

Annual Summary of Activities

Select Standing Committee on Public Accounts



JUNE 2010



June 1, 2010

To the Honourable
Legislative Assembly of the
Province of British Columbia

Honourable Members:

I have the honour to present herewith the Report of the Select Standing Committee on Public Accounts that contains the annual summary of its activities during the first session of the 39th Parliament.

Respectfully submitted on behalf of the Committee,

Bruce Ralston, MLA
Chair

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Composition of the Committee

Members

Bruce Ralston, MLA	Chair	Surrey-Whalley
Douglas Horne, MLA	Deputy Chair	Coquitlam-Burke Mountain
Kathy Corrigan, MLA		Burnaby-Deer Lake
Guy Gentner, MLA		Delta North
Spencer Herbert, MLA		Vancouver-West End
Rob Howard, MLA		Richmond Centre
Vicki Huntington, MLA		Delta South
Richard T. Lee, MLA		Burnaby North
John Les, MLA		Chilliwack
Norm Letnick, MLA		Kelowna-Lake Country
Joan McIntyre, MLA		West Vancouver-Sea to Sky
Lana Popham, MLA		Saanich South
John Rustad, MLA		Nechako Lakes
Shane Simpson, MLA		Vancouver-Hastings
Ralph Sultan, MLA		West Vancouver-Capilano

Clerk to the Committee

Craig James, Clerk Assistant and Clerk of Committees

Research Staff

Josie Schofield, Manager, Committee Research Services

Terms of Reference

On October 29, 2009, the Legislative Assembly agreed:

1. That the reports of the Auditor General of British Columbia deposited with the Speaker of the Legislative Assembly during the first session of the thirty-ninth parliament be deemed referred to the Select Standing Committee on Public Accounts, with the exception of the report referred to in section 22 of the Auditor General Act which is referred to the Select Standing Committee on Finance and Government Services; and in addition that the following reports of the Auditor General of British Columbia be referred to the Select Standing Committee on Public Accounts:

Report No. 5, 2008/09: Removing Private Land from Tree Farm Licences 6, 19 & 25: Protecting the Public Interest?

Report No. 7, 2008/09: Home and Community Care Services: Meeting Needs and Preparing for the Future

Report No. 8, 2008/09: Follow-up Report: Updates on the implementation of recommendations from recent reports

Report No. 9, 2008/09: Observations on Financial Reporting: Audit Findings Report on the 2007/2008 Summary Financial Statements

Report No. 10, 2008/09: A Major Renovation: Trades Training in British Columbia

Report No. 12, 2008/09: Planning for School Seismic Safety

Report No. 13, 2008/09: Public Sector Governance and How Are We Doing?

Report No. 14, 2008/09: Grant Administration of the BC Arts Council; 2010 Olympics and Paralympic Games

Report No. 15, 2008/09: Wireless Networking Security in Victoria Government Offices: Gaps in the Defensive Line

Report No. 16, 2008/09: Homelessness: Clear Focus Needed

Report No. 1, 2009/10: Follow-up Report: Updates on the implementation of recommendations from recent reports

2. That the Select Standing Committee on Public Accounts be the committee referred to in sections 2, 6, 7, 10, 13 and 14 of the Auditor General Act.

In addition to the powers previously conferred upon the Select Standing Committee on Public Accounts, the Committee be empowered:

- (a) to appoint of their number, one or more subcommittees and to refer to such subcommittees any of the matters referred to the Committee;
- (b) to sit during a period in which the House is adjourned, during the recess after prorogation until the next following Session and during any sitting of the House;
- (c) to adjourn from place to place as may be convenient; and
- (d) to retain personnel as required to assist the Committee,

and shall report to the House as soon as possible, or following any adjournment, or at the next following Session, as the case may be; to deposit the original of its reports with the Clerk of the Legislative Assembly during a period of adjournment and upon resumption of the sittings of the House, the Chair shall present all reports to the Legislative Assembly.

The Work of the Committee

Due to the provincial election in May 2009, the work of the Select Standing Committee on Public Accounts (PAC) was conducted during a compressed time period: between the opening of the 39th Parliament (August 25, 2009) and the scheduled end of the first session (February 9, 2010). The organizational meeting took place on September 21, 2009, with the election of the PAC Chair and Deputy Chair, and the subcommittee on agenda and procedure. The subcommittee met twice (October 19, 28), and four other meetings of the entire PAC were held (November 5 and 30, December 1, 2009; January 26, 2010).

