



Visit from Members of the Public Accounts Committee of the Parliament of Canada

7-8 December 2016

Houses of Parliament



Report





## Background

1.01. CPA UK and CPA Canada have a long history of facilitating successful thematic parliamentary bilateral delegations on behalf of their respective Legislatures.

1.02. Following the reconstitution of the Canadian Federal Parliament after the November 2015 General Election, the Parliament of Canada is keen to continue to strengthen the relationship with its UK counterpart, as well as Commonwealth organisations and institutions based in the UK. Activities between the two legislatures have included a Canadian delegation to the UK Parliament in March 2016, and a UK parliamentary delegation to Ottawa and Quebec in October 2016.

1.03. The visit from Members of the Canadian Public Accounts Committee, 7-8 December 2016, focused on increasing participants awareness of international best practices in enhancing the oversight of public finance through engaging with UK and Commonwealth counterparts.

1.04. Following the programme facilitated by CPA UK, the Canadian delegation attended the Global Tax Transparency Summit on Friday 9 December. The Summit was conducted by the UK Public Accounts Committee and delivered in partnership with Christian Aid, CAFOD, ActionAid, Save the Children, Oxfam, and CPA UK.

## Delegation

2.01. The Canadian delegation participating in the visit was:

- Joyce Murray MP, *Parliamentary Secretary, Federal Parliament of Canada*
- Alexandra Mendès MP, *Vice-Chair of the Standing Committee on Public Accounts, Federal Parliament of Canada*
- David Christopherson MP, *Vice-Chair of the Standing Committee on Public Accounts, Federal Parliament of Canada*
- Phil McColeman MP, *Member, Standing Committee on Public Accounts, Federal Parliament of Canada*
- Bill Matthews, *Comptroller General of Canada*
- Paul Faucette, *Parliamentary Affairs Advisor, Treasury Board of Canada Secretariat*

## Aim & Objectives

3.01. **Aim:** To explore international good practice for the oversight of public finance and to strengthen the relationship between the UK and Canadian Parliaments through exchanges related to specific priority topics and issues relevant to the Canadian PAC.

3.02. **Objectives:** Through meetings, discussions and briefings with parliamentary counterparts and





relevant stakeholders in the UK the delegation will explore:

**Objective 1.** International best practice to enhance the oversight of public finance through engagement with UK parliamentarians and staff from the National Audit Office, HM Treasury, and Office for Budget Responsibility.

**Objective 2.** International good practice in enhancing the consistency and clarity of financial reporting.

**Objective 3.** Issues of mutual interest including shared challenges and solutions with the UK Public Accounts Committee and the All Party Parliamentary Groups for Tax and Responsible Tax.

**Objective 4.** Discussion of respective experiences of aligning the government's financial reporting documents, including estimates and public accounts with HM Treasury and the Treasury Committee of the House of Commons.

**Objective 5.** Strengthening the relationship between the Canadian PAC and the Commonwealth Association of Public Accounts Committees (CAPAC), of which they have recently become a member.

## Summary

4.01. The visit, which took place over the course of two days, helped explore international good practice for the oversight of public finance and strengthened the relationship between the UK and Canadian Parliaments on priority issues.

4.02. A number of key themes were explored during the programme. Meetings focused on international good practice in enhancing the consistency and clarity of financial reporting, including the UK government's recent 'clear line of sight reforms'. A second major theme was the role of select committees in the UK, particularly the Public Accounts Committee, the Liaison Committee, and the Business, Energy and Industrial Strategy Committee. A meeting with the Institute of Government enabled the delegates to explore government effectiveness in an era of public spending cuts, including through a discussion of how data and performance measures could be used effectively to enhance government performance. Finally, a workshop with Members of the Commonwealth Association of Public Accounts Committee (CAPAC) provided an opportunity for Canadian PAC members to learn about CAPAC's work and contribute to a consultation on a CAPAC's best practice benchmarks.

