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Chair

Mr. John Williams

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•(0905)

[English]

The Chair (Mr. John Williams (Edmonton—St. Albert, CPC)): Good morning, everybody. I'm not sure if the orders of the day say the meeting is in camera or not, but just so that everybody knows, the meeting is in public.

It will be a short meeting today. The clerk is having difficulty in lining up meetings. As you know, we just came back last week and are getting things going. We couldn't get the Department of Natural Resources arranged until November, and the passport office is on October 20. The clerk was unable to arrange for witnesses, with the change in time, with the Auditor General's Office, with the departments, and so on. It was just not possible for her to be able to bring it all together for a meeting today, but this is our regular time and we have one or two little things to do.

Just so you know, the week after we come back from the break, on October 18, it is to be confirmed, but we're trying to line up as witnesses the Honourable Reg Alcock and Mr. Alex Himelfarb from the Privy Council to deal with the ninth report on chapters 3, 4, and 5 of the November 2003 report. And as we approved the other day, on October 19 there will be a luncheon hosted by the committee for a delegation from the national audit office of China. I think that's all under way. That's going to be in Room 340-S, which is up in the corner of the cabinet rooms. It might not be one of the best rooms, but it's the only room that's available, so we have to go with that.

We're talking about dealing with the passport office on October 20, and then, to be confirmed, on October 25 dealing with the tenth report of our committee on governance and accountability—again, if we can line up the witnesses at that point in time. Then on November 3 we would deal with natural resources, and of course along the way we're expecting an Auditor General's report, and that will start a whole new round as well.

Are there any questions on that?

The next item I want to raise—this has been distributed—is that there's a conference in Ottawa on November 15, down the street at the Fairmont Chateau Laurier, “Responding to Gomery: The Future of the Public Service of Canada”. This would be after the first Gomery report has been tabled, but it's not going to be dealing with governance. The second report is going to deal with governance, and that is not expected until around February 1 next year. But since it's dealing with the future of the Public Service of Canada, I wonder if it's appropriate that the public accounts committee talk about the two reports that we have tabled in the House of Commons. The registration is \$545. I was wondering—and I want to get the feel of

the committee—if you thought it was appropriate that the chair ask for an opportunity to speak at that conference and to present the two unanimous reports that we presented to the House of Commons.

Is there any comment?

Hon. Shawn Murphy (Charlottetown, Lib.): I agree with that.

The Chair: Mr. Lastewka.

Hon. Walt Lastewka (St. Catharines, Lib.): I was going over the agenda, and I thought it would be good for members of this committee to attend the conference. I'm sure we could get more out of that conference than we would out of some committee meetings.

The Chair: It's \$545. There's no problem with that, but even though it's only two blocks down the street, we'd have to treat this as committee travel. Therefore—

Hon. Walt Lastewka: Why?

The Chair: Those are the rules. If you're off the Hill, it's committee travel, and we have to go through the liaison committee and all that stuff. We can't approve it out of our own budget.

But that's not the point. The point is, I didn't think the committee should go, but I did think as many committee members should go as committee members. Are there any comments on that?

Therefore, should we apply to the liaison committee to purchase enough registrations for everybody who wants to go?

Hon. Walt Lastewka: I think we should.

The Chair: Okay.

Hon. Walt Lastewka: But I don't know. I'd like to hear from other people. Too bad you can't share, because you could pick out—

The Chair: Mr. Wrzesnewskyj.

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): On the \$545 fee, just out of curiosity, I assume that if you were going there, you'd be speaking. Considering the vast knowledge that you bring to the table on these issues, perhaps they would consider—just like any speaker at a convention—paying you to speak, as opposed to you having to pay to speak. Is there an opportunity to have that fee waived?

•(0910)

The Chair: The clerk can investigate to see if anybody who is speaking would have the fee waived. That would be entirely up to the conference organizers.

Because it's not too far away, the concept is that if any member of this committee felt they would like to go to the conference on November 15, we will seek approval for the House to pay the \$545 registration fee.

Hon. Shawn Murphy: It's a one-day conference.

The Chair: Yes, it's a one-day conference.

Any other comments on this side?

Mr. Kramp.

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): I'll go on record as saving the committee some money. I will not be attending that day. I already have other commitments.

I can certainly see the benefit of attending a conference like this. We should at least have representation, in addition to the chair, from each party in the House. From a member's standpoint, we definitely should have representation so that we can share the happenings of the event.

The Chair: So you would support a motion that we pay the registration of those who would like to attend.

Mr. Sauvageau, s'il vous plaît.

[*Translation*]

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Chairman, here's an idea. I suggest that we start by thinking it over at least until the next meeting and have an opportunity to respond later. I'll take Mr. Kramp's suggestion under advisement. I haven't even discussed the issue with my friend, Mr. Boire, who's right beside me. At a cost of \$545, perhaps we should consider one pass per party, or at the very least, before we officially register all committee members, we should ask who may be interested. If we buy 11 or 12 passes for this meeting and only five members go, it would be unfortunate. So it should be either one member per party or at the very least we should look into the attendance issue.

[*English*]

The Chair: Mr. Christopherson.

Mr. David Christopherson (Hamilton Centre, NDP): I appreciate that perhaps the larger caucuses can afford to send somebody for a whole day. Perhaps another option would be to send a staff person and ask for a report from them on the essence of what came out of the day. Otherwise, to be fair, it creates a disadvantage. It's a lot easier if you've got a hundred-and-some-odd members, rather than 19, who could be there.

We won't have anyone there if we do this. I can tell you that straight up. I certainly don't have a whole day to put to anything, let alone a conference.