During the first session, the PAC approved the Auditor General's annual financial statement audit coverage plan. It considered the Auditor General's annual report and service plan, three follow-up reports, and an audit report on financial reporting. Members were also briefed on the province's Public Accounts. The PAC also carried out its function of considering resolutions for records retention and disposal authorities. A briefing on Commonwealth PACs also took place.

By the end of the first session (February 9), the PAC had yet to review the following reports submitted by the Auditor General to the Speaker during the past two fiscal years:

Report No. 5, 2008/09: *Removing Private Land from Tree Farm Licences 6, 19 & 25: Protecting the Public Interest?*

Report No. 7, 2008/09: *Home and Community Care Services: Meeting Needs and Preparing for the Future*

Report No. 10, 2008/09: *A Major Renovation: Trades Training in British Columbia*

Report No. 12, 2008/09: *Planning for School Seismic Safety*

Report No. 13, 2008/09: *Public Sector Governance and How Are We Doing?*

Report No. 14, 2008/09: *Grant Administration of the BC Arts Council; 2010 Olympics and Paralympic Games*

Report No. 15, 2008/09: *Wireless Networking Security in Victoria Government Offices: Gaps in the Defensive Line*

Report No. 16, 2008/09: *Homelessness: Clear Focus Needed*

Report No. 4, 2009/10: *British Columbia Crown Corporations Executive Compensation Arrangements: A Work in Progress*

Report No. 6, 2009/10: *Making the Right Decisions: Information use by the boards of public sector organizations*

Copies of the Auditor General's reports are available at: <http://www.bcauditor.com/>.

The minutes and transcripts of PAC committee meetings and PAC reports are available on the Legislative Assembly's website at: <http://www.leg.bc.ca/cmt/pac>.

Auditor General's Financial Statement Audit Coverage Plan for Fiscal Years 2010/2011 through 2012/2013

Section 10(6) of the *Auditor General Act* stipulates that the Auditor General must provide to a committee of the Legislative Assembly each year a plan for the appointment of auditors for government organizations and trust funds for the following three fiscal years. Section 10(9) requires this committee to approve the plan, including any amendments the committee makes before giving its approval. In addition, section 10(7)(d) requires committee approval for the Auditor General to continue as the appointed auditor for a term exceeding five consecutive fiscal years. Section 14 requires the Auditor General to obtain the committee's prior consent to accept or continue an appointment as auditor for an organization outside the government reporting entity.

Under the terms of reference, adopted by the House on October 29, 2009, the PAC was identified as the committee to review and approve the financial statement audit coverage plan, to sanction appointments beyond five years and to endorse audits outside the government reporting entity. The PAC review of the plan took place on November 5, 2009, with staff from the Office of the Auditor General (OAG) in attendance.

Summary of Proposed Plan

At the start of his presentation, the Executive Director, Financial Audit asked the PAC to:

1. approve the proposed plan, as shown in Appendix A (see pages 13-20);
2. consent to the Auditor General continuing as the appointed auditor for 13 government organizations where the engagement term exceeds 5 consecutive years (see pages 9-10)
3. consent to the Auditor General being appointed auditor for two organizations outside the government reporting entity, WorkSafe BC and the Provincial Employees Community Services Fund (see pages 11-12); and
4. endorse the Auditor General to continue to administer the auditor appointment process as described in the plan (see page 12).

The Executive Director explained that the plan excludes the 20 ministries because these are part of central government and audited by the Auditor General. Instead, the plan proposes three levels of audit involvement by the Auditor General for the 150 entities that form the government reporting entity and prepare annual financial statements.

The first level is low (limited) involvement, where an auditor, other than the Auditor General, is appointed auditor of the organization or trust fund and the auditor's files are reviewed on a sample basis (101 organizations, 4 trust funds in 2010/11). The next level is moderate (oversight) involvement, where the Auditor General's staff attends audit committee meetings

and reviews the appointed auditor's audit plans and year-end audit files (22 organizations in 2010/11). Lastly, there is high (direct) involvement, where the OAG conducts the audit with its own staff or uses contracted private sector audit firms (23 organizations in 2010/11).