## Programme Comments

### 5.01. International Good Practice in Enhancing the Consistency and Clarity of Financial Reporting

5.01.1 Through various meetings and discussions, the delegation gained a greater understanding of recent UK initiatives to enhance Parliament's ability to scrutinise public spending, through enhancing the clarity and consistency of government financial reporting documents. A meeting with a number of staff in the Treasury, including Ian Bulmer, Head of Financial Reporting Policy; Steve Melbourne, Head of Estimates;





Tom Eland, Head of Spending Strategy and Coordination; Gary Hansman, Estimates Adviser; and Alice Power, Senior Costing and Performance Adviser; provided the Canadian delegation with an opportunity to discuss their experiences of aligning the government's financial reporting documents, including estimates and public accounts. Of particular interest was the UK government's recent 'clear line of sight reforms', designed to increase the consistency and clarity of government financial reporting thereby making it easier for Parliament and individual MPs to scrutinise financial spending by the government.

## **5.02. Exploring Issues of Mutual Interest and Shared Challenges with the UK Public Accounts Committee**

5.02.1. Through a meeting with the UK Public Accounts Committee and witnessing a high-profile evidence hearing of the Public Accounts Committee, the Canadian delegation gained an effective insight into the operation of the UK Public Accounts Committee and its current areas of work. With regards to the Public Accounts Committee, of particular interest were the differences between the UK and Canadian Public Accounts Committees in terms of the operation of the committees, the bipartisan nature of the UK PAC Committee, and the role of the National Audit Office in supporting the UK PAC.

## **5.03. Exploring the Role of UK Select Committees**

5.03.1. Through a meeting with Mr Iain Wright MP, Chair of the Business, Energy and Industrial Strategy Select Committee, and through meeting the UK PAC, the Canadian delegation gained an effective insight into the operation of UK Select Committees. Delegates had an opportunity to explore the recent Wright reforms and in particular how Chairs of Select Committees are elected and the impact this has on the committee's activities. The delegation also had an opportunity to learn about the Liason Committee and its role in facilitating cooperation between different committees and their Chairs, as well as how the Liason Committee provided opportunities to enhance the scrutiny of the government.

## **5.04. Exploring the Relationship between Public Accounts Committees and Supreme Audit Institutions**

5.04.1. Through a meeting with the National Audit Office (NAO), a meeting with the PAC, and discussions with members of the Kenyan PAC, the delegates explored the relationship between Public Accounts Committees and Supreme Audit Institutions. A meeting with Ciara Keenan-Gomez of the NAO discussed how the NAO works with the UK PAC, including in advance of hearings, during hearings, and after hearings have taken place.

5.04.2. Delegates explored the role of the NAO in supporting the PAC in this way, as well as the similarities and differences with the relationship between the Canadian PAC and its Supreme Audit Institution. Ciara Keenan-Gomez also discussed with the delegates the ways in which the NAO had had to adapt to recent challenges in its relationship with the PAC, including moving beyond 'one size fits all' reports to now producing different styles of reports, developing faster ways of working between the NAO and PAC, and enhancing the NAO's work through developing new sources of gathering evidence.

## **5.05. Strengthening the Relationship between the Canada Public Accounts Committee and CAPAC**





5.05.1. A workshop with members of CPA UK staff and Commonwealth PAC's that are members of CAPAC provided an opportunity for the Canadian PAC to strengthen their relationship with CAPAC. The meeting provided the Canadian PAC members an opportunity to learn about CAPAC's recent work. The workshop also provided it with an opportunity to provide feedback on the current CAPAC PAC benchmarking consultation, and provided its members with an awareness of a range of good practice methodologies used by Commonwealth PACs.

