



ISSN 1180-4327

Legislative Assembly
of Ontario
Second Session, 38th Parliament

Assemblée législative
de l'Ontario
Deuxième session, 38^e législature

Official Report of Debates (Hansard)

Thursday 15 December 2005

Journal des débats (Hansard)

Jeudi 15 décembre 2005

**Standing committee on
public accounts**

**Comité permanent des
comptes publics**

**Subcommittee report
Committee business**

**Rapport du sous-comité
Travaux du comité**

Chair: Norman W. Sterling
Clerk: Susan Sourial

Président : Norman W. Sterling
Greffière : Susan Sourial

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Copies of Hansard

Copies of Hansard can be purchased from Publications Ontario: 880 Bay Street, Toronto, Ontario, M7A 1N8.
e-mail: webpubont@gov.on.ca

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Exemplaires du Journal

Des exemplaires du Journal sont en vente à Publications Ontario : 880, rue Bay Toronto (Ontario), M7A 1N8
courriel : webpubont@gov.on.ca

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON PUBLIC ACCOUNTS

COMITÉ PERMANENT DES COMPTES PUBLICS

Thursday 15 December 2005

Jeudi 15 décembre 2005

The committee met at 1005 in committee room 1.

SUBCOMMITTEE REPORT

The Chair (Mr. Norman W. Sterling): OK, folks. Neither Shelley nor Julia is going to be here. Since we're just approving what the subcommittee decided, you can see—everyone has a list of our choices of the three caucuses.

Mr. Richard Patten (Ottawa Centre): A list of choices? Where are they?

The Chair: It's the report of the subcommittee on committee business.

What I need is someone who would read that into the record and move a motion that we adopt the report of the subcommittee.

Mr. Bill Mauro (Thunder Bay—Atikokan): Do you want the whole thing read?

The Chair: Yes, other than, of course, the first part, "Your subcommittee...."

Mr. Mauro: I move:

(1) That the selections for consideration by the committee from the 2005 Annual Report of the Office of the Auditor General of Ontario be as follows:

—section 3.01: Ambulance Services—Air—Ministry of Health and Long-Term Care

—section 3.02: Ambulance Services—Land—Ministry of Health and Long-Term Care

—section 3.03: Charitable Gaming—Alcohol and Gaming Commission of Ontario—Ministry of Government Services

—section 3.04: Child Care Activity—Ministry of Children and Youth Services

—section 3.05: Driver and Vehicle Private Issuing Network—Ministry of Transportation

—section 4.02: Children's Mental Health Services—Ministry of Children and Youth Services

—section 4.06: Business and Economic Development Activities—Ministry of Economic Development and Trade

—section 4.08: Environet—Ministry of the Environment

—section 4.10: Ontario Student Assistance Program—Ministry of Training, Colleges and Universities

(2) That the committee begin each section with a closed-session briefing by the Provincial Auditor and research officer and that the deputy minister and other appropriate staff of each ministry be asked to attend the

committee following the closed session briefing to provide a response to the auditor's report.

(3) That, upon authorization by the House, the committee hold meetings on Thursday mornings until 1 p.m. and again after routine proceedings while the House is in session in February and March 2006.

(4) That the committee clerk determine the schedule based on the availability of the ministries, alternating section 3s with chapter 4s.

The Chair: Mr. Mauro, under number (2), instead of "Provincial Auditor," I'm sure you meant "Auditor General" there.

Interjection.

The Chair: Do you want to have a discussion on this?

Our history has been that we've never sat any afternoon. I guess we've always put that in, in case there were some unusual circumstances that arose.

Mr. Patten: If you're following tradition, then I have no problem.

The Chair: OK.

Mrs. Liz Sandals (Guelph—Wellington): Can we then change it so it doesn't say "February and March"? If we're doing one per morning, there aren't enough Thursday mornings in February and March to get through all 10 ministries. So should we be saying that in February, March and April we'll hold the hearings, or—

Mr. Patten: This doesn't suggest we have to do all these in that period.

