

Legislative Estimates Review Process

Background

GOVERNMENT SPENDING AND THE ROLE OF THE LEGISLATURE

In the Canadian parliamentary system, the party with the most elected members after a federal or provincial election normally forms the government. If that party has a majority of elected members, it can govern without the support of the opposition parties. However, if it has only a minority of elected members, it usually requires the support of at least one other party to pass any legislation, including the annual budget.

Legislative oversight of government spending, including the annual budget, is fundamental to any democracy. In Canada, such oversight typically falls to the opposition parties, although all elected officials are ultimately responsible for ensuring that revenues are spent prudently on behalf of the public.

The annual budget is generally regarded as a government's most important piece of legislation each year given that it outlines the government's fiscal direction and its policy priorities. It also sets out how much the government proposes to spend on the services it provides to citizens, and how it will fund the cost of providing these services. From

a fiscal accountability perspective, the budget's "bottom line" is the projected surplus or deficit for the year.

The government of Ontario currently spends about \$120 billion a year on public services ranging from health care to education to social assistance. While the government sets spending priorities and manages service delivery, it must seek the Legislature's approval each year for its spending plans.

In jurisdictions that follow the Westminster-style parliamentary system, such as Canada, the United Kingdom, Australia and New Zealand, parliamentary oversight and approval of a government's proposed spending plans has long been considered a key element to ensure government fiscal accountability. Legislative scrutiny of proposed government spending, especially by opposition members, is a key component of this accountability.

THE BUDGET, ESTIMATES AND THE LEGISLATIVE SPENDING REVIEW PROCESS

In recent years, the Ontario budget has usually been presented to the Legislative Assembly in late March or early April. However, the budgetary process starts several months earlier, when the government provides ministries with broad spending guidelines that reflect its policy priorities and fiscal outlook.

The ministries then put forward their proposed spending plans for each of the public services that they manage. Ministry plans, once reviewed and approved by the Treasury Board and Management Board of Cabinet, form the basis for the budget and for expense projections of future years. The budget and accompanying fiscal plan also reflect the expected revenues available to support these proposed expenditures.

Ministry spending plans are subdivided by program area and spending activity. Each program area, such as post-secondary education or adult social services, is allocated a vote number, and each spending activity within a particular vote, such as grants to colleges and universities or adult employment-support assistance, is allocated an item number. These proposed votes and items are summarized in a document entitled Estimates, and represent the government's formal request to the Legislature for spending approval. The government must table its Estimates no later than 12 sessional days after the budget's release.

In Ontario, a separate legislative committee called the Standing Committee on Estimates (Committee) is responsible for reviewing the estimates of at least six but not more than 12 ministries or government offices each year. The Committee is currently composed of members from Ontario's three major political parties, with representation proportionate to the percentage of members each party has in the Legislature. During the review process, ministers and senior staff of those ministries selected for review appear before the Committee to explain their estimates and answer questions.

When the Committee completes its review, it reports back to the Legislature and the estimates are then deemed to have been approved by the Committee, even if the Committee did not formally endorse them. Estimates of those ministries or offices not selected for review are deemed to be automatically approved.

Members of the Provincial Parliament (MPPs) also have the opportunity to debate the tabled Estimates in the Legislature. After the Legislature

approves them, through passage of the *Supply Act*, they become voted appropriations and constitute the legal spending authority for the government. The vote-and-item details provide a mechanism for legislative control of this proposed spending, as spending of the funds must be consistent with the stated purpose of each approved vote and item, and the amounts spent cannot exceed voted amounts without further legislative authority.

PAST EXAMINATIONS OF ONTARIO'S ESTIMATES REVIEW PROCESS

In 1987, we asked a number of MPPs for their views on the estimates review process. We then reported in our *1987 Annual Report* that the MPPs generally felt that the process was "maligned and ineffective." We recommended at the time that consideration be given to creation of a dedicated committee mandated to review the annual estimates of selected ministries.

The following year, the Standing Committee on Public Accounts issued a *Special Report on the Estimates Process*, and in 1989, the Legislature established the current Standing Committee on Estimates (Committee).