## 5.06. Exploring Government Effectiveness in an Era of Public Spending Cuts

5.06.1. A meeting with the Institute of Government provided an opportunity to discuss government effectiveness in an era of public spending cuts. The meeting discussed recent spending cuts in the UK, spending plans until 2020, and government strategy. The meeting included a discussion of recent reforms in the UK, the role of performance measures and data in monitoring and evaluating successful programmes, and the discussion of case studies, including the London Challenge programme.

### Programme:

6.01.

Day 1: Wednesday 7 December 2016		
0930	Enter Houses of Parliament, Portcullis House entrance <i>Met by Rachael Atkins, Americas, Caribbean, Europe and UK Overseas Territories Programme Manager, and Callum Forster, Project Officer, UK Overseas Territories Programme</i>	<i>Portcullis House, Houses of Parliament</i>
1000	<b>Meeting with Iain Wright MP, Chair of the Committee on Business, Energy and Industrial Strategy</b> Joint meeting with delegation from Kenya.  This session explored the role of the UK Committee on Business, Energy and Industrial Strategy (BEIS). In particular, the session will discuss the role of Select Committees in the UK, the Wright reforms, how the Committee on BEIS engages constructively with industry, and the power of the Committee to hold industry to account.	W3, Westminster Hall





1115	<p><b>Meeting with HM Treasury</b></p> <p>Led by Ian Bulmer, Head of Financial Reporting Policy, Government Financial Reporting, HM Treasury.</p> <p>Co-Presenters from HM Treasury:</p> <p>Tom Eland, Head of Spending Strategy and Coordination. Steve Melbourne, Head of Estimates. Gary Hansman, Estimates Adviser. Alice Power, Senior Costing and Performance Adviser.</p> <p>The session provided an opportunity for a discussion of Canadian challenges and questions on government financial reporting. In particular, this included discussion of the UK government’s recent ‘clear line of sight reforms’, what the reforms consist of, and the impact/expected impact on the UK parliament’s ability to scrutinise the government’s spending of public money.</p>	Interview Room, Norman Shaw North.
1245	<p><b>Lunch with Members of the British-Canada All Party Parliamentary Group (APPG)</b></p> <p>Led by the Canadian High Commissioner, Her Excellency Janice Charette. Gavin Newlands MP (SNP).</p> <p>This provided an opportunity for exchange between parliamentary colleagues on the UK-Canada relationship, including shared challenges and priorities.</p>	<i>Canada House (By foot).</i>
1430 - 1630	<p><b>Observing the UK Public Accounts Committee Evidence Session</b> <i>High net worth individuals and Her Majesty’s Revenue and Customs (HMRC)</i></p> <p><i>Witnesses:</i></p> <ul style="list-style-type: none"> <li>• <i>Jon Thompson, Chief Executive and Permanent Secretary, HM Revenue and Customs</i></li> <li>• <i>Jennie Granger, Director General, Enforcement and Compliance, HM Revenue and Customs</i></li> </ul>	Committee Room 6 (By foot)
1630-1715	<b>Bilateral Meeting with the UK Public Accounts Committee</b>	Committee Room 6







