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Chair

Mr. John Williams

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• (1540)

[*English*]

The Vice-Chair (Mr. Mark Holland (Ajax—Pickering, Lib.)): I'm going to call the meeting to order with reduced quorum. Could I ask the witnesses to come forward?

Pursuant to Standing Order 108(3), we are considering chapter 3, "Passport Office—Passport Services", of the April 2005 Report of the Auditor General of Canada, which was referred to committee on April 5. We're going to be hearing witnesses on this item.

I'll start with the Office of the Auditor General and Madam Fraser. I can give you a moment. I jumped into things very quickly.

We'll take this opportunity to thank you for coming before the committee on this important matter.

Mr. David Christopherson (Hamilton Centre, NDP): A point of order, Chair.

The Vice-Chair (Mr. Mark Holland): Yes?

Mr. David Christopherson: For clarity—not because I'm advancing anything, but I want to be clear—the motion that was carried in the House yesterday was directed to this committee. Could I get some guidance on the priority rankings of issues, given that it was the House that sent it?

The Vice-Chair (Mr. Mark Holland): Thank you for the point of order, Mr. Christopherson.

I've been advised by the clerk that the order of precedence that item would take is essentially up to this committee. It would be within the purview of this committee to deal with that matter at the time it sees fit.

We would require quorum to do that, and quorum is not present at this point. I do not believe we have quorum in this room; we have reduced quorum, which is suitable for hear witnesses.

I'm being referred to a section in the minutes of proceedings that states:

That the Chair be authorized to hold meetings to receive and publish evidence when a quorum is not present provided that at least three (3) members are present, including a member of the opposition.

—which is what we have now. So we can both hear and receive evidence, but we're not in a position without quorum to pass motions. Quorum would be seven, so until we have seven we wouldn't be able to pass any resolutions. But if it were the will of committee, if we had quorum to deal with that particular item, then it would be within the power of this committee to do so.

Mr. David Christopherson: That leaves a couple of questions, but none that I have to pursue. That's fine; I'm ready to go forward.

The Vice-Chair (Mr. Mark Holland): Mr. Carr, are you on a point of order?

Mr. Gary Carr (Halton, Lib.): Yes, it's on the same point of order, and I apologize to Madam Fraser. I know she went through this before, and I apologize.

Just very quickly, has there been any information shared with us and passed to us from the opposition about what is happening and why they haven't shown up?

The Vice-Chair (Mr. Mark Holland): As the member is aware, we can't refer to anybody's absence in a particular meeting, but I can say that there has been no such communication at this point in time.

Madam Fraser, thank you so much for coming before us.

Ms. Sheila Fraser (Auditor General of Canada, Office of the Auditor General of Canada): Thank you, Mr. Chair. We thank you for this opportunity to present the results of our audit of passport services. With me today is Paul Morse, the principal who was responsible for this audit. In this audit we examined whether the passport office has effective control over the issuance of passports and whether it has achieved reasonable levels of service at a reasonable cost.

We found that the passport office is struggling to meet increasing security expectations and demands for responsive service. While we found that the initial training provided to passport examiners in Canada is comprehensive, we noted some problems with the examiner function.

Examiners lack some basic tools to perform their duties. Certain employees without the proper security clearance had access to critical assets, and there was poor control over access to the passport issuance system. There is no formal quality assurance system to ensure that examiners are making proper entitlement decisions.

Examiners rely on information originating from other sources for proof of identity and citizenship, such as birth certificates from the provinces and citizenship certificates from Citizenship and Immigration Canada. Currently there are no direct electronic links to provincial bureaux of vital statistics or to Citizenship and Immigration Canada that would allow them to quickly verify the data on a birth or citizenship certificate.

• (1545)

[Translation]

Under the leadership of Foreign Affairs Canada, the federal-provincial Council on identity completed a framework document in the spring of 2004 to establish a consistent approach to verify identity across jurisdictions. At the time of our audit, the Council was waiting for approval of the framework. Such a framework is considered necessary to the development of a national routing system that would allow electronic authentication of foundation documents.

Under section 9 and 10 of the Passport order, the Passport office has discretion to refuse or revoke a passport to persons who are charged with crimes, serving sentences, or on parole. We could not find any documented criteria for making those discretionary decisions.

