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How Does BC Rank on Openness and Accountability?

The Government's Approach to the Auditor General and Access to Information

By Keith Reynolds

Two key players in ensuring open and accountable government in British Columbia are the Auditor General and the Freedom of Information and Privacy Commissioner. This report looks at the current provincial government's support for, and its relationship with, these offices. It finds that:

- In the last five years, the ability of both the Auditor General and Freedom of Information and Privacy Commissioner to do their work has been undermined by budget cuts and inadequate resources for new and expanded mandates. Funding for both offices is lower today in real terms than it was in 2001.
- BC's financial support for these offices lags other provinces:
 - BC ranks eighth among Canadian provinces in both its per capita financial support of the Auditor General's Office, and its support per \$1,000 of provincial revenues.
 - Of eight provinces that have a stand-alone Freedom of Information and Privacy Office, BC ranks sixth of eight in its per capita funding. It ranks fifth of eight in funding per \$1,000 of provincial revenues.
- The independence of the Auditor General has been undermined by the use of a legislative loophole that permitted him to be appointed by the government, without the consent of the opposition.
- Funding for both offices should be increased immediately to make up for past budget cuts and reflect new responsibilities. BC should move towards at least the mid-range of funding levels compared to what is being done in other provinces.
- In particular, funding for the Auditor General's Office must be sufficient to monitor emerging areas of concern to taxpayers, such as provincial contracts for public-private partnerships (P3s) and "alternative service delivery," and rising 2010 Olympic costs. It must also be sufficient to allow an end to fee-for-service auditing of public bodies and processes that fall under the Auditor General's mandate (such as financial statement audits and reviews of Value for Money reports on P3s).

Background

During the 2001 provincial election, BC's Liberal Party published a document that they said would be their road map while in government. The New Era Document promised "the most open, accountable and democratic government in Canada."¹ It promised a new era of accountability that would "deliver real, transparent, accountable government."²

Two key players in guaranteeing open and accountable government in British Columbia are the Auditor General and the Freedom of Information and Privacy Commissioner. Both of these individuals are "Officers of the Legislature." More than that, the public sees them as "watchdogs" who hold the government accountable.

The Auditor General reviews spending practices by the provincial government and its agencies. The office of the Auditor General writes reports, which are both presented to the legislature and made public.

The Information and Privacy Commissioner is responsible for legislation that both protects individual privacy and gives citizens access to information about government policies and practices. Non-government organizations, journalists and the opposition in the legislature can also use the process to seek information. This right to information is a key factor in guaranteeing transparency in government decision-making.

Officers of the Legislature play a unique role in government. Their integrity is guaranteed by the fact that they are appointed by the legislature and are accountable to the legislature as a whole rather than to the government of the day.

Under the Auditor General Act, the Auditor General must normally be appointed with the unanimous consent of the Public Accounts Committee.³

Similarly, the Information and Privacy Commissioner is appointed by the legislature and is "a person who has been unanimously recommended by a special Committee of the Legislative Assembly for the appointment."⁴ In both cases, these committees include government and opposition members.

There is an exception to these provisions requiring unanimous consent that will be discussed later.

In the last five years the provincial government has introduced major changes in both funding and policies regarding the work of the Auditor General and the Information and Privacy Commissioner. These changes have altered the ability of these offices to support transparency and accountability in government.

Office of the Auditor General

Funding in Comparison to Other Provinces

In his 2004 Performance Report and 2005 Business Plan, Nova Scotia's Auditor General suggested two methodologies that would permit a comparison of support offered to offices of Auditors General in different provinces.⁵ The first was to compare spending on a per capita basis—how much money did the government provide to the Auditor General for each resident in their province? (See Table 1)

The second method of comparison was to look more closely at revenues by comparing the amount spent by the Office of the Auditor General for each \$1,000 in government revenues. (See Table 2)

On the basis of per capita spending, British Columbia ranks eighth in its support for the Office of the Auditor General.

Based on spending per \$1,000 of provincial revenues, British Columbia ranks eighth among the provinces. The three other western provinces each spend roughly twice as much as British Columbia both on a per capita basis and on the basis of spending per \$1,000 of provincial revenues.

