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Mercredi 14 février 2007

**Standing committee on
public accounts**

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Auditor General:
Ministry of Training,
Colleges and Universities

**Comité permanent des
comptes publics**

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON PUBLIC ACCOUNTS

COMITÉ PERMANENT DES COMPTES PUBLICS

Wednesday 14 February 2007

Mercredi 14 février 2007

The committee met at 0935 in committee room 1, following a closed session.

2006 ANNUAL REPORT, AUDITOR GENERAL MINISTRY OF TRAINING, COLLEGES AND UNIVERSITIES

Consideration of section 3.03, community colleges—acquisition of goods and services.

The Vice-Chair (Mr. Ernie Hardeman): I call the meeting of our public accounts committee to order. We are meeting this morning to consider section 3.03, which is community colleges, acquisition of goods and services, in the 2006 annual report of the Auditor General.

We have with us this morning the Deputy Minister of Training, Colleges and Universities, Dr. Philip Steenkamp. I see you've found a place at the head of the table, Deputy, so we will ask you to deliver your opening remarks to the committee on the topic at hand. You can then introduce the other guests who are here to help us in answering some of the concerns or questions that our committee may have about that section of the report. So thank you again for coming through this weather that we have here and getting here this morning to be part of this committee.

Dr. Philip Steenkamp: Thank you, Mr. Chairman. I would like to introduce my assistant deputy minister, Janet Mason, who is here to support me today. In addition, the committee had invited the four presidents of the colleges that were the subject of this audit, and they are here as well and available to talk to the committee: Pat Lang from Confederation College, MaryLynn West-Moynes from Mohawk, Anne Sado from George Brown, and John Tibbits from Conestoga.

The Chair: Thank you very much.

Dr. Steenkamp: Mr. Chairman, with the committee's indulgence, I'll just make a few opening remarks and I have a very short presentation. As I understand it, the committee would be interested in asking us questions, so I won't take too long on either of those.

I am here this morning to report to committee members on the implementation status of the recommendations made by the Auditor General of Ontario in his 2006 audit of the Ontario colleges of applied arts and technology. The Auditor General's report found that the purchasing policies at the audited colleges were adequate

to ensure that goods and services were acquired economically and were generally being followed. The audit did, however, identify some areas for improvement, and I'll report on the details of those in a moment.

All the recommendations brought forward by the Auditor General in his report released in December of last year are being addressed. The ministry really appreciates the work done by the Auditor General. We have a good history, I believe, in following the recommendations of the Auditor General's reports. If you go back to the 1996 report, the Auditor General made a number of recommendations on governance-related matters which I think led to a strengthening of governance frameworks and accountability frameworks and led to the emergence of our key performance indicators program. Then the 1998 auditor's report acknowledged that the ministry had taken significant actions to address recommendations. I just mention that in order to demonstrate historically how the ministry has appreciated the valuable recommendations of the Auditor General and how the ministry has acted on those.

I would now like to present the committee with an overview of the Ontario college sector and describe in detail how the ministry has responded to the recommendations of the most recent report. We have a short presentation for members here, and I do believe this has been circulated as well, if that's accurate. We have additional copies here if any member needs a copy.

First, just to touch base on the role of the ministry in post-secondary education, obviously the ministry oversees the overall structure of the system, the number and types of providers. The ministry has responsibility for degree-granting authority and governance structures. A significant role, obviously, is in providing operating and capital funding and establishing the objectives for the use of those funds, and, very importantly, to ensure that high-quality post-secondary education is available and accessible to qualified candidates through a variety of policy instruments, including tuition regulation, student assistance, targeted funding and various accountability mechanisms.

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The government provides annual operating grants to the colleges that provide approximately 50% of their revenue. Other sources of revenue include tuition fees, at approximately 26%, contract training and other kinds of ancillary fees as well. The colleges have the responsibility for determining program responsibilities and they

manage their budgets and procurements, obviously, within a framework which I will speak about in a moment. In this fiscal year, the total operating grants received by the colleges was \$1.2 billion, which was up \$467 million from 2004-05 levels.

This just gives you that breakout I spoke about earlier in pie chart form. You can see the percentage of the grant that is provided by government—close to 50%—tuition fees, ancillary fees and other income.

I want to talk now just for a moment about how the ministry holds colleges accountable. The key piece of legislation, the legislative framework, is the Ontario Colleges of Applied Arts and Technology Act, 2002. The regulation flowing from that act outlines roles and responsibilities of the boards of governors and requires that the colleges produce strategic plans, annual reports and business plans for the ministry.

The colleges, obviously, as agencies of government and also as recipients of taxpayer money, are accountable to the broader public and to government for their actions and for the achievement of goals, which need to be consistent with government priorities and with the principles of prudent financial management.

The ministry does not, however, have responsibility for the day-to-day operations of individual colleges. The governors of that college are authorized to govern the college and, as such, are accountable to students, employers and the communities. However, the ministry, through binding policy directives on governance and accountability and on operating procedures, has oversight to ensure that colleges are held accountable for the expenditure of public funds. We fulfill this role by reviewing strategic plans, business plans, including budgets, and annual reports, including audited financial statements, and we make recommendations to senior management and provide feedback to the sector. There is a requirement of audited statements of enrolment and audited financial statements as well. So it is an iterative process with the colleges.

There is also a framework which governs our relationships with the colleges called the multi-year accountability agreements. These agreements are in full operation for the first time this year; they were interim accountability agreements for the previous fiscal year. Under these agreements, the ministry provides institutions with a multi-year funding allocation, for three years, and that facilitates, in our view, improved financial planning and budgeting. Previously, we were providing a year-to-year allocation, which I think was creating some real challenges for colleges in terms of planning ahead.

The accountability agreements also lay out a performance framework which monitors the use of operating funds against the goals of access, quality and accountability. In the agreements there will be particular measures around those goals: numbers of students; numbers of students from under-represented groups, for instance; different measures around quality; and different requirements for accountability.

The ministry is committed to reviewing progress on these commitments annually and on revising the agree-

ments as appropriate to ensure that the institutions remain focused on achieving the goals.

As well, an innovation in the last couple of years has been the establishment of the Higher Education Quality Council of Ontario through the Higher Education Quality Council of Ontario Act. That council has been given a broad mandate to ensure the continued improvement of post-secondary education by monitoring quality in the sector, by monitoring access to education and accountability. The council will report on performance measures through an annual report and then also conduct research on some of these key issues. The council has recently been established—the chair is former Chief Justice Iacobucci—and is in the process of hiring its staff. The vice-president of research has just been retained, and it is in the process of establishing its research agenda and also putting together the first reports that will be submitted to government.