So I leave that thought out there, Chair. Thanks.

The Chair: I'm not too sympathetic to paying for staff, but I can assure you that our research staff apparently are registered to go. Therefore, we would have a full report from them.

Mr. David Christopherson: That's sufficient for the NDP, Mr. Chair.

The Chair: It seems to me there's a desire that for those who want to go we seek funding at \$545 per person.

Is there any further debate?

Mr. Lastewka.

Hon. Walt Lastewka: I would like the clerk to show me where it is that it has to be called travel when you attend a conference. Not right now. But I would like to bring that up at the Board of Internal Economy.

The Chair: You can deal with that issue outside the meeting, because the clerk advised me that as soon as you're off the Hill—even if it's six inches—a committee has to apply for travel authority.

So the committee seeks permission to attend the IPAC conference, "Responding to Gomery: The Future of the Public Service of Canada", and that the necessary staff accompany the committee. Is that agreed?

(Motion agreed to)

The Chair: So that will start the process working, and, hopefully, since we're not going too far, they might see the way to approving it.

Mr. Fitzpatrick, do you have something?

Mr. Brian Fitzpatrick (Prince Albert, CPC): On a point of clarification, would we bypass a committee meeting on that day? Everybody's going to be at that conference.

The Chair: On the morning of Tuesday, November 15, yes, the chair will be at the conference, so perhaps we'll agree that we'll cancel that meeting then. Is that agreed? Okay. There will be no meeting on November 15.

The only other business I think I have before us is the motion by Mr. Sauvageau.

Mr. Sauvageau, you have the floor.

• (0915)

[*Translation*]

Mr. Benoît Sauvageau: Obviously, I think that we could ask for a vote immediately and that it would be unanimous. I will however take a few moments to introduce the motion, if you'll allow that. I will reread the motion and will try to explain to you why the committee should consider it.

Pursuant to Standing Order 108(3)(g), which gives the Public Accounts Committee the mandate to review the public accounts of Canada, Benoît Sauvageau proposes: that the committee undertake a review of reporting by non-profit institutions and agencies having received transfer payments and that it issue a report on it, including the contributions paid to the Canadian Unity Council and Option Canada.

One of the committee's mandates is to study the public accounts report we have before us, which was tabled last Monday. If you look at page 521 of the report, under Contributions to Non-Profit Organizations, Contributions in support of the Information and Research on Canada Program, \$4.3 million were disbursed according to the public accounts. On this point alone, the committee's mandate is wholly to consider public accounts' expenditures, including contributions in support of the Information and Research on Canada Program. Some colleagues may say: why this particular budgetary item amongst the thousands of other items in the public accounts? To that very relevant question I would answer, and I hope it will be just as relevant: there have been two internal audits carried out by the Department of Canadian Heritage specifically on these two programs. This is why I was asking questions during the committee's last meeting with Treasury Board and the Auditor General on the issue of accountability, which we've been considering for several months.

How is this accountability ensured when there is a transfer between a department, such as the Department of Canadian Heritage and a third party such as the Information and Research on Canada Program? In both evaluations, one formative evaluation and one program audit, statements are made regarding major gaps in accountability in both internal investigations published in 2004. It was also said that there seemed to be few links between program goals and the use of funds by the Centre for Research and Information on Canada. Mention is made of a funds intended for the Centre for Research and Information on Canada being diverted to the Canadian Unity Council. There's a low level of accountability, a covering-up by the Canadian Unity Council of the source of federal funding, and useless work being conducted by the Centre for Research and Information on Canada.

In taking a closer look at both reports, we note that only \$276,000 out of a total of \$4 million granted to the research centre were actually spent on research, in other words 7 per cent of the total amount, whereas 93 per cent of the \$4 million were used for other purposes. The Centre for Research and Information on Canada reduced the amount of money for research by 26 per cent without advising the Department of Canadian Heritage that it had done so. Those who have carried out the evaluations seem to believe that the Centre for Research and Information on Canada may be receiving too much money. Moreover, CRIC employees inflated amounts spent on research by adding travel and accommodation expenses. Both reports refer to the funnelling of money from the Centre for Research and Information on Canada to the Canadian Unity Council. As far as I'm concerned, the most important point in the report is the following statement:

Today, the Centre for Research and Information on Canada is accountable to the Department of Canadian Heritage, and reports to the department either in person or by phone on a regular basis.

● (0920)

I can't see how, either for the Auditor General or Treasury Board, the idea of reporting by phone through a third party could ever be acceptable - we've seen what happened with Earncliffe concerning verbal reports not being accepted.

The report also mentions that the CRIC's research is not really affecting Canadians. In fact, the results of meetings would seem to indicate otherwise.

Stakeholders are generally in agreement in stating that CRIC activities have had a limited effect within Canadian Heritage.

So you see, in a nutshell, Mr. Chairman, why I believe the committee should support this motion. First off, it is 100 per cent within the committee's mandate to do so. There has to be a relationship between accountability in theory and the practice of auditing one particular program, which would be completely legitimate and important. It is in these 2005 public accounts documents that were tabled. We have two internal audit reports, which have been made public and which I circulated to my colleagues. This program in particular is suffering from major flaws involving accountability.

The motion states "including the contributions paid to the Canadian Unity Council and Option Canada". This means that further to the study, if we realize other programs should be assessed, the motion would allow for doing just that. I wouldn't want these two cases to go unnoticed, the main reason being that we have two internal audit reports here. I hope I have managed to convince you, and I welcome your comments.

[English]

The Chair: The clerk advises me that the motion is in order.

Debate.

Mr. Holland.