After this Committee had operated for about five years, we decided in 1995 to revisit this area to determine whether there had been progress in improving the estimates review process. The consensus among the nine MPPs we interviewed—three from each party—was that the process was still not very effective in ensuring that ministry spending plans were appropriately scrutinized. In our *1995 Annual Report*, we quoted a comment from one MPP as indicative of the views we heard:

We do not serve the public very well in assessing whether the ministry is planning to spend or has spent the money wisely. This disturbs me. In theory, we are supposed to be looking after the finances of the province. However, by the end of the day we are no more enlightened.

Objective and Scope of Current Review

We decided to revisit the legislative estimates review process this year because it has been more than 15 years since our last review. In addition, our research found that other Westminster-style parliaments have acknowledged, just as Ontario's has, that there have been challenges in implementing effective legislative oversight of this area, and a number have carried out changes to try to address them. It was our view that Ontario's elected members might find some of the practices in use elsewhere of interest.

Aside from our review of practices elsewhere, the main focus of our study was to obtain the views of MPPs with several years of experience on the Standing Committee on Estimates. Accordingly, we interviewed nine current members—again, three from each party—who had served or are currently serving on the Committee. We also took the opportunity to obtain the views of three retired MPPs from different parties, each of whom served a significant number of years as an elected member and whose collective experience in the Legislature totalled more than 80 years.

We understand that the Legislature's Standing Orders—which govern the workings of the House and its Committees, including the Standing Committee on Estimates—are currently under review, so the observations from our review may prove timely.

Overall Observations

The consensus of almost all of the members we interviewed echoed the comments members made in 1995 when we last examined the estimates review process—the process is still not very effective in providing meaningful scrutiny of government spending plans. However, members also made it clear that the hearings of the Standing Committee

on Estimates are still a worthwhile exercise because they provide the only real opportunity to directly question a minister outside of question period.

We asked the members a point-blank question: Was the whole exercise little more than a “rubber stamp” with respect to overseeing proposed government expenditures? Most acknowledged that, to some extent, it probably was. We heard comments along the following lines:

The estimates review process can be a very frustrating exercise when you sit there for up to 80 hours and not look in any detail at the expenditures reported in the Estimates. In reality, the process is a tool for political purposes—it has nothing to do with review of expenditures for reasonability.

I do not feel the Estimates Committee is meeting the objective of financial scrutiny, and it doesn't provide for a better Ontario. I give it a scale of two out of 10.

But on the other hand, members were unanimous in acknowledging the process's value as an opportunity for questioning ministers about government policy and related proposed expenditures. As several MPPs put it:

The estimates review process is a great opportunity to get questions that are important to you answered and is a good learning opportunity.

You learn a lot from the Estimates. Sometimes you will see that members will ask questions that the minister is not expecting, and it's good to see how they respond.

While it's not perfect, in aggregate it's a good thing.

Our research did not identify any Westminster-style parliaments that appeared to have devised a truly effective estimates review process, and many

are wrestling with the same concerns and issues expressed by Ontario MPPs. Indeed, the International Monetary Fund noted in a 2005 study that Westminster-style legislatures in general have very limited oversight influence, and ranked the parliaments of Canada, Australia, the United Kingdom and New Zealand as having the weakest budgetary influence of those in any western countries. The legislatures in the United States and Sweden, both non-Westminster systems, ranked the highest in budget oversight powers.

A common observation elsewhere was that since Committee members cannot realistically amend spending proposals, they see little point in giving the numbers more than a superficial look, regardless of whether they review the estimates in a separate estimates committee or in a series of policy committees. The research consensus was that elected members must first believe their scrutiny can influence government spending decisions, programs and services before the review process can fully engage them. A 2006 report prepared by the United Kingdom's Hansard Society, an independent, non-partisan educational charity that promotes effective parliamentary scrutiny, summed up the perceived effectiveness of the United Kingdom's process as follows:

In the view of many commentators, Parliament's influence over government proposals for taxation and expenditure, and priorities within that expenditure, is virtually non-existent. The essential relationship between Parliament and government is that the latter proposes and the former simply agrees. To draw an analogy, the government decides the value of the cheque, to whom it should be paid and when, and Parliament simply signs it.

Ontario MPPs raised the following specific issues or concerns, which our research suggested were also common elsewhere:

- Elected members have numerous and competing demands on their time, especially when

the Legislature is sitting, and so would not welcome any changes requiring them to add to the already significant time they spend on estimates. However, most MPPs we spoke with said it should be possible to identify changes that would make the time they currently spend on estimates more effective. Specifically, members said:

We do not get good value for all the time spent in Estimates. Surely, there are some changes that could be made which, while not adding more committee time, would result in a better process.