The multi-year accountability agreements include key performance indicators as well, and the colleges are required to report on these annually. These have been in place for a number of years and have been rolled into the multi-year accountability agreements. They report on indicators such as graduate employment rates—once students graduate, what are their employment rates after a number of months and then after a year? What do graduate satisfaction rates look like? What do the satisfaction rates of the people who hire those graduates look like? And what are the actual satisfaction rates of students going through those programs? As well, we look at graduation rates. So we have this information for all of the colleges, and we have the averages for the college sector as a whole as well. These indicators, I think, provide very critical information to students, parents and employers.

I want now to talk specifically about the recommendations of the Auditor General's 2006 annual report. This was the first value-for-money audit in the college sector. On-site audit work covered the purchasing policies and procedures at the four colleges mentioned. As I mentioned in my opening remarks, while finding that the purchasing policies at these colleges were adequate, there were recommendations made for improvement in four main areas:

- that the colleges should limit the number of years they use a supplier without re-tendering;
- that the colleges identify their needs before making significant purchases;
- that they develop procedures for evaluation committees and require that the price summary be checked by a third party; and
- that there be clear guidelines in place for gifts, donations, and meal and hospitality expenses.

Ministry actions to date: The colleges were informed of the Auditor General's recommendations via a memorandum from the director of our colleges branch on December 6, 2006. The memorandum directed colleges to review expenditure and procurement policies and report back to the ministry. We asked the colleges to provide us with a written assurance that their colleges

had adequate policies in place and met the spirit and the letter of the recommendations made by the Auditor General and that they provide us with a copy; or, in the event that the policies did not adequately cover these matters, that such policies be developed and that we be provided with a time estimate regarding board approval of revised policies. As of January 31, 24 of 24 colleges—all the colleges—have responded.

The responses to the memo concur with the Auditor General's findings: The colleges do have policies in place to ensure that goods and services are acquired economically. We are in the process of reviewing those policies and procedures, as they have just come in.

Response to the auditor's recommendations: The colleges have indicated that they are reviewing to make sure that they are in compliance and that they are updating their policies in accordance with those recommendations. Some examples are given there for your information. Some colleges are looking at implementing new procedures for requests for proposals; documenting renewal schedules; setting clearer standards for evaluating RFPs; managing formal tenders and RFPs by purchasing departments etc.; reviewing travel, hospitality and out-of-pocket expense policies; and reviewing the policies governing gifts, donations, meals and hospitality.

In summary, I would just like to reiterate that the ministry really welcomes the recommendations from the Auditor General. We do believe that these will lead to improved administration at the colleges and improvements to the accountability framework, and that they will generally improve accountability and enhance public confidence in our very strong college sector in Ontario.

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If I could just take one moment, Mr. Chairman, to talk about some related issues because, in addition to these recommendations, we're working hard on a number of other areas to improve efficiencies in the college system. There's an initiative called the Ontario Education Collaborative Marketplace supply chain management initiative—quite a mouthful. This is a very important consortium which allows colleges to maximize their purchasing efficiencies. We are working with colleges and with the Ministry of Finance to improve or increase college involvement in this very important e-marketplace which connects buyers and suppliers. This will provide for more effective and efficient procurement of goods and services for colleges, but also for school boards and universities as well, and we believe it will result in some savings which can obviously be spent on other areas that are related to student services. I just mention that as an example of the work we're doing to look at sort of continuous improvement in the administration area generally.

With that, Mr. Chairman, I will conclude my remarks. We welcome questions from the committee and the presidents are available, of course, to take questions from you as well.

The Vice-Chair: Thank you very much for the thorough presentation. It's much appreciated.

GEORGE BROWN COLLEGE
 CONFEDERATION COLLEGE
 MOHAWK COLLEGE OF APPLIED ARTS
 AND TECHNOLOGY
 CONESTOGA COLLEGE INSTITUTE
 OF TECHNOLOGY
 AND ADVANCED LEARNING

The Vice-Chair: With that, we will let the members of the committee, in rotation, have a discussion with yourself and hopefully with the presidents of the colleges who are here this morning. I want to welcome them too. Hopefully all the questions can be answered.

We had some discussion, and maybe it would be beneficial to the committee—I think we have enough chairs here, so with the indulgence of the committee we can have some of the committee chairs being used by the presidents. I would ask if the—

Interjection.

The Vice-Chair: You're first.

Mr. Richard Patten (Ottawa Centre): You might want to rotate—

Mr. Rosario Marchese (Trinity-Spadina): Why don't you start?

The Vice-Chair: That's the standard practice of committee.

Mr. Patten: No, it isn't. I'm sorry. I was Chair of this committee for many years and I used to rotate the beginning, starting question.

Ms. Lisa MacLeod (Nepean-Carleton): I'll be quick.

Mr. Patten: Go ahead.

The Vice-Chair: I would ask if any of the presidents who are here have an opening statement they would like to make as it relates to their presentation here. If not, when the committee has questions I would ask, for Hansard purposes, if you would identify who is speaking in answering the question so Hansard can properly record remarks of individuals this morning. With that, we will start the questioning with the Conservative Party.

Ms. MacLeod: Good morning. Welcome here today. As we indicated I guess, prior to your arriving, you guys are a success story in this year's auditor's report and it's a bit of a good-news story, so I want to congratulate Ontario's colleges today, as well as the deputy minister, for keeping things in line because these are taxpayer dollars.

I'd also be remiss not to mention my community college and Mr. Patten's, Algonquin College, which does a super job in the city of Ottawa.

With that in mind, not all good news comes with 100% good news. There have been a few areas where we do need to see some improvement. Specifically, that's with competitive acquisition practices. I just want to touch on that, albeit briefly, as it was a rather short report by the auditor because you guys have done a great job. But specifically, I'd like to talk to you about re-tendering. None of the audited colleges had policies regarding the maximum number of years that colleges may deal with a

vendor without re-tendering. I know that you've addressed this in your response. In fact, I guess you've agreed to limit the number of years that colleges use the same supplier. You've developed and implemented some policies, and you require that purchasing departments oversee major purchases made by other departments in your colleges.