The Executive Director also summarized the changes from the prior year plan presented to the PAC in November 2008. The five changes in the current year plan are: an increase from limited to oversight involvement of Thompson Rivers University, Great Northern Way Campus Trust, and the Interior Health Authority; a decrease from oversight to limited involvement for the Providence Health Care Hospital Society; and a decision to maintain oversight level involvement of British Columbia Transit rather than move to direct audit coverage.

The witness reported that the proposed changes to audit coverage are small and incremental and so will have a negligible impact on the office budget for 2010/11. However, the future conversion to different financial reporting frameworks will increase the quantum of work (and cost) for both the OAG and private sector audit firms.

Turning to recommendation 2, the Executive Director reported that the *Auditor General Act* requires the OAG to move throughout the government reporting entity and so there is a general limit of a 5-year term on auditor appointment (section 10(5)). Senior staff, however, question whether the five-year limit still makes sense now that the OAG and the profession have adopted a regime of senior staff rotation on audit engagements.

Committee Review

Some committee members did not support the idea of a waiver of the five-year rotation rule. In their view, auditing assignments require a certain degree of distance and "fresh eyes" to avoid too cosy a relationship between the auditors and those they were auditing. They also questioned whether the OAG request for a waiver of the appointment limit for 13 government organizations was really necessary. In response, the Auditor General explained that only the OAG has the range of skills to audit the B.C. Securities Commission, adding that he would take a second look at the other 12.

Regarding the detailed plan in Appendix A, questions were asked about the level of audit involvement with the Fraser Health Authority (page 17) and the British Columbia Lottery Corporation (page 18). Clarification was sought too on the status of the following organizations outside the government reporting entity: private colleges and the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games.

Questions were also asked about the proportion of 2008/09 expenses audited directly or covered through OAG oversight (75%), and the proportion of expenses directly audited by auditor type (75% by the "Big 6" accounting firms) (Figures 1 and 2, pages 7- 8).

Committee Decision

The Public Accounts Committee approved the four recommendations, listed above and in the plan (pages 2-3), as required by sections 10 and 14 of the *Auditor General Act*.

Orientation Seminar for PAC Members

In the first session of the 39th Parliament, ten of the 15 PAC members were new appointments. Accordingly, the meeting on November 30, 2009 meeting was planned as an introduction to the work of the Public Accounts Committee.

Briefing: BC PAC history, functions and affiliations

The Clerk Assistant and Clerk of Committees informed committee members that the PAC is the second oldest select standing committee of the Legislative Assembly, appointed in the very first parliament (1872 – 1875).

Like other parliamentary committees, the PAC receives its terms of reference from the Legislative Assembly and reports back to the House. Since 1973, the PAC Chair has been selected from the ranks of the opposition; and from 1992, ministers of the Crown have been excluded from membership.

The PAC has three core functions. Its original Order of Reference was to inquire into all matters relating to the province's Public Accounts, with assistance provided by the Comptroller General. Nowadays, the PAC also examines the reports of the Auditor General of British Columbia, which are tabled by the Speaker in the House. The third unique function of the BC PAC is its review of records retention and disposal authorities submitted by the Public Documents Committee.

The BC PAC is an affiliate of the Canadian Council of Public Accounts Committees, an annual conference for Chairs and Deputy Chairs of federal, provincial and territorial PACs that meets each year at the same time and place as the Canadian Council of Legislative Auditors to discuss matters relating to financial accountability. In his capacity as the Council's Executive Director, the Clerk Assistant and Clerk of Committees participates in World Bank initiatives to promote financial oversight by parliamentary committees.

Briefing: Office of the Auditor General (OAG)

To inform committee members about their work, the Auditor General and senior staff presented a summary of the document containing the OAG annual report for 2008/09 and the service plan for the period 2009/10 to 2011/12. The presentation identified three critical success factors: independence that allows work of the Office to be recognized as credible and valuable; credibility that requires adhering to guiding accounting principles and professional standards; and capacity, or quantity and quality of resources.

The OAG is driven by four guiding principles: relevance, efficiency, value and excellence. Each principle is linked to a key performance indicator (KPI). For example, for relevance, the KPI is the proportion of performance audit or value-for-money reports completed in response to questions from MLAs and British Columbians. Another indicator of relevance is the proportion of OAG recommendations endorsed by the PAC (99% in 2008).