1730-1845	<p><b>Meeting with the Institute for Government</b> <i>Julian McCrae, Deputy Director, Institute for Government</i></p> <p>The session provided an opportunity to discuss government effectiveness in an era of public spending cuts. There was a discussion of recent reforms in the UK, the role of performance measures and data in evaluating successful programmes, and the discussion of case studies, including the London Challenge programme.</p>	<p><i>Canada House</i> (By foot)</p>
	<i>End of Day 1</i>	
<b>Day 2: Thursday 8 December 2016 (Joint meetings with delegations from South Africa and Kenya)</b>		
0930	<p><b>Arrive at Houses of Parliament, Portcullis House entrance</b> <i>Met by Callum Forster, Project Officer, UK Overseas Territories Programme Manager</i></p>	<i>Portcullis House, Houses of Parliament</i>
1000	<p><b>Meeting with the National Audit Office</b> <i>Ciara Keenan-Gomez, Parliamentary Relations Manager, National Audit Office</i></p> <p>The session explored the principles and the practices of effective engagement between Public Accounts Committees and the National Audit Office. This was followed by a discussion of the challenges and opportunities for greater PAC-NAO cooperation in the UK, Canada, Kenya and South Africa.</p>	<i>CPA Room</i>
1115	<i>Coffee</i>	<i>CPA Room</i>
1130 - 1215	<p><b>Viewing the House of Commons in Session</b></p> <p>The session allowed participants an opportunity to view the House of Commons, observing the debates and the practice and procedures of the Commons.</p>	<i>CPA Room</i>
1230 - 1330	<p><b>Working Lunch and Evaluation Session</b></p> <p>This working lunch allowed Members of the Canadian and Kenyan Public Accounts Committees and the Kenya Public Investments Committee to discuss their respective roles, practices and procedures ahead of the Global Tax and Transparency Summit. The lunch also provided an opportunity to evaluate the programme so far and to discuss further support that can be provided by CPA UK.</p>	<i>CPA Room</i>





1400	<p><b>Commonwealth Association of Public Accounts Committees (CAPAC) Benchmarking Workshop</b></p> <p>With delegations from Commonwealth Public Accounts Committees.</p> <p>The workshop was an interactive consultation on a set of Principles for PACs developed by the Commonwealth Association of Public Accounts Committees (CAPAC). The draft principles were circulated for consultation to Commonwealth legislatures in April 2013, and the workshop provided members with an opportunity to review and feed into the principles.</p>	CPA Room
1800-1930	<p><b>GTTS Welcome Reception</b></p> <p><i>End of Day 2</i></p>	CPA Room

**Outcomes & Follow-Up:**

7.01. Following the programme, the delegation were interested in further exploring the UK’s ‘clear line of sight reforms’ and their applicability to Canada. The delegation were particularly keen to explore how Canada could enhance the consistency of its financial reporting, to make it easier for the Parliament of Canada and individual MPs to align different government financial reporting documents and scrutinise government spending of public money.

7.02. The delegation were interested in exploring how they could further strengthen the effectiveness of the Canadian Public Accounts Committee. This included exploring means of facilitating further cooperation and collaboration across party lines within the Public Accounts Committee.

7.03. The delegation were also interested in opportunities to strengthen the work of the Federal Parliament of Canada’s Liason Committee. During meetings within the programme the delegates were interested in how the UK Liason Committee facilitated cooperation between Committees and Chairs, enhancing opportunities to increase scrutiny of the government.

7.04. CPA UK proposes that the identified priorities and issues are further explored during a visit of Canadian Parliamentarians to the UK Parliament scheduled for March 2017. CPA UK will also continue to act as a point of contact for the Canadian PAC for building capacity and facilitating knowledge sharing with the UK PAC and the Commonwealth Association of Public Accounts Committees.

**Acknowledgments**

8.01. Sincere appreciation is given to all the speakers for volunteering their time and their expertise for the delivery of the programme.

8.02. Thanks are also given to the Federal Parliament of Canada, the Treasury Board of Canada Secreteriat, and the Canadian High Commission for their roles in developing and supporting the programme.







## About CPA UK

9.01. CPA UK is one of the largest and most active branches in the CPA community and delivers a unique annual international outreach programme in Westminster and overseas. CPA UK works to encourage parliamentary diplomacy and build parliamentary capacity on behalf of the UK Parliament and the wider CPA. Through activities such as conferences, seminars, delegations and parliamentary strengthening teams, CPA UK provides Members with a practical, current and first-hand perspective on international issues facing fellow parliamentarians across the Commonwealth. Working with CPA UK's international outreach programmes also enhances Members' understanding of issues facing diaspora communities in their own constituencies.





