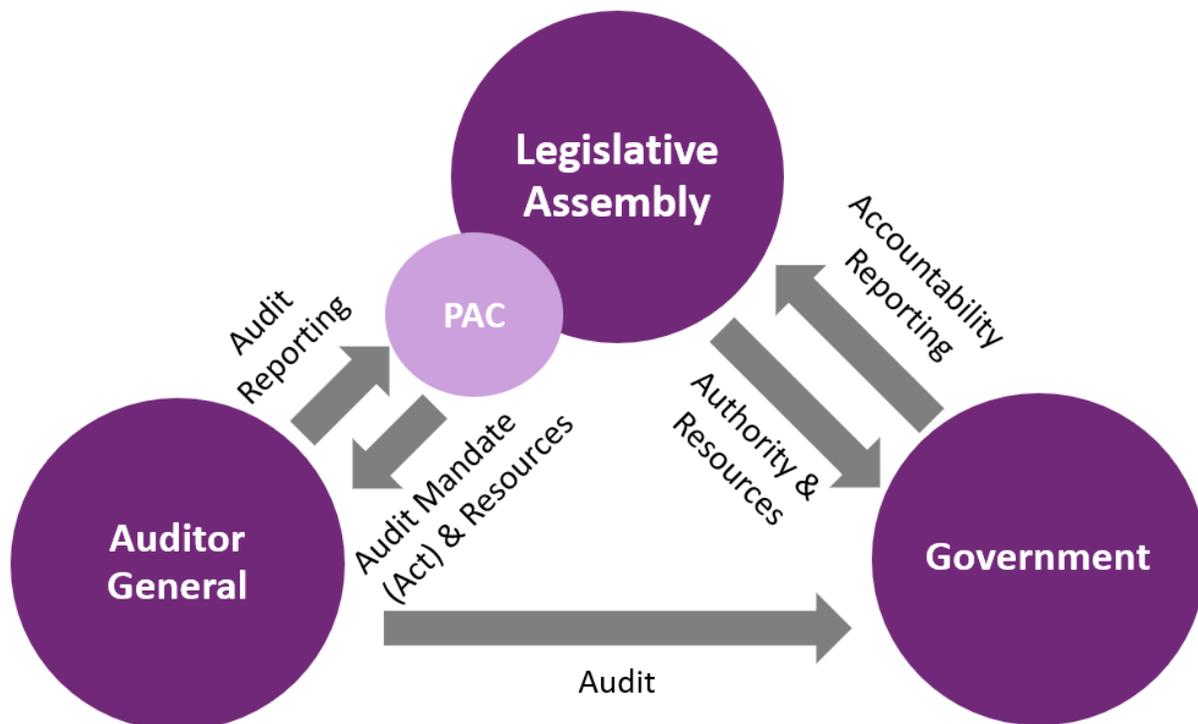
¹ Canadian Audit and Accountability Foundation is a premiere Canadian research and education foundation. Their mission is “to strengthen public sector performance audit, oversight and accountability in Canada and abroad.” www.caaf-fcar.ca



The Accountability Process

The relationship shown below is found in the Westminster parliamentary system of governance. Similar systems exist federally and in each Canadian province.

The Accountability Process



Source: Adapted from CAAF²

Several key players are involved in the accountability and oversight process. PAC is a standing committee of the Legislature that provides oversight of the government's effectiveness in delivering programs and services, as well as implementing policies—PAC's role is not to create policy, but rather to assess the effectiveness of programs and services in achieving intended outcomes. The Auditor General's role is to provide PAC with independent reports and recommendations for improvement, but the Auditor General does not have sanctioning powers. PAC is a vital component of the accountability process and is intended to use its influence to improve the administration of government.

An effective PAC holds entities to account by ensuring entities correct deficiencies and implement the Auditor General's recommendations, in accordance with the Legislature's intentions. Each year, the actions taken by the Executive branch of government (Crown agencies

² CAAF: *Accountability in Action: Good Practices for Effective Public Accounts Committees*, 2017.

and government departments) are based on the Legislature's intentions. The Executive Council Office also plays an important administrative role by guiding the development of departmental mandates along with Crown agency Mandate Letters and Memoranda of Understanding.



Good Practices for an Optimal Functioning PAC

We use the term “good practices”, as opposed to “best practices”, throughout this document. The term “good practices” recognizes there is more than one way to achieve effective oversight. The good practices referenced throughout this document are supported by research and have been included either as a result of our interviews with experts or are from CAAF’s publications.

PAC Good Practice Areas

In this practice aid, we divide good practices into three areas:

- promoting a non-partisan PAC;
- PAC training and relationship with the Auditor General; and
- structure of PAC meetings and follow-up.