Looking ahead, the OAG faces several challenges: performance audit capacity, new international standards on auditing, financial statement audit coverage plan changes, promoting public sector governance, and sustainability and environmental management.

Briefing: OAG Follow-up process

The OAG Executive Director briefed the PAC on the new follow-up process, introduced by the Auditor General, to ensure recommendations are addressed and taxpayers receive full value from the work of the Office. The process involves three forms of follow-up: first agency self-assessment; second agency self-assessment; and detailed examination of information supporting recommendations. Since the adoption of the new process, the OAG has published three semi-annual reports (October 2008, April 2009, October 2009), containing updates on the implementation of recommendations from recent audit reports. The cumulative results of follow-ups show that 84 percent of recommendations have been fully or substantially implemented or alternative action taken.

The Comptroller General then presented the government's perspective on the new OAG follow-up process. She pointed out that ministries are responsible for determining how best to respond to the Auditor General's recommendations, including alternative actions to address risks cost-effectively and no action when appropriate. To date, the three follow-up reports demonstrate that government is responsive, and the reports provide valuable information to the PAC and to government to monitor actions taken by ministries.

Auditor General Report No. 3, 2009/2010: Observations on Financial Reporting: Audit Findings Report on the 2008/09 Summary Financial Statements

The Public Accounts Committee (PAC) met on December 1, 2009 to review the latest audit findings report on the Summary Financial Statements. The PAC heard presentations from the Office of the Auditor General (OAG) and the Office of the Comptroller General.

Summary of OAG Report

Each year, the OAG is required to audit the government's Summary Financial Statements, which are a consolidation of the audited financial statements from 147 government organizations, 19 ministries and eight independent legislative offices. In addition to providing an audit opinion on these statements, the Auditor General comments on the B.C. government's financial accounting and reporting practices.

The OAG report on the 2008/09 Summary Financial Statements (SFS) supersedes the one completed for 2007/08. In fiscal 2009, the audit team encountered many issues that were discussed with government – including consolidation of over 160 entities into the SFS, over 30 monetary adjustments at SFS level, and also disclosure adjustments.

The report's overall conclusion is that government's Summary Financial Statements are presented fairly according to Canadian accounting standards. However, in the opinion of the Auditor General, "there are three areas where the financial statements are significantly not in compliance with these standards, resulting in the Auditor General expressing three reservations in his audit opinion. Had these reservations been corrected in the financial statements, the surplus for 2008/09 would have been \$8 million, not the \$78 million reported by government."

The first two reservations were also included in the audit opinion for fiscal 2008. They relate to the recording of oil and natural gas producers' royalty credits and deep-well credits. The third relates to the "improper consolidation" of the Transportation Investment Corporation as a business enterprise.

The report contains ten recommendations related to other auditing, accounting and disclosure issues. These issues are: accounting for First Nations settlement costs (recommendation 1) and for inherited Crown land (recommendation 2); warehouse debt disclosure (recommendation 3); complete disclosure of prior year adjustments (recommendation 4); disclosure of contractual obligations (recommendations 5 and 6); direct method of cash flows (recommendation 7); authority to borrow (recommendation 8); budget information and ministry financial statements (recommendations 9 and 10).

The report also discusses 12 other issues of interest, where no recommendations are made; management letters; and the future of accounting and auditing standards in Canada.

Summary of Government Response

The Comptroller General presented the government's response to the OAG report and stated that the audit opinion with reservations is a concern. She informed the PAC that government is working consultatively to address evolving issues and is committed to maintaining a leadership role in the public sector reporting.

Turning to the Auditor General's three audit opinion reservations, the Comptroller General made the following observations. Government continues to believe that modified equity is the appropriate basis for consolidation of the Transportation Investment Corporation. Next, she pointed out that oil and gas producer royalty credits are disclosed in footnote 2 of the Schedule of Net Revenue by Source, included in the 2008/09 Public Accounts. She also rejected the Auditor General's reservation regarding government's failure to provide for deep-well credits.

The remainder of the Comptroller General's presentation focused on informing the PAC of how government had responded to the OAG report's ten recommendations.