Delegate Biographies

**Bill Matthews**

*Comptroller General of Canada*



Bill Matthews was appointed Comptroller General of Canada effective July 17, 2014. The Comptroller General is responsible for government-wide direction and leadership for financial management, internal audit, federal assets and acquired services. The Comptroller General also supports capacity building and professional development in each of these areas.

Prior to becoming the Comptroller General, Mr. Matthews was Assistant Secretary, Expenditure Management Sector, at the Treasury Board of Canada Secretariat, a position he accepted in 2011.

Before joining the Expenditure Management Sector, Mr. Matthews worked at the Office of the Comptroller General for seven years, serving as the Assistant Comptroller General in the Financial Management and Analysis Sector from 2009 to 2011.

Mr. Matthews is a chartered professional accountant with over 25 years of experience in accounting and financial management in both the public and private sectors. He was named a Fellow by the Chartered Professional Accountants in October 2016.

**Joyce Murray MP**

*Parliamentary Secretary to the President of the Treasury Board*



Joyce Murray is the Member of Parliament for Vancouver Quadra and Parliamentary Secretary to the President of the Treasury Board. Ms. Murray was first elected to Parliament in 2008. She has served on Standing Committees on Trade, Health, Fisheries and Oceans, Environment and Sustainable Development, and Defence.

From 2011 to 2015 Ms. Murray chaired the Liberal Northern and Western Caucus, and co-chaired her party's weekly Policy and Platform Caucus in Ottawa. Her legislative work includes presenting a Bill banning crude oil tanker traffic from BC's North Coast; and a Bill to increase accountability and transparency of Canada's Communication Security Establishment (CSE) and other security and intelligence agencies.

Before entering federal politics Ms. Murray was elected to the Legislative Assembly of British Columbia, serving as a cabinet minister in the BC Liberal government from 2001 to 2005. Her political career followed 25 years spent building an international reforestation company she co-founded that has planted over one billion trees.





# HOUSES OF PARLIAMENT

## Alexandra Mendès MP

*Vice-Chair of the Public Accounts Committee*



In October 2015, Alexandra Mendès was once again elected, this time as the Member of Parliament for the newly-established riding of Brossard - Saint-Lambert. In Parliament, she has such roles as Vice-Chair of the Standing Committee on Public Accounts, member of the Executive Committee of the Commonwealth Parliamentary Association, Chair of the Canada-Moldova Friendship Group, and Co-chair of the Canada-Portugal Friendship Group.

From 2008 to 2011, she was the Member of Parliament for Brossard - La Prairie. During that time, her actions in the House of Commons were a testament to her continued dedication to her constituents, by strongly advocating on such issues as the Champlain Bridge and Passport Canada services locally.

## David Christopherson MP

*Vice-Chair of the Public Accounts Committee*



David Christopherson has been Hamilton Centre's hardworking Member of Parliament since 2004. As part of Tom Mulcair's NDP team, he's determined to get results for hardworking middle-class families.

In Parliament, David has led the charge to defend Hamiltonians from the fallout of Stelco's 2007 foreign takeover by U.S. Steel. He's a strong advocate for tougher rules on takeovers—and new measures to protect the pensions of workers left behind. He has fought for steps to ensure Employment Insurance is there when we need it. And he has championed practical plans to create quality manufacturing jobs and make life more affordable for middle-class families.

For 30 straight years, Hamiltonians have re-elected David to fight for their priorities. He has served two terms as a city councillor (1985-90) and three as a provincial MLA (1990-2003)—and is now serving his fifth mandate as Member of Parliament.

## Phil McColeman MP

*Member of the Public Accounts Committee*





Phil was elected to the House of Commons in 2008, re-elected in 2011, and re-elected to a third term in October 2015 as the Member of Parliament for Brantford-Brant.

Phil currently serves as the Treasury Board Critic in Parliament for the Official Opposition Conservative Party. He has also served as the Deputy Finance Critic and in the previous session of Parliament, Phil was elected to serve as Chair of the Standing Committee on Human Resources, Skills and Social Development and Status of Persons with Disabilities (HUMA). He has also served as Chair of the Conservative Housing and Construction Caucus, and Vice Chair of the Conservative Post-Secondary Education Caucus.