People might suggest that "economies of scale" come into play when thinking about how much money is sufficient for these two legislative officers. When it comes to Auditors General, PEI, with the smallest population spends the most on a per capita basis. Ontario, with the largest population spends the least. (However, in dollar terms, Ontario still spends \$2 million more than British Columbia.) But the picture shown by provincial funding is more complex than just looking at the largest and smallest province would suggest. Alberta, whose population is smaller than British Columbia's, spends twice as much

on a per capita basis. But Quebec, which has nearly twice BC's population, also spends more on a per capita basis. In terms of spending among the 10 provinces, Quebec is in seventh place, Alberta is in third place and BC is in eighth place. Thus, accepting that economies of scale would play a role, BC still spends less than would be expected based on its size.

Government Relationship with the Office of the Auditor General

In the 2001 election, one specific element of the Liberal New Era Document was a commitment to "Increase funding for the Auditor General's Office to help identify and prevent waste, and increase value for money."⁶

Table 1: Spending by Auditor General's Office Per Capita, by Province

	Population	Spending by Auditor General	Spending per capita	Rank
Newfoundland	514,409	\$2,756,800	\$5.36	4
Prince Edward Island	138,157	\$1,446,800	\$10.47	1
Nova Scotia	936,988	\$2,892,000	\$3.09	6
New Brunswick	751,111	\$1,812,000	\$2.41	9
Quebec	7,623,870	\$21,731,600	\$2.85	7
Ontario (05/06)	12,599,364	\$12,552,200	\$1.00	10
Manitoba	1,178,348	\$5,111,700	\$4.34	5
Saskatchewan	990,030	\$6,063,000	\$6.12	2
Alberta	3,306,359	\$19,166,000	\$5.80	3
British Columbia	4,279,462	\$10,505,000	\$2.45	8

Note: All figures provided are based on 2006/07 estimates except Ontario. Ontario will not publish its estimates until December and their Auditor General has not made his 2006/07 budget public at this point. As a result the Ontario figures above are based on 2005/06 estimates.

Table 2: Spending by Auditor General's Office Per \$1000 Provincial Revenues

	Total provincial revenue	Spending by Auditor General	Spending per \$1,000 revenues	Rank
Newfoundland	\$5,188,830,000	\$2,585,600	\$0.498	5
Prince Edward Island	\$1,156,484,300	\$1,446,800	\$1.251	1
Nova Scotia	\$6,922,411,000	\$2,892,000	\$0.418	6
New Brunswick	\$6,230,702,000	\$1,812,000	\$0.291	9
Quebec	\$57,901,000,000	\$21,731,600	\$0.375	7
Ontario (05/06)	\$85,700,000,000	\$12,552,200	\$0.146	10
Manitoba	\$8,651,036,000	\$5,111,700	\$0.591	3
Saskatchewan	\$7,727,000,000	\$6,063,000	\$0.785	2
Alberta	\$34,601,000,000	\$19,166,000	\$0.554	4
British Columbia	\$35,364,000,000	\$10,505,000	\$0.297	8

Note: All figures provided are based on 2006/07 estimates except Ontario. Ontario will not publish its estimates until December and their Auditor General has not made his 2006/07 budget public at this point. As a result the Ontario figures above are based on 2005/06 estimates.

To this day the provincial government continues to deliver the message that it has increased resources for the AG's Office. As recently as May 17, 2006, BC's Minister of Labour and Citizens Services Michael de Jong said in the *Vancouver Sun*, "We've increased public scrutiny. The auditor-general's operating budget is up 33 per cent since 2000."⁷

The Minister's choice of 2000 as a base year is interesting, of course, because his government did not take power until 2001. Total funding for the office in 2000/01, including recoveries from agencies, came to \$8,442,867. In 2001/02, the last year in which the NDP government produced a budget, total funding including recoveries was increased to \$9,685,089—a 15 per cent increase.⁸ Thus, half of the increase claimed by the Minister did not arise on his watch.

The appropriate starting point for this discussion is 2001/02. The current government is responsible for changes after this point. Budgets for the AG's Office have fluctuated significantly since the 2001 election, while the office's duties were substantially increased.