Theme/Area	Good Practice
Promoting a Non-Partisan PAC	<ul style="list-style-type: none">• Is free from government interference• Is committed to cross-party collaboration• Has appropriate staff support
PAC Training and Relationship with the Auditor General	<ul style="list-style-type: none">• Provides members with training• Has members who understand their unique responsibilities• Has a positive relationship with the Auditor General
Structure of PAC Meetings and Follow-Up	<ul style="list-style-type: none">• Has legally enshrined powers• Has an established process to ensure continuity of work• Has an established method to communicate with stakeholders• Issues regular reports• Holds public hearings• Follows up on the implementation of recommendations• Plans its work

Source: Prepared by AGNB and adapted from CAAF³

For each good practice area, we present indicators of good practice already in place. We also suggest actions for PAC to consider which would lead to a more effective PAC.

Our office used several methods to evaluate PAC effectiveness. Please see Appendix II for our methodology.

³ CAAF: *Accountability in Action: Good Practices for Effective Public Accounts Committees*, 2017.



Promoting a Non-Partisan PAC

Public Accounts Committee (PAC) meetings are more efficient and effective when its members act in a non-partisan manner. The role of PAC is to determine if government departments and Crown agencies (the entities) are fulfilling their mandate and implementing government policies as intended.

CAAF suggests issues relating to policy development or politics should not be discussed during PAC meetings. Doing this may compromise its members' ability to provide effective oversight, and to hold entities to account for the administration of government programs and services.

Non-Partisanship: Actions Already in Place

During our work, we found five areas where PAC is already promoting non-partisan and bias-free actions. We found PAC:

- passed a motion in October 2019 affirming its willingness to work collaboratively;
- can call entities, set agendas and select topics without government interference;
- has a structure which encourages all elected parties to collaborate;
- uses a 10-minute time limit for questioning to reduce the opportunity for partisan activity; and
- has a supportive Committee Clerk and Clerk Assistant;

PAC passed a motion in 2019 affirming its willingness to work collaboratively:

As a result of the 2019 training session with the Auditor General and CAAF, PAC carried a motion to show it is committed to non-partisan behaviour. An excerpt from this motion reads as follows:

“...WHEREAS the Committee may consider the implementation of some of the good practices found across Canada; including:

- *Focusing on the administration of a program or policy, and not the merits of a program, and*
- *Committee Members changing the historically partisan culture of the Public Accounts Committee to promote non-partisanship;*

BE IT THEREFORE RESOLVED that the Committee affirms its willingness to work collaboratively to improve its functioning, moving forward....”

PAC can call entities, set agendas and select topics without interference:

There are many entities PAC must hold to account especially since the Crown Corporations Committee was combined with PAC in 2019. PAC cannot reasonably call each department and Crown agency every year. Therefore, it must be free to select the entities of most interest without interference from others. In our work, we found evidence to support PAC *is free from*

government interference. For example, we found no evidence of civil servants, government officials or other Members of the Legislative Assembly interfere with how PAC selects the entities and develops its agendas/lines of questioning for the entities who will appear before it.

PAC has a structure which encourages all elected parties to collaborate:

We noted the following practices help create and maintain a non-partisan environment and encourages all elected parties to be *committed to cross-party collaboration*:

- only MLAs (not ministers) sit as PAC members;
- PAC includes members from all elected parties; and
- the Chair of PAC is always a member of the official opposition.

PAC uses a 10-minute time limit for questioning to reduce the opportunity for partisan activity:

In 2019, PAC introduced a time limit for its members when questioning entities. This time limit is helpful to prevent members from monopolizing meeting time by asking numerous questions. We observed this new time limit when we attended PAC meetings and noted the following:

- members are each given ten minutes to ask questions;
- members are only allowed to exceed the ten-minute time limit if it is to enable an entity to respond to a question; and
- the ten-minute intervals rotate between each elected party on PAC.

PAC members we interviewed found the new time limit to be a positive step toward reducing partisan activity.

PAC has a supportive Committee Clerk and Clerk Assistant:

PAC has staff support which includes both a Committee Clerk and Clerk Assistant. We found this staff works actively with PAC to ensure meetings run smoothly. While PAC appears to *have appropriate staff support*, its primary roles are to provide support for the structure and planning activities of PAC and not for information gathering and research.

Non-Partisanship: Actions to Consider

During our work, we found five actions PAC could take to further improve and promote a non-partisan and bias free environment. We found:

1. PAC could provide training to its Chair to better understand the role of the Chair, as well as to learn how to decrease partisan activity;
2. PAC could make an opening statement of the purpose and values of its meetings;
3. PAC members could sit amongst other elected party members rather than members from their own party;
4. PAC could appoint members who are not elected politicians; and
5. PAC could formalize an internship program to help provide reliable research support, free from partisanship and government interference.

1) To improve how PAC is *committed to cross-party collaboration*, training should be provided to the Chair to decrease partisan activity.

PAC could focus on how policies and programs are administered rather than discussing the merits of policy:

When observing PAC meetings, we found members would sometimes discuss *merits* of policy or other partisan topics. In one instance, we observed an entity being questioned at length regarding the merits of a publicly announced policy change. Valuable committee time was spent questioning the entity on the merits of this policy rather than focusing on the how the entity *administered* past programs or policies. Implementing Chair training could help to prevent discussions regarding the merits of policy and other partisan topics.