The Chair: No, we don't plan to do all of them.

Mrs. Sandals: OK, as long as it's clear that we don't have to get all this work done in February and March. Do you see what's concerning me? Because that would then imply that we would have to sit afternoons. I agree with Richard: The last thing I want to do is tie myself up further on Thursday afternoons.

1010

Mr. Mauro: I think this step is in there, Jim said—or maybe it was Susan who told us that we needed to put that in there because you can't sit in the afternoons without the approval of the House, correct? So that's simply in there for that reason. It's not implying that we will be here, but if we needed to be here, we needed that approval within the subcommittee recommendations, correct?

Mrs. Sandals: That's OK, just as long as it's clear that we can keep on going with the hearings into April or whenever is necessary.

Mr. Mauro: That's right. The anticipation was that when we were doing this, we would then amend that and make a decision on how much more time we would need.

The Chair: This is just copying what we did last year. We just asked for February and March. We could actually extend this on into the rest of the spring. But at the subcommittee yesterday, I think what we agreed to was that, come the third week of our hearings, which will be at the end of February or early March—I think we rise on March 2, so we'll probably be sitting on March 2—we'll make a decision during that period of time on what we're going to do into the future.

Mrs. Sandals: We're only going to get through—we're sitting for about three or four weeks.

The Chair: Yes, we're going to do three. The feeling of the committee was that we do two number 3s, the value for money audits, and one of the review ones, a number 4. We'd start off with a 3, then go to a 4, and then go back to a 3, so that the researcher's work will be spread out. There's less work associated with a 4 than there is with a 3.

Mr. Patten: Sections 3.01 and 3.02 should be done together, it seems to me.

The Chair: We're trying to accommodate deputies and ministries as best we can, and so our instructions to the clerk were to try to be as accommodating as possible. In fact they want to do them back-to-back, that's fine.

Mr. Patten: It's a seamless system.

The Chair: OK.

Mr. Patten: That was a joke.

The Chair: Basically, what we're doing is trying to be as accommodating as we can to the ministries and their deputies, and Susan has those instructions. Nobody really had a preference as to what was number 1 or 2 or 3 or whatever. Is that correct, Bill?

Mr. Mauro: Yes. I think it was actually Susan who recommended that maybe it'd be best not to put the two ambulance services, land and air, together because it might have been more difficult for the ministry to prepare, and that we should split them. But as the Chair has stated, nobody felt strongly about any particular order, except that we should alternate from a 3 to a 4 and that we were going to allow the ministry to basically tell us, in terms of the air and land piece, what was easiest for them.

Mr. Patten: We just have legislation coming in to deal with some of the recommendations that have already been made. I'm curious about the rationale, if you're talking about emergency services—a plane has to fly into a reserve, pick somebody up and bring him to an ambulance at an airstrip, and then that ambulance has to go to a hospital—as to why those two aren't presented together so you can see the relationship. That's the logic I have.

The Chair: I don't know. They were two different sections in the auditor's report. One was chosen by the Progressive Conservative Party and one was chosen by the New Democratic Party. Why would we not just leave

it to Susan? If it's the ministry's desire to come and do both one week after the other, then fine and dandy.

Mrs. Sandals: There are a lot of land ambulance issues, though, that have nothing to do with whether or not they connect to air.

The Chair: I agree. I think they're two different issues. That's my view on it. I think one has to do with circumstances dealing with response times and how many planes they have in certain parts of the province etc. The other relates to a municipal-provincial relationship, the setting of standards and municipal boundaries and that kind of thing. So in my view, the issues are fairly clear.

Mrs. Sandals: Richard's right. They don't necessarily always link well when one's provincial and one's municipal.

The Chair: OK. Shall the motion put forward by Mr. Mauro carry?

Mr. Patten: Carried.

COMMITTEE BUSINESS

The Chair: The Auditor General would like to update the committee on a matter.