BC's Office of the Auditor General obtains its funding from two sources. The largest amount comes from appropriations—money which the government commits to provide from its general revenues. Unlike most provinces, however, BC also raises significant funds from organizations that it charges for auditing services. These fees relate primarily to the audits of financial statements of individual government organizations, many of which are newly under the scrutiny of the Auditor General. These include school boards, universities, colleges and hospitals.⁹

In its first full budget presented to the legislature (2002/03), the current government did increase funding for the Auditor General's Office from general revenues by more than \$500,000—an increase of nearly seven per cent. However, the AG's Office, like almost all government institutions, was subjected to cutbacks in the following years. Funding from the province's general revenues fell by 15 per cent over two years from its level in 2002/03. Increased fee-for-service work mitigated some of this damage but the office's total budget still fell by 10 per cent. This was not as great as the 35 per cent cut faced by some programs but it was still significant. By 2004/05 the province had cut \$748,000 from its contributions from general revenues to the Auditor General.

Beginning in the 2005/06 fiscal year, provincial contributions to the AG's Office did rise. By the time of the 2006/07 budget, projected spending for the office was roughly back to where it had been in 2002/03.

However, the value of those increased contributions has been eroded by inflation. A dollar in February 2006 was worth about 89.5 cents compared to a dollar in February 2001. That 10 per cent loss due to inflation means that in real terms, the provincial funding is actually worth about \$150,000 less than when the current government came to power in 2001.

The Auditor General's Office, after a temporary one-year decline, has at least managed to maintain the same level of staffing. However, at the same time funding for the office fell, its responsibilities increased. The provincial government took action to more closely adhere to Generally Accepted Accounting Principles (GAAP) and to impose

Table 3: Annual Funding for BC's Auditor General, 2001/02 to 2006/07

Revenue sources	2001/02	2002/03 (First post-election budget)	2003/04	2004/05	2005/06	2006/07
Appropriations	\$7,817,000	\$8,364,000	\$7,901,000	\$7,069,000	\$7,670,000	\$8,565,000
Recoveries	\$1,787,687	\$2,008,000	\$2,263,000	\$2,300,000	\$2,300,000	\$1,940,000
Total revenue	\$9,604,687	\$10,372,000	\$10,164,000	\$9,369,000	\$9,970,000	\$10,505,000
Total employees	88	88	88	81	88	89

Source: Information from the years 2001/02 to 2004/05 comes from Annual Reports of the Auditor General. Information for 2005/06 and 2006/07 comes from Budget Estimates because information from the Auditor General's Office has not been published for these years.

similar requirements on organizations that it funds. This move provided for better financial accountability and the Auditor General welcomed it. He also pointed out, however, that it increased his audit universe by about 100 organizations. He said it would be necessary to increase the proportion of his budget that went to this new work.

Implications of a Reduced Commitment to the Auditor General

Funding cuts to the Auditor General's Office combined with the addition of new responsibilities has stretched the resources of the office. In his 2004/05 Annual Report the Auditor General said, "These reductions, compounded by the impact of more rigorous professional standards, reduced our ability to provide the legislature with sufficient information needed by members to assess the performance of government in managing critical risks in many areas of government responsibility."¹⁰ As the Auditor General told the Select Standing Committee on Finance and Government Services in 2004, "We are struggling."¹¹

One of the struggles the Auditor General faced was keeping high quality staff. He told the Standing Committee that "Because of funding cuts and early retirement programs I am losing a cadre of valuable, experienced people who I rely on when carrying out these complex examinations and making difficult judgments."¹²

Funding cuts for the Auditor General not only limited the office's ability to conduct work; they also helped shape the work the Auditor General chose to do. In his 2003/2004 report the Auditor General said that because of cutbacks to his office, "Some staff who would have worked on projects in other lines of business were diverted to financial assurance work for which we charge fees."¹³

What sort of work was affected by cuts in funding for the office? In December 2003 the Auditor General told the legislature's Standing Committee on Finance and Government Services that without additional funding, "I will limit work on the government's approach to public-private sector partnerships." "I will not examine the status of the government's commitment to implement principles of environmental sustainability. I will scale back our planned work to examine the government's arrangement of key risks in the health sector."¹⁴ The Committee, which rejected the call for increased funding, also voted

down a motion that would have extended the AG's work to projects that may be related to the Olympics, such as the Canada Line (previously the Richmond-Airport-Vancouver transit line) and the new convention and exhibition centre on the Vancouver waterfront.

Auditors General tend to be careful in their use of language and BC's former Auditor General Wayne Strelieff was cautious with his comments on the impact of cuts to his office throughout most of his term. In his final report to the legislature in 2006, however, his frustration boiled over. It is worth quoting at length as he uses language provincial auditors rarely use.