PAC Chair could silence members who ask partisan questions:

Preventing partisan behaviour could be accomplished by the Chair silencing members who ask partisan questions. Specific Chair training could be beneficial; this is something the Auditor General, in collaboration with CAAF, is looking to offer in the future.

2) To improve how PAC is *committed to cross-party collaboration*, PAC should adopt an opening statement of purpose and values for its meetings. This statement would remind PAC members its meetings are to be non-partisan in nature.

We found PAC does not open its meetings with a statement of its purpose and values. In our view, opening meetings with such a statement would remind members to be non-partisan.

As an example, we found the Public Accounts Committee of Prince Edward Island opens its meetings with the following statement of purpose and values:

*“The Standing Committee on Public Accounts is dedicated to improving public administration in partnership with the Auditor General. **The committee examines the administration of government policy, not the merits.** The committee strives to achieve consensus in its decisions whenever possible. **Members take a non-partisan approach to the work of the committee.**”*

3) To improve how PAC is *committed to cross-party collaboration*, PAC should review its seating arrangement to reduce partisan activity. This means members of different political parties would sit among each other during PAC meetings.

During PAC meetings, we noted members sit with their respective parties and these parties sit physically opposite of one another. The committee room, depicted in the following picture, typically has a seating arrangement similar to the seating arrangement on the floor of the

Legislative Assembly and, as a result, may lead to partisan activity during PAC meetings. A revised seating arrangement where members sit among other elected party members could reduce partisan behaviour. This mixed party seating arrangement is a routine practice in the United Kingdom.

The Committee Room at the New Brunswick Legislative Building (where PAC meetings occur)



Source: <http://canada150flight2017.ca/?p=2086> accessed January 4, 2021.

4) To improve how PAC is *committed to cross-party collaboration*, PAC should appoint members who are not elected politicians.

From our work, we noted New Brunswick's PAC members are all elected politicians. It is suggested PAC consider appointing PAC members who are not elected politicians in an effort to reduce bias and partisanship during PAC meetings. For example, PAC could appoint:

- respected community members who have experience with governance and oversight of entities, such as past Auditors General;
- lay people; and
- subject matter experts.

In Denmark, the Danish PAC has members from both Parliament and non-elected professionals who are nominated by Parliament. The committee has a size of four to six members and meets monthly.

It should be noted such a change in New Brunswick may require prior procedural approvals by the Legislative Assembly such as the delegation by the house to non-members, certain rights and privileges and may also be limited to being advisory in nature to the PAC.

5) To improve how PAC is *committed to cross-party collaboration* and *has appropriate staff support*, PAC should formalize the Legislative Internship Program to retain a non-partisan researcher, capable of supporting PAC's work.

Although we found PAC has capable and *appropriate staff support* for its structure and planning activities, we found PAC has little formal research support to help its members gather the information they need to support their work, such as the implementation of Auditor General recommendations. We found some PAC members perform this research themselves, even though their time may be limited, or research is done by partisan researchers, affiliated with members' political parties, which is not indicative of *cross-party collaboration*.

Jurisdictions that have permanent non-partisan researchers include Alberta, British Columbia, Ontario, Quebec, Manitoba, Nunavut, and the Northwest Territories. Prince Edward Island can also access researchers from its legislative research services.

Formalizing the Legislative Internship Program would provide help:

The Legislative Internship Pilot Program was launched in January 2020 as a way PAC could gather non-partisan information and research. Interns provide services to MLAs, Legislative Officers such as the Auditor General, and standing committees such as PAC. Under this program, undergraduate students from New Brunswick universities work as interns for the Legislative Assembly. Making use of the Legislative Internship Program on a permanent basis is a way PAC can increase its *commitment to cross-party collaboration* and ensure it has *appropriate staff support*. We also note, there is now a Research Officer in the Legislative Library that could be used as a resource going forward to bridge when students are not available.

The feedback from PAC members following the initial Legislative Internship Program was that a list of non-partisan questions prepared and distributed by the intern was very helpful to committee members. It is interesting to note, as well, the Yukon Public Accounts Committee has been preparing questions as a group, prioritizing them and dividing them up among all members. Members often end up asking questions they did not write. This helps to reduce partisan questions.



PAC Training and Relationship with Auditor General

Providing effective oversight of entities is an important and unique responsibility. In order for the work of PAC to be successful, its members should understand the role of PAC, how each member contributes to PAC and the importance of PAC's relationship with the Auditor General.

PAC Training and Relationship with the Auditor General: Actions Already in Place

PAC members have attended orientation sessions with the Auditor General:

In the past, the Auditor General, with CAAF, has hosted orientation sessions to *provide new PAC members with detailed orientation and training*. These sessions are designed to help new PAC members *understand their oversight role and unique responsibilities*.

These orientation sessions help PAC members by including topics such as the value of:

- properly preparing for and attending meetings;
- actively participating during meetings;
- asking non-partisan questions and placing a focus on entity results;
- understanding PAC good practices; and
- meeting with the Auditor General on a regular basis.

From our meetings, we found PAC supports the work of the Auditor General. This shows PAC *has a positive relationship with the Auditor General*.