In addition, the Passport Office watch list contained only about 2,000 names of persons in those categories. The current watch list is of limited value, as it is incomplete. The Passport Office has not found a way to gain automated access to these important data, such as through electronic links to other government departments' data bases.

We also observed significant weaknesses in how the Passport Office handled the investigation of sensitive cases such as passport fraud. The office lacked an effective case management system and had little oversight related to this important activity.

The control over issuance of about 100,000 passports at missions abroad presents several risks. Consular staff typically receive only two days of formal training, compared with four weeks of classroom training and twelve weeks of mentoring provided to domestic examiners.

The Passport Office has not analyzed which of its different delivery methods are more desirable. Its costs have been rising and productivity has been falling. It needs to balance issues of cost, service, and security.

The Passport Office charges user fees for passports. In 2003-04, it collected \$158 million to fund its operations. In addition, \$54 million in consular fees was collected and deposited to the Consolidated Revenue Fund.

[English]

In our view, the passport office has not met the ongoing requirement to identify and explain clearly to clients why services are delivered in the manner they are, how charges are determined, and how costs are controlled.

Mr. Chair, the passport office needs to carry out a comprehensive risk assessment of its operations and closely monitor its April 11, 2005, action plan. Many of the issues we raised are under the control of the passport office. Other issues, however, require the cooperation of other federal or provincial government departments. The committee may wish to ask officials from the passport office and Foreign Affairs Canada the following questions.

What level of resources and monitoring are Foreign Affairs Canada and Passport Canada committing to the April 11 action plan?

What is the timeframe to establish a framework or an operational system across jurisdictions to verify identity, and what is the risk of failure of such an undertaking?

Does Foreign Affairs Canada expect the buy-in of other key players, such as other levels of government and other government departments?

What progress has been made in the electronic sharing of information with entities other than Correctional Service Canada, and have operational targets been set for when links will be in place?

Finally, what is the timing for implementing a better cost system?

Mr. Chair, this concludes our opening statement. We would be pleased to answer any questions the committee may have. Thank you.

The Vice-Chair (Mr. Mark Holland): Thank you, Madam Fraser.

We'll now go to Marie-Lucie Morin, the associate deputy minister of Foreign Affairs.

[Translation]

Ms. Marie-Lucie Morin (Associate Deputy Minister, Foreign Affairs, Department of Foreign Affairs): Mr. Chairman, members of the committee, thank you very much for the invitation to brief you today on Passport Canada's response to the Auditor General's April 2005 Audit of Passport Services.

As you know, the Canadian passport is one of the most widely respected and trusted travel documents in the world. Because of the positive international image retained by Canada globally, and because of the integrity of the Canadian passport issuing system, Canadian citizens and their passports travel as tourists to a majority of countries around the world visa-free. At Foreign Affairs Canada we want to maintain their confidence in this important document, and it is in that spirit that we welcome the observations of the Auditor General.

The events of September 11 have undeniably much heightened the focus on the security of travel documents and have put a lot of additional pressure on all passport-issuing authorities around the world to establish more clearly the identity of passport applicants. This has thus become a priority for all like-minded countries.

Mr. Chairman, in the four years since September 11, Western countries saw exponential increases in the volumes of passport applications as their nationals, including in Canada, came to see the importance of holding a passport. Of course, Canada has been no exception to this increase. In this last fiscal year, we have issued more than 2.7 million passports compared to the 1.7 million issued in 2000-2001. At the same time, however, Passport Canada fully realized the importance of building a new and secure foundation for the determination of identity and the issuance of a travel document.

I'll review briefly some of the actions already taken by Passport Canada in response to this new environment.

•(1550)

[English]

We have put in place stricter procedures for determination of identity. In addition to either birth or citizenship certificates, Canadians must now present two documents when they request a passport. One must have their signature, the names of two references, the name of a guarantor, as well as the signature of this guarantor on the back of the photograph. Together with the Province of Quebec, we've also ended the acceptance of baptismal certificates as documents that are acceptable.

[Translation]

Passport Canada must also meet new international standards. We must maintain Canada's reputation as a cooperative, collaborative partner on global travel and security matters. Mr. Chairman, Passport Canada has a strong voice on global interoperability issues and the work done by our Agency secures our reputation as a leader in using advanced technologies.

In the wake of September 11, we introduced a policy to check 25% of all guarantors, and 100% of all guarantors for citizens wishing same-day service.