In the last several years, legislators chose to reduce the extent to which my Office could examine government's risk management practices by reducing my funding appropriation. I do not understand why legislators chose to restrict my capacity to help them carry out a more rigorous public scrutiny of the performance of government and at a time when government was introducing significant change and risk. I think legislators made a mistake.

The current funding appropriation for my office is similar to the amount provided over ten years ago. In the meanwhile, government has grown significantly and has become much more complex while undertaking enormous change; and its performance management framework has broadened to include school boards, universities, colleges and health authorities. As well, the public's expectations of auditors have increased significantly as a result of widely publicized accountability failures in both the public and private sectors. As a result of limited funding during my term as Auditor General, I was unable to examine important governance, management and accountability issues related to the significant changes to government service delivery that took place. This was a missed opportunity for government, for legislators and for the people of BC.¹⁵

The Auditor General continued:

Each year government enters into new forms of financial agreements and transactions that are not easy to understand or measure. Such transactions require government financial statement preparers and auditors to look through the complexity of the agreements to determine the most appropriate accounting measurement. Examples of such transactions include the restructuring of BC Ferries and BC Rail, funding transfers from the federal government to sup-

port the costs of health care, and the 2010 Olympic and Paralympic Winter Games undertaking.

Often, transactions involve the creation of a new organization. In the private sector, such transactions have led to surprises for investors through the discovery of off-balance sheet liabilities. In the public sector, similar surprises can emerge for taxpayers if they are not monitored and addressed rigorously.¹⁶

These remarkable statements received no coverage in the media.

Office of the Information and Privacy Commissioner

Funding in Comparison to Other Provinces

Comparing spending by provinces on freedom of information and privacy work is more difficult than for the Office of the Auditor General. While each province has a stand-alone Auditor General or Provincial Auditor, in Manitoba and New Brunswick Information and Privacy work is carried out under the Office of the Ombudsman,

not through a stand-alone Information and Privacy Commissioner.

It is possible, however, to look at the eight provinces that have a stand-alone freedom of information and privacy function. The following looks only at spending on a per capita basis. Spending on the basis of revenue is less relevant for the Information Commissioner than it is for the Auditor General. The Auditor General's work is driven by the amount of government revenues and spending while the demand that fuels the Freedom of Information Commissioner's work comes from the number of people and organizations seeking information or wishing to see their privacy protected. Thus it is perhaps sufficient to simply point out that even in the case of spending based on revenue, BC falls fifth out of eight with only Newfoundland, Nova Scotia and PEI spending less.

On a per capita basis, British Columbia ranks sixth out of eight provinces in funding for its freedom of information and privacy function. Only Prince Edward Island and Nova Scotia rank lower.

Alberta, with a smaller population, spends more than twice as much on a per capita basis and \$2 million more in actual dollars.

Table 4: Spending by Information and Privacy Office Per Capita, by Province

Province	Population	Spending by Information and Privacy Office	Spending per capita	Rank
Newfoundland	514,409	\$301,500	\$0.59	5
Prince Edward Island	138,157	\$77,400	\$0.56	7
Nova Scotia	936,988	\$256,000	\$0.27	8
New Brunswick	751,111	Under Ombudsman		
Quebec	7,623,870	\$4,700,700	\$0.62	3
Ontario (05/06)	12,599,364	\$11,725,700	\$0.93	2
Manitoba	1,178,348	Under Ombudsman		
Saskatchewan	990,030	\$599,000	\$0.61	4
Alberta	3,306,359	\$4,510,000	\$1.36	1
British Columbia	4,279,462	\$2,503,000	\$0.58	6

Note: All figures provided are based on 2006/07 estimates except Ontario. Ontario will not publish its estimates until December.

With the Freedom of Information Commissioners Office the results are the opposite of what would be expected with economies of scale. Quebec, Ontario and Alberta, three of the four largest provinces, are the top three spenders on a per capita basis. The three smallest spenders are Nova Scotia, PEI and British Columbia. The trend would seem to suggest that when it comes to Freedom of Information, small provinces spend less and large provinces spend more—except for British Columbia.

Government Relationship with the Work of the Commissioner

The provincial government began its cuts to funding for the Freedom of Information and Privacy Commissioner in its first full budget after being elected (2002/03). Like many agencies, the Information Commissioner faced cuts of 35 per cent. Cuts were somewhat mitigated when additional money was added when the Office assumed additional responsibilities.