Committee Inquiry

After hearing from the witnesses, the committee inquiry focused on the following topics: the number of audit adjustments; the disagreement over the classification of the Transportation Investment Corporation; and the need to improve the format of the financial statements. Individual committee members asked for clarification on the royalty credits reservation, the impact of materiality decisions on the size of the deficit, and the different methods of accounting for inherited Crown land. Questions were also asked about Olympic security costs, the Pacific Carbon Trust the exclusion of B.C. Ferries from the government reporting entity, and the management letters.

Audit adjustments

Some committee members voiced concern about the number of issues encountered by the audit team in fiscal 2009. The Auditor General reported that many of these issues were resolved satisfactorily with government. Further, he believed citizens should be confident that the province complies with reporting standards on a consistent basis.

Transportation Investment Corporation (TI Corp)

A key theme of the committee inquiry focused on the difference of opinion between the witnesses over how to classify the TI Corp, the Crown corporation in charge of improvements to the Port Mann Bridge and Highway 1. The Auditor General's position is that government should have consolidated TI Corp into the Summary Financial Statements using the full line-by-line consolidation method (rather than the modified equity method) as it does not qualify yet as a government business enterprise. As the TI Corp is in the startup phase — the bridge has not been built, not a dollar has been collected from tolls — its attendant spending and debt should be treated as taxpayer-supported until it enters the commercial operation phase.

However, the Comptroller General reiterated the government's position that the TI Corp. should be treated as a self-supporting entity, thereby excluding its share of borrowing from the taxpayer-supported debt.

In response, committee members inquired if there was any dispute resolution mechanism available to break the stalemate. They learned from the Comptroller General that the Public Sector Accounting Standards Board does not have a dispute resolution process when there are differences of opinion among professional accountants, or between the legislative auditor and the financial statement preparer.

Format of statements

Several new committee members expressed the desire for alternative ways to present the financial statements to facilitate comparisons to other financial documents. Specifically, they discussed the following recommendations in the OAG report:

- recommendation 6 relating to the disclosure of contractual obligations, seeing this as a way to assist MLAs to track the paper trail for P3s;
- recommendation 9 comparing budget information to the SFS, seeing this as a way to assist legislators and the general public to piece the lines together; and
- recommendation 10 proposing the preparation of ministry financial statements, seeing this as a way to help citizens who want to take a look at the government's books.

On recommendation 6, the Comptroller General explained that it was not practical to collect data on every long-term contract each government organization enters into, and that the existing materiality level of \$50 million is appropriate. With regard to the presentation of budget information, she reported that government is currently reviewing the recommendations of the Budget Process Review Panel (Enns Report). After explaining that ministries are not separate entities, she expressed concern that implementation of recommendation 10 could reinforce silos.

Committee Decision

The Public Accounts Committee received the Auditor General's 3rd Report of 2009/10, *Observations on Financial Reporting: Audit Findings Report on the 2008/09 Summary Financial Statements*, and the government's response.

Public Accounts Overview

For the first time in 25 years, the PAC set aside time for committee members to be briefed on the province's Public Accounts. The Comptroller General presented the overview that started on December 1, 2009 and continued on January 26, 2010.

December 1, 2009 Meeting

Overview

The Comptroller General's presentation began with a high-level overview. She described the Public Accounts as providing a comprehensive combined snapshot of the B.C. government's financial position. This "extremely important" accountability document represents the final reporting process in the annual provincial budget cycle, and provides a comparison of the actual financial results at the end of the fiscal year (March 31) to the budget plan set out at the beginning of the year (April 1).

Next, the witness explained that the Public Accounts are prepared on a summary basis. Due to the scope and complexity of the government reporting entity, a \$36 billion to \$38 billion operation, it is not easy to produce statements that summarize all the financial activities of: the 20 ministries, 10 special offices and 22 special accounts comprising the consolidated revenue fund; 32 government organizations; 60 school districts, 27 universities and colleges, and 16 health authorities and hospitals (SUCH sector); and 10 government business enterprises, or commercial Crown corporations.