Mr. Mark Holland (Ajax—Pickering, Lib.): Thank you, Mr. Chair.

I appreciate Mr. Sauvageau's concern in this regard. I have two specific problems. The first problem is, the Auditor General has never raised this as an issue or as a matter of concern. I appreciate that you have some concerns with some audits that were done in 2004. But the reality is that this has not been raised by the Auditor General in any way, shape, or form.

My suggestion would be, if you have a concern, there will probably be support from the committee to ask the auditor to take a look at this, if this is an area that you want probed. The idea of this committee, on its own.... Mr. Chair, you can correct me—I've only been here for a year, and in that period of time I don't recall us having gone after something the auditor hadn't referenced. We may have talked about things that we thought she should examine, but I can't think of us going off and doing our own independent research and work outside of a concern the auditor has stated.

The Chair: If you're asking for a response, it's not something that we normally do. As you know, we normally respond to the audits of the Auditor General. We also, as you know, can pass a motion asking the Auditor General to investigate a particular issue and report back to us. I do remember some number of years ago we actually did investigate on our own the issue of moving costs by the Government of Canada.

Since the motion is within the reference of the public accounts, the methodology of how we address it is not spelled out in our mandate. That would be for us to determine.

Mr. Mark Holland: Thank you.

I simply would submit to you that I think we would be better served to refer matters of concern to the auditor, simply because she has infinitely more resources than we do. We will spend triple the time and an enormous amount of energy without being properly resourced in order to do this.

If the intention is that instead of using the auditor's staff, we use our own research staff, the reality is that we've given them a rather monumental task to do already, which I think they're going to be somewhat stressed to complete in the motion that we just passed last week. If we add even more to that burden now, I think what we will simply do is find ourselves not getting much of anything done. We have a very compacted timeframe under which to get a lot of work done. We have a lot of issues that the auditor has already said she has concerns with that we haven't had opportunities to deal with that we would all agree are very important and want to see get done. We have to be careful how much we're throwing into the mix and how we're throwing it there.

Again, I would simply state to Mr. Sauvageau that if there's a concern, I think that concern would be best referred to the auditor.

The Chair: If I can respond to your point, Mr. Holland, our research staff do not have investigative powers. Therefore, they couldn't conduct the investigation on our behalf.

• (0925)

Mr. Mark Holland: No, but no doubt there will research required to conduct an investigation.

The Chair: Well, that's for the committee to decide, if we approve the motion. My point was that there's no direction on how we do these things, but I can assure you that our research staff here certainly don't have the authority to do it on our behalf.

Mr. Mark Holland: Who is our investigative team? Do we have a Colombo among us?

The Chair: Our research team is the Auditor General of Canada. She is our eyes and ears. She has the investigative authority and all the authority she needs to go in and look at documents, to demand access to documents and so on.

Mr. Murphy.

Hon. Shawn Murphy: Thank you, Mr. Chairman.

In principle, I don't have any problem with the resolution. I'm still at a little bit of a loss as to how this is going to work. It is unusual for the committee...although that's not a reason for not doing it.

So this would be the committee itself doing this review and investigation, or would the motion take the form of requesting the auditor to do it and report back to us? If so, we have to bear in mind that the auditor can always say no.

The Chair: The auditor will normally, I understand, accept a recommendation by a committee that she investigate a particular issue as an instruction. Now, as I say, it's not legislated that it's an instruction, but she normally considers that to be an instruction.

Mr. Sauvageau has not set that out in his motion. I can't speak for Mr. Sauvageau, so perhaps I will ask Mr. Sauvageau if he can explain to the committee how he envisages the committee proceeding.

[*Translation*]

Mr. Benoît Sauvageau: I believe that Ms. Kingston is better placed than I am to talk about committee procedure. However, the motion is first determined to be in order. Then we can wait and see whether the Auditor General does the investigation, but that is not the point of the motion. The motion does not mention an investigation. We know that the results of any investigation by the Auditor General—and this is not a criticism, but just a recognition that investigations take time—would come to us in one, two or three years. The Office of the Auditor General can correct me if I am wrong.

The motion is calling on the committee to undertake an accountability study. To my knowledge, the governance study was not undertaken in connection with a chapter of the Auditor General's report. The idea was to take a more in-depth look at the whole issue of governance. So it was not an investigation. The motion is in order, to begin with. The committee's mandate is certainly to review the Auditor General's reports, but for the benefit of my colleagues—and I do not mean this ironically—the name of our committee is the Standing Committee on Public Accounts. The report that I am talking about is the Public Accounts Report. It somehow seems to me that there needs to be a bit of a link or a definite link between our committee and public accounts.

We do generally consider the recommendations in the Auditor General's reports. But the committee is also charged with studying the public accounts. Once a year, we can invite people from the Office of the Auditor General and the Treasury Board Secretariat to talk to us about the public accounts and tell us whether the results are satisfactory, somewhat satisfactory or less than satisfactory. We thank them very much and tell them that we will see them next year, like people do with their families at Christmas parties. However, I think that we can go further and decide that it is also within our mandate to review the public accounts reports and to do this review because it is part of our mandate.

[*English*]

The Chair: Mr. Carr.

Mr. Gary Carr (Halton, Lib.): My question is just regarding timing. I'm unclear about how many meetings this would take. Are we talking one, two, three, four, five days? Just looking at the suggested schedule, I think it's very important to know this before we bite something off. I know it says "undertake a review", but how many meetings would you see this taking up? And my open-ended question is, would that take away from the work we're doing with the auditor?

So what is your proposed schedule for this, Mr. Sauvageau?