Whatever you recommend, do not include anything that adds more time to the estimates review process because we just do not have the time.

- Ministry briefing materials to support the estimates review process are quite detailed but are still perceived as not providing, in an easily understandable manner, adequate information on how a program is being delivered and what results are being achieved. This makes it difficult for Committee members to evaluate service delivery relative to funds being requested. The following two comments reflect some of the feedback we heard on this issue:

Unless someone knows the ministry in depth, you really cannot make heads or tails of the Estimates.

Members should read the Estimates in detail, but no one really reads them. Estimates are complicated to read. It is very difficult for a non-financial person to read and sort through them.

- Often, a significant amount of the requested funding may have already been spent before the Estimates are reviewed. MPPs said this

raises questions about whether the purpose of the exercise is to have members scrutinize the government's proposed spending plans or, instead, to give MPPs access to ministers. Members observed that:

The chamber is here to represent the views of Ontarians. Therefore, the estimates review process is needed, but how it should work is the question. There should be some ability for the Committee to identify problems and report on recommendations, but this does not happen. So the estimates review essentially becomes what I want to use it for—taking up the concerns of my constituents. Essentially, the Estimates becomes a place to get information on those constituency issues you need to address.

The roles of the Committee should be to review, quantify and qualify government expenditures and to be in a position to make amendments to the government's spending plan, where appropriate. The Committee, along with the Legislature, should hold the government to account on the spending of tax dollars. The process should be about transparency. But in reality the process is a balance between politics and numbers. Therefore, the Committee needs an upgrade—a review of what it is doing and why it is doing it.

- In answer to our question about partisanship, the MPPs said that the estimates review process would likely be more effective if the partisanship could be dialed down. However, all MPPs recognized that this is easier said than done since legislative committees are composed of both opposition and government members. As two MPPs commented:

There are a lot of talented people, but the politics remove the ability of the Committee to undertake any meaningful scrutiny.

The adversarial dynamics in any legislative committee comprised of both opposition and government members will almost always foster an atmosphere of partisanship. As a result, government members ask questions that are intended to make the government look good, while opposition members ask questions intended to do the opposite.

In general, the three long-serving retired MPPs we spoke with echoed the sentiments of the nine current members interviewed that the legislative estimates review process was not seen as being that effective as a means of scrutinizing government spending. While they also acknowledged the benefit of having the opportunity to directly question a minister, one retired MPP made the following observation:

I like Public Accounts because the Minister is not there. One change I would make: take the Minister out of the process, as this is the only way committee members will get legitimate and straightforward answers.

The retired MPPs, who have witnessed the evolution of the estimates review process over time and have been both committee members and ministers, felt that the process has become less effective as the size of government has grown. They also noted that any reform had to go beyond administrative changes. Specifically, the government needed to be more open in responding to questions, and committee members needed to focus both on financial scrutiny of the Estimates as well as on policy-related issues. One of the retired MPPs expressed the following opinion:

The concentration of power without a counterbalance is the problem with government today—that is why you need the Standing Committee [on Estimates]. If you want to get accountability, it is important for the Committee to decide, where do we want to go with this issue and how do we get there.

Detailed Observations

THE WESTMINSTER SYSTEM OF GOVERNMENT

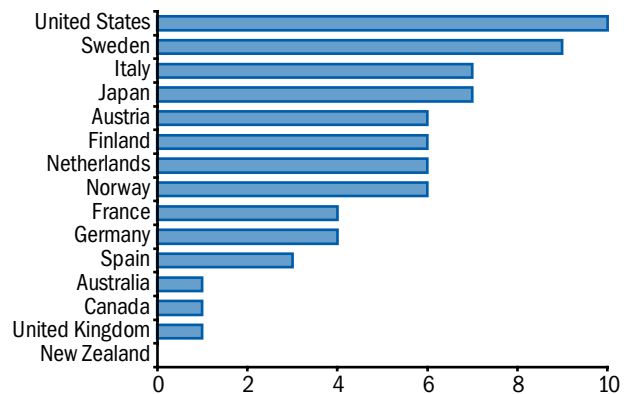
The ability of a legislature to influence a government's budget depends on the balance of power between the legislative and executive branches. Ontario follows the Westminster-style system, which emphasizes the executive's right to govern. Budgetary power is accordingly concentrated within the government, and the parliament as a whole has only minimal influence over it, especially in majority situations. Noting this, the International Monetary Fund (IMF) ranked the legislatures of Canada, Australia, the United Kingdom and New Zealand in a 2005 study as having the weakest budgetary oversight powers among major western countries, as shown in Figure 1.