PAC Training and Relationship with the Auditor General: Actions to Consider

During our work, we found three actions PAC could take to improve training it provides its members and to strengthen its relationship with the Auditor General. We found PAC could:

- have the Auditor General provide annual training events to its new members;
- implement regular in-camera meetings with the Auditor General prior to each PAC meeting; and
- consult the Auditor General when setting PAC agendas and selecting witnesses to appear.

6) To improve how PAC *provides members with annual training*, PAC should arrange for new members to undergo an orientation session, such as with CAAF or the Auditor General, so they better understand their unique oversight roles and responsibilities.

We received feedback from PAC members after our most recent session in October 2019. Overall, PAC members found the session very helpful and look forward to future sessions. In our view, this feedback also shows PAC *has a positive relationship with the Auditor General*. We encourage PAC to engage other independent organizations, such as CAAF, to provide orientation and/or annual training sessions for PAC members.

CAAF delivers a number of individualized PAC workshops which are presented virtually or in-person. Examples of CAAF modules include, but are not limited to:

- *Asking Effective Questions;*
- *Issuing Recommendations;*
- *Improving the Follow-up Process;*
- *Reducing Partisanship; and*
- *Employing the Self-Assessment Tools⁴.*

7) To improve how PAC has a *positive relationship with the Auditor General*, PAC should implement regular in-camera meetings with the Auditor General prior to each PAC meeting to help identify significant issues and outstanding audit recommendations.

We found in-camera PAC meetings with the Auditor General do not occur. Holding regular, in-camera meetings with the Auditor General prior to each PAC meeting, would enable PAC and/or Steering Committee members to discuss matters of audit significance and identify the most critical and outstanding recommendations from past Auditor General reports. This is a practice found in other jurisdictions, such as Nova Scotia.

Meeting regularly with the Auditor General would also help PAC members be aware of all information (such as mandate letters) available to assist with their oversight process and *to understand their unique responsibilities*. For example, we found members were not fully aware of mandate letters and the role they play in the PAC's oversight and accountability process.

⁴ <https://www.caaf-fcar.ca/en/parliamentary-oversight-resources/capacity-development>



Structure of PAC Meetings and Follow-Up

Efficient and effective oversight is enhanced if Public Accounts Committees have a solid meeting and follow up structure. In New Brunswick, our PAC has many practices in place to foster a solid meeting and follow up structure. From our work, however, we noted some additional actions PAC could take to enhance and improve the effectiveness and efficiency of its meetings.

Meeting Structure & Follow-Up: Actions Already in Place

During our work, we found eight areas where PAC is operating in a planned and structured environment. We found:

- Auditor General reports are automatically referred to PAC;
- members remain on PAC for the entire Legislative session;
- an all-party Steering Committee⁵ helps PAC plan activities;
- senior public servants are often called to appear;
- PAC issues reports to the Speaker of the House;
- PAC hearings are open to the public and, as of 2020, are available online with a live audio, as well as video-stream;
- PAC holds hearings on the Auditor General's reports; and
- PAC has started to include Auditor General findings and recommendations in its hearings.

Auditor General reports are automatically referred to PAC:

We found New Brunswick's PAC *has legally enshrined powers* provided by the Standing Rules of the Legislative Assembly, which describe the internal processes of PAC governance. Rule 93 requires "[a]ll reports to the House of the Auditor General, all Public Accounts, and all annual reports of government departments, provincial agencies, boards and commissions stand permanently referred to the Public Accounts Committee."⁶ During our work, we found PAC members and support staff understood these powers.

Members remain on PAC for the entire Legislative session:

We found members sit on PAC for the duration of the legislative session (typically four years). Remaining on PAC for the full session is valuable as new PAC members could require training and time to become familiar with PAC processes and could disrupt *this established process to ensure the continuity of members' work*.

⁵ New as per October 10th, 2019 PAC Motion 1

⁶ Standing Rules of the Legislative Assembly of New Brunswick, s. 93.

We did note, however, PAC member substitutions are common. Substitutions are permitted in most PACs as illness and family commitments do occur. It is interesting to note that in the United Kingdom, the 2020 PAC Chair, Meg Hillier, will not allow substitutes to participate if they have not read the required material. The Chair also focuses on ensuring substitutes adhere to the cross-party collaborative nature of the committee.

Newly-created, all-party Steering Committee can help PAC plan activities:

We were pleased to see an all-party Steering Committee was created, following an October 2019 PAC Motion. This Steering Committee will assist PAC to *plan its work*. For example, the Steering Committee's role is to help PAC strategically identify and select entities to appear before it. Strategically selecting entities plays a critical role in the oversight process as not all entities appear before PAC each year. The Steering Committee is now even more important since PAC and the Crown Corporations Committee were combined in 2020.

Senior public servants are routinely called to appear as witnesses:

When *planning its work*, we noted PAC often schedules deputy ministers and other senior public servants, such as chief executive officers and Board Chairs to appear. These senior public servants are accountable for the results of their entities and as a result, accountable to PAC.