As Brantford-Brant's federal representative, Phil is recognized as a hard-working constituency MP and a strong voice for his constituents in Ottawa.



## Speaker Biographies

### Iain Wright MP (Labour)

*Chair of the Committee on Business, Energy and Industrial Strategy.*



Iain has been the Member of Parliament for Hartlepool since 2004. He is Chair of the Business, Energy and Industrial Strategy Committee. He is also a Member of the Committees on Arms Export Control (formerly Quadripartite Committee), Education, Skills, and the Economy Sub-Committee, Joint Committee on National Security Strategy and the Liason Committee.

Since 2007, he has held the position of Shadow Minister, Business, Innovation and Skills, Shadow Minister (Education), Shadow Minister (14-19 Reform and Apprenticeships), Parliamentary Under-Secretary (Department for Children, Schools, and Families & 14-19 Reform and Apprenticeships) and Parliamentary Under-Secretary (Department for Communities and Local Government).

### Meg Hillier MP (Labour)

*Chair of the Public Accounts Committee*



Meg Hillier is the Member of Parliament for Hackney South and Shoreditch and Chair of the Public Accounts Committee.

The cross-party committee scrutinises the value for money of public spending and holds the government to account for the delivery of public services. First elected in 2005, Meg has been a junior Home Office Minister and Shadow Secretary of State for Energy and Climate Change.

### Richard Bacon MP (Conservative)

*Vice-Chair of the Public Accounts Committee*







Richard Bacon MP is the Member of Parliament for South Norfolk. Before his election to Parliament in 2001, he worked in investment banking, journalism and consultancy. He is vice-chairman of the House of Commons Public Accounts Committee, on which he served since 2001. He has twice been named the Spectator magazine's 'Parliamentarian of the Year', while parliamentary colleagues have voted him the House Magazine 'Backbencher of the year' and 'Commons Select Committee Member of the Year'. He chairs the All-Party Parliamentary Group on Self-Build, Custom and Community House-Building and Placemaking, as well as the All-Party Parliamentary group on Iran. He is the co-

author of the book *conundrum: why every government gets things wrong and what we can do about it* published by Biteback Publishing in 2013.

### Ciara Keenan-Gomez

*Parliamentary Relations Manager, National Audit Office*



Ciara has been a Parliamentary Relations Manager at the National Audit Office for 3 years. She works primarily with the UK Public Accounts Committee. Her current role centres around helping Members of the Committee prepare for evidence sessions- particularly in developing the written brief and discussing the key findings from each NAO report with the Members.

Prior to taking up this role, she was seconded to the previous PAC Chair to support her Committee work. Her past career centres on the welfare reform agenda having held roles as a value for money auditor and fraud and error advisor at the National Audit Office and Cabinet Office respectively. She also undertakes work with the Westminster Foundation of Democracy to strengthen accountability internationally.

### Julian McCrae

*Deputy Director, Institute for Government*



Julian joined the Institute in July 2009 from the Prime Minister's Strategy Unit where he was Deputy Director. He started his career at the Institute for Fiscal Studies, where he spent eight years and published work on the UK's personal taxation and welfare system.

Previously in government, Julian led work on social mobility, welfare policies and economics. While at the Strategy Unit, among other things Julian led the process spanning 11 government departments that culminated in the 2009 New Opportunities White Paper, and ran Tony Blair's Fundamental Savings Review. His other experience in government includes two spells in HM Treasury, and as a Special Adviser at the Department for Work and Pensions.

Julian is a regular commentator on all issues relating to the effectiveness of government, most recently for the Today Programme, Sky News and BBC News on the Spending Round 2013 and Radio 4 programme 'Analysis' on tax policy.

