



CANADIAN AUDIT
& ACCOUNTABILITY
FOUNDATION

**Submission to Finance Canada's Pre-Budget
Consultations in Advance of the 2023 Budget**

January 2023

Recommendation

1. To bolster governments accountability to Canadians, we recommend that the Government of Canada invest \$1 million annually into the capacity building program that the Canadian Audit and Accountability Foundation provides for legislative oversight bodies.

Introduction – Why oversight and accountability matter

Canadians want to know whether their tax dollars are being spent as intended and if government programs are working as planned.

If they're not, they want to know that their governments are making the necessary improvements.

Effective legislative oversight gives Canadians this assurance.

Oversight is particularly crucial now, in the wake of the COVID-19 pandemic and amid global conflict, strained supply chains, and rising inflation, when taxpayers and their governments cannot afford to waste a single dollar. Federal, provincial, territorial, and municipal governments have launched numerous programs to help see Canadians through these challenges. These programs have supported Canada's economy as well as individuals' health and financial stability during a time of uncertainty and need. However, they have also led to unprecedented levels of spending. This increase in government programming and spending has made the work of legislative oversight bodies more important than ever.

Legislative oversight bodies—such as the Standing Committee on Public Accounts in the House of Commons and its equivalents in provinces, territories, and municipalities— play an essential role in the public accountability system. They review and act on reports from Auditors General. Audit reports identify key deficiencies in the government programs examined, and provide recommendations for improvement. However, auditors cannot hold the audited organizations accountable for implementing those recommendations—that is the role of elected officials through oversight bodies, who hold hearings and follow up with audited organizations to ensure recommendations are implemented.

To ensure that the public accountability system functions effectively, oversight bodies must have the knowledge and skills needed to fulfill their unique role. It is only when all participants in the accountability system work together and have the required knowledge and skills that we can ensure Canadians receive value for their money. When this accountability framework is strong—and includes effective legislative oversight—we see improved transparency, accountability, and governance in the management of public resources and delivery of services for Canadians.

About the Foundation

The Canadian Audit and Accountability Foundation (CAAF) is a not-for-profit organization dedicated to promoting and strengthening public sector audit, oversight, and accountability, both in Canada and internationally.

Founded in 1980, CAAF (formerly named the Canadian Comprehensive Auditing Foundation, or CCAF-FCVI) works collaboratively with its members, particularly the legislative audit and oversight communities, to form a centre of expertise which supports the advancement of public sector accountability.

Working with Canadian federal, provincial, territorial, and municipal audit offices and oversight committees, and more than 50 national jurisdictions globally, CAAF has played a key role in growing accountability and transparency in the public sector in Canada and around the world.^z

About CAAF's work with oversight bodies

CAAF provides oversight bodies with resources, tools, and capacity building to support them in carrying out their responsibilities. CAAF's oversight work is based on a program of research, identification of

good practices, and professional development workshops and tools. CAAF helps the elected officials who serve on oversight committees become familiar with the unique role of these non-partisan committees and helps committee members and support staff learn about and apply good practices.

Through its capacity development program, CAAF has worked since 2002 with legislative oversight committees at all levels of government in Canada, including the House of Commons Standing Committee on Public Accounts and the Public Accounts Committees in provinces and territories, as well as oversight bodies in municipalities. This support has helped the committees improve their practices and increase their effectiveness. For example:

- The Public Accounts Committee of Newfoundland and Labrador recently participated in three CAAF workshops. Afterwards, the Committee stated:
“These workshops provided the Committee with valuable information pertaining to best practices for public accounts committees, effective review of the province’s Public Accounts and strategies respecting the development of questions for public hearings.”¹
- In a June 2019 report, the federal Standing Committee on Public Accounts (PACP) stated:
“CAAF was vital to the Committee’s work by providing tailored briefings on the Public Accounts of Canada, as well as on PACP best practices; consequently, the next Committee is strongly encouraged to request the Foundation’s training, especially for new PACP members.”²
- The Chair of Yukon’s Standing Committee on Public Accounts, Currie Dixon, recently told CAAF:
“Yukon’s Public Accounts Committee recently made operational changes to improve the quality of the Committee’s work to hold government departments to account following audits. These changes were based on the advice and input from the Canadian Audit and Accountability Foundation and have led to significant enhancements in terms of transparency and effectiveness.”

Why CAAF is requesting funding

CAAF’s current funding comes from its members’ fees, with the majority of funds coming from the federal and provincial auditor general offices. Although some of this funding has been allocated to support oversight research and capacity development products, CAAF is searching for a stable long-term funding source to expand on its current oversight program. Due to their limited budgets and, in some cases, the absence of strong accountability systems, not all oversight bodies are able to fund CAAF services on their own. Without dedicated funding, CAAF will not be able to reach oversight bodies that need us.

This funding will help CAAF continue to provide tailored capacity development for oversight committees, enable us to undertake research to share cutting edge innovations in oversight, develop new workshops that are grounded in research, and also promote the importance of accountability with citizens. More specifically, it will allow us to support oversight committees by:

- Sustaining our workshops to the federal Standing Committee on Public Accounts
- Increasing the support we provide to committee Chairs, Vice-Chairs, and support staff
- Providing workshops to all provincial and territorial oversight committees each year (as requested)

¹ <https://www.assembly.nl.ca/business/electronicdocuments/PAC-GA50-Report1-2022-05-17.pdf>

² <https://www.ourcommons.ca/DocumentViewer/en/42-1/PACP/report-68/>

- Expanding our work to include more support for municipalities and Indigenous communities
- Increasing the number of capacity development workshops, tools, and publications we produce
- Responding to requests to support the Canadian Council of Public Accounts Committees

Oversight committees have expressed their support for CAAF's recommendation that its oversight program receive stable, dedicated funding. At a recent Conference of the Canadian Council of Public Accounts Committees—which comprises the federal, provincial, and territorial committees—the members in attendance unanimously passed a motion that supported the Foundation and our request for funding.

Conclusion

In 2022-23, provinces and territories will receive \$87.7 billion through major transfers.³ Therefore, direct funding from the Government of Canada is appropriate to ensure that its federal government, provinces, territories, municipalities, and Indigenous communities build and exercise strong accountability systems within their jurisdictions.

In the recent party platforms presented during the 2021 election, all parties identified a need for government to remain accountable to Canadians. Whether a government is creating programs for affordable housing, combating climate change, or addressing the current healthcare crisis, all governments can agree that spending should remain accountable to Canadians and the programs should work as they are intended to. Funding from the Government of Canada will provide support to provinces and municipalities who share a common goal of ensuring Canadians receive programs and services that function efficiently and effectively. Furthermore, core funding will help CAAF maintain and expand the reach of its capacity development program, including working with more Indigenous communities across Canada.

To ensure public sector accountability and transparency for Canadians, to support the recommendations of the Canadian Council of Public Accounts Committees, and with the CAAF being the only independent organization providing capacity development to oversight committees across Canadian jurisdictions, we make the following recommendation.

Recommendation

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More information

For more information on CAAF and the importance on strong accountability, visit: www.caaf-fcar.ca/en/strongaccountability

³ <https://www.canada.ca/en/department-finance/programs/federal-transfers.html>