PAC issues reports to the Speaker of the House:

During our work, we noted PAC *issues reports* to the Speaker of the House. We found these reports are available online and include information such as the entities called, and topics discussed.

PAC hearings are open to the public and, as of 2020, are available online with live audio as well as video stream:

We also found PAC has an *established method to communicate with its stakeholders*. PAC's *holds public hearings* which are open to the public. Beginning in 2018, the audio of the meetings held in the Legislative Council Chamber (Committee Room) were also archived to the website. As of late 2020, video capabilities were added to the Legislative Council Chamber, meaning PAC proceedings will now be video broadcasted and archived to the website.

PAC holds hearings on the Auditor General's reports:

PAC *holds public hearings* on the Auditor General's reports. During these hearings, the Auditor General presents reports and recommendations resulting from our work. These hearings are an essential part of the accountability and oversight process. They provide an opportunity for PAC members to discuss reports and recommendations with the Auditor General before PAC questions the entities.

PAC includes Auditor General findings and recommendations in its hearings:

During PAC's *public hearings*, we found members sometimes refer to past Auditor General reports when questioning entities and *ask them if recommendations have been implemented*. Although our Office follows up on these recommendations, it is beneficial when PAC also endorses and monitors the status of the recommendations, as it improves the efficiency and rate of successful implementation.⁷

⁷ CAAF: *Accountability in Action: Good Practices for Effective Public Accounts Committees*, 2017.

Meeting Structure & Follow-Up: Actions to Consider

During our work, we found nine actions PAC could take to further improve its meeting structure and organization. We found:

- PAC could have an action plan to improve planning;
- PAC could have a fixed meeting schedule;
- Steering Committee could improve how it selects entities to call and the timeliness of meetings;
- Steering Committee could meet three to five weeks in advance of PAC meetings;
- PAC could call more than one entity at a time to avoid having unanswered questions;
- PAC could have a formal process to follow-up on recommendations made by the Auditor General;
- PAC could inform entities what to expect when appearing before PAC and instruct entities on how to prepare their opening statements;
- PAC could issue more *regular* reports to the Speaker of the House; and
- PAC could post transcripts and recordings of hearings online.

8) To improve how PAC *plans its work*, PAC should develop and implement an action plan for each legislative session. This action plan would typically include clear objectives and timelines.

Throughout our work, we noticed PAC does not use action plans. An action plan would help PAC plan its meetings and set objectives for each meeting. According to the CAAF, PACs who create an action plan for a set period tend to accomplish more and its members have a greater sense of shared purpose. PAC members we met with seemed to welcome the idea of an action plan as a way to sufficiently *plan work* and reach shared goals and objectives. As a good practice example, Manitoba's PAC members have committed to using action plans in order to better address recommendations made by the Auditor General⁸.

Using action plans could also allow PAC to be more strategic when calling departments and crown agencies so the focus can be on topics of interest to PAC. This would be a change to historic practice of calling all departments and crown agencies to appear yearly. For example, we noted in PAC's November 2017 report to the Speaker, the Department of Post-Secondary Education, Training and Labour (PETL) appeared before PAC in October 2016 to answer questions regarding the fiscal years ended 2013, 2014, and 2015. With the proposed approach, PAC could choose to select entities to appear in order to focus on priority issues while also calling in entities on a rotational basis for overall accountability, fulfilling their mandate and implementation of policies.

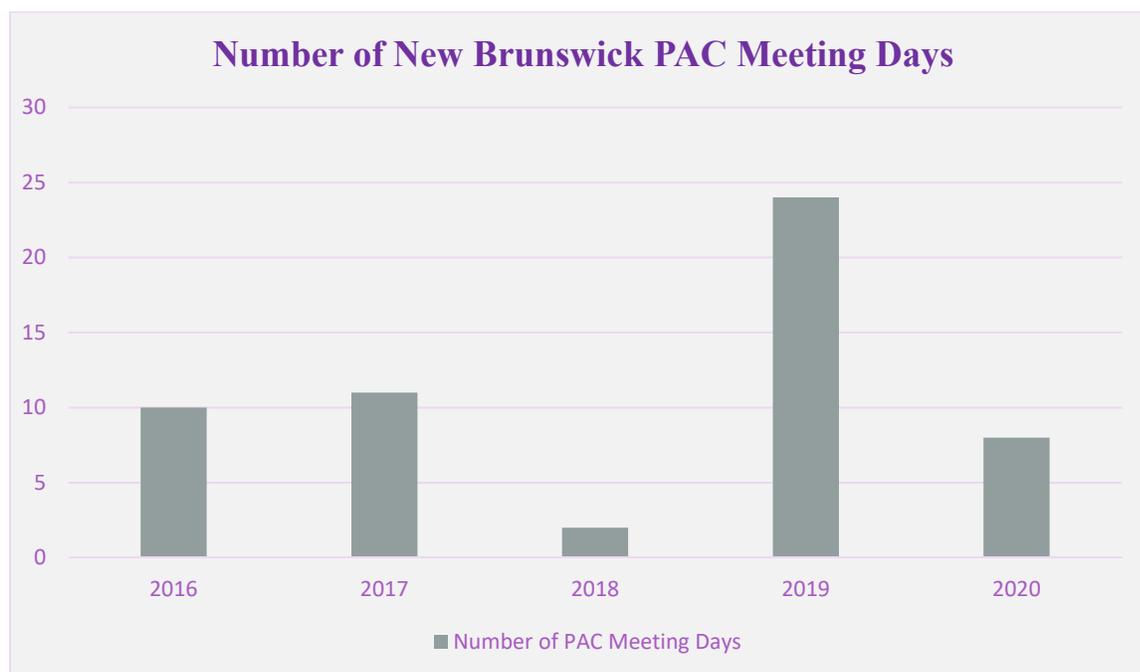
⁸ Manitoba Standing Committee on Public Accounts (Wednesday, October 14, 2020)