Following 2003/04 the budget for the office began to rise again. Only in 2006/07 did it regain and surpass 2001/02 levels. However, once again, inflation had an impact. The roughly 10 per cent impact of inflation since 2001 meant that in real terms funding for 2006/07 is \$100,000 less than it had been in 2001/02.

Other Changes

Like the Auditor General, the Office of the Information and Privacy Commissioner has seen dramatic increases in its responsibilities in the last five years. In 2002 the Lobbyist Registration Act came into force and the Commissioner gained the new responsibility as the Registrar of Lobbyists. On January 1, 2004, the Commissioner’s Office assumed responsibility for the new Personal Information Protection Act (PIPA), which extended privacy protections to the private sector. The

Standing Committee on Finance and Government Services acknowledged the increase in workload this created in its December 2003 report. The report said that when PIPA came into force, “the office will take on considerable new oversight responsibilities across the broadly defined private sector in the province. Some 380,000 businesses and non-profit organizations will be covered by a comprehensive set of privacy rules.”¹⁷ While \$512,000 was added to the Commissioner’s budget to deal with significant new PIPA responsibilities, this was not enough to make up for cuts in his budget over the three years ending in 2004/05.

As well as changes in responsibilities, the Commissioner reported on changes in the ability of citizens to access information. The Commissioner expressed concerns about areas of government that were being eliminated from public scrutiny through FOI legislation. In his 2002/03 report he said:

*The provincial government is pursuing alternative means of delivering services to the public, often by transferring functions to private sector service providers. Alasdair Roberts, Canada’s leading academic in access to information matters, has described this as the growth of ‘shadow government,’ where organizations that do not regard themselves as public or governmental perform what are traditionally public sector functions.*¹⁸

The Commissioner went on to outline examples of where the right of public scrutiny had been lost. He noted that the BC Ferry Corporation had been put beyond the reach of Freedom of Information and that outsourcing and off-loading of services had raised questions about BC Hydro.

Implications of a Reduced Commitment to the Information Commissioner

In recent years the Information and Privacy Commissioner has consistently raised concerns in his annual reports, sub-

Table 5: Annual Funding for BC’s Freedom of Information and Privacy Commissioner, 2001/02–2006/07

	2001/02	2002/03 (First post-election budget)	2003/04	2004/05	2005/06	2006/07
Government Appropriations	\$2,359,000	\$2,227,000	\$1,972,000	\$2,133,000	\$2,211,000	\$2,505,000

missions to legislative committees and other documents that his ability to do his work was being undermined by a lack of resources.

In his December 2005 Budget Submission he reported that in spite of having responsibility for two new and important pieces of legislation, his staff had actually declined in size to 17 from a level of 23 in 2002/03.¹⁹

In his 2004/05 Annual Report the Information and Privacy Commissioner said:

...cuts to the budget for our public sector oversight duties continue to negatively affect our ability to provide effective and timely oversight. This year we have experienced the first noticeable backlog of files...In light of the significant case backlog we now have, and the increasing delays involved in doing our work, I am concerned that we are not properly discharging our duties to the public and that the OIPC needs more resources to deal with increased workloads and to ensure we provide the timely and diligent oversight the public has a right to expect of us.²⁰

Recent Developments

Auditor General

In recent months two important developments have taken place that may impact the ability of these two Legislative Officers to support transparency and accountability of government decision making and spending.

On May 31, 2006 the Select Standing Committee on Public Accounts appointed Arn van Iersel, CGA, as Acting Auditor General. Mr. van Iersel took the Oath of Office on June 7, 2006.

However, the Acting Auditor General was not appointed with the unanimous consent of the Public Accounts Committee nor was he appointed by resolution of the Legislative Assembly. The two parties on the Public Accounts Committee had been unable to reach an agreement on a new Auditor General after the previous one retired. Media reports suggest that Opposition members wanted someone from outside the province while the government majority on the Committee wanted an insider from the BC public service—Mr. van Iersel.

A loophole in both the Auditor General Act and the Freedom of Information and Protection of Privacy Act permits the appointment of an acting head of these organizations without unanimity from the whole Committee if the legislature is not sitting. The government majority on the Committee used this loophole to appoint van Iersel, a former Comptroller General for the province who was at the time a deputy minister.