With that in mind, I'm wondering—you've agreed to do this—could you give us a time frame now for re-tendering? Have the policies been implemented? Have they been implemented province-wide at each of our colleges and universities? Do they vary depending on the type of service or the products being acquired? Would each of you like to tell me a little bit about your university and how you're handling it, and perhaps a deputy minister would be able to let us know if this is going to be applied uniformly throughout the province.

Dr. Steenkamp: Maybe I could just begin. In terms of the uniform application, we have received all the policies and procedures. We're in the process of doing that review, so we're kind of in that iterative process. We would be expecting that there would be a uniform application of all these recommendations.

I think the presidents will be able to talk to you about the specifics of what they're doing. While things will vary from college to college, as they should, we will be looking for some basic uniformity and to have some basic principles in place. If we could start with Anne Sado of George Brown College.

Ms. MacLeod: I wore brown for her today; I heard it gets the job. They have great billboards.

Ms. Anne Sado: Thank you for wearing brown. I get a hard time some days if I wear different colours, but I dressed in Valentine's pink or red today.

I just want to say that first of all we as a college also welcomed the Auditor General's visit and the recommendations. I think it always provides a good discipline for a different set of eyes to look through what sometimes we assume is day-to-day business. To sit back and take a look at our policies and make sure that they are up to date and that we have the required controls in place is very healthy and beneficial, so we thank you. We found the audit both constructive and very useful.

In terms of the re-tendering specifically, our policy is that we're silent on that. In many cases, we did have a natural policy to do that. For example, for audit services we've traditionally had a five-year requirement, and we have followed that, so that in the fourth year, as a matter of practice, we have always gone out with a new RFP for audit services.

For some of the others, we were silent on it. For example, we had found that some purchases, which weren't necessarily large purchases, like furniture, were continuing, so we have now implemented a new policy. We are in the process of totally revising our purchasing practices to be more specific. That has been drafted and will be going to our board in March. In the interim, we have said that all contracts will be renewed every three to five years, and the difference is on the basis of the nature

of the contract. So if it's something a bit larger, we might do it every three years. If it's something more standard or where there aren't as many providers for the service, we might do it every five years.

We also are part of the buying consortia, so we do buy a number of our services as part of the consortia that the colleges have, so we will of course conform to the renewal practices there. In one case, where we weren't doing as regular a period renewal, which is furniture, we have now put out an RFP for the furniture that we have to purchase, and we're going through that evaluation now.

Ms. MacLeod: Perfect. Thank you.

Ms. Patricia Lang: Pat Lang from Confederation College. We also appreciated the visit by the Auditor General's office. We're using this as a learning opportunity to ensure that our practices are indeed appropriate. We appreciated the feedback and the co-operation that we had from the Auditor General's staff when they were visiting.

We have since gone on and reviewed our board policy. The board of governors has reviewed its policy to ensure that it is accurate, current and relevant, which it is. We are reviewing our internal policies as well. For example, our banking and our auditing contracts go out for renewal every five years. We participate in a large consortium within Thunder Bay that is made up of the city of Thunder Bay, the school boards, the hospitals. So we access the services of that consortium and our partners in that consortium to ensure that what we're buying is the most cost-efficient.

The Vice-Chair: Thank you.

Ms. MaryLynn West-Moynes: Good morning. MaryLynn West-Moynes, Mohawk College. I closed my institution today and got up at 5 o'clock this morning, so the QEW is still working, folks.

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I've been in post-secondary education for 21 years and one of the things that strikes me, having done some work in other kinds of institutions, is how well the audit process has worked in our system. It led to better buying mechanisms for us as a system, and there were four very reasonable recommendations made by the auditor and, as other speakers have already said, we've incorporated them. We did have a procurement policy. It needed to be tightened up. We have put stronger guidelines in place about extending tenders for unreasonable amounts of time, and I think that was a worthy recommendation that we've moved to in our institution.

Our board has a financial management policy. They too have reviewed their policy, and tonight they will review our procurement policy if the weather allows them all to get to the board meeting.

The Vice-Chair: Thank you.

Dr. John Tibbits: John Tibbits from Conestoga, just west of Toronto. Very much similar comments; it's really more complex than you might realize, certainly in the financial audit area. There are rules that say we have to go out on a regular basis, and we do, and we're part of similar consortia—some of them are provincial, some of them are local—and obviously we follow those practices.

The key issue for us right now, and our next board meeting is in March, is how long—it depends—that re-tendering process should be. If you're dealing with a mortgage, for instance, on a residence, we have a 25-year agreement at this point, and that seems to make sense. With a cleaning contract, perhaps 25 years would be unreasonable, but with a food contract service, perhaps, you might want to have five years because of people bringing in equipment etc. So I found, as others did, that it's certainly a very reasonable recommendation, and the idea now is to go from the ideal to what is best practice. Certainly we support the recommendations and we will make the necessary changes over the next four to five weeks.

The Vice-Chair: Thank you very much.

Ms. MacLeod: Thank you. Deputy Minister, would you like to wrap up?

Dr. Steenkamp: I think you did hear from the college presidents that everybody is paying attention to the recommendation. We'll be implementing the recommendation, but I think, as indicated, there needs to be some flexibility. It's the principle of re-tendering which is the important principle here, and I think everybody accepts that principle. When we review everything, we will provide the kind of clearing house for the sharing of best practices here and, to the extent that we can put a framework around this, we will do that as well. But it has been a very useful recommendation, as the presidents have indicated.

Ms. MacLeod: Could I just pick up on that? What is your time frame for the review and implementation?

Dr. Steenkamp: We're right in the middle of the review process. You've heard from a number of presidents that they either have been to boards or will be going to boards shortly, so I would say we will be in a position by the end of the fiscal year, which is the end of March, to have done that review and have provided that information to the institutions.

Ms. MacLeod: Perfect. Thank you for answering that question.

I have one more question with respect to some of your purchases that were managed by non-purchasing personnel, and this resulted in some cases in material non-compliance with your college's policies. As you can appreciate, we're actually here in public accounts, value for money, and we want to ensure that every dollar intended for Ontario students gets to those students. With that in mind, I'm just wondering: You've committed to require that purchasing departments oversee major purchases made by all of your departments. Can you comment on the oversight policies and procedures, and has your senior management reinforced that managers must follow purchasing policy and procedures at all times?

Ms. Sado: Yes, we actually have included already that policy within our guidelines, and our purchasing department does oversee. We actually have a committee process, if there is a larger tender, so we have input. We have now documented specific valuation criteria, but most importantly, we do have a requirement that our pur-

chasing department does oversee all contracts and all purchases. So that's the final point of authority before recommending that all is in line, before we approve.