There are 14 PACs across Canada—one for each province and territory and one federal. In a 2018 survey of Public Accounts of Canada, it was noted six of these PACs regularly set PAC-specific meeting objectives.

9) To improve how PAC *plans its work*, PAC should develop and implement a fixed schedule that would include, at a minimum, the frequency of meetings and meeting objectives.

Throughout our work, we noticed PAC does not have a pre-set meeting schedule for when it will call entities to appear. When compared to other provinces, the New Brunswick PAC meets less regularly. For example, the Manitoba PAC has a requirement to meet a minimum of nine times per year. In New Brunswick, however, we found the Chair of PAC is currently responsible to call meetings. This practice has led to infrequent meetings (such as in the first and last years of the legislative session) and has resulted in delays where some entities are held to account for two to three years at a time.

In the following graph, we show the number of PAC meeting days for the past five years.⁹ During election years in 2018 and 2020, the number of meeting days decreased significantly.¹⁰



Source: Created by AGNB

⁹ Meetings of the Standing Committee on Crown Corporations have been included, where applicable.

¹⁰ The Office of the Auditor General acknowledges the state of emergency declared in New Brunswick in 2020 could have also had an impact on meeting frequency.

A pre-set meeting schedule would allow time for members to plan to attend meetings, gather information and prepare research in order to effectively hold entities to account. It would also allow entities time to prepare to appear before PAC.

Six Canadian PACs hold meetings on a fixed meeting schedule where weekly, bi-weekly or routine meetings are held throughout the year¹¹ (Federal, Alberta, Northwest Territories, Nova Scotia, Ontario, and Quebec).

Although several jurisdictions tend to have a regular meeting schedule, it is important to note their schedules can change frequently. Some examples of these meeting schedules are as follows.

- The House of Commons PAC generally meets from 11am-1pm on Tuesday and Thursday, but this may change with a new parliamentary session;
- The Alberta PAC meets on Tuesdays (two to three times per month);
- The Ontario PAC generally meets all day Wednesday (when the house is in session);
- The Nova Scotia PAC currently meets once per month; and
- In Quebec there are specific times committees can sit, which change depending on the session and time of year.

Until New Brunswick's PAC can have a regular meeting schedule, it may have more success if it is able to set the meeting schedules as far in advance as possible.

10) To improve how PAC *plans its work* and *holds its public hearings*, the Steering Committee should formally include Auditor General reports as part of its criteria when selecting entities to appear before PAC.

From our meetings, we found the Steering Committee sometimes uses different criteria when determining which entities to call, such as special interest of a PAC member or size of the entity. The CAAF also suggests using audit findings from Auditor General reports *when holding public hearings* and selecting entities. From our discussions, we found the Steering Committee has started to use past audit findings when selecting which entities will appear in the future. This process, however, has not yet been formalized. Other provinces have formalized this process. For example, Saskatchewan's PAC has a Procedures Manual¹² which mandates how the Provincial Auditor reports and recommendations should be reviewed, and outlines responsibilities of the Chair of PAC, and respective members' responsibilities.

Four other Canadian PACs include the legislative auditor (Auditor General) in Steering Committee meetings.¹³ See Appendix III for guidelines on how to choose the most appropriate Auditor General reports.

¹¹ Measuring Accountability: CAAF's 2018 Survey of Public Accounts Committees in Canada

¹² *The Legislative Assembly of Saskatchewan, Standing Committee on Public Accounts Procedures Manual, November 2015*

¹³ *Measuring Accountability: CAAF's 2018 Survey of Public Accounts Committees in Canada.*

11) To improve how PAC *plans its work*, the Steering Committee should hold its own meetings three to five weeks in advance of PAC meetings.

In our meetings, we also learned the Steering Committee could improve on the timeliness of its meetings. For example, the Steering Committee has met one day in advance of PAC meetings in the past. This short timeframe may not give committee members enough time to provide feedback on the agenda or other matters. Steering Committee meetings held three to five weeks in advance would benefit committee members, as well as scheduling witnesses to appear.

12) To improve how PAC *plans its work*, PAC should consider calling more than one entity to appear before PAC at the same time on related issues. The Steering Committee could address this when setting meeting agendas for PAC.