Mr. Jim McCarter: I just wanted to mention to the committee that over a year ago, when we did drug programs, there was a recommendation that the Ministry of Health report annually to the auditor, comparing the price they paid on their drugs versus the price being paid in other jurisdictions. Almost a year had passed and we hadn't heard anything. So I wrote a reminder letter to the deputy minister, Ron Sapsford, saying, "Remember this recommendation, Deputy? Can you get back to us?"

Anyway, they did get back to us earlier this week. So I'd just like to report that they did get back to us. They took the top 50 drugs and compared them to British Columbia, Saskatchewan and Quebec. My staff haven't had a chance to analyze it yet—and we will—but I just want to apprise the committee that they have reported back to us, as the committee recommended. They indicated, too, that they've got this drug system secretariat that they've started up, which is also looking at the price Ontario pays versus the price that's being paid in other jurisdictions. So we'll have a look at that, and if there's anything of interest, we'll report back to the committee in February or March.

The Chair: Ray raised the matter at the subcommittee, and we thought that we might briefly talk about it today, and that is whether or not the public accounts committee should adopt practices from other jurisdictions or talk about any kind of reform of activity that we do. We're not trying to lead to a discussion today on that matter. What we asked Ray to do was lay down the premise or the kind of discussion we might have, probably in our second week of meetings in February, when we're dealing with that matter under one of the section 4 matters, which normally don't take as long as the section 3 matters.

So, Ray, would you like to say a few words?

Mr. Ray McLellan: Thanks, Mr. Chair. I think over the years, we've talked about the format used as far as the background material and also committee reports. I guess one of the concerns has been that the committee reports are long. We're in the process of trying to summarize the salient points from the auditor's report, go through the hearings and come up with recommendations. I had done a very brief comparison. I guess it'll be a topic for discussion for next year, but I'll send a package out maybe in January.

I looked at the format of the House of Commons reports, and I've got a copy here. As I say, I'll circulate this. Then I looked at the UK model of reports, and they're quite different. They're probably worth considering. I think they get more to the point a lot faster than we have. We spend, I'd say, a lot of time on the preamble. We do use the preamble to kind of remind us of what happened four or five months ago, when we had the hearings. I think that's important to say at the outset.

I think the UK model and the House of Commons reports are a lot shorter. In other words, this one that I have—looking at fisheries, fleet management, House of Commons—is a seven-page report. The UK report—I pulled one off. Going back this year, it deals with two jurisdictions: the duchy of Cornwall and another duchy in England. They deal with those matters in about a dozen pages, so they're a lot shorter. I guess the thrust of our report could be to get right to the recommendations very early on: have a cursory overview of the critical or main points in the auditor's report, get right into our recommendations, and just spend four or five pages on those.

1020

Maybe that's a discussion we could have in February, prior to getting into our first report. I will assemble information on that and see what the committee wants to do. If they want to change things, great, and if not—

Mr. David Zimmer (Willowdale): Have you got copies of those two reports?

Mr. McLellan: I'll send those out, Mr. Zimmer, in January.

Mr. Zimmer: OK.

Interjection.

Mr. McLellan: I'm not trying to push it too hard, but we've been on this same path for a decade. It may be worthwhile to consider another model. So I will do that.

The other thing I wanted to raise is the background material that we'll start preparing right away for hearings in February and March. I've circulated two documents entitled Background Notes. One's going back to a model that was used in 1998 on conservation and prevention division, an old audit; and a second one is on media tax credits. With these backgrounders, I guess the question very simply is, are they adequate? Are we going down a path of providing information you really don't want? Is there a way that we could improve them?

I noticed on the media tax credits, one of the things we have on page 1 at the bottom is a list of appendix materials. In there, we've got a copy of the auditor's reports, excerpts from the public accounts and some of

the Ontario budget. There are press releases in there and a memorandum of understanding. Some of these are critical things, I think, for this, but maybe some aren't so critical: a couple of pieces of legislation, news releases or Hansard from the Legislature in 2004. I guess the question very simply is, are these background notes helpful or could they be improved? What are we doing right and what are we doing wrong?