Ms. Lang: We have a purchasing department of 1.5 people. So we are going through a training process with all of our managers, but we're also creating a checklist for when the purchasing agent must be involved. That's going to be mandatory when the criteria will be set and when the final bids are being analyzed. So we've had to find a way to make that accommodation, given the size of our institution.

Ms. West-Moynes: I'll just build on what Pat has said. It's MaryLynn West-Moynes, Mohawk College.

It's great to have policies, but if they're so detailed and you have hundreds and hundreds of them and people can't find the information quickly, more often than not we find that we don't have consistent compliance in an organization where you have 1,300 people on your payroll every month.

I think the key message that Pat has raised is you have to have a training mechanism that's alive and well in your organization to make sure that the people who are actually the budget holders, or the decision-makers in this case, have the skills and the tool box in order to get the job done appropriately.

So two things on that: One is we've put a checklist at the front of our procurement policy and are now going through all of our purchasing policies doing the same thing; and the other is we have an admin meeting once a month. This topic happens to be on the agenda for this month and will follow every February for the next couple of years to make sure we're keeping up to date. Hopefully, that'll help us keep it alive in the organization.

Dr. Tibbits: I would agree. I think in our case basically 99% of the decisions would be made by purchasing.

We also have a probably very unusual practice compared to others that may seem bureaucratic. We have 1,000 cost centres and our capital starts at \$200, which is very small. So when you have multiple campuses, it may—we do that to control. That's a controlling factor because otherwise, and I may sound terrible here, but if you have a larger amount you can put together packages of, let's say, \$500, and \$500 adds up to \$2,000. So we've put in a process, because we're heavy in the trades area, where it's \$200. I'm quite confident in 99% of our decisions, and we hope that would be the case at the purchasing because we know, first of all, they get a better deal. I know myself, there's no way I would buy anything unless I go through the purchasing person, because I'll probably get taken to the cleaners. I'm not shrewd enough.

Mr. John Milloy (Kitchener Centre): Oh, come on.

Ms. MacLeod: Well, thank you. If the deputy minister would like to wrap up on that note and just talk maybe, if you could, a bit about the training mechanisms that you could see your department assisting these colleges with. I know that's a big undertaking and it's not lost on us. I know when you're looking at value for money, you have to scrutinize further, there is more

oversight. It takes a little bit more time for people to properly understand what they're doing. So I think that would probably rest at a provincial level. Maybe if you could talk a little bit about that; then, I think my questioning is finished.

Dr. Steenkamp: As I mentioned in my opening presentation, in one area in particular, looking at purchasing consortia, we are working with the Ministry of Finance and in fact providing some resources because we recognize that colleges, in particular smaller colleges, sometimes may not have the personnel or the resources to engage in these kinds of initiatives. We would be happy to do that in other areas, including this area. I mean, we have expertise, obviously, in the ministry on the financial administration side. We obviously follow the OPS policies and guidelines, which can assist in terms of providing some parameters here.

As we get these policies and procedures reviewed and identify key issues, I think we'll be able to identify some cost-cutting themes. If there are issues like training in this particular area where we think we could play a useful role for the sector as a whole or where we have identified a number of colleges who have a best practice in that area, then we can act as the agent in terms of facilitating a sector-wide approach on those issues.

1010

Our challenge, of course, is that it's a huge system. To the extent that we can provide general guidance and support on key and overarching issues, but we don't have much capacity ourselves to get into day-to-day administration. What's been so useful about this audit and the review of the policies and procedures that are coming in is that we're able to identify some of those more strategic, higher-level themes and initiatives and then, I think, have a better sense of where the ministry could actually play a constructive and facilitating role, because we don't want to get into the business of micromanaging the colleges either. So it's always that issue of trying to find the balance, but we certainly are committed to looking at where we can assist, including training.

Ms. MacLeod: Okay. Thank you very much and enjoy the weather today.

The Vice-Chair: Thank you very much. Mr. Marchese.

Mr. Marchese: As I was driving down with this weather, I was reminded of the status report that we got the other day, and I thought, the auditor issues these recommendations and they're good in terms of having to fix some of these problems. The ministry issues a memorandum and the colleges are very happy to comply, and I thought, why are we meeting? I thought it would be brief. And I think it is going to be relatively brief, but I wanted to make a couple of comments.

I wanted to say that the colleges have been underfunded for a long time. I think you all know that, and you are all kind enough not to even talk about it or to be very modest about how you say it, for good reasons, I suppose. But you've had a 40% increase in students and the money you have gotten has never been commensurate

with those students. Colleges are strapped for cash in terms of what they do. I know that half of the college professors are working on a part-time basis, more and more are part time. So there are incredible stresses on the system and the ministry and the colleges in terms of not having the people to be able to do the job properly.

You talk about the tool box, and you talk about the skills and the training, and all of that implies money and implies people, I think, but in the absence of those people, it's great to have the Auditor General. I'm a big supporter of the Auditor General and a big supporter of the Ombudsman because these are the people who provide oversight for the weaknesses in the system. When they reveal those problems, hopefully we have an opportunity to fix them because we can't see all these problems in the college system, university system and many other aspects of government that we control. So I wanted to say that by way of statements.

One of the questions was answered that I wanted to ask in terms of timelines and when that would be done, and you've answered that, so that takes care of that question.

Another point that I have, or question, to the deputy: There is the BPS Supply Chain Secretariat; it's been in existence since 2004. On page 10 you're talking about the idea of encouraging colleges to participate. I'm assuming that they have been participating, but you're talking about encouraging them to participate. Is there a problem with respect to whether or not they are participating and why you need to encourage them, if indeed they are, or is there a problem with that?

Dr. Steenkamp: Thank you for the question. There isn't a problem. Some have been participating; some have been participating more than others. We'd like to get everybody as fully into this as possible. In fact, I believe we've had more participation on the college side than the university side, so we have some work to do with the universities. Now, some of the universities, being really large entities, have their own sort of approaches and consortia. It's not that this is necessarily mandatory, but we do think it offers some significant advantages. The Ministry of Finance has recognized this and has provided some resourcing, which will allow us, I think, to increase and improve the participation not only of colleges but some of the other public sector organizations as well.

Mr. Marchese: Since that was set up in 2004, how much would you estimate that the government, or the ministry, has saved as a result of it?

Dr. Steenkamp: I know there are figures on that, but I don't know those figures. We could get that information for the committee.