During our work, we noted occasionally an entity indicates another entity is better suited to answer specific PAC questions. When PAC asks the same questions to the other entity, this entity indicates the previous entity is better suited to answer the questions. This type of situation leads to unanswered questions and neither entity is held to account. We were told this “finger pointing” is very frustrating for PAC members. To avoid having unanswered questions, all of these entities could appear before PAC at the same time.

For example, during one of our interviews, a member informed us the Department of Health (DOH) was asked a question about spending and DOH responded it was a question for Finance and Treasury Board (FTB). When FTB was asked the same question, its response was it was a question for DOH.

In addition, the reports of the Auditor General frequently address issues related to a specific department as well as a Crown agency. For example:

- Property tax issues impact both Service New Brunswick and the Department of Finance and Treasury Board;
 - Ambulance Services impacts both the Department of Health and EM/ANB Inc.;
 - Infrastructure issues often relate to both the Department of Transportation and Infrastructure and another department; and
 - Health care issues may relate to the Department of Health, the Department of Social Development and/or the two Regional Health Authorities.
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13) To improve how PAC ensures entities *implement Auditor General recommendations*, PAC should develop and implement a formal tracking process. This process could include deadlines for entities to respond to PAC requests in a timely manner.

From our discussions, we found PAC rarely *follows up on the implementation of recommendations* from past Auditor General reports. Creating a formal process to follow up on these recommendations could improve PAC's efficacy. From our interviews, we learned PAC has started to refer to past Auditor General reports more often when selecting entities. Refer to Appendix III for guidelines on how to choose the most appropriate Auditor General reports.

PAC could improve its follow up on the past Auditor General reports by implementing a formal process to request entities provide PAC with regular reports such as "progress reports" or "status updates". This practice is in place in other provinces.

On October 14, 2020, the Manitoba PAC made a motion whereby:

*"(1) Within 48 hours of a new report by the Office of the Auditor General being tabled by the Speaker, whether during session or intersessionally, the Chairperson and the Vice-Chairperson are to send a joint letter requesting an **action plan** regarding the implementation of the Auditor's recommendations to the department, Crown corporation or other entity which is the subject of the report. A deadline of 90 days from the date of the letter will be allowed for a response.*

(2) Progress Reports, seeking information regarding the status of the implementation of the Auditor's recommendations may be requested from any department, Crown corporation, or other entity which is the subject of a report by the Office of the Auditor General by either of the following means:

*(a) The Chairperson and the Vice-Chairperson may request a **progress report** by joint letter or*

(b) With unanimous consent, the Standing Committee on Public Accounts may ask the Chairperson and the Vice-Chairperson to request a progress report by joint letter. A deadline of 28 days from the date of the letter shall be allowed for a response." [emphasis added]

Prince Edward Island's PAC has issued a directive to all departments and reporting entities to provide quarterly update reports to their Treasury Board on the implementation status of any recommendations from the Auditor General. This directive started on June 30, 2019.

New Brunswick PAC members we interviewed agreed a formal follow up process such as this would help improve the work of PAC. PAC members noted, however, entities would need deadlines as sometimes entities can take a great deal of time to respond to PAC requests.

14) To improve how PAC *plans its work*, PAC should inform entities, in advance, of what to expect in their upcoming meeting. This information could include items such as a list of specific questions or topics to be addressed and a time limit for presenting an opening statement.

From our work, we learned PAC does inform entities in advance of the which years are under review and the committee may review any Auditor General recommendations pertaining to the department. It is suggested PAC could inform entities of expected/planned lines of questioning in their upcoming PAC meeting. Providing this information in advance would ensure entities know what to expect and come to meetings prepared. When entities are not prepared for specific PAC questions, entities take a significant amount of meeting time to provide a response. For example, PAC could ask entities to prepare updates on:

- outstanding recommendations from reports of the Auditor General;
- complying with mandate letters, annual report outcomes and key performance indicators; and
- financial and/or operational results.

PAC could also improve how it *plans its work* by instructing entities on how to prepare their opening statements. This could include a time limit and what topics to include. Some suggest such statements be limited to seven minutes or less. We were told entities have, in the past, used up to one hour to deliver an opening statement.

15) To improve PAC's *established method of communicating with stakeholders*, PAC should issue regular reports to the Speaker of the House.

We found PAC issues reports to the Speaker of the House, but periods exist where reports are infrequent. PAC issued reports to the Speaker of the House in 2011 and 2017. No reports were issued from 2012 to 2016.¹⁴

PACs in other jurisdictions have increased frequency of reporting in various ways. For example, in Saskatchewan, reports are issued by subject, resulting in multiple documents being tabled per year.

16) To improve PAC's *established method of communicating with stakeholders*, PAC should post more of its work online, such as PAC meeting transcripts.

We found the reports PAC submits to the Speaker of the House are available online. The transcripts of PAC meetings, however, are only available on request. Making transcripts, or recordings of meetings, readily available (ideally online) would make PAC more accessible and transparent to the public. Understanding resources may not be available at this time to transcribe and translate PAC proceedings, the recent practise of archiving the web streaming will be an important resource in this regard.