Mr. Zimmer: What I would find helpful is, right up at the front, some sort of statement or information about what attracted our attention to this topic, because we're sitting around the table at the subcommittee, figuring, "Are we going to look at this or that?" In the back of all of our minds, we have an idea of why we want to look at this rather than that. Typically, in the back of our minds, we sense that there may be some mischief there or something that ought to be ferreted out.

Sometimes I think, reading over the preambles, it doesn't really get to the point: "We think there's something going on here. Here's what it is. This is why we want to look at it."

Mr. McLellan: To do that, very briefly.

That leads to another question I have: Is it helpful, for example, when we go section by section, to summarize, if the auditor's text in section 1 is three pages and Elaine and I try to condense it down to three quarters of a page? The question is, number one, if you want to quote from the auditor's report, you're going to go directly to that source and quote from it; that's the logical thing. Is it useful for legislative research to go through it and try and summarize it, to condense it down, to cut it down to 25% of what it was? Is it useful to do that? The other part is, we list a number of questions. Are those questions helpful? Do you develop your own questions or do you rely on our questions?

Mr. Patten: It's helpful.

The Chair: Ray, I haven't had any objection to any of the material that has been given to us in the past. I can't really find fault with it, or an excess of material in what we have. The only question I always seem to have when I get a ministry in front of us is, and this is always a concern, whether I'm sitting in the Legislature, sitting in this committee, sitting at a cabinet table or whatever it is: What are the other jurisdictions that are closest to us in size, complexity, responsibility, doing with this problem? For instance, when we go into land ambulance, I guess you're edging into policy when you start to look at different kinds of systems and how they achieve accountability and how they achieve efficiency. That's always ticklish, whether you're going into that or not. Land ambulance has always been a bugaboo of mine. If you go to Seattle, it's combined police-fire-ambulance. It's all one deal. The ambulance comes out of the same place where the fire services are. As I understand it, they do a much better job of coordinating and responding.

Maybe the auditor would have a better idea of where the comparisons are.

Mr. McCarter: That would depend. When I think of ambulances, I know we have a couple of examples where

we talk about comparable response times in other jurisdictions—say, New York and the U.K. If I look at the 10 recommendations we've had, there may be only two or three areas where we may have picked up comparable ways.

We have to be a bit careful, as the Chair indicated, when you talk about whether you deliver things, whether it's the private sector that delivers, whether it's partnered or whether you deliver in-house—some of that tends to border on policy a bit. We're a little bit careful about trying to imply it as a preference.

I'm just thinking of Ray. I know sometimes we have difficulty ourselves getting that information. It does take a bit of time, and we have some reasonably good contacts in the other offices. So in a number of the reports we would have comparative information, but it wouldn't cover all the different areas. It would vary, report by report.

The Chair: Any other comments on the material prepared for us?

Mrs. Sandals: I was going to say that I find the fact that you copied the section of the auditor's report really useful, because that means I don't have to lug around the whole thing. For those of us who don't live in the building, having to carry one chapter as opposed to the whole thing actually matters.

I tend not to look at the public accounts estimates material that you always faithfully copy, because the actual numbers that we're interested in, the numbers that we have to worry about, are likely captured in detail in the auditor's material, as opposed to estimates, which is some line for a whole program or a whole department and doesn't really tell you much anyway. When it comes to numbers, I would rely on the auditor's report.

Maybe somebody else looks at it, but I must admit that I never look at that sort of estimates, public accounts end-of-year accounting stuff that's provided.

Sometimes you'll give us little tidbits from Hansard or the media or something, which is useful to recall the public comment on whatever the issue is. But it's the stuff that's value-added, that isn't obvious from just reading the auditor's report. The auditor isn't looking at the public comment piece, so that's something that you're adding that's value-added.