Government members on the Public Accounts Committee have made it clear they see this as an indefinite appointment. Government committee member and deputy chair John Yap said, "There's no time frame on this acting appointment." He said, "We will revisit looking for a permanent appointment some time in the future."²¹

Questions regarding the acting Auditor General's independence have been raised because of his recent involvement as a BC public servant with the accounts he will be monitoring as Auditor General. This is already beginning to play out. In a letter to the Vancouver Sun the Acting Auditor General acknowledged he would be unable to sign off on the province's books for 2005/06 because of a conflict of interest arising from his previous work as Comptroller General in preparing those books.²² He did say he would be able to do this work in the future.

Arn van Iersel appears to be a highly respected public servant, however, he goes into the job of Acting Auditor General as a government appointment rather than with the support of the entire legislature. Without this broad, non-partisan support his work will be, at best, much more difficult.

Freedom of Information and Protection of Privacy Act

On April 27, 2006, the government introduced a Miscellaneous Statutes Amendment Act (Bill 30), containing provisions that may undermine transparency of government programs and activities.

Proposed amendments to the Freedom of Information and Protection of Privacy Act once more lengthened the maximum timelines for responses to requests for information in some circumstances. Previously, legislation in 2002 extended the 30-day response time to 30 working rather than calendar days. In addition, the time clock was stopped if the public body demanded fees.²³

In 2006 there was an even more significant change proposed. It would have permitted the Minister responsible to designate a government procurement project as a “joint solution project.” If such a project were so designated, public organizations would be forbidden to reveal, “commercial, financial, labour relations, scientific or technical information”²⁴ about the third party to the joint solution project or the project itself. The term “joint solution project” is a new one in British Columbia. However, it appears to be identical to public-private partnerships and “Alternative Service Delivery”—the “shadow government” the Information Commissioner had spoken of previously.

The joint solution project section of the bill was subsequently withdrawn as part of an agreement between parties in the legislature that saw the government withdraw some provisions to get agreement from the opposition for quick passage of other provisions. It is expected that this joint solution project provision will be brought back in the future.

How Much is Enough?

There is a surprisingly broad agreement about the need for adequate funding of these offices, particularly for the Office of the Auditor General. The point has been made by the CCPA (*Value for Money? Cautionary Lessons About P3s from British Columbia*, June 2006) the *Vancouver Sun* (Editorial: “Acting auditor-general who can’t act harms Liberals’ credibility,” June 20, 2006) and the Canadian Taxpayers Federation (*British Columbia at the Crossroads: 2006-07 Budget Recommendations*).

How much of an increase would be required to permit these two offices to do a more effective job of keeping government transparent and accountable?

The best way to answer this question would be to ask the people who deliver these services. The Auditor General and the Information and Privacy Commissioner should be asked to give an honest estimate of what they need to do the job that is necessary to serve the interests of the people of British Columbia. It should be made clear these requests will be treated seriously so that the

Officers do not “low ball” their requirements in the face of a perhaps hostile response.

The possibility of low-balling is a problem. For example, in 2003 the Auditor General asked the Standing Committee on Finance and Government Services to recommend a budget of \$8.4 million plus revenues from auditing fees. This request was rejected, and indeed was received so badly that the next year the Auditor General reduced his request to \$7.67 million, an amount that the Committee recommended.

Looking forward, in general terms there are some principles that could be applied to funding of these offices.

- Funding for the Offices of the Auditor General and Information and Privacy Commissioner should not be cut and should, at a minimum, be raised enough to make up for past cuts and where necessary restore staffing.
- Staffing levels and corresponding budget allocations should be increased to reflect new responsibilities.
- British Columbia should move towards at least the mid-range of funding levels for these offices in comparison to what is being done in other provinces.

How much might it cost to meet these principles?

The British Columbia government frequently likes to compare itself with Alberta. Funding at Alberta levels, on a per capita basis, would boost the budget for the Auditor General’s Office from \$10.5 million to \$24.8 million. The Office of the Freedom of Information Commissioner would see an increase from \$2.5 million to \$5.8 million. In both cases, this would put BC near the top in funding for these legislative offices.

A more modest recommendation is perhaps more achievable.

