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# NATIONAL ASSEMBLY

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FIRST SESSION

THIRTY-EIGHTH LEGISLATURE

Bill 71

**An Act to amend the Auditor General  
Act and other legislative provisions**

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**Introduction**

**Introduced by  
Madam Monique Jérôme-Forget  
Minister of Finance**

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## **EXPLANATORY NOTES**

*The object of this bill is to allow the Auditor General, for any fiscal year in which a grant is made by a public body or a government agency to a body in the health and social services network or the education network whose name appears on the list of such bodies that are part of the reporting entity defined in the Government's annual financial statements included in the public accounts tabled in the National Assembly, to act as the auditor of that grant beneficiary's books and accounts.*

*Consequently, the bill specifies the scope of the Auditor General's audit of the books and accounts of those grant beneficiaries. It also empowers the Auditor General to oversee the work of the auditors who audit the books and accounts of those grant beneficiaries.*

*Moreover, the bill proposes that the books and accounts of a health and social services agency be audited annually by an auditor whom the agency's board of directors is authorized to appoint.*

*The bill also proposes that the books and accounts of the Agence métropolitaine de transport be audited by the Auditor General annually and whenever the Government so orders.*

*Lastly, the bill contains consequential amendments and transitional provisions.*

### **LEGISLATION AMENDED BY THIS BILL:**

- Act respecting the Agence métropolitaine de transport (R.S.Q., chapter A-7.02);
- Act respecting health services and social services (R.S.Q., chapter S-4.2);
- Auditor General Act (R.S.Q., chapter V-5.01).

# Bill 71

## AN ACT TO AMEND THE AUDITOR GENERAL ACT AND OTHER LEGISLATIVE PROVISIONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

**1.** The Auditor General Act (R.S.Q., chapter V-5.01) is amended by inserting the following section after section 30:

**“30.1.** If the Auditor General considers it advisable, the Auditor General may, for any fiscal year in which a grant is made by a public body or a government agency to a body in the health and social services network or the education network whose name appears on the list of such bodies that are part of the reporting entity defined in the Government’s annual financial statements included in the public accounts tabled in the National Assembly, act as the auditor of that grant beneficiary’s books and accounts.

The Auditor General shall notify the grant beneficiary in writing of the Auditor General’s decision to audit the beneficiary’s books and accounts for a specified fiscal year. From the date of the notice, the Auditor General is, without further formality, the auditor of the grant beneficiary’s books and accounts for the fiscal year specified in the notice.

Sections 25, 26 and 29 apply, with the necessary modifications, to the Auditor General’s audit of the books and accounts of any grant beneficiary referred to in the first paragraph.”

**2.** Section 31 of the Act is amended by replacing “or government enterprise” in the third line by “, government enterprise or grant beneficiary referred to in the first paragraph of section 30.1”.

**3.** Section 32 of the Act is replaced by the following section:

**“32.** The auditor of the books and accounts of a government agency, government enterprise or grant beneficiary referred to in the first paragraph of section 30.1, other than the Auditor General, must, at the latter’s request and with dispatch, provide the Auditor General with a copy of

- (1) the annual financial statements of the agency, enterprise or beneficiary;
- (2) the audit report on those statements; and

(3) any other report of the auditor to the board of directors, the executive or the chief executive officer, as the case may be, of the agency, enterprise or beneficiary on the auditor's findings and recommendations.”

**4.** Section 34 of the Act is amended

(1) by replacing “or government enterprise” at the end of the first paragraph by “, government enterprise or grant beneficiary referred to in the first paragraph of section 30.1”;

(2) by replacing “or government enterprise” at the end of the second paragraph by “, government enterprise or beneficiary”.

**5.** Section 40 of the Act is amended by adding the following paragraph at the end:

“In addition, section 38 applies, with the necessary modifications, to the report of the Auditor General on the annual financial statements of a grant beneficiary referred to in the first paragraph of section 30.1 and on those of any fund it administers.”

**6.** Section 43 of the Act is amended by inserting “, those of grant beneficiaries referred to in the first paragraph of section 30.1” after “government enterprises” in paragraph 1.

**7.** Section 47 of the Act is amended by inserting “, grant beneficiaries referred to in the first paragraph of section 30.1” after “government enterprises” in the third line of the first paragraph.

**8.** Section 48 of the Act is amended by inserting “, grant beneficiaries” after “enterprises” in the first line of the first paragraph.

**9.** Section 54 of the Act is amended by inserting “, grant beneficiaries referred to in the first paragraph of section 30.1” after “government enterprises” in the third line.

ACT RESPECTING THE AGENCE MÉTROPOLITAINE DE  
TRANSPORT

**10.** Section 89 of the Act respecting the Agence métropolitaine de transport (R.S.Q., chapter A-7.02) is amended by replacing the first sentence by the following sentence: “The books and accounts of the Agency are audited by the Auditor General annually and whenever the Government so orders.”

ACT RESPECTING HEALTH SERVICES AND SOCIAL SERVICES

**11.** Section 395 of the Act respecting health services and social services (R.S.Q., chapter S-4.2) is replaced by the following section:

**“395.** The agency is subject to sections 280 and 288 to 295, with the necessary modifications, with respect to the reports it must transmit to the Minister and the audits of its books and accounts which it must cause to be carried out.”

**12.** Division III.2 of Chapter IV of Title I of Part IV.1 of the Act, comprising section 530.31.5, is repealed.

#### TRANSITIONAL AND FINAL PROVISIONS

**13.** For the purposes of sections 290 and 395 of the Act respecting health services and social services (R.S.Q., chapter S-4.2) and as regards an agency’s fiscal year that ends on 31 March 2008,

(1) unless the agency’s board of directors decides otherwise, the auditor under contract with the Auditor General on or before (*insert the date preceding the date of coming into force of this section*) for the purpose of auditing the agency’s books and accounts for that fiscal year is deemed to be appointed by the agency’s board of directors in accordance with the first paragraph of section 290; and

(2) the agency’s board of directors is authorized to appoint an auditor of its books and accounts, for that fiscal year, at any time before 1 March 2008 without the agency being required to issue the call for tenders provided for in the second paragraph of section 290.

In addition, the contract referred to in subparagraph 1 of the first paragraph terminates on (*insert the date of coming into force of this section*).

**14.** Section 89 of the Act respecting the Agence métropolitaine de transport (R.S.Q., chapter A-7.02), as amended by section 10 of this Act, applies from the fiscal year 2008.

**15.** This Act comes into force on (*insert the date of assent to this Act*).