The short summary is useful. Then I tend to just go into reading the report, the chapters.

Mr. McLellan: Do you think it's worthwhile to keep a bit of an introduction on each section—in other words, if we can do a two- or three-paragraph introduction, section by section?

Mrs. Sandals: Or even just a paragraph. I'm not sure a medium-length summary is super-useful. If I'm going to take time to read something that's 50% of the original, I'd rather just go to the original. So it's only if it's a real executive-summary sort of thing that it's a useful guidepost. Once it gets too long, I'm going to read the original.

Mr. McLellan: One thing that I think is very important to keep in there: As we know, by the time we get to these audit report hearings, it's six or seven months

since the auditor signed off on his report. During that, and the ministry in responding to their sign-off and finalizing the report, they may take action. I think that's important. If we can identify and include press releases where they've moved on an issue, it's important to fill the gap.

1030

Mrs. Sandals: Yes. The updates, especially the further we get away from your tabling, are probably more useful in terms of pointing toward questions than the questions, because the updates tend to say, "OK, the auditor said this; you've done this. Tell us in more detail what it is you're doing to solve the problem."

Mr. McCarter: Sometimes the deputies will give me a quick call, saying, "My opening remarks—what should I say, Jim? What are they interested in?" I say, "Probably the one thing they're very interested in is, what action have you taken since the audit on each recommendation, to give the committee a sense of what you've accomplished and what you disagree with?" I think you'll find most of the deputies are coming in and they almost go through recommendation by recommendation, saying, "We've done a lot more since the audit. Here's what we've done," and they kind of lay it out.

The Chair: Richard?

Mr. Patten: I was just going to say, on the update, that that's valuable. Whether that should be done in isolation or in each section, I'm not sure, but that makes a difference. In other words, when we're looking at the material before we come to the meeting, if we had that update, that would be valuable because we'll formulate questions on the basis of the auditor's report. If we haven't got an update, we'll come here and they'll say, "Well, by the way, here's the update." If we can get that beforehand, that would be very helpful.

The Chair: One of the things that would be interesting for us to try to focus on is—I'm a little concerned about hearing somebody in mid-February, and we get down to writing the report in May and tabling the report at the end of May or June—that if we recognize, in the meeting with the deputy or whatever it is, that there's something that's absolutely obvious to us and we really want to spur some response and not have this thing four or five months down the road, there's nothing to prevent us from putting in an interim report with regard to any of the hearings we have. Maybe, as we go down the road—and there may never be this kind of circumstance, but one of the problems I have is that, by the time we're considering the report in May or June, I've sort of lost the focus. We do have this little meeting after, but if there's something that we feel really strongly about, rather than writing a letter to the ministry, we could put an interim report in as well. I think that you could spur a little bit more reaction by doing that, because it has never been done by the committee before, and they would recognize that there has been a change in what the committee is doing.

Mr. McCarter: I can think of a couple: I can think of the FRO coming in. We'd said that, "In a number of

other jurisdictions they have a pretty good computer system in place, and instead of reinventing the wheel, you should look at that.” I got a sense from the committee that, “You guys should be looking at this,” but they’re going to go merrily along. By the time the report comes out, it’s five months later and they’re probably too far along.

The Chair: Let’s sort of keep our heads up on that. Maybe, Ray, as you put forward the information to us that we receive for the next three hearings in February and March, you delineate between the different types of information that you’re presenting to us so that we can review whether or not any of us use type seven information, or if, by the time we got to that, we really didn’t need it.

Mr. McLellan: If I hear you, then I think that Mr. Zimmer’s point about highlighting right on that first page, the first couple of paragraphs—these are the issues the committee is concerned about in air ambulance. It’s really one, two, three, and then to do essentially the same overview but a lot shorter executive summary on the auditor’s report.

The Chair: The only trouble with that, though, is that these are the choices of three different political parties, and they have three different agendas, obviously.