The key components of the Public Accounts document include:

- Financial Statement Discussion and Analysis Report (Unaudited) that provides highlights and a high-level commentary on government's financial performance
- (Audited) Summary Financial Statements that include a consolidated statement of operations, a balance sheet and supporting notes
- Supplementary Information (Unaudited) that includes a SUCH statement of operations
- Consolidated Revenue Fund Extracts (Unaudited) providing a comparison of the ministries' voted appropriations and their actual expenditures
- Provincial Debt Summary

The Comptroller General explained that the province's fiscal accountability legislation requires the Public Accounts to be released on or before August 30. Also, both the budget and the public accounts are prepared on a basis consistent with Generally Accepted Accounting Principles (GAAP). Other requirements include multi-year budgeting, balanced-budget legislation and targets for achieving ministerial accountability.

The Public Accounts target a wide variety of users. The public provides the resources and revenues, receives services and holds government accountable; the Legislature grants authority to government to administer resources and financial affairs; and investors in government securities make decisions on the financial position and credit worthiness of government.

Role of OCG in financial reporting

Next, the Comptroller General reported on the role of her office in regards to financial reporting. She explained that this role is very clearly defined in the *Financial Administration Act*. It involves administering the central chart of accounts, the primary control for tracking the voted appropriations; evaluating financial management throughout government and ensuring there is a strong control function; and preparing the Public Accounts at the end of the fiscal year, which the Minister of Finance tables with the Legislative Assembly.

Preparation of the financial statements is done in accordance with Canadian GAAP, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Currently there are four accounting standards for reporting entities:

- Public sector accounting standards used by ministries (PSAB Handbook)
- Not-for-profit accounting standards used by government organizations (CICA Handbook)
- Small enterprise standards used by government organizations (CICA Handbook)
- Commercial standards used by government business enterprises (CICA Handbook)

The introduction of international financial reporting standards in 2011 for government business enterprises will complicate matters for these commercial Crown corporations. One key difference between Canadian and international standards is rate-regulated accounting. Also, in the evolving reporting environment, not-for-profit guidance will disappear and public sector not-for-profits will most likely use modified public sector standards.

January 26, 2010 Meeting

Review of 2008/09 Public Accounts

The Comptroller General reviewed the various components of the *Public Accounts For the Fiscal Year Ended March 31, 2009*, a document produced by her office on an annual basis. Her presentation focused on the following sections: Highlights 2008/09; Financial Statement Discussion and Analysis; Statement of Responsibility for the Summary Financial Statements; Audit Opinion; Financial Statements; Notes 1,2, 7, 16, 17, 18, 19, 24, 25, 31, 36 and 37 to the Financial Statements; Reporting Entity; Schedules to the Financial Statements; Supplementary Information; Consolidated Revenue Fund Extracts; Provincial Debt Summary.

Committee Inquiry

Since committee members have not concluded their review of the province's Public Accounts document, a summary of their questions will be presented in a future PAC report.

Review of Resolutions for Records Retention and Disposal Authorities

Section 3 of the *Document Disposal Act* (RSBC 1996, c, 99) specifies that all records created by the executive of government and its agencies and programs cannot be destroyed without the written consent of the Public Documents Committee, the PAC and the Legislative Assembly of British Columbia. The Ministry of Citizens' Services is the corporate overseer of the information management process within the executive of government and is in part responsible for the administration of the act.

The Public Documents Committee is made up of the Provincial Archivist, the Comptroller General and three other persons appointed by order-in-council. Its function is to review all records retention and disposal authorities proposed by ministries, agencies and boards. The purpose of the review is to ensure that all legal, financial, fiduciary and historical values have been met. Do the records, for instance, document how a program was developed and implemented? Have the accountabilities the Crown has to its citizens been discharged?

Once all of these values are addressed, the Public Documents Committee presents the PAC with a list of authorities to consider and approve so that these resolutions may be submitted to the Legislative Assembly. Once approved by the House, these authorities will govern how the records are to be treated: either transferred to the government archives or disposed of confidentially.

Committee Review

November 30, 2009 Meeting

At the meeting on November 30, 2009, the Provincial Archivist and PDC Chair briefed committee members on the role of the PAC in the process of regulating the retention and final disposition of government records. He then presented five resolutions identifying the records retention and disposal authorities for their consideration:

1. That the management of the retention and final disposition of the financial management records of the ministries of the Government of British Columbia be amended in accordance with the *Administrative Records Classification System (ARCS): 2008 Amendment – Section 4 Financial Management*.
2. That the management of the retention and final disposition of the operational records of the Accommodation and Real Estate Services, Ministry of Citizens' Services, be in accordance with the records schedules, standards, and guidelines described in the *Accommodation and Real Estate Services Operational Records Classification System*, as amended.