We have introduced enhanced security features into a newly designed passport book. Now, as you may have seen, the photo is formed into the laminate. There is also a "ghost image".

We will soon repatriate the printing of passports at our missions abroad to ensure that passports are printed securely at our production facility in Canada and that, as a result, Canadians will receive the same high-quality and universally, machine readable travel document.

To ensure consistency in service to Canadians and consistency in the application, we begun working to implement a Quality Assurance System for both domestic passport issuing offices as well as Canadian missions abroad. This system will ensure continuity and consistency in the application of eligibility policies and procedures.

At Passport Canada, we are also working with the Consular Bureau to deal with this training issue raised in the Auditor's General report.

We have responded well to the challenges of the September 11, 2001 events but we acknowledge that we can and will do better.

With your permission, I would now like to ask my colleague, Ms. Doreen Steidle, the CEO of Passport Canada, to review in greater detail how the Agency is responding to the Auditor general's report.

Thank you.

•(1555)

[English]

The Vice-Chair (Mr. Mark Holland): Thank you, Madam Morin.

I will now turn to Doreen Steidle. Ms. Steidle is chief executive officer with Passport Canada.

Ms. Doreen Steidle (Chief Executive Officer, Passport Canada): Mr. Chairman, members of the committee, thank you for the opportunity to address you today and to answer any questions you may have about the contents of the Auditor General's report on passport services, as tabled in the House on April 5, 2005.

As the CEO of Passport Canada, I'm here to assure you that we take the observations of the Auditor General very seriously. This was a rigorous and intense exercise that has produced some commendations in terms of the work we have achieved to date and identified some deficiencies to be addressed.

Those that we could address relatively quickly have already been completed. Those that will take longer timeframes to complete have been identified and launched. The integrity of the passport issuance process and how it is perceived by Canadians and border authorities around the world is of the utmost importance to us.

As a result, I would like to table our action plan to this committee and, in the question and answer session to follow, address any specific and outstanding concerns you may have about the audit findings or our response.

Mr. Chair, should we table the plan now?

The Vice-Chair (Mr. Mark Holland): Yes, I would appreciate it.

Ms. Doreen Steidle: As you'll be aware from your reading of the audit report, Passport Canada is a special operating agency of Foreign Affairs Canada. We're a self-financing organization that operates under a revolving fund, with revenues generated from fees charged to applicants. We receive no parliamentary appropriations and there is no external source of funding.

The financing of both security and service improvements is always dependent upon an increase in revenue. In some cases this might be achievable through increases in volume. Equally, investments must continue to be made not only in improving client service, but in passport integrity and security. Canadians do not want to stand in line for hours before they are served. They also don't want to wait four months to receive a passport, and as a result, we must continue to make investments in serving Canadians better in the ways in which they want to be served.

I'd like to assure you that our objective is to improve security without reducing the level of client service. We don't accept or believe that security and integrity should come at the expense of client service. But how will we do so? First, we will address the observations of the Auditor General over the short, medium, and long terms. We have already extended an invitation to the Auditor General's team to visit us again as part of a follow-up audit to measure our progress. We are determined to make the changes she has identified.

Second, we're working on a number of initiatives outside of those identified by the Auditor General, as needed, to enhance passport integrity. We've concluded an administrative arrangement with CIC, Citizenship and Immigration Canada, that will reduce the notification time between the time a decision is taken on a citizenship renunciation or revocation and the time this information is entered into our database. We've signed a memorandum of understanding with Correctional Service Canada that will provide us with data on 20,000 offenders, along with a daily electronic update.

Passport Canada has also moved over the past year to strengthen the legal framework within which it operates. In September 2004, three amendments to the Canadian Passport Order were brought into force. These amendments are a significant step in further strengthening the security of the issuance process.

The first amendment provides for the Minister of Foreign Affairs to refuse and/or revoke a passport on the grounds of national security.

The second amendment provides Passport Canada with the authority to convert information provided by an applicant into a digital format—in other words, to allow Passport Canada to introduce a microchip in a passport, also known as an e-passport, that will contain the same information as we currently see on page 2 of a Canadian passport. This chip will provide a definitive link between the bearer of the document who appears at a port of entry and the person to whom it is issued.

The third amendment authorizes Passport Canada to introduce facial recognition technology within its data banks to ensure that we can identify cases of multiple identity and fraud.