Mr. Marchese: Auditor General, have you reviewed that part of—

Mr. Jim McCarter: No. It's a fairly new initiative by the government and, as I indicated in the in camera briefing, we actually felt that the colleges were doing a pretty good job entering into purchasing consortia in their local communities, where they could, or in the GTA with

other community colleges. I think Confederation College is partnering with broader public sector organizations. We actually gave them kudos in our report for the strides they had made in that area.

Mr. Marchese: Okay. Just another question because it came up: The Higher Education Quality Council of Ontario is still headed by Mr. Iacobucci; is that correct?

Dr. Steenkamp: That is correct.

Mr. Marchese: Is it also correct that he has been appointed by the federal government to some position with them? Are you aware that that might be a full-time job?

Dr. Steenkamp: I believe he has been appointed to head up the Arar inquiry. But Mr. Iacobucci assures us that will not be a full-time job and he can continue as chair of HEQCO.

Mr. Marchese: And you feel good with that?

Dr. Steenkamp: Yes.

Mr. Marchese: That's it, thank you.

The Vice-Chair: Mr. Patten.

Mr. Patten: First of all, let me congratulate you for coming down here. It was asked earlier—Mr. Marchese raised the question—and some other members of the committee said, “Well, the report is pretty positive. Why should we have these people here?” I'd like to answer that question, number one, and then I have a question for primarily the college presidents.

Often the negative part of either government or our partners ends up in the media. I can imagine—I'm going to be asking you for your reaction to this—it's an attempt that somehow the taxpayers are getting ripped off by someone, and the institutions feel bad and the government ministry feels bad or the department feels bad or whatever it is. From time to time—and it's not very often and not that everything is perfect—it's kind of good to see that you've had a third party—and I must say, for the first time the Auditor General has gone in, is rather satisfied and, in spite of that, has a few recommendations. So I want to congratulate you. I want to know how you feel about going through the exercise and the most important thing is whether you feel that's valuable, because you're still independent colleges.

I come from the voluntary sector historically and I find there is often a resentment of the eternal and perpetual hand of government that knows best—like grandpa coming in and telling you what to do all the time—and trying to work toward universality, consistency. I was happy to hear the deputy say no, that's not what we're trying to do. We're not trying to micro-manage. We're trying to provide some supportive elements and some opportunities.

I have two questions, basically, and my colleagues will have some questions as well.

(1) What did you find of value in the experience, if any?

(2) On the consortia, I think it's important to bring out—and I'd like to hear the experience of some of the colleges—that the colleges were doing this before the government even identified this.

You see what I'm trying to get at, eh? The psychology is that the strength is in our communities, the strength is in our colleges. Government is there to be supportive and nurturing, to be helpful and facilitating as well as sometimes, when it has to, provide regulations and codes of conduct and things of that nature.

Let me leave my questions there and you might have various reactions. I'm particularly interested in whether this was a learning experience for you and, secondly, what some of you have been doing already in your consortia, in your communities, that was taking place prior to even the establishment of the Ontario Buys supply chain program.

Dr. Tibbits: Conestoga is in Kitchener, Waterloo, Guelph and Cambridge and we've been part of a consortium for at least 10 years—probably 12—with the University of Guelph, the other two, Laurier and Waterloo, the school boards and the municipalities. That's worked, I think, very well. We identified that. I've been president of Conestoga for almost 20 years and there's no question, the public sector is under more and more pressure to operate cost-effectively, so we moved to that. It was common sense, and we will continue to look at those avenues. I want you to know, though, that sometimes we can purchase things cheaper outside the consortium. It's an odd thing. But it certainly is a good strategy.

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As far as whether this is worthwhile, we're certainly all used to financial audits. We know we're going to be audited every year financially. In a previous life, I worked for Deloitte Touche as a management consultant and did comprehensive audits. I do think that audits—it's like going for a health exam every year or going for a fitness test or taking an exam. I do think it provides a certain discipline to the organization.

I have to say—and I don't want you to think we've got anything to hide. I don't mean that. We didn't throw all the files in the garbage or anything like that. But you're always a little bit nervous when these things go on.

Interjection.

Dr. Tibbits: I'm joking. We put ISO into our organization a number of years ago, and I remember this cartoon in which the president and the head of finance are talking about whether he got all the files in the car so he can drive away quickly so they don't really see the information. That's a joke, by the way. But I do think it provides a discipline. I think we did learn something from this; there's no question. I do think it's important for public institutions to be on their toes. I don't think one should have the assumption that you can do whatever you want. So we certainly didn't resent it. We were curious to see the results. You're always worried: Is something going wrong? I really do think it'll make us a better organization for the future. I certainly think we'll keep our eyes on some of these recommendations, and I think we'll do a better job. The other thing is that everyone in the organization knows this could happen again, so we're not just all going to fall asleep and move on.

So I think it was a good process, personally. Certainly I think we had some recommendations from the Auditor

General on how maybe things could be done this way or that way, but in principle, we certainly didn't resent it. We think that we'll learn from it and we'll be a stronger organization.

Ms. West-Moynes: I'll go next, then.

First of all, I want to underscore, and I think the four of us would agree, that any time the colleges get recognition for doing a good job and representing the students we serve in Ontario, it helps us get our agenda across that, really, our graduates are driving the economy of this province. That's an important message that has to be underscored more than it ever has before, especially in days when more and more students are trekking to the universities. I think at some point in time we're going to have to take a closer look at where the real work is going to be. I'm mindful that in the 1970s in California, the college movement began because there were all these university grads who couldn't find work or who were very dissatisfied with the work that they found.

So to your question of, "Does it feel good?" I'm proud that we've had such a great report. That report underscores the accountability that goes on in Ontario college systems.

I'd also like to recognize the Auditor General and his staff. I've never been through this kind of an experience. Yes, we all hire our own auditors, but there's a different kind of relationship there. Our financial department have reported to me that they felt they were treated with respect and that they stuck to the work plan as much as possible. Certainly the Auditor General himself did a good job in helping me, personally, understand what was going to happen as part of the audit, and that was very helpful for a new type of activity for a public sector institution.

We've had varying success on the consortium, quite frankly, because, I think as John has said, we were a part of one in our local community, and sometimes we were finding that we could find ways of buying things cheaper out of the consortium. So we are one of the institutions that's starting to look at the provincial consortium much more closely, Philip, and I think we'll probably move forward on that sometime in the next year or so.