The federal Gomery Royal Commission, which in 2004 launched an investigation into the so-called Sponsorship Scandal in the federal government, also touched on the issue of Parliament's ability to effectively oversee a government's spending plans, observing:

Concerns about the effectiveness of Parliament in examining government programs and discharging its financial accountability role have been expressed for decades. Most recently, a 2003 committee report [Report of the Government Operations and Estimates Committee

Figure 1: International Monetary Fund Index of Legislative Budgetary Powers*

Source of data: IMF (2005)



* This figure measures the relative power of legislatures over national budgets on a scale of one to 10, with 10 representing significant power. The IMF considered whether legislatures: (a) approve an annual budget strategy; (b) have powers to amend draft budgets; (c) allot time for discussion of the annual budget; and (d) receive technical support for scrutinizing the budget.

(Canada) entitled *Meaningful Scrutiny: Practical Improvements to the Estimates Process*] lamented that “committees continue to provide relatively cursory attention to the main spending estimates and explanatory reports,” and MPs interviewed for a Commission research study confirmed this finding.

In contrast to Westminster-style democracies, the IMF ranked the legislatures of the United States and Sweden as having the strongest budgetary oversight powers. However, this power balance also has its disadvantages. In the United States, for example, budget debates can lead to paralyzing political gridlock, as when Congress threatened in 2011 to defeat the Administration-backed budget bill and effectively shut down the government unless certain of its demands were met.

DEDICATED ESTIMATES COMMITTEE VERSUS POLICY-FIELD COMMITTEES

Ontario is the only Canadian jurisdiction that has established a dedicated Standing Committee on Estimates, as illustrated in Figure 2. All other

Figure 2: Provincial Comparison—Estimates Review Time and Committee Type

Prepared by the Office of the Auditor General of Ontario

Province	Time Given for Estimates Review	Committee Type
British Columbia	125 to 200 hours (on average)	Committee of the Whole ¹
Alberta	53 hours (minimum)	Policy-field committees ²
Saskatchewan	75 hours (minimum)	Policy-field committees
Manitoba	100 hours (maximum)	Committee of the Whole ¹
Ontario	90 hours (maximum)	Standing Committee on Estimates
Quebec	200 hours (maximum)	Policy-field committees
New Brunswick	80 hours (maximum)	Committee of the Whole ^{1, 3}
Nova Scotia	80 hours (maximum)	Committee of the Whole ^{1, 4}
Newfoundland and Labrador	75 hours (maximum)	Policy-field committees
Prince Edward Island	None specified	Committee of the Whole ^{1, 5}
Yukon	None specified	Committee of the Whole ^{1, 5}
Nunavut	None specified	Standing Committee on Oversight of Government Operations and Public Accounts ⁵

1. This term is used to describe the Legislative Assembly, which, in essence, is a committee of all elected members.

2. Three hours for each department and two hours for the Executive Council.

3. The Legislative Assembly may refer Estimates to a dedicated Standing Committee on Estimates, but this occurs only rarely.

4. Forty hours for each of the Committee of the Whole on Supply and the Subcommittee on Supply.

5. Information for Prince Edward Island, Yukon and Nunavut was not readily available.

provinces have assigned this oversight role to their policy-field legislative committees or to a committee of the whole Legislature. Typical policy fields often comprise those ministries that share a common theme such as justice, and which cover, for example, such areas as police, correctional facilities, probation and parole.

One benefit of having a distinct estimates committee is that parliamentarians get dedicated time to review and debate the proposed spending of at least some ministries. On the other hand, the policy-field committee approach often allows members to gain more detailed knowledge about certain ministries and programs, making them better informed about both the issues and related program-expenditure trends. However, a drawback of the policy-field approach is that these committees are often also required to review draft legislation or perform other tasks. Only part of their time may be spent actually reviewing ministry estimates.

The estimates review in the major Westminster-style countries also tends to be done by policy-field committees rather than dedicated estimates com-

mittees, as illustrated in Figure 3. We noted from our research that, irrespective of the approach taken to review estimates, all jurisdictions indicated similar challenges in legislative scrutiny of their government's proposed spending plans.