[Translation]

Mr. Benoît Sauvageau: If you promise to vote in favour if I tell you that it will take three meetings, I can tell you that it will take three meetings. If I tell you five meetings and you all vote in favour, I can say five meetings. But it would take a minimum of two or three meetings. There are two accountability reports. Those two public accounts accountability reports come under our responsibility. That is why we would need a minimum of two or three meetings to hear witnesses explain how Heritage Canada could give \$4 million to an organization and handle the accountability over the telephone. If it does not bother the Liberals that accountability is once again being handled in this way, you can vote against my motion.

I know that Mr. Lastewka said that we needed to avoid partisan politics, and I support him completely in that. There should be no partisan politics. We need to make sure that the public accounts are managed properly. When \$4 million has been transferred and the auditing and accountability is done over the phone, I think it raises some questions.

I believe that it would take at least two or three meetings, Mr. Carr.

• (0930)

[English]

The Chair: Mr. Holland.

Mr. Mark Holland: First of all, I think it has been the general practice of this committee, and I think it's a good one, to follow up on matters stemming from the reports of the Auditor General. Governance was a perfect example of that actually, because it flowed out of the concerns with regard to Gomery. The Auditor General clearly pointed to the fact that there was a meltdown in the governance and accountability structure there, and I think it was incumbent upon us, then, to respond to the Auditor General.

The auditor has laid a lot of matters out in front of us. I think it's important that we deal with those matters, and frankly, this has not been an issue that has been outlined by the Auditor General. I think there's a way to deal with this, and that is to refer the matter to the Auditor General. Taking up two or three meetings with a matter that hasn't been raised by the auditor is a mistake. There's a way to deal with this and I think we should deal with it in that manner. Otherwise we're going to wind up heading in this direction, that direction, all over the place, with individual concerns. I've got concerns. I'm sure all of us have things we'd love to start going off on and exploring, but I think we need to channel it through the auditor and for her to be our conduit.

The Chair: Mr. Wrzesnewskyj and Mr. Allison.

Mr. Borys Wrzesnewskyj: On reading the motion, the first part of the motion talks about non-profit institutions and agencies having received transfer payments and it says it should issue a report. That's a pretty wide mandate. We're talking about a whole slew of institutions. In this motion, Mr. Sauvageau mentions two particular cases. What this motion entails, and I think it's quite valid...we should have reviews undertaken of non-profit institutions and agencies that have received funding. That's what he's asking for, but that would be a phenomenally huge endeavour. I don't know how many... I think at some point we had a list of all the non-profits that receive government funding, and that's what is being asked for here.

Do we start scheduling meetings with all the non-profits? This is a phenomenal task, and we really aren't up to that particular task here. I would assume that it would be a friendly amendment to say that the Auditor General perhaps look into this, and specifically into those two that are mentioned in the second part of the motion, and then report back to us on whether or not she feels there's a requirement to do an in-depth review of those particular cases.

We've got two separate motions in here that Mr. Sauvageau is getting at. The first part deals with something that's incredibly broad, and if we take that task on, we really won't get anything done.

The Chair: Are you proposing an amendment, Mr. Wrzesnewskyj?

Mr. Borys Wrzesnewskyj: Yes, that the Auditor General report back to us and... I'm not sure it could even be a friendly amendment, because I think there are two motions in here. From Mr. Sauvageau's comments, one is a review of non-profit institutions and agencies, which is a very broad task, and the second one zeroes in on two particular entities, the Canadian Unity Council and Option Canada.

If that's the true intent, then there should be a motion that just mentions those two entities and doesn't take on the first task, and perhaps we have the Auditor General expeditiously take a look at it and come back and tell us whether there are problems, and then she can do a full review.

The Chair: My question was whether you are making an amendment or not.

Mr. Borys Wrzesnewskyj: I can't make a motion as a motion on—

The Chair: You could amend the motion if you so desire. That's my point.

• (0935)

Mr. Borys Wrzesnewskyj: It's a pretty broad amendment, because there are actually two motions.

The Chair: I'm going on to Mr. Allison, Mr. Christopherson, and Mr. Sauvageau.

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Thank you, Mr. Chair. Actually, on Mr. Wrzesnewskyj's point there, I would like to propose an amendment. I too view it as two separate things. If the Auditor General is going to have a look at this, if that's the direction you want to take, it should just be on the non-profits. I don't believe we should centre on any particular organization. If there is something there that needs to come back, then maybe we could look at it at that point in time.

I don't believe we should be spending two or three days on this. We don't spend two or three days on anything else. We should spend a day, if that's the case, and if there's anything else that comes out of it at that point in time, maybe we could look at that.

So my amendment would say something to the effect that "the Auditor General undertake a review of reporting by non-profit institutions and agencies having received transfer payments and that it issue a report on it". It would delete the last part.

The Chair: Are you proposing that amendment?

Mr. Dean Allison: Yes.

Hon. Walt Lastewka: Could you repeat that?

The Chair: I think he said to delete “the Committee” and have it read “That the Auditor General undertake a review of reporting”. Is this what you said, Mr. Allison?

Mr. Dean Allison: Yes.

The Chair: It would read “That the Auditor General undertake a review of reporting by non-profit institutions and agencies having received transfer payments and that it issue a report on it”. That's what he said.

Debate on the amendment is the first issue.

Mr. Holland.

Mr. Mark Holland: I have absolutely no problem, Mr. Chair, with the motion. I think it's a good motion; it makes sense. My question is just simply a procedural one. Shouldn't we say “That the Committee recommend that the Auditor General” simply because we can't give direction to the Auditor General? I know it's a nuance.

The Chair: Mr. Christopherson.