Last year the Auditor General reported that 25,000 Canadians report their passports lost or stolen every year. She observed that backlogs existed at Passport Canada such that the details of these passports were not provided to the Canadian border in a timely manner. As the Auditor General positively noted, I am pleased to advise the committee that not only have these backlogs been cleared, with the result that real-time data is being shared with the Canadian Border Services Agency, but in the past year Passport Canada has also signed memoranda of understanding with CIC, CBSA, and Interpol via the RCMP to share this information. As a result, Canadians who have reported their passports lost or stolen can be assured that criminals and terrorists are not travelling on their documents.

We recognize that we have work to do internally on our own processes and procedures. Because of the Auditor General's observations, we've reviewed access to our passport-issuing system. By conducting a thorough examination of access to our system, I can confirm that only those employees with the proper authority may order the printing of a passport. Passport blanks are kept secure at all times in vaults, often with a biometric lock. Print centres at each passport office have dedicated employees, and access to them is limited to only those who should be working in those areas. Passport Canada and the RCMP working together will prosecute cases of internal malfeasance to the fullest extent of the law. We are a zero-tolerance organization where malfeasance is concerned.

When we discuss the issues of criminals and criminality, I'd just like to draw the committee's attention to the observations of the Auditor General regarding sections 9 and 10 of the Canadian Passport Order. I'd like to take this opportunity to pass out the complete order to committee members to review. If you have it in your kit.... I'm not sure if you do. If you would look at section 6 of the Canadian Passport Order, it states that all citizens applying for a passport "shall" provide either a birth certificate in the case of citizens born in Canada, or a citizenship certificate in the case of those citizens born outside Canada.

● (1600)

In this instance, "shall" really means must. Passport Canada has no discretion on whether to waive this requirement in the normal process. One or other of these foundation documents must be provided.

In contrast, sections 9 and 10 of the Canadian Passport Orders state that Passport Canada "may" refuse a passport in certain cases. There are, practically speaking, very few Canadians who are not entitled to a passport. Canadian citizens are generally entitled to a passport, unless they're a national security risk, have used their passport to assist them in the commission of an indictable offence, have been convicted of a passport-related offence under section 57 of the Criminal Code, have been charged with the commission of an indictable offence, are offenders—either in jail or on parole or on probation with travel restrictions—or are wanted for arrest.

The question then is, if Passport Canada "may" but not must refuse applicants in these categories, is the onus on Passport Canada to seek out information on criminality by asking every Canadian on their application form if they fall into one of these categories, or is it more reasonable to expect that law enforcement officials would provide this data?

There's no question that Passport Canada can and will be much more proactive in obtaining offender data. However, Passport Canada is not a law enforcement agency, although we are in the business of verifying identity.

While we understand the observations of the Auditor General on criminality, and although we've thoroughly discussed the various interpretations of sections 9 and 10 and their implications with the Auditor General's team, it seems to us that greater clarity with regard to roles and responsibilities is required, possibly by an amendment to the passport order or possibly as issues to be considered should Parliament ever debate a passport act.

As members of the committee are aware, issuing a passport is essentially at the end of a continuum of information. The security of our passport is based, in large part, on the security of other documents on which we must rely in order to determine eligibility and identity. The foundation documents required for determining identity, which are birth and citizenship certificates, as well as the information for determining entitlement, such as criminality, reside with other federal and provincial government departments. Backlogs in the issuance of identity documents result in backlogs in passport issuance.

Given the volume of passport applications—15,000 per day at peak season, with a record 2.7 million passports issued in the fiscal year 2004-05—it's clear that the solution to verifying identity, whether with a federal or a provincial government department, is electronic.

As noted in the Auditor General's report, Passport Canada has been leading the effort to develop a comprehensive national approach to how we identify individuals seeking government services. As you know, Canada has an implicit, rather than explicit, identity policy—"the card's in your wallet" approach to identity. But as we know from the many cases of identity theft reported in this country, this approach is no longer good enough. We cannot have a system whereby a passport is produced as supporting documentation to get a driver's licence, which is, in turn, produced to get a passport.

Working with our colleagues at both levels of government, we've developed an identity policy framework, based on the concept of foundation events. A citizen is either born in Canada or arrived in Canada, and those events should form the basis of a series of life events that can be used as benchmarks against which identity can be confirmed.