Ontario's 90-hour maximum time allocation for estimates review is fairly consistent with that of the other provinces, as illustrated in Figure 2. However, our research found that, like Ontario, other Canadian jurisdictions do not use all of the allotted time. In Ontario, the Estimates Committee typically spends about 50 hours in hearings. MPPs told us there were several reasons why the full 90-hour allocation was not used:

- There are competing demands on members' time that include attending debates in the Legislature, conducting other committee work and addressing party-caucus and constituency issues.
- In recent years, the Estimates have not been tabled until mid-April, leaving limited time for committee meetings before the summer recess in mid-to-late June.

Figure 3: National Comparison—Estimates Review Time and Committee Type

Prepared by the Office of the Auditor General of Ontario

Country	Time Given for Estimates Review	Committee Type
Canada	Three months	Policy-field committees
United Kingdom	14 days (recently increased from eight days)	Policy-field committees
Australia	Four days per committee	Policy-field committees
New Zealand	Two months	Policy-field committees

- The Estimates Committee normally meets only when the Legislature is sitting and when its day's routine proceedings have been completed.

Given that devoting more time to estimates review is not an option for most committee members, any improvements must focus on making the best use of what time is available.

QUALITY OF BRIEFING INFORMATION

Ministries selected to appear before the Estimates Committee provide MPPs with supplementary material in the form of briefing books. Since many MPPs lack an accounting or financial background, it is essential that this material be easy to understand, identify major program changes and spending trends and, perhaps most importantly, be reasonably concise. Several MPPs commented that it takes several years sitting on the Estimates Committee before they are able to fully grasp the ministries' briefing materials. As one of the retired MPPs with whom we met stated:

The way the material is presented is so important because it frames the issues. If presented well, it will allow both the experienced member and the average member to gain the necessary knowledge to understand the program and then to ask the right questions.

Legislature rules provide for some consistency in the preparation of briefing books, requiring that they include "information on growth rates, interim expenditures for the previous fiscal year,

and an explanation of the programs and funding by a particular item." The Treasury Board provides guidelines to help ministries comply with these requirements. Despite this, however, we found that the information in briefing books often did not clearly identify or discuss expenditure trends or address significant changes to programs beyond one year. As well, briefing books tend to focus on government initiatives but provide little quantifiable information on program results.

Interviews with MPPs led us to conclude that most MPPs did not spend much time reviewing the briefing books in advance of committee meetings because they did not find the information all that useful. Several MPPs advised us that they would like more performance and future-oriented information for programs with significant changes to spending or service delivery so as to better assess the impact of the proposed changes. We believe this suggestion has considerable merit. In particular, MPPs told us that information on program reductions is particularly relevant in this era of cutbacks and austerity.

As a recent Ontario ministry publication dealing with performance measurement at the municipal level put it:

Government today is very complex, so it is important that elected officials and public servants inform taxpayers what governments plan to achieve, what it is actually accomplishing and what public services cost. With this information, taxpayers can make informed decisions about the level of services they desire. This notion of accountability is fundamental to our form of government.

Program Performance Information

Clearly, MPPs need accurate, transparent and understandable information to help them assess whether government spending is meeting its stated objectives. In this regard, we believe Ontario's Standing Committee on Estimates would find briefing materials more useful if they contained:

- measurable targets for program objectives; and
- a comparison of actual performance with forecasts.

Many other jurisdictions have recognized this need since our last review in 1995. We reviewed a number of publicly available annual plans and performance reports published by departments and ministries in Alberta, British Columbia, Canada, Australia and the United Kingdom. Most jurisdictions reviewed provided more comprehensive planning reports that laid out strategy, activities and performance measures with stated targets. Subsequent annual performance reports explicitly compared actual performance with prior targets and discussed variances. The majority of jurisdictions reviewed also provided plans, expense projections and performance targets for three to four outlook years, as illustrated in Figure 4.

It is notable that the United Kingdom has recently reformed its performance reporting practices. As part of major reforms to the public service following the 2010 election, the government abolished the previous reporting regimen of centrally defined Public Service Agreements. In its place, a five-year strategy was developed, and departments annually develop business plans that set out proposed actions to implement the government's strategy. Subsequent performance reporting tracks these actions. Interestingly, targets are no longer formally set. Departments also report on several indicators that are meant to help monitor performance. The development of these indicators was still ongoing at the time of our review.