Ms. Lang: I won't reiterate what my colleagues have stated. I'll just make two points.

One of the interesting facts related to the consortia when you live in small northern and rural parts of Ontario is to find the balance between the monies that are spent locally and spending your money wisely and cost-efficiently, and I know that that's always of interest to our board, as well as to the people of northwestern Ontario, so we've been involved with the consortia long before I came to the college, and I came to the college in 2000. We're proud now of the fact that we spend about 90% of our dollars in Thunder Bay, because it is an important element for people to know that their dollars are being spent locally.

In terms of our learning from this, probably the most powerful element for us is that it gives credibility to what we're doing within our institution. When we're sticking

to the guidelines that are created for the purchasing personnel that are both provincial and national standards, it reinforces for all of our staff that they're not doing that to be difficult, they're doing that to be accountable, and that we all need to be accountable. That was for us the biggest learning. What enables our work to go forward is knowing that we've once again reinforced the importance of that.

Ms. Sado: One of the comments, Mr. Patten, that you made was about the perpetual hand of government. I think that we all feel we do have a significant portion of our funding that does come from government, as the pie chart showed. I think that's a totally appropriate role for government. As noted before by all my colleagues, we did find the exercise of value because I think always a third party coming in and ensuring that there are adequate processes and opportunities to share across the system and make sure that we have best practices in place is, in fact, of value, so I certainly echo the comments of my colleagues.

We do about \$10 million of consortia buying in the items of printing, photocopying, security, natural gas, hydro. We have found those to be of benefit. We're always looking at prices and it also gives us another price-point comparison. As John mentioned, sometimes you can find things outside the consortia that are better because maybe it was a deal that was negotiated two or three years ago and if you have enough volume, you can actually still negotiate a great price.

The other point that was mentioned specifically in the audit is our Bibliocentre, which is something that all 24 colleges in the system do participate in. We buy all the books and periodicals and resources for our libraries through that. That has proven to be a very valuable opportunity for us to save significant dollars every year on those purchases which are so core to our fundamental mandate.

Mr. Patten: My colleagues have some questions, so I'll pass it over.

Mrs. Liz Sandals (Guelph-Wellington): Yes, thank you. I want to follow up a bit on the consortium question, if I may. I suspect I may have first met you, John, back negotiating local consortia, because I was on one of the local school boards that John would deal with back then, so there has been a long history of local and sector consortia. I think there's an interesting tension between, do you do a provincial government consortia, do you do a commodity consortia across a sector, do you do a local consortia where you bring all the different players within a local community into the consortia? All those models are out there right now in varying ways, and you probably have different combinations of memberships.

I'm wondering where you see this landing. Are we moving more towards provincial sector and provincial government consortia and less local consortia, or do you see this landing as some sort of combination, or is that going to vary actually from community to community that serve your needs? You actually need some flexibility around which of those models you participate in, because

I think that's going to be a question in the broader public sector, not just for community colleges. But my sense is you've been involved in this for a very long time, so that your experience may help inform other sectors within the broader public sector. I'd be interested to hear your comments on that.

Ms. West-Moynes: I'll go first. I think it's a great question. I have to tell you I was born and raised in Wawa, and if you think it is only the northern community that wants to know where public sectors are spending their dollars, I can assure you that Wawa and downtown Hamilton have the very same thoughts on that process. It's a great question, Liz, I have to tell you that.

1030

I think one of the gifts that you've given to the college system is that we have some autonomy. I would caution against too much ministry control over our purchasing because it allows us to walk the balance of the question that you're raising, and it allows us to look at consortiums where it makes sense. So on the Bibliocentre: We're all buying books. It's just a good decision for colleges to get into that, and probably it's not a business that there is local competition in. But there are many things that we purchase where, if we can get equal value for equal money, we are wise to be reinvesting in our community, because the strength behind a community college is the relationship we have with business and industry.

That would be my response. I think it's a great question, but I think we should try to find a win-win-win and not get out of balance in any one way.

Dr. Tibbits: I would echo those comments. I think there's another issue. I think it depends on what the product is. It's one thing to buy natural gas, which could be provincial, but the other part is relationships. For instance, it's something that I don't think was highlighted in the report, but certainly in our place, we have hardly bought any furniture at our college in the last 10 years, and yet we have got a lot of furniture. We are in a very dynamic economy, so as companies ebb and flow, we sort of have understandings that they will give us their furniture.

For instance, Clarica became Sun Life, and there was integration there with Sun Life. There was some additional furniture—hundreds and hundreds. NCR just went down. We have to be in a position that we can take advantage of unique opportunities in the local community but also build relationships. I don't mean relationships in the sense of an old boys' club; I mean real, long-term relationships between the college and the community. So we need some flexibility, and where it makes a lot of sense for us to be in these consortia provincially, I don't see why any one of us wouldn't be there. If it makes more sense to be locally in certain products, we'd be there locally. So I think, as MaryLynn says, we need some flexibility, the kind of flexibility that results in a better deal for the overall community and for the taxpayer and for the students locally.

Ms. Lang: I certainly support my colleagues' comments, and for the Bibliocentre, for example, it's estim-

ated that that saves the college system \$10 million annually. We participate in a provincial consortium related to energy. We also participate in a college consortium related to insurance, and then we have our local consortium as well.

Just in terms of the importance of that balance between being cost-effective and yet committed to our community, our board of governors—we are a policy governance board, which means that it's always written in the negative, but the statement is very clear that the president shall not make purchases without due consideration to quality, after-purchase service, value for dollar, opportunity for fair competition and ability to do business in northwestern Ontario. So it's that very interesting tension and dynamic, as you mentioned, in terms of meeting both needs.

I'd just like to say that if John has any furniture, I'm a poor little college in the north and we could ship it up there.

Ms. Sado: I wrote that same one down, John. But this is a very interesting approach.

Nothing new to add, other than I think the real key point for me is balance. Managing the whole process as well is key, making sure that it's as efficient a process as possible but also balancing the needs of the communities. Even though I'm in downtown Toronto, we have probably a lot of opportunity with other places, I think, just in general, with the autonomy that we have to balance many competing needs. But also, the opportunity to share information about best practices and do some comparisons, which we do have access to, puts us in the best position to hopefully make those best decisions.

Mrs. Sandals: Thank you very much. That's a very thoughtful sort of way, because certainly, sometimes when you look at consortiums, it can vary quite dramatically, whether you're a small player outside of the GTA or a big player inside the GTA, what your own purchasing power is. Sometimes there is a system advantage to consortia, which may not necessarily be an individual advantage depending on which player you have to be. So that's another balance to introduce into the system as well. But thank you very much for your input on that.