3. That the management of the retention and final disposition of the operational records of the Emergency Health Services Commission, Ministry of Health Services, be in accordance with the records schedules, standards, and guidelines described in the *Emergency Health Services Operational Records Classification System*, as amended.
4. That the retention and final disposition of the operational records of the Home and Community Care and Performance Accountability, Ministry of Health Services, be in accordance with the records schedules, standards, and guidelines described in the *Health Authority Performance Management Operational Records Classification System*, as amended.
5. That the retention and final disposition of the Conversation on Health, Ministry of Health Services records be managed in accordance with the ongoing records retention and disposal authority for those records.

January 26, 2010 Meeting

Since committee members did not conclude their review of the resolutions submitted by the Public Documents Committee, a summary of their questions and the outcome of the committee inquiry will be included in the next PAC report.

Briefing: The Public Accounts Committee – Commonwealth Perspectives

At the start of the meeting on January 26, 2010, Andrew Imlach, Director of Communications and Research for the Commonwealth Parliamentary Association and Editor of *The Parliamentarian*, briefed committee members on the role of Commonwealth PACs in the democratic process. The main themes of his presentation were:

- Open PAC meetings play a role in improving the public perception of parliament
- PAC process is a tool used by the World Bank in its economic restructuring programs to assist countries to reduce corruption and improve government services
- Parliamentary scrutiny of public accounts is an important part of the parliamentary process throughout the Commonwealth and is being adopted elsewhere
- Commonwealth PACs have a diversity of procedures and practices
- PAC review of performance audits is a desirable trend among Commonwealth PACs
- All PACs are engaged in preventive work by their focus on holding people to account
- Exchange of information between parliamentarians serving on Canadian PACs and legislators in other countries is a valuable exercise in cross-pollination

Documents Distributed

November 5, 2009

Office of the Auditor General of British Columbia, Financial Statement Audit Coverage Plan for Fiscal Years 2010/2011 through 2012/2013, November 2009

Financial Statement Audit Coverage Plan 2010/2011 – 2012/2013, OAG Presentation to the Select Standing Committee on Public Accounts, November 5, 2009

November 30, 2009

Office of the Clerk of Committees, Backgrounder on Select Standing Committee on Public Accounts

Office of the Auditor General of British Columbia, *2008/09 Annual Report and 2009/10 – 2011/12 Service Plan*

Office of the Auditor General of British Columbia, Presentation re 2008/09 Annual Report and 09/10-11/12 Service Plan, November 30, 2009

Office of the Auditor General of British Columbia, *Follow-up Report: Updates on the implementation of recommendations from recent reports*, October 2008; April 2009; and October 2009

Office of the Auditor General of British Columbia, Presentation re Follow-up Reports, November 30, 2009

Comptroller General, Ministry of Finance, Presentation re Office of the Auditor General October 2008 and April 2009 Follow-up Reports, November 30, 2009

Resolutions for Records Retention and Disposal Authorities tabled on November 30, 2009 before the Public Accounts Committee

December 1, 2009

Office of the Auditor General of British Columbia, What to expect from a Performance Audit

Office of the Auditor General of British Columbia, *Observations on Financial Reporting: Audit Findings Report on the 2008/09 Summary Financial Statements* (October 2009)

Office of the Auditor General of British Columbia, Presentation re Observations on Financial Reporting Report, December 1, 2009

Office of the Comptroller General, Government response to OAG report, Observations on Financial Reporting

Ministry of Finance, Office of the Comptroller General, *Public Accounts For The Fiscal Year Ended March 31, 2009*

Comptroller General, Public Accounts Overview, Select Standing Committee on Public Accounts

January 26, 2010

Commonwealth Parliamentary Association Brochures, Parliamentary Financial Scrutiny: The Role of Public Accounts Committees; Recommendations for Transparent Governance

Ministry of Finance, Office of the Comptroller General, *Public Accounts For The Fiscal Year Ended March 31, 2009*

Comptroller General, Public Accounts Overview, Select Standing Committee on Public Accounts

Resolutions for Records Retention and Disposal Authorities tabled on November 30, 2009 before the Public Accounts Committee