As the chair of the U.K. Public Accounts Committee recently said:

It is not good enough to dump data into the public domain. It must be analysed to be relevant, robust and fit for purpose.

The MPPs we interviewed who commented on this issue generally were of the opinion that they required "more relevant" rather than "more" information.

Future-oriented Information

Although the Ontario budget provides projected future expense information, the Estimates Committee has a mandate to review only current-year spending plans. Consequently, ministry briefing books do not provide information or projections regarding the next few years.

A 2006 study by the Parliamentary Information and Research Service of Ottawa's Library of Parliament suggested that federal parliamentary policy-field committees reviewing estimates should expand their focus to include future spending plans. They argue that the government likely would be more receptive to recommendations that touched on future spending because criticism of the more detailed current-year plans could create a non-confidence issue. We believe this observation has some pragmatic merit; committee members would likely be more motivated to focus on spending and the level of services actually being provided if ministries and the government considered their input more seriously.

At the time of our 1995 review, only a few jurisdictions were providing future-oriented estimates information. Today, however, much more of this information is available, as illustrated in Figure 4.

The results of these initiatives have been mixed:

- On the positive side, the U.K. Hansard Society noted in 2006 that scrutiny of departmental annual reports has enabled committees to conduct more comprehensive analyses of government spending priorities both within and across departments.

Figure 4: Estimates Briefing Information: Other Jurisdictions

Prepared by the Office of the Auditor General of Ontario

Jurisdiction	Program Performance and Future-oriented Information
British Columbia	<ul style="list-style-type: none"> The government releases an annual strategic plan of priorities, objectives and expected results over the next three years. Annual departmental service plans provide three-year business plans consistent with the government's strategic plan and outline specific performance measures with targets for all outlook years. Annual departmental service plan reports compare prior year's actual performance against targets set in the previous service plan.
Alberta	<ul style="list-style-type: none"> Ministries provide a three-year business plan with goals, priority initiatives and performance measures with targets for all outlook years. Annual ministry reports track key performance measures and discuss the prior year's performance against targets set in the prior year's business plan.
Canada	<ul style="list-style-type: none"> An annual ministerial Report on Plans and Priorities outlines forecast spending and expected results over three years, with stated performance indicators and overall targets. Departmental performance reports compare the prior year's actual performance against plan. In the fall, the targets in the ministerial Report on Plans and Priorities are compared to actual departmental reports, which allow for feedback and adjustments before the next Estimates are tabled in the spring.
Australia - Queensland	<ul style="list-style-type: none"> Departmental Strategic Plans outline a department's agenda over the next four years. Departmental annual reports provide an account of the operational and financial performance as well as an assessment of performance against the Strategic Plan.
United Kingdom	<ul style="list-style-type: none"> In November 2010, the coalition government directed all departments to develop five-year business plans that detail the department's strategy for implementing the government's core priorities. Departmental business plans are updated annually and describe plans and actions; in 2012, expenditures were forecast out to 2015. Departmental annual reports detail the progress of actions outlined in the prior year's business plan and report on input and impact indicators that are used to monitor performance.

- Several Canadian and U.K. studies have noted that the provision of future-oriented information has resulted in a more effective scrutiny process. But other studies also found that estimates documentation, including supplemental planning and performance reports, continues to be of poor quality.
- In 2002, the Alberta Financial Management Commission, an expert panel set up by the province to examine its financial and budgeting practices, noted that ministries tend to treat future years merely as mathematical exercises.

While some MPPs we interviewed supported the inclusion of future spending plans in estimates briefing materials, others opposed it. One argument against including future fiscal outlook data is that such scrutiny may not be meaningful since government plans may change significantly in subsequent budgets. On the other hand, as one member noted, suggestions on future spending plans might find some resonance with a minister or senior ministry officials even though any public acknowledgement of this is unlikely to be forthcoming. As one of the retired MPPs we spoke to put it:

If you are participating in estimates review as a Minister, it may not change things, but it is very useful for oversight because as Minister I may begin to rethink some of the program decisions based on the questions I am getting.