In the end, we must all realize that without relying on a biometric identifier, such as fingerprints or an iris scan, it's not possible to confirm someone's identity with 100% assurance. This is an observation that the Auditor General has made. Risk management is an essential element of identity confirmation. Judgment, balance of probabilities, and a work environment where security is the predominant value are all central to issuing passports only to correctly identified individuals.

There are several challenges ahead for Passport Canada, as we prepare ourselves for further volume increases that are likely to come our way in the next few years, should the U.S. government proceed with its western hemisphere initiative. We must prepare our infrastructure to address these volume challenges, while leveraging technology to facilitate front-end client service, while enhancing back-end security. We must also find a way to finance the work to be done, as identified by the Auditor General, without raising the passport fee, closing our offices, or laying off our staff. We believe the current special operating agency framework needs to be revisited to provide flexibility and funding arrangements to our agency, and with Treasury Board, we're exploring ways to do so.

Mr. Chairman, and members of the committee—I'm wrapping up.
•(1605)

The Vice-Chair (Mr. Mark Holland): You're only short about one paragraph, and we do have a vote that's occurring in the House

of Commons, so the business is being interrupted by that. I'm deeply apologetic for that being the case.

I'm very appreciative of your taking the time to give us your intervention today.

And to all the witnesses, I'm sorry that we're going to have to cut things short. I hope and suspect....

Madam Fraser, do you have a question?

Ms. Sheila Fraser: I would like to have clarification. Are you just suspending the hearing while the vote is taking place, or are you putting an end to it?

The Vice-Chair (Mr. Mark Holland): I suspect it's a question of the length of the vote.

Mr. Lastewka, do you have a suggestion on that?

Hon. Walt Lastewka (St. Catharines, Lib.): I'm very conscious of the time and cost to have people away from their offices, having to wait for the meeting to continue and not knowing what's happening, because so many of our opposition members are not here. I want to thank Mr. Christopherson for being here.

I'm really concerned this is just going to be a delaying tactic, and my recommendation is that we reschedule the meeting to another date. I don't believe we should be holding everybody ready here just in case we come back. That's a waste of time and money.

The Vice-Chair (Mr. Mark Holland): Again, I would caution members against referencing the absences of other members.

What I will say is this. I think, given the nature and dynamic of today, and given the fact that we have had an opportunity to hear from each of the witnesses and receive that information, what we'll do is take this back to committee and consult in terms of the need to proceed further with questions. I don't think, given the nature of how long the vote could take at this point in time, that it necessarily makes sense to come back, so I'm going to be prepared to rule in that manner.

First, Mr. Wrzesnewskyj, you have a question?

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Yes. I'd just like to quickly table a notice of motion—

The Vice-Chair (Mr. Mark Holland): I'll come to that in a second.

First, is there anything further on that, Mr. Christopherson?

Mr. David Christopherson: Yes. Just to put my two cents in, I concur. I think, for a whole host of reasons, just holding up folks is a lot of expensive time here, and we don't know whether we're going to get back in time. Let's make it clear. This is not because of any actions or inaction on the part of any members of this committee; this is because of the dynamic happening in the House. I think we're just being prudent in this case, so I think that would be the right ruling, Mr. Chair.

The Vice-Chair (Mr. Mark Holland): Let me take this opportunity then to thank the witnesses for their interventions today. They have been most helpful, and we appreciate all the information you've given us. We regret not having the opportunity to ask you questions at this point in time, but nonetheless we do appreciate your time today. Thank you so much.

Before I entertain a motion to adjourn, I'm first going to turn to Mr. Wrzesnewskyj, who has a motion he would like to table with this committee.

Mr. Borys Wrzesnewskyj: Yes. I'd like to table a motion that pursuant to Standing Order 108(3)(g), the public accounts committee recommend to the House by way of committee report that the Auditor General of Canada be authorized to perform a special

examination of all Canadian airport authorities as if they were parent crown corporations, as defined in part X of the Financial Administration Act, and that for the purposes of the examination, the Auditor General of Canada have the power of an examiner as set out in part X of the Financial Administration Act.

● (1610)

The Vice-Chair (Mr. Mark Holland): That motion, as I understand it, will be coming before the committee on Monday. It is deemed to be tabled.

I will honour a motion to adjourn. It is moved by Mr. Christopherson.

We stand adjourned.

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