¹⁴ This data includes meetings of the former Crown Corporations Committee, which was subsequently amalgamated into the current PAC.

Appendix I – Sixteen Actions to Improve PAC Effectiveness

Theme/Area	Actions for PAC to Consider To improve how:
Promoting a Non-Partisan PAC	<p>1) PAC is <i>committed to cross-party collaboration</i>, <u>training should be provided to the Chair to decrease partisan activity.</u></p> <p>2) PAC <i>is committed to cross-party collaboration</i>, PAC should <u>adopt an opening statement of purpose and values for its meetings.</u> This statement would remind PAC members its meetings are to be non-partisan in nature.</p> <p>3) PAC <i>is committed to cross-party collaboration</i>, PAC should <u>review its seating arrangement to reduce partisan activity.</u> This means members of different political parties would sit among each other during PAC meetings.</p> <p>4) PAC is <i>committed to cross-party collaboration</i>, PAC should <u>appoint members who are not elected politicians.</u></p> <p>5) PAC is <i>committed to cross-party collaboration</i> and <i>has appropriate staff support</i>, PAC should <u>formalize the Legislative Internship Program to retain a non-partisan researcher, capable of supporting PAC’s work.</u></p>
PAC Training and Relationship with Auditor General	<p>6) PAC <i>provides members with annual training</i>, PAC should <u>arrange for new members to undergo an orientation session, such as with CAAF or the Auditor General, so they better understand their unique oversight roles and responsibilities.</u></p> <p>7) PAC has a <i>positive relationship with the Auditor General</i>, PAC should <u>implement regular in-camera meetings with the Auditor General prior to each PAC meeting to help identify significant issues and outstanding audit recommendations.</u></p>
Meeting Structure & Follow-Up	<p>8) PAC <i>plans its work</i>, PAC should <u>develop and implement an action plan for each legislative session.</u> This action plan would typically include clear objectives and timelines.</p> <p>9) PAC <i>plans its work</i>, PAC should <u>develop and implement a fixed schedule that would include, at a minimum, the frequency of meetings and meeting objectives.</u></p> <p>10) PAC <i>plans its work</i> and <i>holds its public hearings</i>, the Steering Committee should <u>formally include Auditor General reports as part of its criteria when selecting entities to appear before PAC.</u></p> <p>11) PAC <i>plans its work</i>, the Steering Committee should <u>hold its own meetings three to five weeks in advance of PAC meetings.</u></p> <p>12) PAC <i>plans its work</i>, PAC should <u>consider calling more than one entity to appear before PAC at the same time on related issues.</u> The Steering Committee could address this when setting meeting agendas for PAC.</p> <p>13) PAC ensures entities <i>implement Auditor General recommendations</i>, PAC should <u>develop and implement a formal tracking process.</u> This process could include deadlines for entities to respond to PAC requests in a timely manner.</p> <p>14) PAC <i>plans its work</i>, PAC should <u>inform entities, in advance, of what to expect in their upcoming meeting.</u> This information could include items such as a list of specific questions or topics to be addressed and a time limit for presenting an opening statement.</p>

	15) PAC <i>establishes methods of communicating with stakeholders</i> , PAC should <u>issue regular reports to the Speaker of the House</u> .
	16) PAC <i>establishes methods of communicating with stakeholders</i> , PAC should <u>post more of its work online, such as PAC meeting transcripts</u> .

Appendix II – Methodology

We obtained the evidence to support our work, good practices and actions to consider through interviews, documentation review and analysis, conducted between February and December of 2020. Details on methodology are presented below.

Attendance at PAC meetings to:

- Assess implementation of good practices
- Record general procedural observations

Conducting interviews with the following individuals:

- Select personnel of the Executive Council Office
- Clerk Assistant and Committee Clerk of PAC
- Clerk of the Legislative Assembly and Deputy Clerk of the Legislative Assembly
- Small PAC Project Lead/Expert, McGill University
- Legislative Internship Program Faculty Liaison, St. Thomas University
- Members of the Legislative Assembly (MLAs) currently sitting on PAC
- Director of Oversight, Canadian Audit and Accountability Foundation

Obtaining and reviewing documentation related to:

- PAC Audit Processes
- PAC Best/Good Practices
- Relevant legislation, including the *Accountability and Continuous Improvement Act*
- Mandate Letters and Memoranda of Understanding
- ECO Reporting Guidelines

Appendix III – Guidelines on Using Past AG Reports

An action PAC could adopt would be to consider past Auditor General reports when selecting entities to call. To choose the most appropriate reports, the Steering Committee could take the following steps (as per CAAF):

1. Determine the most serious or outstanding recommendations from reports of the Auditor General, in collaboration with the Auditor General.
2. Select specific audit reports each PAC member deems most important.
3. Hold an in-camera session with the Auditor General to discuss the past audit reports.
4. Select (by consensus) the entities responsible for addressing serious or outstanding recommendations from audit reports to appear. Follow-up reports issued by the Auditor General may highlight specific departments or programs requiring attention.

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VÉRIFICATEUR GÉNÉRAL
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