Mr. David Christopherson: I want to pick up on a couple of points made by colleagues. I had this concern from the outset, and it was very much where Borys was. It's this whole issue that the motion started out by saying “everything” and then just had “including”. Even if it had said “specifically the contributions”...but it seems to me if these are the two concerns, we ought to just say so. Otherwise, we're generating a whole lot of other work to provide some kind of procedural camouflage. It's going to take up a lot of time, it's going to be very expensive, and I'm not sure where that gets us.

So it seems to me there are two questions. One is, do we want it to include everything or are we going to be very specific about these two? And the second one is, are we going to send it to the Auditor General? That's fine, but understand that that means—if I understand the process correctly—it could be upwards of a year before we hear back on this. Is that what the committee wants?

So really there are two questions. One, are we going to be very specific about what we're going to look at or are we going to take a shotgun approach? And the second question is, are we going to hand it off to the Auditor General, in which case we're looking at a year, or are we going to do it, which means we would be able to get at it within the next few weeks?

The Chair: Mr. Sauvageau.

[Translation]

Mr. Benoît Sauvageau: Everyone knows, and I will say it publicly, how much I appreciate the comments made by my friend and colleague Mr. Christopherson. On this point, Mr. Chairman, I can tell you that I agree with him 100 per cent. What I have clearly understood from Mr. Wrzesnewskyj's motion is that my motion is too broad. We can agree on that. So we need to ask the Auditor General to look at how reporting is done in not-for-profit organizations and institutions while the committee spends two or three meetings looking at reporting with respect to the contributions provided to the Canadian Unity Council and Option Canada. We have the two internal audit reports from Heritage Canada. We should avoid making the issue too broad.

Yes, for the thousands of foundations that might receive transfers, let us ask the Auditor General to look into the matter, while our committee, as Mr. Christopherson is suggesting, looks at the funding provided to the Canadian Unity Council and Option Canada. I have no objection to my motion being amended in that way. Thank you.

[English]

The Chair: Merci beaucoup.

Mr. Lastewka.

Hon. Walt Lastewka: The way the amendment was written, I agree with the amendment, except I wanted to narrow it down even a little bit more.

There are obviously procedures one way or another on how the non-profit institutions are supposed to be reporting. My suggestion would be that we ask—and it shouldn't take long—the Auditor General to review the procedures of reporting of non-profit institutions and have her come back to us on those procedures rather than going in and trying to investigate all the many non-profit....

I think I'm more worried about these questions: what is the procedure, is it the procedure we need in the world we live in today, and does the committee agree on it? Then if we want to go further, we can go further.

● (0940)

The Chair: If you read the motion and you look at it carefully, you'll see it does say “review of reporting”.

Number two, as we do know, the Auditor General has just been given some additional powers, but I think she still doesn't have much power to go beyond the envelope of the Government of Canada. She cannot audit the recipients of grants and so on; she doesn't have that power. Therefore, she would not be able to go into the non-profit agencies and audit what they've done with the funds.

So the motion, as I say, if you read it carefully, does not say she's going to investigate non-profit institutions; she's only going to look at the reporting of non-profit institutions to the Government of Canada.

Hon. Walt Lastewka: Okay, so it'll be included.

The Chair: Are you making any subamendment here, Mr. Lastewka, or are you leaving it as is?

Hon. Walt Lastewka: No, I'm going to support Mr. Allison.

The Chair: I have Mr. Sauvageau.

[Translation]

Mr. Benoît Sauvageau: I would remind colleagues, so that things are clear — because we need to agree on the same thing and vote on the same thing — that I agree with the comments made by Mr. Borys Wrzesnewskyj as well as those of Mr. Christopherson and Mr. Allison to the effect that the committee cannot look at reporting by all not-for-profit foundations. So the committee is recommending that the Auditor General look into reporting by those organizations.

However we have two internal audit reports here, and we have the mandate to study public accounts. So the committee can take one or two meetings to look at the foundations. Then we will see if there is enough material.

[English]

The Chair: I think, Mr. Sauvageau, you're veering away from the amendment. The amendment says that we deal with the Auditor General. If you want to deal with the two particular audits you have produced and have the committee look at them, we will deal with that after we deal with this motion.

[Translation]

Mr. Benoît Sauvageau: Can I move a sub-amendment or amend the amendment motion again to say that yes, I want...

[English]

The Chair: You may propose a subamendment, but you can't propose a re-amendment.

[Translation]

Mr. Benoît Sauvageau: It would be a sub-amendment that would say — we will decide on the wording later — that we are asking the Auditor General to review transfer payments to not-for-profit organizations and institutions. It would also recommend that the committee undertake a study of reporting by the Canadian Unity Council and the contribution program to support information and research programs on Canada.

So we would be doing our work, while the Auditor General did hers.

The Chair: One moment, please.

[English]

Monsieur Sauvageau, I've had some discussions with the clerk regarding the suitability of the subamendment. I do not believe your subamendment is in order. You may, after this motion is dealt with, introduce a new motion that deals with these two particular issues, the Canadian Unity Council and Option Canada.

Monsieur Sauvageau.

[Translation]

Mr. Benoît Sauvageau: If the motion is not in order, can you tell me how I could change it to make it in order? I will accept your advice on how to word it so that it is in order.

[English]

The Chair: Well, as I said, my recommendation to you would be to follow it up with a second motion after this one is dealt with. Or, if the amendment is defeated, then we're back to the original motion and then we can debate again the full motion. But we're dealing with the amendment of Mr. Allison: "That the Auditor General undertake a review of reporting by non-profit institutions and agencies having received transfer payments and that it issue a report on it".