Mrs. Sandals: That might not be very easy to pick out—

The Chair: That’s right.

Mrs. Sandals: —this is why it was chosen.

Mr. Zimmer: Ray didn’t get a chance to finish his thought.

Mr. McLellan: In other words—obviously we’re dealing with three parties—when we’re discussing it, from my perspective, I could hear issues that kind of rise to the fore as being the most important. Maybe I can just use my judgment on that; hopefully, I’m close.

Mrs. Sandals: What it might be useful to do is to go back to Jim and say, “Jim, what do you think are the three most important issues?” and capture Jim’s three most important issues—

Mr. Zimmer: Can we give Ray a chance to finish his thoughts? He’s been interrupted twice now.

Mr. McLellan: Those critical issues, however we resolve that—as Mrs. Sandals was saying, that very brief introduction to each section so you can say, “Yes, this is what this section’s about,” and then you can go to the auditor’s report and wade through that.

I think the other point that’s come up is interim activities, updating us on what’s happened following the auditor’s tabling of the report and following that with the sign-off from the ministry. That period is very important.

So if I can in some way summarize those press releases and what the ministry’s action has been, and identify questions and issues within that package, that would be helpful.

Then, as Mrs. Sandals said, maybe we can drop off some of the background material. For example, let’s not worry about going to the estimates committee, necessarily, and looking at their Hansard. House Hansard, I think, is still relevant. Photocopying the public accounts is probably not a good idea. With respect to one or two bills, if there’s new legislation coming in, I could probably include an overview of that legislation rather than the full text.

So start to make it a bit more intelligent in terms of going where you want to go, because the last thing we want to be doing is spinning our wheels on background that isn’t relevant. I think that applies to those reports as well, when we discuss them in February. Some of the information is certainly helpful to me and to Elaine as far as where you want to go.

The Chair: Is there any other business that people would like to talk about?

I’d like to, on behalf of the committee, thank our researchers, and thank you, Susan, for your work over the past year. I think all members of the committee like the committee, like sitting on the committee, find it interesting, and that’s really, I think, in large part due to the work of the researchers and, of course, the openness which the Auditor General and his staff give us with regard to information, the frankness of that information, and that kind of thing. So we are indeed very thankful to the people who have helped us here.

I think, Susan, you did a great job in setting up the conference that we were responsible for this year. Those members who participated in it learned a lot from our confreres. In that light, when I was there as your Chairman of the committee, I was presented with a very important trophy, and quite frankly, Susan, I don’t have a recreation room to put it in. So I want to give to you, I’m sure on behalf of all of the committee, this very important Public Accounts Committee House of Representatives National Assembly of Nigeria plaque for your office, because I don’t know where I’m going to put this. At any rate, there you go. I think that will help you remember that conference above any others. You may share that with the researchers every four months.

Mrs. Sandals: You can shift those around from office to office every four months.

The Chair: Thanks again, folks. Everybody, have a good holiday.

The committee adjourned at 1040.

CONTENTS

Thursday 15 December 2005

Subcommittee report.....	P-1
Committee business.....	P-2

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Lanark–Carleton PC)

Vice-Chair / Vice-Présidente

Mrs. Julia Munro (York North / York-Nord PC)

Ms. Laurel C. Broten (Etobicoke–Lakeshore L)

Ms. Shelley Martel (Nickel Belt ND)

Mr. Bill Mauro (Thunder Bay–Atikokan L)

Mrs. Julia Munro (York North / York-Nord PC)

Mr. Richard Patten (Ottawa Centre / Ottawa-Centre L)

Mrs. Liz Sandals (Guelph–Wellington L)

Mr. Norman W. Sterling (Lanark–Carleton PC)

Mr. David Zimmer (Willowdale L)

Also taking part / Autres participants et participantes

Mr. Jim McCarter, Auditor General

Clerk / Greffière

Ms. Susan Sourial

Staff / Personnel

Mr. Ray McLellan, research officer
Research and Information Services