NARROWING THE FOCUS FOR PART OF THE ESTIMATES REVIEW

Another way to enhance legislative spending control is to narrow the Estimates Committee's oversight focus by selecting only a few ministry programs for more detailed scrutiny. This idea was put forward by the Library of Parliament study referred to above. The premise behind this idea is that the Committee just does not have the time to conduct a detailed scrutiny of *all* programs administered by a large and complex government ministry.

However, adopting such a targeted strategy is not without risk, as important issues might well go unaddressed. It would also mean that the Committee's ultimate approval or rejection of ministry estimates as a whole would be based on a review of only a portion of its activities. Despite these concerns, several of the MPPs we interviewed said this approach might have some merit for part of the time allocated to a particular ministry's estimates.

In essence, this method would employ a two-track approach. The first part of the review would be a general session with the minister in which committee members could ask questions about any ministry programs and activities, while the second would focus on specific programs. Selecting programs for review in more detail could be done in one of two ways:

- a subcommittee composed of one member from each party would choose from one to three programs; or
- each of the three parties would select a program on which to focus.

These choices would be made in advance so that the ministry briefing books could provide more detailed information about the programs selected.

This information could usefully include 10-year historical and future-year expenditure trends, data on service levels being provided, outcomes achieved and the fiscal impact of any recent policy changes and future expenditure trends on the expected level of service demand.

Several MPPs told us that it might not be necessary for the minister to be present during this portion of the estimates review. Some cited as an example the Standing Committee on Public Accounts, where only senior ministry and broader-public-sector officials are questioned. Those familiar with this committee said such an approach seemed to work well and tended to de-emphasize the partisan nature of committee hearings. This approach would focus the second track of estimates hearings on the fiscal and administrative delivery aspects of the program rather than on the merits of government policy, a matter best left for the minister's appearance.

Two MPPs who felt this two-track approach might warrant consideration said:

I believe each of the parties should be asked what to focus on. This way, more in-depth analysis on policy and expenditures will occur rather than have the estimates review be wide open. This would likely lead to a better understanding of government spending than is being obtained from the current estimates review process.

I'd like to see it. It is better to zero-in on specific areas of concern

One MPP who supported the two-track option did offer a caution, however:

I am not in favour of limiting what can be reviewed with the minister or ministry staff during the estimates review process. What is currently open to scrutiny should be left open.

One of the retired MPPs noted:

There is no way the committee can effectively scrutinize the Estimates today

because the programs are just too big and complex for committee members to understand and know what questions to ask. Having served as both a member of the committee and as a former Minister who was on the receiving end of questions, I am a big believer in narrowing the focus of the review.

ADVANCE BRIEFINGS

Another option we raised with MPPs was the value of a 30-minute to one-hour in camera briefing prior to the public committee hearing to provide an overview of the selected ministry's estimates. For instance, this briefing could cover any major changes in program expenditures or service delivery levels, per capita cost comparisons with other provinces that had similar programs, or other issues such as the service and fiscal impact of recent policy changes. We suggested the briefing could be done either by the Legislature's research staff or by senior ministry officials—or possibly even by our Office, if we had done a recent audit in that program area. The Standing Committee on Public Accounts has effectively utilized such private in camera briefings in advance of the public hearing for most of the past decade.

The 2003 report of the federal Government Operations and Estimates Committee, entitled *Meaningful Scrutiny: Practical Improvements to the Estimates Process*, made a recommendation along these lines. It suggested that the committee could leverage the work of the Auditor General's office by obtaining its advice when reviewing the estimates of recently audited departments and agencies.

The majority of MPPs we spoke to felt an advance briefing would be useful. Among their comments:

It would be very helpful to have a one-hour briefing from a non-partisan official or even a ministry official that might explain why spending is up by 6% in one area and down 4% in another. Even a briefing from the Auditor General indicat-

ing, "Here is what I noted ..." would go a long way in helping members do their job ... by pointing out trends, it would trigger questions we should be asking about what is happening and, more importantly, why is this happening.

If someone can brief us in a non-partisan way, then yes this would be a great idea ... We need non-partisan and factual briefings. Perhaps the deputy minister or assistant deputy minister can give the briefing.

Yes. This would be great. Currently, too much time and emphasis is spent on the minister's response. If the Auditor General gave a briefing, maybe this would not be in the best interest for him, but it would be better for the committee, given his independence.