That is the amendment; that is the debate. If that amendment carries, then reference to the Canadian Unity Council and Option Canada is deleted; if the amendment is defeated, then we're back to the original motion.

I have Mr. Christopherson.

● (0945)

Mr. David Christopherson: Thank you, Chair.

I'm sure I've just missed something, but would somebody please help me understand why we're looking at the broader issue of the reporting by all non-profit institutions? What is the catalyst for that? I understand the catalyst around the Canadian Unity Council.

The Chair: All I can say, Mr. Christopherson, is that's the amendment by Mr. Allison.

Mr. David Christopherson: Well, then, this is part of my concern. I've expressed this to Mr. Sauvageau from the beginning, and I think I said something very similar just a moment ago. If our concern is the Canadian Unity Council and Option Canada—and there's some evidence that would support an argument, in my view—fair enough. What I'm still not grasping is, what is the reason and the rationale for asking the Auditor General to spend valuable time and money reviewing all these broader reporting agencies? What's the catalyst?

That's why I was concerned earlier that it was part of a camouflage to get at the other two. If that's the case, Chair, my position is that I'm not going to send the Auditor General on a wild goose chase just to provide cover for something else. It makes no sense to me. So I don't have any reason to support that right now. I don't see a problem.

I will support a motion that talks about us taking a limited view of the Canadian Unity Council and Option Canada. I think there's evidence for that and I think that's supportable. I will not and cannot support the broader shotgun approach because I don't have any evidence to suggest it's warranted.

The Chair: Mr. Lastewka.

Hon. Walt Lastewka: I think Mr. Christopherson has missed one point. I tried to explain it a little bit earlier, but let me try again. I was concerned exactly as you were, that we were going to have this massive review of non-profit agencies.

I understand it as the review of the reporting procedure of non-profit institutions, not the review of non-profit institutions. That's why I thought putting in the words "reporting procedure" would clarify it better.

Mr. David Christopherson: Mr. Chair, may I ask, though, why? If we just walked into the room without the Canadian Unity Council and Option Canada being mentioned—they weren't even part of the discussion—what is the impetus for us to ask the AG to undertake this?

The Chair: I can't answer that question, Mr. Christopherson; it's not my motion. Therefore, I will ask Mr. Sauvageau and Mr. Allison if they would like to respond.

Mr. Allison.

Mr. Dean Allison: If the concern is accountability and reporting procedures across non-profits, then we should be looking at whether this is an issue not just with the Canadian Unity Council and Options Canada, but whether there is a broader issue of accountability. If out of that report we see that there are issues surrounding these two, then maybe we should drill down a little deeper. If it's an issue here, it could be an issue in other places.

The Chair: Mr. Fitzpatrick, then Mr. Sauvageau.

Mr. Brian Fitzpatrick: The observation I might have is that there are so many of these non-profit corporations with moneys going to them, and it seems to me we have almost a hodge-podge of reporting processes in place for all these non-profits on the accountability front. Maybe there's some value in having the Auditor General look at the whole area and make recommendations about how we make sure we get good value for our money at these non-profits and have good reporting systems in place. I don't see any danger in that.

The Chair: Mr. Sauvageau, s'il vous plait.

[Translation]

Mr. Benoît Sauvageau: Mr. Chairman, there appears to be a problem at Heritage Canada. The Canadian Unity Council and Option Canada are cited in two internal reports. I think that it would take at least two or three meetings for the committee to look into that. We could invite the Auditor General to one of those meetings to have her...

[English]

The Chair: Mr. Sauvageau, you are moving outside the intent of the amendment. If the amendment carries and the main motion as amended carries, there will be no reference in the motion to the Canadian Unity Council and Option Canada. I mention to you also that if you felt the committee should have hearings on these two items, you could bring that back as a separate motion.

● (0950)

[Translation]

Mr. Benoît Sauvageau: I will try to stay within the intent of the amendment, the sub-amendment or wherever else you want me to be. I think that there are two problems. First of all, there appears to be a problem with the Canadian Unity Council and Option Canada. We see that in the two internal reports.

Where I also agree with Mr. Christopherson is when he says that we must not ask the Auditor General to look at all the foundations. She needs to look at the reporting process for all the foundations. So there should be a reporting process. Whether we are talking about Option Canada or ACOA, what is this reporting process and is it being followed? I would not want the Auditor General to have to look into every not-for-profit institution and foundation; what we want her to do is to review the reporting process.

I would like the committee to spend one or two meetings on this issue. Then we will see whether we have enough material to move forward in dealing with the apparent reporting deficiencies at the Canadian Unity Council and Option Canada.

[English]

The Chair: Mr. Wrzesnewskij, please.

Mr. Borys Wrzesnewskij: I think there is real value in taking a look at the procedures. There's a huge amount of money being passed on to non-government agencies. If there are potential issues in one or two that are of particular interest to one of the committee members, that's probably an indication that there may be issues out there. Those all flow back to how we go about passing on those moneys, what the procedures are, and what kind of hodge-podge is out there.

We're talking about billions of dollars. There should be some sort of standardization. Each department seems to have their own particular procedure, but there should be a standard across government. I think that is what this particular amendment is getting at. That's why I'll be supporting it.

The Chair: Okay. The last word goes to Mr. Christopherson, because I think we've talked about this amendment long enough.

Mr. David Christopherson: Thank you, Chair, and I appreciate that.

I'm still not convinced. I haven't heard anything—and the mover of the motion, from what I could gather, is in agreement with what I said. So I'm even further perplexed why the rest of the committee would want to go on.