The Vice-Chair: Mr. Milloy?

Mr. Milloy: Yes. First of all, thank you all very much for coming out. I particularly have to make mention of my home community college, though I can't believe that you're described as being just west of Toronto; I prefer to think of Queen's Park as just east of Kitchener.

Can I just pick up—and perhaps this is more to the deputy—on this whole consortia issue? To be honest with you, in the pre-briefing the auditor said that you folks are way ahead of the rest of the world, so there are some lessons I think you have for the rest of government.

When looking at the deputy's presentation, he talked about Ontario Buys, the BPS supply chain management initiative, the OECM and then the individual regional consortia. Who coordinates these? You talked about encouraging community colleges, but at the same time I take it community colleges aren't mandated. How do all

these things sort themselves out so that we don't have a situation of a community college that's paying X dollars for something and a educational institute literally down the street that's paying less? How are these things sorted out or coordinated?

Dr. Steenkamp: Corporately, the Ministry of Finance has taken the coordinating role precisely for that reason, so that we can look at colleges, universities, school boards and other public sector institutions. There is a kind of corporate secretariat which has the responsibility for looking at what's available right across the public sector but for also going out and talking to public sector institutions about the advantages of becoming part of consortia, finding out what they're involved in and how they are involved. But it goes back to that question, I think, of making sure that the role we're playing is a facilitative role here and that we leave the flexibility in place for many of the reasons that have been mentioned by many of the presidents. There isn't a one-size-fits-all solution here.

I still think there is more work to be done in this area, not only in the purchasing area but, as I have travelled around the province—I've visited each of the 44 institutions, the universities and colleges, over the last six months—I think there are areas in which government could assist in identifying greater operations for collaboration and co-operation and efficiencies. Student admissions, for instance, is an area where I think we could identify a need for a more collaborative approach.

We do take that role very seriously, our role as the coordinator, in the sense of having a sense of the entire picture—what's going on at the individual institutions—and then making sure that they are plugged into corporate initiatives like this purchasing initiative that we've spoken about.

Mr. Milloy: Sorry, what do you mean by "student admissions"?

Dr. Steenkamp: I'll give you an example. You have small institutions running their own admissions systems and they're introducing their own kind of software for student admissions or whatever it is. It just seems to me that there probably is room for some collaborative work on those issues and some efficiencies that might be available. What I'm trying to indicate is that we're not assuming that all the efficiencies and all the collaborative initiatives are already in play. We are out there actively looking at where we might assist, so institutions could perhaps be spending a little less on administration and more on programming. There is a commitment to look for opportunities.

I haven't come to a conclusion yet. I have these discussions with the college presidents about what the next areas might be, but we will work systematically through purchasing and then we'll look at other areas where there is opportunity for collaboration. It's amazing what you learn when you're out there about what's already under way and what best practices are in place. So I do see the ministry as a bit of an agent. The college presidents obviously have their own organization, of presidents and

of colleges, but I see the ministry as a bit of an agent as well of identifying those areas where there potentially could be future collaborations and potentially some future efficiencies.

1040

Mr. Milloy: To pick up on one of the points Mr. Marchese made about college funding, there has been a history of funding challenges. Two budgets ago, we saw a significant increase in colleges, and you talked about some of the accountability agreements. In terms of translating into dollars or percentages, what sort of increase have we seen and how are you working with the colleges? You talked a bit about some of the accountability, but are there financial controls to make sure that the money is being directed? Just leaving it open-ended, how is it all working together?

Dr. Steenkamp: As I mentioned in my comments, in 2006-07, so this fiscal year, we have moved to a new interim three-year funding framework. The funding is allocated on a three-year basis now. In the multi-year accountability agreement, government identifies the funding for each year, and then we have been in discussion with the institutions about what results we might expect to see for that funding. So there are performance measures around a set of access issues, a set of quality issues, and as well, we agree on what the accountability mechanisms are there.

It's early days, and part of the job of the Higher Education Quality Council, I think, will be to monitor quality access and accountability and to give us advice on whether the measures we have in place actually are the right measures or whether those measures are robust and actually do speak to those particular issues.

We're doing this, of course, in the context where for 2006-07 the college transfer payments will be \$1.192 billion, so that's an increase of 23%, or \$224 million, over the 2004-05 college transfer payments. Then, in 2007-08, the transfer payment should move up to \$1.242 billion, and in 2008-09, to \$1.254 billion. So it is in a context where we are seeing increases to operating budgets.

The ministry appreciates well the ongoing challenges that colleges have and some of the pressures that they are facing, but we are pleased as well to have been able to introduce very significant increases in operating budgets. I think this is why we've been successful in concluding these multi-year accountability agreements, and we look forward to seeing measurable progress in areas of quality and access. I think we've got in place now a very robust accountability framework, which goes back in fact to the Auditor General's report of 1996. We've been working on accountability since then, but I think the instrument we have in the multi-year accountability framework is state of the art, and we have had a lot of interest from other provinces in this particular vehicle.

The Vice-Chair: Mr. Arthurs?

Mr. Wayne Arthurs (Pickering-Ajax-Uxbridge): Good morning. As well, I want to extend thanks for the great work on behalf of students and the economy in the

province, and to congratulate you simply for getting here his morning. MaryLynn and I will know the challenges from Durham; I don't envy you the challenge from Hamilton. I hear about it a lot from my colleagues here. I think yesterday was minus 17, this morning it was about minus 15, and I think it'll be the same going home.

This leads me, in part, to my question. Given the cold weather we're having and the energy challenges—energy was mentioned—we're all facing, what types of collaborations are currently ongoing, or are there some, with respect to energy, not only in the commodity but the energy conservation initiatives, particularly around some of the deferred maintenance? I know there's been discussion going on. I'm just curious as to whether the colleges are collaborating in that way as well to meet those particular challenges.

Ms. Sado: We do have consortia in place for the natural gas and hydro, as an example, so we are part of a much broader buying group there to try and minimize the cost that we pay. That's the one that I'm most aware of. We have undertaken a number of other energy conservation initiatives as part of our ongoing maintenance work. For example, we have systematically, over a number of years, been replacing the windows in our oldest buildings. We have the great benefit of being in downtown Toronto but also the great challenge of not being in education-purpose-built facilities. Part of our facilities is the old Christie cookie factory, which was built 120 years ago; part is the Hallmark card factory. They have wonderful history but sometimes challenges in terms of the buildings themselves. So we have replaced our windows systematically with whatever the right terminology is in terms of not losing heat and not requiring us to cool as much in the summer. Those are some of the initiatives that we've undertaken.