An increase in per capita funding for the Auditor General from \$2.45 to \$4 would mean an increase in total budget from \$10.5 million to \$17 million. This would still be less funding than Manitoba, Saskatchewan, Newfoundland or Alberta provide, but it would rank in the middle of the provinces.

There would be an additional advantage to an increase to \$4 per capita. Such an increase would permit the

Auditor General to eliminate his charging of fees for auditing. As noted earlier, cuts to his office forced a refocusing of his resources to earn fees.

More important, significant questions have been raised about the practice of the Auditor General simply “attesting” to Value for Money (VFM) reports on public-private partnerships (P3s) that have been written by agencies promoting those projects. Value for Money reports attempt to show that the development of a project—a highway, hospital or transit system—has shown value for the taxpayer’s money. This includes answering the question as to whether there would have been more value for the taxpayer with traditional procurement or with a P3.

Currently, Partnerships BC, the government agency that promotes P3 projects, also writes the Value for Money reports. The Auditor General then produces a “review” of the work, which only determines whether the assumptions used in the report are plausible. This review work is currently done by the Auditor General on a fee-for-service basis. Forensic Auditor Ron Parks, in a report produced for the Canadian Union of Public Employees and the Hospital Employees’ Union questioned this practice. He suggested funding the office directly to produce its own Value for Money reports would “heighten the public’s perception of independence.”²⁵ The proposed increase in funding would permit the Auditor General’s Office to do such work itself.

Increased funding would permit the AG’s Office to focus on what it considered the most important issues rather than the need to earn fees.

It would take less money to improve the position of BC’s Information and Privacy Commissioner. A 35 per cent increase in the office’s budget would cost \$900,000 and would restore cuts in previous years. It would also permit staffing to be restored to at least 23, which it was several years ago, from the present level of 17 today. A total budget of \$3.4 million would mean spending of 75 cents per person, and would place BC in third place in spending, behind Alberta and Ontario.

At this time, there is no shortage of important issues for an Auditor General or for an Information Commissioner. British Columbia faces issues with a complexity not shared by other provinces. The recent release of the province’s public accounts, for example, show that the government

has committed the province to \$27 billion in long-term contracts for P3s and “Alternative Service Delivery” (ASD).²⁶ ASDs include such controversial developments as the contract with the American company Maximus to manage health information. As well, costs for the 2010 Olympics appear to be ballooning. These two areas alone would justify increased resources for these offices.

Conclusion

British Columbia’s Auditor General and Freedom of Information and Privacy Commissioners are Officers of the Legislature that play key roles in ensuring transparency and accountability in the government’s finances and in its policies.

In the last five years the ability of these offices to do their work has been undermined through budget cuts and inadequate resources for new and expanded mandates.

The independence of the Auditor General has been undermined by the use of a legislative loophole that permitted him to be appointed by the government without the consent of the opposition. His work was further compromised by the fact he was not able to sign off on books he himself prepared while Comptroller for the province.

These changes, at the financial and at the policy level, have undermined both the openness and accountability of government in British Columbia. The 2001 commitment that British Columbia would “deliver real, transparent, accountable government,” in the case of these two important offices, appears to have disappeared.

The transparency and accountability these offices provide can only be restored by significantly increased resources and a return to choices in appointments that reflect the will of the Legislature rather than only the will of the government.

Perhaps the last word on this should be left to the recently retired Auditor General who said in his final report:

My final observation is that public business should always be public. When officials set out reasons why the public does not need to know about a transaction or why making information public is somehow against the public interest, rigorous public scrutiny is almost always even more important.

Notes

- 1 New Era Document, page 3.
- 2 Ibid, page 8.
- 3 Auditor General Act, s. 2.
- 4 Freedom of Information and Protection of Privacy Act, s. 37.
- 5 Office of the Auditor General of Nova Scotia, 2004 Performance Report and 2005 Business Plan, page 17.
- 6 Ibid.
- 7 de Jong, Michael, "B.C. leads on openness, accountability," Vancouver Sun, Wednesday, May 17, 2006, page A17.
- 8 2001/2002 Annual Report of the Auditor General of British Columbia, Office of the Auditor General of British Columbia.
- 9 Minutes of the Select Committee on Finance and Government Services, Legislature of British Columbia, December 4, 2003, page 1800.
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- 11 Minutes of the Select Standing Committee on Finance and Government Services, Legislature of British Columbia, November 17, 2004, page 2387.
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