Again, what I'm hearing is that we should take a look at this because maybe there is a problem. If this motion hadn't been brought here, would we dream it up out of the clear blue and one day say that we want to look at this? There's no evidence; there are no problems.

We've got lots of issues where there is evidence, where there are lots of problems. I don't see that we should go on a fishing expedition, and that's all it seems to be. We think there might be something. There's absolutely nothing in front of us other than the instant case with these two reports. As I'm understanding Mr. Sauvageau's last comments, if we were to say we're going to look at this—and we can debate the timeframe—then that satisfies why he brought this here. The other one is not his main issue.

It seems to me we ought to drop this other issue, unless somebody wants to do a little homework and bring back evidence that the procedures and the reporting mechanism in non-profits and NGOs are a problem. Fair enough, then we'll look at it. But for now, we ought to remove it and focus entirely on whether we want to review these reports. If so, then how much time do we want to spend on it?

Thank you, Chair.

The Chair: I'm going to call the question on the amendment that deletes two words, “the Committee”, and replaces them with “the Auditor General”, and the last words, “including the contribution paid to the Canadian Unity Council and Option Canada”, are also deleted.

So the amendment is to amend the motion so that it will read:

That the Auditor General undertake a review of reporting by non-profit institutions and agencies having received transfer payments and that it issue a report on it.

[Translation]

Mr. Benoît Sauvageau: Excuse me, may I ask a question before we vote? It is not a point of debate, it is a question.

[English]

The Chair: Okay, a question.

[Translation]

Mr. Benoît Sauvageau: If I vote in favour of this motion to ask the Auditor General to review all this, can I then table a motion to have the committee look into the situation at the Canadian Unity Council and Option Canada, or will my motion be considered out of order?

●(0955)

[English]

The Chair: Any subsequent motion is always in order, provided it meets the criteria. Therefore, if you wish to introduce something like that later, that's entirely your prerogative.

The question has been called.

(Amendment agreed to)

The Chair: I don't think we need further debate on the main motion as amended.

[Translation]

Mr. Benoît Sauvageau: Just a minute, please. What is the main motion as amended? Could you please read it to me once again?

[English]

The Chair: The main motion now reads the same as the subamendment:

That the Auditor General undertake a review of reporting by non-profit institutions and agencies having received transfer payments and that it issue a report on it.

That is now the main motion.

(Motion agreed to)

The Chair: As I mentioned, Mr. Sauvageau, if you so desire, you may now introduce a notice of motion first. But since we are here and I think you would like to introduce a motion about which we have received notice, by and large, if there is unanimous consent, then we may move on to a motion if you want to introduce one. It would require unanimous consent to waive the 48-hour notice, but if it was received, then we could debate your new motion.

[Translation]

Mr. Benoît Sauvageau: Mr. Chairman, I think that we can easily make the change on the sheet that you have. Following the motion that has been adopted already, it could read as follows:

That the committee undertake a review of reporting of contributions paid to the Canadian Unity Council and Option Canada.

It just means crossing out a few words on the motion that you already have, since we have just asked the Auditor General to undertake a review. I will repeat it. You can cross off the words on your sheet, since I am not adding anything at all. I am asking:

That the committee undertake a review of reporting of contributions paid to the Canadian Unity Council and Option Canada.

[English]

The Chair: If you will allow some editorial comment on the amendment by the chair, Mr. Sauvageau, it will read, "Pursuant to Standing Order 108(3)(g), which gives the Public Accounts Committee the mandate to review the *Public Accounts of Canada*, Mr. Benoît Sauvageau proposes that the committee undertake a review of the reporting regarding the contributions paid to the Canadian Unity Council and Option Canada".

Is that the motion you're proposing?

[Translation]

Mr. Benoît Sauvageau: You are reading my mind, Mr. Chairman.

[English]

The Chair: Okay. Thank you.

My first point is, does he have unanimous consent to waive the 48-hour notice?

Some hon. members: Agreed.

The Chair: That's agreed. Okay. The motion, therefore, is properly before us.

Debate.

Hon. Shawn Murphy: Mr. Chairman, a point of order.

Can you read the first part again? Was this a request to the Auditor General or was this the committee doing it?

The Chair: No, this was the committee. It was:

Pursuant to Standing Order 108(3)(g), which gives the Public Accounts Committee the mandate to review the *Public Accounts of Canada*, Mr. Sauvageau proposes that the committee undertake a review of the reporting regarding the contributions paid to the Canadian Unity Council and Option Canada.

So that would be, again, the committee. Mr. Sauvageau, if I can read your mind—let me see if I'm putting words in your mouth as well—I think he's actually proposing that we use these two audit reports he has circulated to hold one or two hearings. I think that's what he's proposing. Am I correct?

Mr. Benoît Sauvageau: Yes.

The Chair: Yes, okay.

Mr. Murphy and Mr. Holland.

Hon. Shawn Murphy: Mr. Chairman, I have a problem with this process. It's certainly not the way we've conducted business in the past.

Mr. Sauvageau obviously, for whatever reason, has a problem with the Canadian Unity Council and Option Canada. In his role as a parliamentarian, that's his right. I certainly believe in transparency in government. Whatever information he needs, and the proper investigations, he should get access to. But I don't think this committee should be used for that purpose.

We've generally followed the trail of the Auditor General with the *Public Accounts of Canada*. She certainly has lots of work for us to do. As far as I know, we're about 17 reports behind. I assume, if we go around the table, that everyone here has a hit list, whether it be crown corporations or individuals—I know I have—that we'd like to do our own little investigation, review, and analysis of. If Mr. Sauvageau can get this through, I'm sure everyone else has a little list. The work of the committee, as we've done it in the past, is basically totally different. That's my point, Mr. Chairman, and I disagree on his point.