Ms. Lang: Yes, we participate in an energy consortium for both gas and electricity. That's a provincial consortium. About four years ago, we started a process for energy retrofit throughout the entire institution, and that was self-funded with a large commercial operation which we engaged to implement that process.

Ms. West-Moynes: Wayne, I can assure you the travel from Hamilton is indeed worse than the travel from Durham. For 20 years I complained about coming from the east into the city, and now I get to know what the other half of the world lived with.

The same on the energy purchases: We've just had a report presented to Mohawk that said that if we were to borrow \$19.5 million and amortize the cost of that to retrofit our facilities to be energy-conscious, we would make back the majority of that money—not all of it—in 20 years; we're short about \$3 million. I really do applaud my colleagues who have already done that, but I believe that could be a good strategic movement by the government for some of the old infrastructure that's going on. Colleges by their very nature have not generally borrowed a lot of money. It's not common practice for our boards. Quite frankly, not all of them are comfortable doing that. Yet I've seen the business case on

this particular endeavour, and to me it would be a good utilization of public sector funds.

Dr. Tibbits: There are three points here. One is the consortium and getting the best prices. We are fortunate that November, December and half of January were warm. We did better in that regard. We've got to continue to do better in that regard and we're working on that.

The second part is what my colleagues have been talking about: the retrofitting. Most of us are doing or have done, I would say, the short-term return; you get a payback within a few years. I do think there are perhaps opportunities on more long-term use. Colleges have sustainable green energy sites, but it would involve a significant investment and more long-term return. Whether it's geothermal, solar or wind etc., there are opportunities, but it's very difficult for an individual institution to take that upon itself.

I think there's another part, though, a third part that I call the cultural/human behaviour side. I was at an event the other day and this person had their child in, taking some tennis lessons, and he was idling his car for half an hour there, reading the paper. To me, that's just appalling. What we are trying to do—and we can't enforce that in our community, but certainly inside, we set rules as far as in the summer, we will not drop the air conditioning below about 77 or 78. We just say, "That's it." I don't expect people to show up in bathing suits, but you have to get used—in the winter, we will not put the temperature above 69 or 70, and we expect people to dress accordingly. There are some of those things: We close down parts of buildings in the evening if they're not being used. There are a lot of cultural/behavioural things that we're working on.

But there's something we want to think about strategically, and that is, how do we move the public sector to more long-term energy efficiency? I think we need some strategic initiatives which would involve both federal and provincial support, because the payback for any college president is certainly not short-term. If it's not within five years, you're in trouble. Some of these are 20 years, and you're anticipating perhaps energy pricing going up this way too. So the payback in 20 years could be longer, or more, as in larger.

1050

The Vice-Chair: Okay, thank you. That concludes the questioning.

Mr. Arthurs: Unless the deputy has anything.

Dr. Steenkamp: Just a short comment. This is a hugely important area. The ministry has done a couple of studies, one at the college level and one at the university level, which demonstrate this case.

For an investment in energy efficiency, you could save significant operating dollars. As the first sort of signal of the government's interest in this area, the economic stimulus package announced by Minister Sorbara in the fall included \$30 million, part of which is going towards energy efficiency projects at colleges. We have seen very compelling business cases developed by a number of colleges which show that, for this investment, there's a

significant return and a corresponding decrease in the pressure on the operating budget over time. But there's still a lot more work to do in this area and it's potentially an area where we could get into an interesting partnership with the federal government as well.

Mr. Arthurs: Thank you.

The Vice-Chair: Thank you very much. Do you have a further question?

Mr. Patten: I don't have a question, but I just wanted to underline one aspect that was mentioned that seems to me is important, and also for the auditor. When we do value-for-money, sometimes the best price is just looked at. What I find encouraging here is that a number of colleges, especially the northern colleges outside of the major centres, are playing a role in helping some kind of economic development in their own region or their own area or part of the province. This is absolutely crucial in importance because, even though you may be a small college, you're a major player in that community in terms of employment and in terms of stimulating business.

My point is, to us more than to you, the colleges: Here we are with probably some teaching business development or economic development and things of this nature, and then we find ourselves getting sucked into province-wide consortia. Where appropriate, that's fine. The problem with that is that it ends up in Toronto, and that's not necessarily always in the best interests of some of the smaller communities throughout Ontario.

I would offer this to the auditor as well in consideration for the value-for-money audit. You know what? It may sometimes be a little bit more expensive, but it's pretty expensive when you're paying a lot of welfare payments to the north. It may be a little more expensive on a product that's produced in the north—but wherever you can engender and help to create and support economic development, it seems to me. So I hope that perspective is there as we go forward. Thank you.

The Vice-Chair: Thank you very much. I think the auditor would like to say a few words, when you folks have come so far.

Mr. McCarter: No question, really. But I mentioned in camera that we really did receive co-operation from the four colleges. I suspect it was a bit of a learning experience for the four colleges; it was for my staff. I do thank you. We did receive excellent co-operation from your staff, and it certainly allowed us to expedite the audit. So thanks very much.

The Vice-Chair: I too, on behalf of the committee, want to say thank you all for coming. Referring to the trip from Hamilton this morning, I can assure you that it was a tough ride. When I got to Hamilton, I was halfway coming to Toronto, and I've done that for some time. Most of the time it's a very nice trip.

We do want to thank you not only for your co-operation with the Auditor General's department as they did the audits, but for coming here this morning and explaining not just the issues that relate directly to the audit, but some of the other issues about where we're going with co-operative buying and so forth, what works and what doesn't. You've been very insightful and helpful in getting some of that information in the public domain. We thank you very much for coming and we do wish you well.

Usually, upon the completion of an audit and the review that we're doing a year or two later, there is a re-audit. I'm sure that it will come out perfect at that point in time.

The committee will be dealing with the presentation following this presentation as to what further work needs to be done to accommodate the committee. We will inform you as to what the results of that debate are. Thank you again very much for coming.

Ms. Lang: If I may, with all due respect to everyone feeling sorry for my colleagues travelling in the snow, where I live it's minus 45.

The Vice-Chair: There is no end to the problems.

We will go in camera just for a few minutes.

The committee continued in closed session at 1056.

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