SPECIALIZED SUPPORT

Ministries spend billions of dollars across dozens of individual programs and activities each year. However, while the Legislature's Public Accounts Committee, for example, has a dedicated legislative research officer available to assist committee members, the Estimates Committee does not. Without such support, and considering the time demands on MPPs, it is more difficult for members to fully understand a ministry's estimates or obtain answers to fundamental questions such as: "Is public money being spent effectively? Are desired outcomes being achieved? Should government spending priorities be revised in light of new events or circumstances?"

It is equally difficult to identify those areas where proposed spending may not be appropriate relative to the level of service being delivered, or where significant variances in spending over time warrant additional scrutiny.

Our research indicated that most legislatures in Westminster-style parliamentary democracies have minimal, if any, dedicated research support. By contrast, the U.S. Congressional Budget Office has

a large research arm of accountants and economists available to help legislators analyze and assess the government's proposed budget.

The MPPs we spoke to generally agree that having research assistance would help them better understand the estimates briefing materials. In fact, the federal governments of Canada, the United Kingdom and Northern Ireland, Scotland and Wales have moved to address this need in recent years, as illustrated in Figure 5.

In its 2006 report, entitled *The Fiscal Maze*, the U.K. Hansard Society pointed to the success of the United Kingdom's House of Commons Scrutiny Unit, established to provide specialized support for select parliamentary committees, as evidence that offering resources and research can contribute to more effective financial review. The society advocated expanding the unit's role to provide comprehensive support for all committees.

Three Things To Consider

We offer the following ideas for consideration.

1. **A short in camera estimates briefing for members in advance of formal committee sessions for each selected ministry.**

The briefing would cover such areas as any significant changes in program expenditures where relevant, expenditure trends over time and expenditures relative to other provinces, given that most provinces deliver similar services to their citizens. It could be conducted by legislative research staff, by senior ministry officials or perhaps even by our Office.

2. **Requesting that ministry briefing books combine information on spending plans with past and current performance reporting to provide a better basis for legislators to assess what results are being achieved for proposed expenditures.**

Specifically, the briefing materials would provide historical trend information over a five- to 10-year period and include program and service delivery indicators as well as future-oriented outlook data, at least for the most significant ministry programs. However, this should not result in any significant increase in page count, and the readability and understandability of briefing materials should be a priority.

3. **Selection of a few specific ministry programs for more in-depth review by the committee, perhaps with only senior ministry officials in attendance.**

Figure 5: Specialized Support: Other Jurisdictions

Prepared by the Office of the Auditor General of Ontario

Jurisdiction	Specialized Support Available
Canada	<p>The Library of Parliament's Parliamentary Information and Research Service provides research support. In the past, it has hired analysts to provide additional support to committees doing estimates work. Such support includes:</p> <ul style="list-style-type: none"> • briefings on the Estimates and the estimates process; • background research on programs and activities; and • analysis of plans and briefing notes to help Committee members prepare for meetings and pose appropriate questions. <p>The Parliamentary Budget Office also produces additional reports that can be used by committees.</p>
United Kingdom	<p>Recent reforms include the formation of a Scrutiny Unit that has a staff of 15, including economists, lawyers and accountants. The unit provides select committees with financial and legislative expertise, identifies areas of interest and suggests lines of inquiry.</p>
Northern Ireland, Wales and Scotland	<p>Specialist researchers within the research unit of the governing body are available to provide guidance on financial and technical matters.</p>

Given that the larger ministries spend billions of dollars in dozens of different areas, a more focused review of several key programs for at least part of those ministries' time allocations might have merit. Either a subcommittee composed of one member from each party would select the ministry programs for more detailed examination, or each party would select one program for review. The minister would continue to attend a significant portion of estimates hearings so that policy issues in any area could still be raised.

In regard to our proposals, the former MPPs we met with responded positively to having advance briefings. One suggested that to reduce partisanship, only ministry staff should be present during meetings, to focus questions away from policy and toward program administration. However, another former MPP disagreed, believing that attendance by the minister would be useful.

When asked about the estimates briefing materials provided to members, the former MPPs agreed that more relevant and future-oriented performance information was needed. One said:

In my view, ministries spend a tremendous amount of time preparing material for briefing books that members do not really use—but if properly oriented, estimates review would have more meaning if members had good information on program performance and if the information also focused on looking forward rather than just looking at the past.

On the issue of focusing on only a few specific programs for part of the review, two of the retired MPPs supported this proposal, while one member was concerned this could limit the scope of member questions.