I've got this very complicated audit in front of me. I don't know if it indicates malfeasance or something wrong with the Canadian Unity Council, because I haven't read it. I've read a couple of pages. I don't even understand it when I do read it. It's very complicated. It's difficult for us to get into this. I'm not saying we shouldn't, but again, this is a total departure from our previous practice.

●(1000)

The Chair: Okay, Mr. Kramp, and then Mr. Sauvageau.

Mr. Mark Holland: I have a—

The Chair: Oh, I'm sorry. Mr. Holland first, then Mr. Kramp and Mr. Sauvageau.

Mr. Mark Holland: I'll be very brief, and I hope—

Mr. Brian Fitzpatrick: I have a point of order. I'd like to table this. I think we should all read this.

The Chair: Well, you'll have to wait until I recognize you, Mr. Fitzpatrick.

So it's Mr. Holland, Mr. Kramp, Mr. Sauvageau, and Mr. Fitzpatrick.

Mr. Mark Holland: If I could, my two cents on this—this will be very quick—is that we've dealt with the item now by sending the broader issue to the Auditor General to investigate. The idea that we are now, on our own, without any direction from the auditor, going to begin to chase something, to me doesn't make any sense. I would echo the comments of Mr. Murphy in this regard. We've sent it there. Allow the auditor to review it and come back.

For us to go on for two or three days when we have as much work as we do in front of us doesn't make any sense. Frankly, I haven't seen anything that would warrant that. It doesn't make any sense to blow out our normal process in this way. I think we're going to set a dangerous precedent, that it's going to derail the committee from its future business.

The Chair: Okay. I'll recognize Mr. Kramp, Mr. Sauvageau, Mr. Fitzpatrick, and Mr. Christopherson.

Mr. Daryl Kramp: My concerns are a little bit similar to Mr. Holland's. I'm worried about the precedent here. We have a course of action we've been following, a set of procedures. We've been working on behalf of the results of the Auditor General. I'm concerned that all of a sudden we're going to head off a bit willy nilly with the flavour of the day based on whether it's a partisan gain or loss or whether it's a particular personal interest and/or a party interest, rather than the overall purpose of the public accounts committee.

Though I have great sympathy for Mr. Sauvageau's issue, and there might be tremendous validity to his concern, there are many, many other issues that we all have. Referencing Mr. Murphy's—I don't know whether you call it a hit list or a priority list for examination; it is there. If we jump ahead of ourselves and try to change our process of dealing with issues, all of a sudden we will start to be a committee that reacts in an ad hoc manner to whoever is pushing the button the fastest, rather than a set procedure where we can deal with things in an orderly fashion.

I see it starting to get out of control if we start to deal with an issue on a personal basis like this.

The Chair: Mr. Sauvageau, Mr. Fitzpatrick, and Mr. Christopherson.

[*Translation*]

Mr. Benoît Sauvageau: I listened carefully to the non-position of my friend and colleague, Daryl Kramp, and I did not really understand the basic point he was making. I have also listened to Mr. Murphy's comments. I gathered two things from them. The usual term is "heavy agenda". If a motion is in order and the Public

Accounts Committee is reviewing public accounts, I do not see that as being extravagant.

Second, concerning the long list of issues we have to deal with, for your information, gentlemen, we have a suggestion for the proposed meetings. Beginning November 1st, there is nothing on the list. That is the first thing. Second, at the last steering committee meeting, two parties brought forward issues for study. The Conservatives brought up the Envoy question and the issue of moves, and I raised the matter we are dealing with right now. The Liberals, who are overwhelmed by the future business of the committee, did not come to us with any suggestions. I am not saying that they do not have any, but I am simply saying that they certainly did not bring any up at that time.

This morning, our very responsible and dedicated clerk provided us with the preliminary schedule of meetings. You all have it before you. As you can see, there is nothing after November 1st. This is not a precedent that could usurp the identity of the Canadian Parliament, but rather an issue that is within the committee's mandate.

Second, if my Conservative friends find that, after we study the matter for two or three meetings, there has been mismanagement and they feel that they have something on Western Economic Diversification or what is happening on the planet Mars, they can move a motion. We will do our work and our analyses on the basis of the documents, discoveries and wonderful revelations that they have. I have no problem with that, but why oppose a motion that is in keeping with the committee's mandate and deals with two reports that we have and that say that there has been mismanagement or the appearance of mismanagement, by saying that we too might find something exciting next week? Bring us your exciting revelation, and we will discuss it and vote on it. I think that there is a problem in the very beginning of the start of the problem!

• (1005)

[*English*]

Hon. Walt Lastewka: I'll take that chance

The Chair: Mr. Fitzpatrick.

Mr. Brian Fitzpatrick: If I were going to investigate waste mismanagement and possible corruption...I can think of thousands of things we could be spending our time on, maybe even hundreds of thousands of items we could be dealing with here. There's no end to them. I've done a quick read of this audit, and quite honestly, with all the stuff that's going on in this town about waste mismanagement, lack of accountability, and corruption, I don't really see anything in this audit report that is a smoking gun jumping out.

I suggest we table this till the next meeting so that everyone can have a look at this audit and determine whether there is a priority item based on this audit report that's been presented.

The Chair: Are you making a motion?

Mr. Brian Fitzpatrick: Yes, I'm making a motion to table.

The Chair: There is a motion to table. A motion to table is not debatable. Therefore I'll call the question.

(Motion agreed to)

The Chair: The motion is tabled.

I have no further business to bring to the committee, so the meeting is adjourned.

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